



ASHLEY SERVICES GROUP

TRAINING | RECRUITMENT | LABOUR HIRE

NOTICE OF ANNUAL GENERAL MEETING 2016

9 November 2016 11AM

Ashley Services Group Limited

A. L10, 92 Pitt St, Sydney NSW 2000

P. 02 9216 4747

W. ashleyservicesgroup.com.au

ABN 92 094 747 510

26 September 2016

Dear shareholder,

Notice of 2016 Annual General Meeting

I am pleased to invite you to attend the Ashley Services Group Limited (ASH) 2016 Annual General Meeting of shareholders (AGM), which has been scheduled as follows:

Date: Wednesday, 9 November 2016
Time: 11:00 AM (Sydney time)
Venue: Ashley Services Group Limited
 Level 10, 92 Pitt Street, Sydney NSW 2000

Transportation instructions are on the last page of this Notice of Meeting (Notice).

The business to be dealt with at the AGM is provided on page 1 of this Notice.

If you are able to attend the AGM, please bring the enclosed Proxy Form with you to assist in your registration at the AGM.

Shareholders are encouraged to arrive before the starting time of 11:00 AM to ensure you are seated before the start of the meeting.

If you are not attending the AGM, you are encouraged to appoint a proxy to attend and vote on your behalf by completing the enclosed Proxy Form. Instructions on how to appoint a proxy are detailed on the back of the Proxy Form.

Proxies must be received no later than 11:00 AM (Sydney time) on Monday, 7 November 2016 to be valid for the AGM. Proxies may be lodged via email to isobel.daly@ashleyservicesgroup.com.au, by mail using the reply paid envelope provided, by hand to the company or by fax on (02) 9221 6677, if you are sending from within Australia or +61 2 9221 6677, if you are sending from outside Australia.

Any Chairman's and Managing Director's addresses to the AGM will be placed on the ASH website on the day of the AGM.

You are encouraged to let us know of any questions you may have before the AGM. Details of how to lodge those questions before the AGM are on page 3 of this Notice.

We look forward to seeing you at the AGM.



Yours sincerely,

Ian Pratt
Chairman

ASHLEY SERVICES GROUP LIMITED ABN 92 094 747 510 NOTICE OF 2016 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (Meeting or AGM) of shareholders of Ashley Services Group Limited (ASH or the Company) will be held at Ashley Services Group Limited, Level 10, 92 Pitt Street, Sydney on Wednesday, 9 November 2016 at 11:00 AM (Sydney time).

Ordinary Business

1. Financial Report

To receive and consider the Financial Report of the Company and the consolidated entities, and the Reports of the Directors and Auditor for the financial year ended 30 June 2016.

2. Re-election of Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That Mr Ross Shrimpton retires from office at the AGM, and who is eligible for re-election, be re-elected as a Director of the Company."

3. Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That the Remuneration Report for the financial year ended 30 June 2016, as set out in the Directors' Report section of the Annual Report, be adopted".

(Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.)

SPECIAL BUSINESS

4. Selective reduction of capital and cancellation of shares

To consider and, if thought fit, to pass the following as a special resolution:

"That, subject to a special resolution being passed by the Holmes Shareholder on similar terms to this resolution, for the purposes of section 256C(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given by shareholders for the Company to make a selective capital reduction and cancel a total of 6,024,096 ordinary shares on the terms and conditions set out in the Explanatory Notes."

Please refer to the Explanatory Notes for more information on the items of business. The Information for Shareholders and the Explanatory Notes form part of this Notice of Meeting.

By Order of the Board

Ron Hollands
Company Secretary

26 September 2016

INFORMATION FOR SHAREHOLDERS

ELIGIBILITY TO VOTE

For the purpose of the Meeting, the Directors have determined that shares will be taken to be held by persons registered as shareholders of the Company as at **7:00 PM (Sydney time) on Monday, 7 November 2016**.

PROXIES

Each shareholder who is entitled to attend and vote at the AGM may attend and vote by proxy. A shareholder who is entitled to cast two or more votes may appoint not more than two proxies to attend and vote at the AGM on the shareholder's behalf.

A proxy need not be a shareholder of the Company, and may be either an individual or a body corporate. Where two proxies are appointed by a shareholder, the shareholder may specify the proportion or number of votes which each proxy is entitled to exercise on a poll. If the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise one half of the votes (disregarding fractions) on a poll.

Due to the voting exclusions and requirements referred to in this Notice, if you intend to appoint any Director or other member of the Company's 'key management personnel'¹ (**KMP**) or their closely related parties, **other than the Chairman**, as your proxy, you should direct your proxy how to vote on **Item 3** (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form. If you do not direct such a proxy how to vote on **Item 3** they will **not** be able to vote an undirected proxy and your vote will not be counted. This does not apply to the Chairman, who is able to vote undirected proxies.

Direction to Chairman: If the Chairman of the Meeting is appointed, or taken to be appointed, as proxy, the shareholder can direct the Chairman of the Meeting to vote for or against or to abstain from voting on a resolution, including **Item 3** (Remuneration Report), by marking the appropriate box opposite the resolution on the Proxy Form. If a shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on **Item 3**, the shareholder will be giving the Chairman of the Meeting express authority to vote their shares as he sees fit on that resolution. **The Chairman intends to vote all available undirected proxies in favour of each of the proposed resolutions, including Item 3 (Remuneration Report)** if a poll is called on the relevant resolution.

CORPORATE REPRESENTATIVES

A body corporate which is a shareholder or the proxy of a shareholder may appoint an individual as its representative to exercise all or any of its powers that it could exercise at the Meeting. The representative should bring to the meeting original documentary evidence of his or her appointment, including any authority under which the appointment is signed.

VOTING EXCLUSIONS

The Company will disregard any votes cast on **Item 3** (Remuneration Report) as follows:

A vote must not be cast (in any capacity) on **Item 3**, and the Company will disregard any votes cast on **Item 3**:

- by or on behalf of a KMP whose remuneration is included in the Remuneration Report for the year ended 30 June 2016 and their closely related parties² (such as close family members and any controlled companies); or
- as proxy by a KMP on the date of the AGM and their closely related parties.

However, a person described above may cast a vote as a proxy for a person entitled to vote on **Item 3**:

- in accordance with the directions on the proxy form (i.e. the person has specified how the proxy is to vote (For, Against or Abstain) on **Item 3**); or
- if the person is the Chairman of the Meeting and is expressly authorised in the proxy form to exercise the proxy even though **Item 3** is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

PROXY DEADLINE

A Proxy Form and, if the Proxy Form is not signed by the shareholder, the power of attorney or other authority (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority), must be received by the Company at least 48 hours before the time for holding the Meeting – that is, by **11:00 AM (Sydney time) on Monday, 7 November 2016**.

Documents may be lodged with the Company:

 **BY EMAIL** to isobel.daly@ashleyservicesgroup.com.au

 **BY MAIL** Post documents in the accompanying reply-paid envelope to:
Ashley Services Group Limited
Level 10, 92 Pitt Street
Sydney NSW 2000
Australia
 Documents which are posted will be deemed to have been served on the day following the day on which they are posted.

 **BY FAX**
Australia (02) 9221 6677
International +61 2 9221 6677

 **BY HAND** Deliver documents to:
Ashley Services Group Limited
Level 10, 92 Pitt Street
Sydney NSW 2000
Australia
 During business hours Mon-Fri 8.30am - 5.00pm

1. For the full definition of 'key management personnel', please refer to section 9 of the Corporations Act 2001.

2. For the full definition of 'closely related party', please refer to section 9 of the Corporations Act 2001.

ANNUAL REPORT - ONLINE

ASH's Annual Report for the year ended 30 June 2016 is available on the ASH website at <http://www.ashleyservicesgroup.com.au/>

QUESTIONS FROM SHAREHOLDERS

Shareholders are invited to register questions in advance of the AGM. If you would like further information on ASH, or would like to ask a question of ASH or the Auditor at this AGM, you may submit your questions by email to isobel.daly@ashleyservicesgroup.com.au, by mail or by hand to the Company, or by fax to 02 9221 6677.

Shareholders may submit written questions to the auditor about its audit report or the conduct of the audit.

Written questions must be received no later than 5 business days before the Meeting, being **5pm (Sydney time) on Wednesday, 2 November 2016**.

The Chairman will endeavour to address as many of the more frequently raised questions as possible during the course of the AGM. However, there may not be sufficient time to address all questions raised. Please note that individual responses will not be sent to shareholders.

EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders in connection with the business to be transacted at the 2016 Annual General Meeting of shareholders. The Directors recommend shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions in question.

ITEM 1 – CONSIDER FINANCIAL REPORT

A copy of the ASH Annual Report 2016 (Annual Report) can be found on the Company's website (<http://www.ashleyservicesgroup.com.au/>).

During discussion of this item, there will be an opportunity for shareholders to ask questions about, or comment on, the Annual Report and the management and performance of the Company. Shareholders will also have the opportunity to ask the auditor questions relevant to the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company, and the independence of the auditor in relation to the conduct of the audit.

ITEM 2 – RE-ELECTION OF DIRECTOR: MR ROSS SHRIMPTON

Two of the Company's three Directors were elected at the 2015 Annual General Meeting of shareholders.

It has been determined that Mr Ross Shrimpton will retire at the 2016 AGM and will stand for re-election.

Mr Ross Shrimpton
BCom (UNSW), CA
Non Executive Director

Mr Shrimpton was appointed a Director on 12 October 2000 and became a Non Executive Director on 15 February 2016.

Ross is the founder and former Managing Director of Ashley Services Group. Ross has been a Director of the Company since incorporation and has been instrumental in the overall growth and strategic direction of Ashley Services Group.

He is a Chartered Accountant with over 40 years' experience in finance and management across a number of large international organisations such as CSR/Humes and David Brown. Ross commenced his professional career with Deloitte Touche Tohmatsu, where he worked with a number of major listed companies. Overall, Ross has had 19 years of relevant experience in the labour hire and training industries.

Ross is a member of the Nominations Committee, Audit & Risk and Remuneration Committees.

Mr Shrimpton has an indirect interest in 89,070,401 shares in the Company.

Directors' recommendation:
Each of the Directors (excluding Mr Ross Shrimpton) recommends that shareholders vote in favour of Item 2.

ITEM 3 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the Directors' Report section of the Annual Report.

The Remuneration Report includes an explanation of ASH's remuneration policy and the remuneration arrangements in place for Directors and other key management personnel.

The objective of ASH's executive reward framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The framework seeks to align executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board seeks to ensure that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive;
- compensation;
- transparency; and
- capital management.

In summary, the Remuneration Report deals with:

- key management personnel;
- principles used to determine the nature and amount of remuneration;
- non-executive Director remuneration;
- details of remuneration;
- executive service agreements;
- share-based compensation; and
- additional information.

During discussion of this Item, there will be an opportunity for shareholders to ask questions about, or comment on, the Remuneration Report.

The Board submits the Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution as required by the Corporations Act 2001 (Cth).

Although the vote on this resolution does not bind the Directors or the Company, the Board respects the views of its shareholders and will take the outcome of the vote into account when considering remuneration policy in the future.

As a result of amendments to the Corporations Act 2001 (Cth) generally known as the “two strikes rule”, shareholders should note that the results of the vote on this item may impact the conduct of next year’s AGM.

The Directors encourage shareholders to apply the same level of diligence in relation to this resolution as they do with the binding resolutions.

Directors’ recommendation:

The Directors unanimously recommend that shareholders vote in favour of Item 3.

ITEM 4 – SELECTIVE REDUCTION OF CAPITAL AND CANCELLATION OF SHARES

Background

In June 2014, the Company entered into a Unit Sale and Purchase Agreement (**USPA**) with Holmes Management Group Pty Ltd as trustee of the Holmes Family Trust (**Holmes Shareholder**) and others for the purchase of the Integracom telecommunications training business. As part of the consideration paid by the Company, 6,024,096 ordinary fully paid shares in the Company (the **Holmes Shares**) were issued to the Holmes Shareholder.

The Holmes Shares were held in voluntary escrow as part of the Company’s listing arrangements, but were released on 21 August 2016 following the end of the two-year voluntary escrow period. The Holmes Shares remain subject to a share mortgage that secures the performance of the obligations of the Holmes Shareholder under the USPA.

On 22 August 2016, the Company announced that it had served legal proceedings filed in the Supreme Court of New South Wales against the Holmes Shareholder claiming damages for alleged breaches of warranties in the USPA.

On 20 September 2016, the Company announced that it had settled the dispute with the Holmes Shareholder. As part of this settlement, the Holmes Shareholder has agreed to forfeit its interest in the Holmes Shares as a return of part of the purchase price.

Proposed reduction of capital and cancellation

To effect the forfeiture of the Holmes Shares by the Holmes Shareholder, the Company proposes to effect a selective capital reduction that results in the cancellation of the Holmes Shares for nil consideration (**Proposed Cancellation**).

Corporations Act requirements

Under sections 256B and 256C of the Corporations Act 2001 (Cth) (**Corporations Act**), the Company can effect a selective capital reduction and cancellation of shares if it meets four key requirements. Each requirement is set out below, together with a description of how that requirement will be met in relation to the Proposed Cancellation.

a) *The Proposed Cancellation must be fair and reasonable to the Company’s shareholders as a whole*

The Directors believe that the Proposed Cancellation will be fair and reasonable to shareholders as a whole. It involves nil financial consideration and will result in an increase to the voting power of shareholders (other than the Holmes Shareholder).

b) *The Proposed Cancellation must not materially prejudice the Company’s ability to pay its creditors.*

The Directors are satisfied that the Proposed Cancellation will not materially prejudice the Company’s ability to pay its creditors, noting again that it involves nil financial consideration.

c) *The Proposed Cancellation must be approved by shareholders*

This requirement is the reason shareholder approval is being sought at the AGM. As the Proposed Cancellation is a selective capital reduction, it will need to be approved by a special resolution passed by shareholders. In accordance with the Corporations Act, a copy of this Notice of Meeting has been lodged with the Australian Securities and Investment Commission (**ASIC**).

d) *The Proposed Cancellation must be approved by shareholders whose shares are to be cancelled*

As shares in the Company are proposed to be cancelled, the Corporations Act also requires the Proposed Cancellation to be approved by a special resolution passed by shareholders whose shares are to be cancelled (in this case, the Holmes Shareholder).

A separate notice of meeting has been sent to the Holmes Shareholder for a meeting to take place after the AGM to consider and vote on that resolution. This notice of meeting has also been lodged with ASIC in accordance with the Corporations Act.

Effect of the Proposed Cancellation on the Company’s capital structure

The effect of the Proposed Cancellation is that the share capital of the Company, currently consisting of 150,000,000 ordinary shares, will be reduced by 6,024,096 ordinary shares to 143,975,904 ordinary shares.

Therefore, if the Proposed Cancellation proceeds, it will increase the voting power of shareholders (other than the Holmes Shareholder).

Timetable

The Corporations Act requires that the Proposed Cancellation not be effected until 14 days after the Company lodges with ASIC the required notifications that the special resolutions regarding the Proposed Cancellation have been passed.

Assuming that the special resolutions are passed on 9 November 2016, the Company proposes to lodge copies of the resolutions on that date and to effect the Proposed Cancellation on 24 November 2016.

Directors' Interests

The number of ordinary shares in which each director has an interest as at the date of this Notice of Meeting is set out below.

Ian Pratt	15,060
Ross Shrimpton	89,070,401*
Marc Shrimpton	1,917,423

* This number includes the Holmes Shares, in which Ross Shrimpton has an indirect interest as trustee of the Integracom Holdings Security Trust, which holds a share mortgage over the Holmes Shares. This mortgage will be discharged to allow the Proposed Cancellation to take effect.

Voting intentions

Each of the Directors who is eligible to vote intends to vote in favour of **Item 4** in respect of the ordinary shares that they hold.

No other material information

Other than as set out in this Notice of Meeting, and other than information previously disclosed by the Company to shareholders, there is no other information that is known to the Company and the Directors that may reasonably be expected to be material to the making of a decision by shareholders whether or not to vote in favour of the Proposed Cancellation.

Directors' recommendation:

The Directors unanimously recommend that shareholders vote in favour of Item 4.

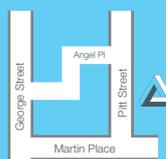


ASHLEY SERVICES GROUP

TRAINING | RECRUITMENT | LABOUR HIRE

Location of Annual General Meeting

ASHLEY SERVICES GROUP LIMITED
Level 10, 92 Pitt Street, Sydney NSW 2000
At 11:00 AM (Sydney time)
On Wednesday, 9 November 2016



PUBLIC TRANSPORT

Ashley Services Group Limited is located at 92 Pitt St, Sydney which is located near Martin Place, Wynyard and Circular Quay train stations and the ferry terminals at Circular Quay. The area is also serviced frequently by buses.

CAR There are several car parks located nearby in both Pitt Street and Martin Place.



LODGE YOUR VOTE	
BY EMAIL	isobel.daly@ashleyservicesgroup.com.au
BY MAIL	Ashley Services Group Limited Level 10, 92 Pitt Street Sydney NSW 2000, Australia
BY FAX	Australia (02) 9221 6677 International +61 2 9221 6677
BY HAND	Ashley Services Group Limited Level 10, 92 Pitt Street Sydney NSW 2000, Australia During business hours Mon-Fri 8.30am-5.00pm

PROXY FORM

I / We being a member(s) of Ashley Services Group Limited and entitled to attend and vote hereby appoint:

STEP 1

The Chairman of the Meeting (mark with an "X") or

Write here the name of the person you are appointing if this person/s is someone other than the chairman of the meeting

or failing the person/s named, or if no person/s is named, the Chairman of the meeting, as my/our proxy to vote on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Shareholder Meeting of Ashley Services Group Limited to be held at the offices of the company at Level 10, 92 Pitt Street, Sydney NSW 2000 at **11:00 AM on Wednesday, 9 November 2016** and at any adjournment of that meeting.

STEP 2

Votes on Resolution directions to your proxy – please mark with a cross to indicate your directions. NOTE: If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain
Resolution 2	Re-election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Selective reduction of capital and cancellation of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE NOTE Undirected proxies received by the Chairman of the meeting will be voted in favour of the item of business. If you have appointed the Chairman of the meeting as your proxy (or the Chairman of the meeting becomes your proxy by default), you can direct the Chairman of the meeting to vote for, against or to abstain from voting on, Resolution 2, by marking the relevant box opposite Resolution 2. Note that under Step 2, if the Chairman of the meeting is your proxy and you do not mark any of the boxes opposite Resolution 2, you are directing the Chairman to vote in favour of Resolution 2.

STEP 3

Appointment of a Second Proxy I/We wish to appoint a second proxy

Mark with an "X" if you wish to appoint a second proxy

State the percentage of your voting rights or the number of shares for this Proxy Form

STEP 4

Authorised Signature/s

This section must be signed in accordance with the instructions provided to enable your directions to be implemented.

Individual or Security Holder 1

Individual/Sole Director and
Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Contact Name Contact daytime telephone

Email Date

HOW TO COMPLETE THIS PROXY FORM

YOUR NAME AND ADDRESS

The name and address on the Proxy Form is as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note: you cannot change ownership of your shares using this form.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of the person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

VOTES ON ITEMS OF BUSINESS

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

If you are entitled to cast two or more votes, you may appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy, you must:

- A. On each of the first Proxy Form and the second Proxy Form state that percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, your proxy appointments will be invalid. Fractions of votes will be disregarded.
- B. Return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, either security holder may sign.

Power of Attorney: To sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

LODGEMENT OF A PROXY

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below (via mail or email) by not later than 48 hours before commencement of the meeting i.e. **11:00 AM Monday, 7 November 2016**. Any Proxy Form received after that time will not be valid for the scheduled meeting.



BY EMAIL

to isobel.daly@ashleyservicesgroup.com.au



BY MAIL

Post documents in the accompanying reply-paid envelope to:

Ashley Services Group Limited
Level 10, 92 Pitt Street
Sydney NSW 2000
Australia

Documents which are posted will be deemed to have been served on the day following the day on which they are posted.



BY FAX

Australia (02) 9221 6677
International +61 2 9221 6677



BY HAND

Deliver documents to:

Ashley Services Group Limited
Level 10, 92 Pitt Street
Sydney NSW 2000
Australia

During business hours Mon-Fri 8.30am-5.00pm

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.