
24 June 2016

Dear Shareholder

ANNUAL GENERAL MEETING 2016

The 2016 Annual General Meeting of ALS Limited will be held at **The Pullman Hotel**, King George Square, Cnr Roma and Ann Streets, Brisbane, Qld at **11.00am (AEST) on Tuesday, 26 July 2016**.

The meeting will cover the ordinary business transacted annually and any other business which may be brought before the Meeting in accordance with the Company's Constitution.

Shareholders will be asked to support several resolutions being put at the meeting, namely the election of newly appointed non-executive director, Tonianne Dwyer and the re-election of Mel Bridges for a further three year term, adoption of the remuneration report, grant of performance rights to the Managing Director and renewal of the partial takeover provision in the Company's Constitution.

In 2015, the Company did not achieve at least 75% of votes cast in favour of the Remuneration Report. This constituted a 'first strike' under the Corporations Act. At this year's AGM, shareholders will be asked to cast a non-binding vote in relation to the adoption of the Remuneration Report for the financial year ended 31 March 2016.

Since last year's AGM, your Board has consulted widely to seek to understand the concerns that led to the 'first strike'. In recognition of the concerns expressed, your Board conducted a comprehensive review of the Company's Remuneration structure. Full details of all changes are set out in the Remuneration Report and I encourage you to review the detailed account of the Group's Remuneration Structure.

If the votes against the Remuneration Report are again at least 25% of the votes cast, or likely to be cast, the Company will receive a 'second strike'. If a 'second strike' occurs, then a Board Spill Meeting Resolution will be put to the AGM. The Board unanimously recommends that shareholders vote against the Spill Meeting resolution on the basis that it would be extremely disruptive to the ongoing operations of the Company.

Further information on these resolutions can be found in the Explanatory Notes section of the enclosed Notice of Meeting.

Your participation at the Meeting will be both welcome and appreciated by your Directors and shareholders are invited to join the Board for light refreshments at the conclusion of the meeting.

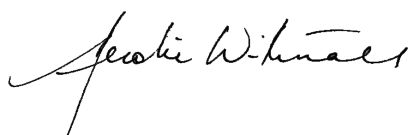
If you are unable to attend the meeting, a proxy voting form is enclosed for your use. Online proxies and proxy voting forms must be received **no later than 11.00am AEST time Sunday 24 July 2016**.

If you plan to attend the meeting, please bring this Notice to help facilitate your registration.

Enclosed is a Shareholders Questions form which may be completed and sent back to the Company before the meeting.

I look forward to seeing you then.

Yours sincerely



Nerolie Withnall
Chairman



Notice of Annual General Meeting 2016

Notice is hereby given that the 65th Annual General Meeting of the shareholders of ALS Limited (**Company**) will be held at **The Pullman Hotel, King George Square, Cnr Roma and Ann Streets, Brisbane, Qld** at **11.00am (AEST)** on **Tuesday, 26 July 2016 (Meeting)**.

BUSINESS OF THE MEETING

1. Presentations by the Chairman, Chairman-elect and Managing Director

2. Election and Re-election of Directors

- i. To consider and, if thought fit, to pass the following ordinary resolution:

*"That **Mel Bridges**, a non-executive Director retiring in accordance with clause 63.4 of the Company's Constitution, who offers himself for re-election and being eligible for election, be re-elected as a non-executive Director of the Company."*

- ii. To consider and, if thought fit, to pass the following ordinary resolution:

*"That **Tonianne Dwyer**, who was appointed to the Board since the last Annual General Meeting of the Company and who ceases to hold office in accordance with clause 61.2 of the Company's Constitution, and being eligible, be elected as a non-executive Director of the Company."*

3. Renewal of Proportional Takeover Approval Provisions

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

"That clause 25 of the Company's Constitution be renewed for a further 3 year period in accordance with Part 6.5 Division 5 of the Corporations Act."

(This special resolution must be passed by at least 75% of the votes cast by members entitled to vote on the resolution)

4. Remuneration Report

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

"That the Remuneration Report contained in the Company's 2016 Annual Report in respect of the financial year ended 31 March 2016, be adopted."

(This resolution is advisory only and does not bind the directors or the Company)

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution)

Note: If this resolution attracts an 'Against' vote of less than 25%, the Board Spill Meeting Resolution set out in Item 7 will not need to be put to the meeting.

5. Grant of Performance Rights to Managing Director

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

"That, for the purposes of the Corporations Act 2001 and ASX Listing Rules, and for all other purposes, approval is hereby given for the grant of Performance Rights (incorporating the right to acquire shares in the Company) to the Managing Director, Greg Kilmister, to a maximum value of \$930,000 under the Company's Long Term Incentive Plan (LTIP), which is constituted and administered in accordance with the Rules of the LTIP."

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution)

6. Financial Statements and Reports

To receive and consider the Financial Report of the Company and the reports of the Directors and Auditor in respect of the financial year ended 31 March 2016.

CONTINGENT BUSINESS

7. Board Spill Meeting

The following resolution is conditional on at least 25% of the votes cast on the resolution proposed in Item 4 (Remuneration Report) being against the adoption of the Remuneration Report:

**Note: If you don't want the spill meeting to take place - vote "AGAINST" this resolution.
If you want the spill meeting to take place - vote "FOR" this resolution.**

If required, to consider and, if thought fit, to pass the following ordinary resolution:

“That, as required by the Corporations Act:

- 1. an extraordinary general meeting of the Company (the Spill Meeting) be held within 90 days of the passing of this resolution;*
- 2. all of the non-executive directors in office when the Board resolution to make the Directors’ Report for the financial year ended 31 March 2016 was passed, and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- 3. resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of shareholders at the Spill Meeting.*

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution)

OTHER BUSINESS

To transact any other business which may legally be brought before the Meeting in accordance with the Company’s Constitution.

The Explanatory Notes attached to this Notice are incorporated into and form part of this Notice. A detailed explanation of the background and reasons for the proposed resolutions are set out in the Explanatory Notes.

By Order of the Board

Tim Mullen
Company Secretary
16 June 2016

EXPLANATORY NOTES

The following explanatory notes (including any annexures) have been prepared to provide information to shareholders about the items of business set out in the Notice of Annual General Meeting and form part of that Notice.

Item 2 Election and Re-election of Directors

The ASX Listing Rules and clause 63 of the Company's Constitution provide that at each AGM, an election of directors must be held. As well, a director cannot go more than three years without submitting themselves for re-election. The directors to retire are determined by length of time in office, with those having spent the longest time in office retiring. Each retiring director is eligible for re-election in accordance with ASX Listing Rules and the Company's Constitution.

At this AGM, Mel Bridges, having held office as a non-executive director for a continuous period of three years since his last re-election to the Board, retires and, being eligible, offers himself for re-election as a non-executive director of the Company.

The Board, as the Nominations Committee, has reviewed the performance of Mel Bridges and is satisfied that he continues to bring valuable expertise and experience to the Board.

Nerolie Withnall, having held office as a non-executive director for a continuous period of three years since her last re-election to the Board, has elected to retire from the Board with effect from the end of the AGM. The Board notes with appreciation Nerolie's service and contribution to ALS since she was first appointed to the Board in 1994.

As part of the Board renewal process, Tonianne Dwyer was appointed a non-executive director effective 1 July this year. In accordance with clause 61.2 of the Company's Constitution she retires and, being eligible, offers herself for election as non-executive director of the Company.

Their respective details are:

MEL BRIDGES B AppSc, PhD, FAICD

Independent Non-Executive Director Age 66



Mel Bridges was appointed a non-executive director of the Company in 2009. He has over 35 years' experience in the global lifesciences and healthcare industries. During this period, Mel founded and managed successful

diagnostics, lifesciences and medical device businesses. He is currently Chairman of Anantara Lifesciences Limited (appointed October 2014) and Oventus Medical Limited, a public unlisted company (appointed October 2015).

Mel was previously Chairman of Alchemia Limited (September 2003 - July 2013) and a non-executive director of Tissue Therapies Limited (March 2009 - November 2015), ImpediMed Limited (September 1999 - November 2013) and Benitec Limited (October 2007 - June 2014).

He is a member of the Audit and Compliance and Remuneration Committees.

Recommendation

Each of your directors (other than Mel Bridges who is seeking re-election) recommends you vote in favour of the re-election of Mel Bridges as a non-executive Director of the Company.

TONIANNE DWYER B Juris (Hons), LLB (Hons), GAICD

Independent Non-Executive Director Age 53



Tonianne Dwyer was appointed a non-executive director of the Company effective 1 July 2016. She has significant experience as a company director and executive working in finance, corporate strategy and mergers and acquisitions across a variety of sectors and international markets.

She is an internationally experienced independent company director, having had a 25 year executive career in investment banking during which she held roles with Hambros Bank Limited and Societe General in the UK and Europe.

Tonianne currently holds non-executive directorships on ASX-listed companies Metcash Limited (appointed June 2014), DEXUS Property Group and DEXUS Wholesale Property Fund (appointed August 2011). She is also a non-executive director of Queensland Treasury Corporation and a member of the Senate of the University of Queensland. She was previously a non-executive director of Cardno Limited (June 2012 - January 2016).

Recommendation

Each of your directors (other than Tonianne Dwyer who is seeking election) recommends you vote in favour of the election of Tonianne Dwyer as a non-executive Director of the Company.

Item 3 Renewal of Proportional Takeover Approval Provisions

Under the *Corporations Act*, proportional takeover approval provisions expire after three (3) years from adoption or renewal and may be renewed.

The Board seeks approval by special resolution of shareholders to renew clause 25 of the Company's Constitution for a further 3 year period in accordance with Part 6.5 Division 5 of the *Corporations Act*. The Company has in the past adopted and from time to time renewed proportional takeover provisions in its Constitution, the last time being in 2013.

The proposed proportional takeover provisions are identical to those adopted in 2013.

Effect of renewing proportional takeover provisions

The effect of renewing the provisions will be:

- if a proportional takeover offer is received (i.e. an offer for a proportion only of the shares held by each shareholder in the bid class), the Directors are required to convene a meeting of shareholders to vote on a resolution to approve the offer. That meeting must be held at least 15 days before the offer closes;
- a simple majority of shares voted at the meeting i.e. at least 50% of the votes cast, excluding the shares of the offeror and its associates, is required for the resolution to be passed;
- if no resolution is voted on at least 15 days before the close of the offer, such a resolution is deemed to have been approved (*Note: the Directors breach the Corporations Act if they fail to ensure the approving resolution is voted on*);
- If the resolution is rejected, the registration of any transfer of shares resulting from the proportional offer will be prohibited and, under the *Corporations Act*, the offer will be ineffective; and
- If the resolution is approved, the relevant transfers of shares will be registered provided they comply with the other provisions of the Constitution.

The proportional takeover approval provisions do not apply to full takeover offers and will only apply until 3 years after the date of renewal.

Reasons for renewing the provisions

The Board considers that shareholders should have the opportunity to vote on a proposed proportional takeover scheme.

A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority position and without shareholders having the opportunity to dispose of all of their shares, so that shareholders could be at risk of being left as part of a minority interest in the Company.

This could place shareholders under pressure to accept the bid.

If the Constitution includes these proportional takeover provisions, it will minimise this risk to shareholders by permitting shareholders in general meeting to decide whether a proportional takeover bid should be permitted to proceed.

Present acquisition proposals

As at the date of this Notice, no Director is aware of a proposal by any person to acquire, or increase the extent of, a substantial interest in the Company, other than the proposal advised to shareholders on 6 June 2016 (which was a full takeover proposal).

Review of the advantages and disadvantages of the proportional takeover provisions during the period it was in effect previously

The potential advantages and disadvantages of the proportional takeover provisions for the Directors and shareholders are set out below. There has not been any proportional takeover bid during the period that the provisions were in effect previously.

Potential advantages and disadvantages for the Directors and shareholders of the Company associated with proportional takeover provisions

Advantages

- Enables the Board to formally ascertain the views of shareholders in respect of a proportional takeover offer;
- Ensures that all shareholders will have an opportunity to study a proportional takeover offer and then attend or be represented by proxy at a meeting of shareholders called specially to vote on the offer;
- Enables shareholders to prevent a proportional takeover bid from proceeding if they believe that control of the Company should not be permitted to pass under the bid; and
- Likely to encourage any proportional bid to be structured so as to be attractive to a majority of shareholders.

Disadvantages

- May discourage proportional takeover bids for the Company;
- May as a result reduce any 'takeover speculation' element in the Company's share price or deny shareholders the opportunity of selling some of their shares at a premium; and
- May restrict the ability of individual shareholders to deal freely with their shares in some circumstances.

Recommendation

The Board considers that it is in the interest of shareholders to have a continuing right to vote on any proportional takeover and recommends you vote in

favour of renewal of the proportional takeover provisions in the Constitution at the Annual General Meeting.

Note: A copy of the Company's Constitution is available for review on the Company's website at www.alsglobal.com under the Corporate Governance Section.

Item 4 Remuneration Report

Section 250R of the *Corporations Act 2001* (Cth) (**Corporations Act**) requires listed companies to put to their shareholders a resolution to adopt the Remuneration Report as set out on pages 41 to 56 of the Company's Annual Report.

The Remuneration report sets out the Board's policies for director and executive remuneration, including discussion of the relationship of remuneration to the Company's performance and other information required by the *Corporations Act*.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on this report.

As a result of receiving only 72% support for adoption of our Remuneration Report last year, the Board engaged with a number of key shareholders and advisory groups and sought independent external advice in relation to the Company's remuneration practices and the disclosure of incentive arrangements. As a result of this engagement and a detailed review of our remuneration framework, the following key changes have been approved by the Board for the remuneration structure of KMP/Executives from financial year 2016:

- A new ROCE (Return on Capital Employed) performance hurdle added to the LTI Plan, replacing the TSR hurdle that used an industry peer group as a comparator for company performance.
- The STI Plan now features a financial 'gateway' hurdle that requires the financial KPI's be met before personal or non-financial KPI's yield a payment.

Details of all the changes are set out in the Remuneration Report.

The Directors believe that the changes address the concerns that led to the 'first strike' at last year's AGM.

However, if the votes cast against the Remuneration Report are again at least 25% of the votes cast, the Company will receive a 'second strike' and Resolution 6 (Item 7) will be put to the meeting. Further detail is included in the Explanatory Notes to Item 7.

Recommendation

Each of your directors recommends you vote in favour of adoption of the Remuneration Report.

The Chairman of the AGM intends to vote all 'open' proxies in favour of this resolution.

Item 5 Grant of Performance Rights to Managing Director

Greg Kilmister is eligible to receive \$930,000 in value of Performance Rights under the Company's Long Term Incentive Plan (LTIP), vesting over the period from 1 April 2016 to 31 March 2019. The Board is seeking approval of shareholders in accordance with the requirements of ASX Listing Rule 10.14.

The Company's LTIP forms a key element of the Company's incentive and retention strategy for key executives, including the Managing Director.

Greg Kilmister's Performance Rights offer this year is \$930,000 in value of Performance Rights under the Company's LTIP, being the maximum potential allocation under the LTIP in relation to his total remuneration package for 2015-16.

The actual number of Performance Rights to be granted to Greg Kilmister (with a value no greater than \$930,000) will be determined based on the volume weighted average price of shares in the Company calculated over the 20 trading days since finalisation of the audited accounts on 30 May 2016.

As an example, based on a closing share price of \$5.23 as at 15 June 2016, Greg Kilmister would be eligible to be granted 177,820 Performance Rights. The maximum number of Performance Rights to be granted to Greg Kilmister under this approval is 320,689. Greg will receive the Performance Rights at no cost to him.

Performance Rights will vest dependent on the Company meeting or exceeding its performance hurdles during the specified three-year performance period of 1 April 2016 to 31 March 2019. The basis of the grant to Greg Kilmister is as follows:

Twenty five percent (25%) of the Performance Rights are subject to an Earnings per Share (EPS) measurement, twenty five percent (25%) are subject to an Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) margin measurement, twenty five percent (25%) of the Performance Rights are subject to a Total Shareholder Return (TSR) measurement and twenty five percent (25%) are subject to a Return on Capital Employed (ROCE) measurement. The performance hurdles and vesting proportions for each measure that will apply to the grant of Performance Rights this year are as follows:

Compound annual diluted EPS growth	Proportion of performance rights that may be exercised if EPS growth hurdle is met
Less than 5% per annum	0%
Between 5% and 9% per annum	Straight line vesting between 12.5% and 25% of total grant
9% or higher per annum	25% of total grant

EBITDA margin of ALS relative to EBITDA margin of comparator peer companies	Proportion of performance rights that may be exercised if EBITDA hurdle is met
Less than the 50 th percentile	0%
50 th percentile or higher	25% of total grant

The EBITDA margin measurement is contingent upon performance of the Company against a group of comparator peer companies, which include:

Bureau Veritas (France), Core Laboratories (US), Eurofins (France), Intertek (UK), SGS (Switzerland), Mistras (US), Applus (Spain) and Exova (UK).

TSR of ALS relative to TSR of companies in ASX 100 Index over the performance period	Proportion of performance rights that may be exercised if TSR hurdle is met
Less than the 50 th percentile	0%
Between 50 th percentile and 75 th percentile	Straight line vesting between 12.5% and 25% of total grant
75 th percentile or higher	25% of total grant

The TSR measurement is contingent upon performance of the Company against companies comprising the ASX 100 Index at the start of the performance period.

ROCE Performance (3 year average)	Proportion of performance rights that may be exercised if ROCE hurdle is met
Below 11.2%	0%
Between 11.2% and 16.2%	Straight line vesting between 0% and 25% of total grant
At or above 16.2%	25% of total grant

The respective ROCE thresholds are set at 2% and 7% above the March 2016 Weighted Average Cost of Capital (WACC) of 9.2%⁽¹⁾.

ROCE is calculated as Underlying Earnings before Interest and Tax (**EBIT**) over the three (3) year performance period divided by Capital Employed expressed as a percentage.

Capital Employed = Total Shareholders' Equity + Net Debt (the sum of the simple averages of the balances at the beginning and end of each year during the performance period⁽²⁾).

⁽¹⁾ Based on March 2016 Pre-tax Nominal WACC (midpoint) as calculated by Merrill Lynch

⁽²⁾ If material funding transactions (e.g. significant additional borrowings, equity issuances or asset impairments) occur such that the simple average for any year during the performance period is not representative of capital actually employed, the average capital employed for the year may be adjusted for the effect of these transactions.

Treatment of Performance Rights on Cessation of Employment

The LTIP Rules provide that all unvested Performance Rights will lapse in the event of an employee's resignation or termination for cause. In all other circumstances, a pro-rata number of Performance Rights, calculated in accordance with the proportion of the LTIP performance period worked, will remain on foot, and will vest at the end of the performance period, subject to satisfaction of the original performance conditions and any applicable holding lock. The remaining unvested Performance Rights will lapse on the employment cessation date. The LTIP Rules further provide that the Board has an overriding discretion to adjust LTIP vesting outcomes.

Change of Control

Upon a change of control event e.g company takeover, the Performance Rights vest as follows: if within first six months of the performance period - zero of the Performance Rights vest; from six months onwards - 100% of the Performance Rights vest.

No Hedging

Participants are not allowed to enter into any hedging arrangements in relation to any unvested Performance Rights.

Previously, a total of 294,515 Performance Rights were granted to the Managing Director, Greg Kilmister, which remain unvested: 44,287 on 30 July 2013 valued at \$9.54 per right, relating to the three year performance period 1 April 2013 to 31 March 2016; 97,015 on 29 July 2014 valued at \$8.71 per right, relating to the three year performance period 1 April 2014 to 31 March 2017; and 153,213 on 30 July 2015 valued at \$6.07 per right, relating to the three year performance period 1 April 2015 to 31 March 2018. Such grants were approved by shareholders at the respective AGM's in 2013, 2014 and 2015.

Greg Kilmister is the only director eligible to be granted Performance Rights under the LTIP. No other person who requires approval to participate in the LTIP under Listing Rule 10.14 has been or will be issued with Performance Rights until such approval is obtained.

No loans will be granted to Greg Kilmister in relation to his participation in the LTIP.

Performance Rights do not carry any dividend or voting rights prior to vesting.

Shares allocated on vesting of Performance Rights will rank equally with shares in the same class.

A summary of the LTIP is set out in **Schedule 1** attached to this notice.

Details of any Performance Rights issued under the LTIP (and shares issued upon their vesting) will be published in each annual report of the Company relating to the

period in which they have been issued, together with a note that approval of the issue was obtained under Listing Rule 10.14.

Additional persons:

- who become entitled to participate in the LTIP after this resolution is approved;
- who were not named in this notice of meeting; and
- who are directors of the Company, associates of a director of the Company or persons to whom ASX considers this criteria should apply,

will not participate in the LTIP until approval is obtained under Listing Rule 10.14.

Allocation of Performance Rights to Greg Kilmister will be made no later than 12 months after the date of this meeting.

Any issue of shares to Greg Kilmister under this approval will be made no later than 3 years after the date of this meeting.

This item is not a resolution to grant any Performance Rights to Greg Kilmister. It is an authority for the Board of the Company to grant the Performance Rights.

The Board considers that Greg Kilmister's participation in the LTIP is a critical mechanism by which to incentivise performance in line with shareholder interests. If shareholders do not approve the grant of Performance Rights at the AGM, it is intended that the equivalent LTIP award will be provided in cash, subject to the same performance, service, vesting and other conditions as described in this notice, in order to ensure that Greg Kilmister is entitled to participate in the LTIP in 2016.

Recommendation

Each of the Directors (other than Greg Kilmister who is not entitled to vote) recommends the approval of the grant of equity-based performance rights to Greg Kilmister. None of the Directors (other than Greg Kilmister) has an interest in the outcome of this resolution.

Item 6 Financial Statements and Reports

Section 317 of the *Corporations Act* requires the Company to lay its Financial Report, the Directors' Report and the Auditor's Report for the last financial year before the Annual General Meeting.

There is no requirement for the Financial Statements and Reports (excluding the Remuneration Report) to be formally approved by shareholders.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of the Company. The Company's external auditor, KPMG, will be in attendance to respond to questions in relation to the conduct of the audit and the preparation and content of the Auditor's Report.

Item 7 Board Spill Meeting

This resolution is a 'conditional' resolution. It will only be put to the Annual General Meeting if at least 25% of the votes cast on the resolution in Item 4 to adopt the 2016 Remuneration Report are cast against the motion.

The Corporations Act provides that, if at least 25% of the votes cast on the resolution to adopt the remuneration report at two consecutive annual general meetings are against adoption, members be given the opportunity to vote on a resolution in the form of the resolution in Item 7 at the second meeting (the "two strikes" rule). As mentioned above, 28% of votes were cast against adoption of the Remuneration Report at the Company's last Annual General Meeting. This constitutes a first strike. Accordingly, the resolution in Item 7 will only need to be put to the Annual General Meeting if there is a second strike because at least 25% of the votes cast, or likely to be cast, are against adopting the 2016 Remuneration Report.

If put, this resolution will be considered as an ordinary resolution, which means that, to be passed, the resolution requires the approval of a simple majority of the votes cast by or on behalf of shareholders entitled to vote on the matter.

If this resolution is passed, then the Company must hold a further general meeting (**Spill Meeting**) within 90 days after the Annual General Meeting to consider the composition of the Board. If a Spill Meeting is required, the date of the meeting will be notified to shareholders in due course.

If a Spill Meeting is held, the following Directors (the **Relevant Directors**) will automatically cease to hold office as Directors of the Company at the conclusion of the Spill Meeting, unless they are willing to stand for re-election and are re-elected at that meeting:

- Bruce Phillips;
- Mel Bridges;
- Grant Murdoch;
- John Mulcahy; and
- Charlie Sartain.

Nerolie Withnall is not included in the Relevant Directors as she has announced her retirement with effect immediately following the AGM. Tonia Dwyer is not included in the Relevant Directors as her appointment as a Director took effect after the date the Board approved the 2016 Director's Report (which included the 2016 Remuneration Report). Even if Mel Bridges, who is seeking re-election at this year's AGM is elected at the AGM, he will still need to be re-elected at the Spill Meeting to remain in office after the Spill Meeting.

Each of the Relevant Directors would be eligible to seek re-election at the Spill Meeting. However, there is no assurance that any of them would do so.

Recommendation

*The Board unanimously recommend that shareholders vote **AGAINST** the resolution proposed in Item 7, if it is put to the meeting.*

*The Chairman of the AGM intends to vote all 'open' proxies **AGAINST** Item 7, if it is put to the meeting.*

ENTITLEMENT TO VOTE

For the purposes of the Meeting, the Board has determined, in accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, that a shareholder's voting entitlement will be taken to be the entitlement of that person as shown in the register of members **as at 7.00pm (AEST) on Sunday, 24 July 2016**. Accordingly, those persons are entitled to attend and vote at the Meeting.

VOTING EXCLUSIONS

The *Corporations Act* and the ASX Listing Rules require that voting restrictions apply to the Company's key management personnel (**KMP**) and their closely related parties on several of the resolutions to be considered at the meeting. These voting exclusions are described below:

Item 4 - Remuneration Report (and Item 7 Board Spill Meeting if required)

A vote must not be cast, and the Company will disregard any votes cast, on the resolution proposed in item 4 (**Resolution 4**) (and item 7 (**Resolution 6**) if required) by or on behalf of a member of the KMP for the ALS Limited consolidated group (**ALS Group**) (and their closely related parties) in any capacity, including as a proxy if their appointment does not specify the way in which the proxy is to vote.

However, a vote can be cast, and the Company will not disregard a vote as a result of these restrictions if it is cast by the Chair of the meeting as undirected proxy for a person entitled to vote and the Chair has received express authority to exercise the proxy as the Chair see fit even if Resolution 4 (and Resolution 6 if required) is connected directly or indirectly with the remuneration of a member of the KMP.

Item 5 - Grant of Performance Rights to Managing Director

A vote must not be cast, and the Company will disregard any votes cast on the resolution proposed in item 5 (**Resolution 5**):

- by or on behalf of Greg Kilmister or any of his associates, in any capacity; or
- as a proxy by any member of the KMP (and their closely related parties) if their appointment does not specify the way in which the proxy is to vote.

However, a vote can be cast, and the Company will not disregard a vote as a result of these restrictions if it is cast by the Chair of the meeting as undirected proxy for a person entitled to vote and the Chair has received express authority to exercise the proxy as the Chair sees fit even if Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP.

For the purposes of these Voting Exclusions, the terms:

- 'key management personnel' or 'KMP' for the ALS Group are the directors and certain senior executives whose remuneration details are

included in the Remuneration Report for the year ended 31 March 2016;

- 'closely related party' of a member of KMP means:
 - a spouse or child of the member;
 - a child of the member's spouse;
 - a dependant of the member or of the member's spouse;
 - anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the ALS Group; or
 - a company the member controls.
- the relevant interpretation of 'associate' is in accordance with the ASX Listing Rules.

It is the intention of the Chairman of the Meeting to vote undirected proxies, where such a vote will be able to be counted despite any voting exclusion, in favour of Resolutions 1 to 5 and Against Resolution 6 (Spill Meeting resolution) contemplated in this Notice of Meeting.

PROXIES

1. A shareholder entitled to vote at the Meeting is entitled to appoint not more than two proxies to attend and vote at the Meeting on his or her behalf.
2. Where more than one proxy is appointed each proxy must be appointed to represent a specified proportion of the shareholder's voting rights.
3. A proxy need not be a shareholder of the Company.
4. It is not necessary to fill in the name of the person to be appointed proxy unless it is desired to appoint a person other than the Chairman.
5. If a shareholder appoints one (1) proxy only, that proxy is entitled to vote on a show of hands or on the taking of a poll.
6. Where a proxy and the shareholder both attend the meeting, the shareholder is not entitled to speak or vote, either on a show of hands or on the taking of a poll, unless notice in writing of the revocation of the proxy's authority was received by the Chairman or at the place for deposit of proxies before the proxy exercises the right to speak or vote.

DIRECT VOTING

1. Direct voting enables shareholders to vote on resolutions considered at the meeting by lodging their votes directly with the Company prior to the meeting.
2. Direct voting enables shareholders to exercise their voting rights without needing to attend the meeting or appoint a proxy.
3. A direct vote cast by a shareholder will not be counted on a show of hands but will be counted on a poll.

4. A shareholder who has cast a direct vote may attend the meeting, but their attendance will cancel the direct vote, unless the shareholder instructs the Company or the Company's securities registry otherwise.

LODGEMENT OF VOTING FORM

The **Voting Form** (and a certified copy of the power of attorney or other authority (if any) under which it is signed) must be received by the Company's share registrar **no later than 11am (AEST) on Sunday, 24 July 2016 (being at least 48 hours before the Meeting)** at the address below or submitted electronically:

Boardroom Pty Limited
GPO Box 3993, Sydney, NSW, 2001

Level 12, 225 George Street, Sydney, NSW, 2000

Fax: +61 2 9290 9655

Lodge electronically by going online at:
www.votingonline.com.au/alsagm2016

If you require an additional Voting Form, contact Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), who will supply it on request.

CORPORATE REPRESENTATIVES

Corporations are reminded that to enable a representative to vote on their behalf at the Meeting they must appoint a representative under section 250D of the *Corporations Act*. Alternatively, a valid Voting Form must be lodged at the above address or submitted electronically.

SHAREHOLDER QUESTIONS

Shareholders are able to submit written questions in advance of the Meeting. To submit a written question, please complete and return the accompanying form, or submit the question online, in accordance with the instructions on the form. The form must be received by the Company **no later than Tuesday 19 July 2016** (five business days before the meeting date). Questions should relate to matters that are relevant to the business of the meeting as outlined in the Notice of Meeting.

Schedule 1

Summary of LTIP

Under the LTIP, the Board, at its discretion, may offer employees, including executive directors, conditional rights to be issued ordinary shares of the Company ("Performance Rights").

The Performance Rights will be granted and ordinary shares issued (or in limited cases cash payments made) at no cost to the employees, if the Performance Rights vest. The LTIP is designed as a three year rolling plan with participation being determined on an annual basis to ensure the plan is targeted at the appropriate employees.

The LTIP is aligned to shareholder interests as Performance Rights only vest if certain Earnings per Share ("EPS"), Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") margin, Total Shareholder Return ("TSR") and Return on Capital Employed ("ROCE") targets are achieved.

Participation

Access to the LTIP is generally only available to an employee if they are invited and have earned a Short Term Incentive ("STI") in two of the three financial years preceding the LTIP award.

The maximum eligibility in the LTIP for the 2016 offer is set at the same maximum percentage of total fixed remuneration as the executive's STI maximum potential percentage earned in the previous financial year.

The price used to determine an individual's allocation of Performance Rights will be the weighted average price of the Company's shares during the 20 trading days following the date of announcement of the final full year results (i.e. end of May) for the financial year preceding the period to which the grant of Performance Rights relate.

In jurisdictions where the securities or other legislation makes the issue of shares difficult, the individual would be given access to a cash equivalent of the same value of the Performance Rights.

The employee must be employed in the ALS Group on the vesting date to be eligible for issue of the shares (subject to EPS, EBITDA margin, TSR and ROCE performance criteria being met).

Employees will not be allowed to enter into any hedging arrangements in relation to any unvested Performance Rights.

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ABN 92 009 657 489

All Correspondence to:

✉ By Mail Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 12, Grosvenor Place,
225 George Street,
Sydney NSW 2000 Australia

📠 By Fax: +61 2 9290 9655

💻 Online: www.boardroomlimited.com.au

☎ By Phone: (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded before 11:00am (AEST) on Sunday 24 July 2016

📠 TO VOTE ONLINE

- STEP 1: VISIT www.votingonline.com.au/alsagm2016
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



PLEASE NOTE: For security reasons it is important you keep the above information confidential.

Scan QR Code using smartphone QR Reader App

TO VOTE BY COMPLETING THE VOTING FORM

The voting form can be used to either vote directly (Section 1) OR appoint a proxy to vote on your behalf (Section 2).

SECTION 1: DIRECT VOTING

If you wish to vote directly, you should clearly mark the box in Section 1 and the boxes in Section 3 to indicate your voting instruction for each item. Please only mark either "For" or "Against" for each item. If you mark "Abstain" for an item, your vote for that item will not be counted. If no direction is given on an item, or if you complete both the boxes in Section 1 and 2, your vote will be passed to the Chairman of the Meeting (or the person named in Section 2) as your proxy. Securityholders, custodians and nominees may identify on the Voting Form the total number of votes in each of the categories "For" and "Against" and their votes will be valid. The Chairman's decision as to whether a direct vote is valid is final and conclusive.

If you have lodged a direct vote, and then attend the Meeting, your direct vote will be cancelled unless you instruct the Company or the Company's securities registry otherwise.

SECTION 2: APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Section 2. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the Company. Do not write the name of the Company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting Form may be obtained by contacting the Company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Voting Forms. On each Voting Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

SECTION 3: VOTING DIRECTIONS

To cast your direct vote or to direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you have appointed a proxy and do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid. However, if you wish to appoint as your proxy a director or other member of the key management personnel of the ALS Group (other than the Chair of the Meeting), or their closely related parties, you must specify how they should vote on Resolutions 4, 5 and 6 by marking the "For", "Against" or "Abstain" boxes opposite each of those items of business. If you do not do that, your proxy will not be able to exercise your vote on your behalf for those items.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the Company's securities registry.

SECTION 4: SIGN THE FORM

The form must be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should 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. Please indicate the office held by signing in the appropriate place.

LODGEMENT

Voting Forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by 11:00am (AEST), Sunday, 24 July 2016. Any Voting Form received after that time will not be valid for the scheduled meeting.

Voting forms may be lodged using the enclosed Reply Paid Envelope or:

💻 Online www.votingonline.com.au/alsagm2016

📠 By Fax + 61 2 9290 9655

✉ By Mail Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 In Person Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐ Your Address

This is your address as it appears on the Company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

VOTING FORM

SECTION 1: DIRECT VOTING

I/We being a Securityholder/s of **ALS Limited** (Company) and entitled to attend and vote hereby elect to direct vote at the Annual General Meeting of the Company to be held at **The Pullman Hotel, King George Square, Cnr Roma & Ann Streets, Brisbane, QLD on Tuesday 26th July 2016 at 11:00am (AEST)** and at any adjournment of that meeting.

☐

(To cast a vote, you should mark either "For" or "Against" for each item in Section 3 below.)

SECTION 2: APPOINTMENT OF PROXY

I/We being a Securityholder/s of **ALS Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered Securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **The Pullman Hotel, King George Square, Cnr Roma & Ann Streets, Brisbane, QLD on Tuesday 26 July 2016 at 11:00am (AEST)** and at any adjournment of that meeting, to act 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.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 4, 5 and 6), I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of Resolutions 4, 5 and 6 (except where I/we have indicated a different voting intention below), even though Resolutions 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel for the ALS Group, which includes the Chair of the Meeting.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolutions 1 to 5 and against Resolution 6 (if put to the meeting). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

SECTION 3: VOTING DIRECTIONS

* If you have appointed a proxy and 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. If you are direct voting and you mark the Abstain box for an item, your vote for that item will not be counted in calculating the required majority if a poll is called.

Ordinary Business		For	Against	Abstain*
Resolution 1 (Item 2 i)	Re-election of Director – Mel Bridges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 (Item 2 ii)	Election of Director – Tonia Dwyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 (Item 3)	Renewal of Proportional Takeover Approval Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 (Item 4)	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 (Item 5)	Grant of Performance Rights to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Directors recommend you vote AGAINST Resolution 6				
Contingent Business				
Resolution 6 (Item 7) (if required)	Board Spill Meeting (if Resolution 4 incurs second strike)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 4: SIGN THE FORM

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary / Sole Director (no Company Secretary)

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2016



ABN 92 009 657 489

All correspondence and enquiries to:

BoardRoom
Smart Business Solutions

Boardroom Pty Limited
ABN 14 003 209 836
GPO Box 3993
Sydney NSW 2001

Tel: 1300 737 760 (within Australia)
Tel: +61 2 9290 9600 (outside Australia)
Fax: +61 2 9279 6555

www.boardroomlimited.com.au
enquiries@boardroomlimited.com.au

QUESTIONS FROM SHAREHOLDERS

Please use this form to submit any questions about ALS Limited (Company) that you would like us to respond to at the Company's 2016 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Notes.

You may also use this form to submit a written question to the Company's auditor if the question is relevant to the content of the auditor's report, or the conduct of the audit of the financial report, for the financial year ended 31 March 2016.

This form must be received by the Company's share registrar, Boardroom Pty Limited, **by Tuesday, 19 July 2016**. The form may be lodged with Boardroom Pty Limited at GPO Box 3993, Sydney NSW 2001 or by facsimile to (02) 9290 9655 in Australia or (+61 2) 9290 9655 if you are overseas. A return envelope is also provided.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

Question(s)

1. Question is for the ☐ Chairman, or ☐ Auditor

2. Question is for the ☐ Chairman, or ☐ Auditor

3. Question is for the ☐ Chairman, or ☐ Auditor

All correspondence to

BoardRoom
Smart Business Solutions

GPO Box 3993
Sydney NSW 2001

Tel +612 9290 9600
Fax +612 9290 9655

ABN 14 003 209 836
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