

23 September 2016

ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Attention: Manager
Market Announcements Office

Dear Sir/Madam

**SUBJECT: RCR TOMLINSON LTD ("RCR")
2016 ANNUAL GENERAL MEETING – NOTICE OF MEETING**

Attached is the Notice of Meeting and Proxy Form ("Notice") for RCR's Annual General Meeting to be held on Tuesday, 25 October 2016.

The Notice will be available on the Company's website and mailed today to all RCR shareholders who have elected to receive a copy of the Notice. All RCR shareholders who have elected to receive a copy of the Company's Annual Report will also receive a copy of that report in the same mailing. A copy of RCR's 2016 Annual Report was sent to the ASX on 25 August 2016.

Yours sincerely,



Darryl Edwards
Company Secretary
RCR Tomlinson Ltd

2016 Notice of Annual General Meeting

To Be Held On: Tuesday, 25 October 2016, at 10.30 am (Sydney time)

To Be Held At: Fort Macquarie Room, InterContinental Sydney, 117 Macquarie Street, Sydney NSW.



FY16 Highlights

Expanding Capabilities Through Innovation

RCR is a leading provider of **integrated, innovative engineering solutions** in the infrastructure, energy and resources sectors

RCR - A Snapshot



Strategically located across 6 countries



Diverse operations through 3 divisions



Strong employee base including 142 apprentices



17% improvement in Total Recordable Injuries reflecting our continued focus on safety

Strategy

- Sector diversification; focus on innovation & technology for cost competitiveness
- Targeting growing areas of the market in rail, transport & renewable energy
- Activity in resources sector improving for technology providers and EPC

Order Book and Preferred Status

- Current Order Book of **\$1.0B** plus preferred contractor status of **\$0.5B**, up **48%**
- Stronger backlog across all businesses
- Significant and multiple contracts awarded over the past 4 months

FY16 Results

- Revenue from continuing operations of **\$891M**
- Underlying EBIT Margin of **3.2%**
- Strong cash generation ahead of consensus with underlying cash flow of **\$45M**
- Underlying profit after tax of **\$20.1M¹** at the top end of consensus

RCR has announced **\$500M** of recent contract awards within the last four months.

RCR is the preferred contractor on over \$550 million in new projects, either currently under negotiation or under an early contractor involvement ("ECI") process.

New contracts awarded include:

Infrastructure

- TfNSW Multiple Rail Projects
- Vic Govt Housing
- Visionstream
- Sydney Water Picton Upgrade

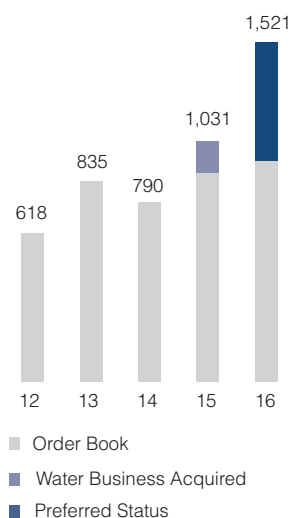
Energy

- AGL, Lidell Power Station Maintenance
- Rio Tinto Cape Lambert Power Station

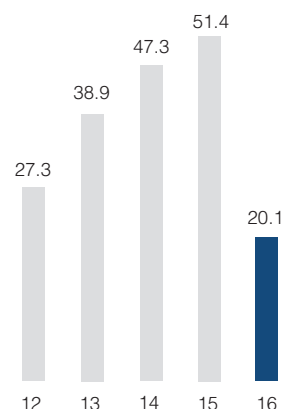
Resources

- Rio Tinto Silvergrass Mine
- MMG Dugald River Project
- Newcrest Cadia Operations
- BHPB Multiple Projects

Order Book and Preferred Status - \$M



Underlying NPAT - \$M



RCR Total Shareholder Returns (TSR) June 11 - June 16 (5 Year)





On behalf of the Board of **RCR Tomlinson Ltd**, I am pleased to invite you to our 2016 Annual General Meeting, which will once again be held in Sydney.

Dear Shareholder

I am pleased to invite you to the 2016 Annual General Meeting ("AGM") of RCR Tomlinson Ltd. Please find enclosed a Notice of Meeting (including explanatory memorandum) and personalised Proxy Form and return envelope.

FY16 in Brief

Looking back on the past year and like many in our industry, our performance was impacted, in part, by delays in project awards and also by the closure of loss making businesses tied to the coal sector. This resulted in a statutory loss of \$16.2 million with underlying earnings from continuing operations of \$20.1 million¹, before non-recurring items. Whilst necessary, the cost of the reorganisation has resulted in the Board determining that it would not be prudent to pay a final dividend.

The Board is confident that these decisive measures, along with the resilience of our business and future project awards will again secure future ongoing returns to shareholders.

A copy of RCR's 2016 Annual Report is available on the Company's website (www.rcrtom.com.au).

Annual General Meeting

The 2016 AGM will be held on Tuesday, 25 October 2016, commencing at 10.30am (Sydney time), at the Fort Macquarie Room, InterContinental Sydney, 117 Macquarie Street, Sydney.

If you are unable to attend the meeting, I encourage you to complete the enclosed Proxy Form. The Proxy Form must be returned by hand, mail, fax or submitted online to our share registry, Computershare Investor Services, by no later than 10.30am (Sydney time) on Sunday, 23 October 2016. Proxy Forms received after that time will be invalid.

Further details relating to the various resolutions proposed at the meeting are set out in the Explanatory Memorandum accompanying this Notice of Meeting. I urge you to read this carefully before voting on the proposed resolutions to be put to shareholders at the meeting. I confirm that subject to relevant abstentions, the Board unanimously recommends that shareholders vote in favour of each of the resolutions set out in the accompanying Notice of Meeting.

I and my fellow Directors look forward to welcoming you at the 2016 AGM.

Roderick Brown
Chairman
Dated: 22 September 2016

¹. Underlying Profit of \$20.1M is Non-IFRS Information. A reconciliation to statutory earning is detailed in RCR's 2016 Annual Report.



RCR TOMLINSON 2016 ANNUAL GENERAL MEETING 25 OCTOBER 2016

The RCR Tomlinson Ltd 2016 Annual General Meeting will be held at the Fort Macquarie Room, InterContinental Sydney, 117 Macquarie Street, Sydney, New South Wales, on Tuesday, 25 October 2016, commencing at 10.30 am (Sydney time).

The following documents relate to the Annual General Meeting:

- Notice of Annual General Meeting, including Explanatory Memorandum;
- Guide on how to access a copy of RCR's electronic Annual Report for the financial year ended 30 June 2016; and
- Personalised Proxy Form and reply paid return envelope.

If you are attending the Annual General Meeting and have not lodged a Proxy Form, please bring the blank Proxy Form with you to assist with registration.

If you are not attending the Annual General Meeting you can lodge a completed Proxy Form by returning it in the enclosed envelope or by facsimile. Alternatively, you may submit your proxy voting instructions online at www.investorvote.com.au. Please refer to the enclosed Proxy Form for more information about submitting proxy voting instructions online.

Please be aware that the Proxy Form or online proxy voting instructions, needs to be received by RCR's Share Registrar, Computershare by no later than 10.30 am (Sydney time) on Sunday, 23 October 2016. Further details on lodging your Proxy Form can be found on the reverse side of the Proxy Form.

HOW TO ACCESS A COPY OF RCR'S ELECTRONIC ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

RCR Tomlinson Ltd has adopted an environmentally friendly policy whereby RCR no longer distributes hard copies of the Annual Report, unless a shareholder elects to receive a hard copy.

In accordance with the Corporations Act, RCR advises that a copy of the Company's Annual Report for the year ended 30 June 2016, is available on RCR's website, www.rcrtom.com.au. When you access RCR's Annual Report online, you can view it, search for specific information and also print a copy of the Annual Report.

Please note that if you have elected to continue to receive a hard copy of RCR's Annual Report, it will be mailed to you no later than 21 days before the Annual General Meeting.

If you have not elected to receive a hard copy of RCR's Annual Report and now (or sometime in the future) wish to receive a hard copy of RCR's Annual Report, please contact RCR's Share Registrar on 1300 850 505. They will be pleased to mail a copy to you.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2016 Annual General Meeting of shareholders of RCR Tomlinson Ltd ("RCR" or "the Company") will be held at the Fort Macquarie Room, InterContinental Sydney, 117 Macquarie Street, Sydney, New South Wales, on Tuesday, 25 October 2016, commencing at 10.30 am (Sydney time).

The Explanatory Memorandum which accompanies and forms part of this Notice describes the matters to be considered at the Annual General Meeting.

Items of Business

1. 2016 Annual Financial Report

To receive and consider the financial statements and the reports of the Directors and of the auditors for the year ended 30 June 2016.

Note: There is no requirement for shareholders to approve the financial statements and reports.

2. Re-election of Directors

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

(a) *"Ms Eva Skira is re-elected as a Director."*

(b) *"Mr Lloyd Jones is re-elected as a Director."*

Note: The non-candidate Directors unanimously support the re-elections of Ms Skira and Mr Jones, who retire by rotation in accordance with RCR's constitution and ASX Listing Rules, and being eligible offer themselves for re-election. Each re-election will be voted on as a separate ordinary resolution.

3. Approval of the 2016 Remuneration Report

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

"That the Remuneration Report for the year ended 30 June 2016, (as set out in the Company's 2016 Annual Report), be adopted."

Note: This resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and the comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

4. Grant of Performance Rights to Managing Director

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

"That approval is given for the purposes of ASX Listing Rule 10.14, section 200B and 200E of the Corporations Act and all other purposes for the grant to Dr Paul Dalgleish, Managing Director, of Performance Rights under the terms of the Performance Incentive Plan and as described in the Explanatory Memorandum and any benefit under the Performance Incentive Plan relating to Performance Rights that may be given to Dr Paul Dalgleish in connection with any future retirement from office or employment with the Company."

Details of any voting exclusion and/or prohibition that apply to a resolution are contained in the Explanatory Memorandum relating to that resolution.

Capitalised terms in this Notice of Meeting are defined in the Glossary contained in the Explanatory Memorandum.

By order of the Board



Darryl Edwards
Company Secretary, RCR Tomlinson Ltd
Dated: 22 September 2016

The Notice of Annual General Meeting, Notes, Explanatory Memorandum and Proxy Form should be read in their entirety. If a shareholder is in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

NOTES

These notes form part of the Notice of Meeting.

Eligibility to attend and vote

The Directors have determined that, for the purpose of voting at the Meeting, members eligible to vote at the Meeting are those persons who are the registered holders of Shares at 10.30 am (Sydney time) on Sunday, 23 October 2016.

How to Vote

Eligible shareholders may attend the Meeting and vote in person, by proxy, or by an authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. Members are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that the Company may check their shareholding against the Company's share register and note attendances.

If you intend to attend the Meeting and vote in person, you do not need to submit a Proxy Form.

Voting by Proxy

An eligible shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. A proxy can be an individual or a body corporate. A body corporate appointed as a shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and the appointment does not specify the proportion or the number of votes each proxy may exercise, each proxy may exercise half the votes.

Recent changes to the law have impacted on the way proxies can vote at company meetings. Broadly, these changes include that:

- if a proxy holder votes, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chairman who must vote the proxies as directed.

The Chairman will vote undirected proxies on, and in favour of, all proposed resolutions set out in this Notice.

For further details on these changes you should consult your professional adviser.

To vote by proxy, the Proxy Form (together with the original of any power of attorney or other authority, if any, or certified copy of that power of attorney or other authority under which the proxy is signed) must be received at the Company's Share Registrar by no later than 10.30am (Sydney time) on Sunday, 23 October 2016. Proxy Forms or online proxy voting instructions received after that time will be invalid. Proxy Forms or online proxy instructions must be received before that time via any of the following methods:

By Post: Computershare Investor Services Pty Limited
 GPO Box 242
 Melbourne, Victoria 3001

By Facsimile: (within Australia) 1800 783 447

By Facsimile: (outside Australia) +61 3 9473 2555

Electronically: Submit proxy voting instructions online at www.investorvote.com.au. Please refer to the enclosed proxy form for more information about submitting proxy voting instructions online.

Voting restrictions that may affect your proxy appointment on items 3 (Approval of 2016 Remuneration Report), and item 4 (Grant of Performance Rights to the Managing Director)

If the Chairman is appointed, or taken to be appointed, as your proxy, you can direct the Chairman of the meeting to vote 'for' or 'against', or 'abstain' from voting on, items 3 and 4 on the Proxy Form. If you do not direct the Chairman how to vote on items 3 and 4, by completing and returning the relevant Proxy Form you will be expressly authorising the Chair to exercise your undirected proxy on items 3 and 4 even though those items may be directly or indirectly connected with the remuneration of a member of Key Management Personnel.

If you appoint a member of Key Management Personnel of the Company (other than the Chairman) or their closely related parties as your proxy, you must direct them how to vote on items 3 and 4. If you do not do so, you risk your vote not being cast.

Corporate Representatives

A body corporate may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's Share Registrar, Computershare Investor Services, before the Meeting or at the registration desk on the day of the Meeting.

Shareholders can download and fill out the 'Appointment of Corporate Representative' Form at www.investorcentre.com/au under the help tab, 'Printable Forms'.

Enquiries

Shareholders are invited to contact the Company Secretary on +61 8 9355 9355 if they have any queries in respect of the matters set out in this document.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum and all attachments are important documents. They should be read carefully. If you have any questions regarding the matters set out in the Notice of Meeting, including this Explanatory Memorandum, please contact the Company, your stockbroker or other professional adviser.

General Information

This Explanatory Memorandum has been prepared for the shareholders of the Company in connection with the Annual General Meeting of the Company to be held on Tuesday, 25 October 2016.

The purpose of this Explanatory Memorandum is to provide shareholders with information that the Board believes to be material to shareholders in deciding whether or not to vote in favour of the resolutions detailed in the Notice.

Capitalised terms in this Explanatory Memorandum are defined in the Glossary on page 13.

Item 1 – 2016 Annual Financial Report

The Corporations Act requires the Annual Financial Statements, the Directors' Report and the Auditor's Report (together "Annual Financial Report") of RCR and its controlled entities for the year end 30 June 2016 to be received and considered at the Meeting.

There is no requirement for shareholders to approve the Annual Financial Report.

During this item of business, we will provide a reasonable opportunity for shareholders attending the Meeting to ask questions about, or make comments on, the Annual Financial Report.

A representative from the Company's Auditor, Deloitte Touche Tohmatsu, will be present at the Meeting and shareholders will have the opportunity to ask the Auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the Auditor.

The Annual Financial Report for the year ended 30 June 2016 is included in the Company's 2016 Annual Report, a copy of which can be accessed online at www.rcrtom.com.au or alternatively, a hard copy of the Company's 2016 Annual Report will be made available on request.

Item 2 – Election of Directors

Background

Item 2 seeks approval, as separate resolutions, for the re-elections of Ms Eva Skira and Mr Lloyd Jones as Directors. Ms Skira is required to retire by rotation pursuant to clause 11.7(a) of the Company's Constitution

Mr Jones is not required to retire by rotation pursuant to clause 11.7(a) of the Company's Constitution, but has agreed to do so as one of the next group of Directors to have served the longest since he was last re-elected at the Company's 2014 AGM. This will allow for a more orderly process of Board rotation where shareholders will be given the opportunity to consider the re-election of two Directors (representing one third of the Directors subject to rotation under the Constitution) at this Meeting and, provided the Board composition remains the same, two Directors are due to stand for re-election at next year's AGM.

Accordingly, Ms Skira and Mr Jones each offer themselves for re-election.

Ms Skira and Mr Jones are Independent Non-Executive Directors and their relevant skills and experience are summarised below.

The Chairman of the Meeting intends to vote undirected proxies in favour of resolutions 2(a) and 2(b).



Item 2(a) Ms Eva Skira

Independent Non-Executive Director

Ms Skira was appointed a Non-Executive Director of RCR on 26 May 2008.

Qualifications: BA (Hons), MBA, SF Fin (Life Member), FAICD, FAIM, FGIA.

Skills and Experience: Ms Skira has a background in banking, capital markets, stock broking and financial markets, previously holding Executive positions at Commonwealth Bank in the Corporate Banking/Capital Markets divisions, and later with stockbroker Barclays de Zoete Wedd.

Ms Skira has served on a number of Boards across a range of industries. Ms Skira is currently Chairman of the Water Corporation of WA, a Non-Executive Director of Macmahon Holdings Limited and Chairman of Trustees of St John of God Healthcare Inc.

Board Committee Memberships: Chair of the Remuneration and Nomination Committee.

Shares held in RCR: Nil.

Board Recommendation

The Board (other than Ms Skira in relation to her own re-election) unanimously recommends the re-election of Ms Skira.



Item 2(b) Mr Lloyd Jones

Independent Non-Executive Director

Mr Jones was appointed a Non-Executive Director of RCR on 21 November 2013.

Qualifications: BEng, MBA, GAICD.

Skills and Experience: Mr Jones is an engineer with significant experience in mining, energy, construction, heavy industrial operations and mergers & acquisitions.

During his 25 year career at Alcoa, Mr Jones held senior management roles in Australia, the USA, Japan and China. Most recently, he served as President of Cerberus Capital Management's Asia Advisory Unit and as Deputy Chairman of Doric Group. Mr Jones is presently a Director of the Myer Family Investments and BlueScope Steel Limited and an advisory Director at Deutsche Bank of Australia.

He is also a member of the advisory committee to the Dean of Engineering, Mathematics and Computer Science at the University of Western Australia.

Board Committee Membership: Member of Remuneration and Nomination Committee.

Shares held in RCR: 22,260 ordinary shares.

Board Recommendation

The Board (other than Mr Jones in relation to his own re-election) unanimously recommends the re-election of Mr Jones.

Item 3 - Approval of the 2016 Remuneration Report (non-binding resolution)

A resolution for the adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act.

The 2016 Annual Report for the year ended 30 June 2016 contains the Remuneration Report which:

- sets out information about the remuneration policy of RCR;
- discusses the relationship between the remuneration policy and RCR's performance; and
- details information about the remuneration arrangements for the Key Management Personnel, which includes the Managing Director, the Chief Financial Officer, the Chief Operating Officer and Non-Executive Directors.

2016 Remuneration Report

The Company's 2016 Remuneration Report for the year ending 30 June 2016, is contained within the Directors' Report in RCR's 2016 Annual Report which is available on RCR's website at www.rcrtom.com.au.

The Remuneration Report outlines the Company's Executive remuneration framework and the FY16 remuneration outcomes for the Board and key Executives.

The Remuneration Report provides you with the necessary information to clearly establish the demonstrated link between RCR's strategy, its performance over the short and long-term, and the remuneration outcomes for Executives and Directors.

One of the key elements of our strategy is to ensure we have a competitive Executive reward framework that provides a suitable mechanism to reward excellence in performance. RCR's Executive remuneration framework includes a remuneration mix that places great emphasis on long term incentives that are linked to performance outcomes over a three year performance period.

The Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting before calling for a vote.

Key Changes to FY16 Executive Remuneration Arrangements

The Board continues to review the Executive remuneration framework to ensure it aligns with the Company's strategy and business objectives.

During FY16, the Board decided to introduce a new Performance Incentive Plan under which equity-based, long-term incentives are granted to Executives. The Performance Incentive Plan was approved by shareholders on 6 November 2015.

Under the new Performance Incentive Plan, the key changes introduced to the long-term incentives granted to Executives included:

- The requirement for Executives to hold a minimum number of shares before being allowed to dispose of vested shares received under the Performance Incentive Plan;
- The performance criteria for the TSR Hurdle requiring RCR's actual TSR to be positive to receive full entitlement, failing which any entitlement will be reduced by half;
- Confirm that the EPS Hurdle will be a measure of actual statutory results; and
- The ability to clawback vested or unvested incentives or shares under certain circumstances.

The Board also completed an assessment of the performance criteria for future EPS Hurdles and determined that, given the current market conditions, the EPS growth rate would be set at between 5% and 15% per annum (with the number of incentives vesting dependent upon performance within or above that range). In setting these EPS growth rates, the Board also had regard for, and notes that they are higher than, earnings projections currently published by analysts.

The Board also reviewed the performance criteria for future short-term incentives awards and has also confirmed that NPAT and EBIT outcomes will be a measure of statutory results.

Full details of these changes are set out in the 2016 Remuneration Report, which can be found in the Company's 2016 Annual Report available on RCR's website at www.rcrtom.com.au.

Voting on the 2016 Remuneration Report

Voting on the adoption of the 2016 Remuneration Report is for advisory purposes only and will not bind the Directors or the Company.

The Chairman will allow reasonable opportunity for shareholders to ask questions about, or comment on, the Remuneration Report at the Meeting.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of RCR's Remuneration Report at two consecutive annual general meetings of the Company, shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which time all of the Directors (other than the Managing Director) must go up for re-election.

The Chairman of the Meeting intends to vote undirected proxies in favour of resolution 3.

Board Recommendation

The Non-Executive Directors recommend that you vote in favour of resolution 3.

Voting Prohibition Statement

In accordance with the Corporations Act, a vote on item 3 must not be cast (in any capacity) by or on behalf of a member of the Company's Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or any of their closely related parties (such as family members and any controlled companies or trusts), unless the vote is cast as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form specifying the way the proxy is to vote or by the Chairman in accordance with an express authorisation on the Proxy Form.

For information on voting restrictions that may affect your proxy appointment on this item, see the notes on page 4.

Item 4 – Grant of Performance Rights to the Managing Director

Shareholder Approval for Grant of Performance Rights to the Managing Director

Shareholder approval is sought for the proposed grant of Performance Rights to Dr Paul Dalglish, Managing Director of RCR, under the RCR Performance Incentive Plan and on the terms set out below.

The Board believes that an equity based long-term incentive is an important component of Dr Dalglish's remuneration as it ensures an appropriate proportion of his remuneration is aligned with generating long-term returns for shareholders.

This proposed grant of Performance Rights forms part of the FY2017 remuneration structure for Dr Dalglish. The Non-Executive Directors, after consultation with the independent remuneration adviser, consider that Dr Dalglish's remuneration package (including the proposed grant of the proposed Performance Rights) is reasonable and appropriate having regard for the circumstances of RCR and Dr Dalglish's responsibilities as Managing Director.

Proposed Grant of Performance Rights

The total number of Performance Rights proposed to be granted to Dr Dalglish will be 588,240. This number was determined based on Dr Dalglish's maximum long-term incentive opportunity (i.e. \$1,500,000 representing 150% of his fixed remuneration) divided by \$2.55 per Share being the volume weighted average Share price for the five days immediately following the release of the Company's FY2016 full-year results announcement on 25 August 2016. This process is consistent with that adopted for previous equity-based grants.

The Performance Rights will be granted under, and subject to, the Performance Incentive Plan Rules. If shareholder approval is obtained, it is anticipated that the Performance Rights will be granted after the meeting and, in any event, no later than 12 months after the date of the meeting.

Proposed Performance Measures that will Apply

The current two performance measures for long-term incentives are Earnings per Share ("EPS") growth and Total Shareholder Returns ("TSR").

The Board continues to review the performance measures applicable to long-term incentives and is currently evaluating the introduction of a third performance measure, being Economic Value Added ("EVA") described in more detail below. If introduced, the Board believes this EVA measure will complement the existing EPS and TSR performance measures. Accordingly, the proposed terms for the grant of Performance Rights to Dr Dalglish include an ability for the Board to introduce the EVA performance measure at the time of grant should it be considered appropriate.

The proposed grant of Performance Rights will be subject to at least two (and potentially three) separate performance criteria measured over the three year performance period ending 30 June 2019 ("Performance Period"):

- 50% of the Performance Rights (being 294,120) will be subject to RCR achieving pre-defined growth in EPS ("EPS Hurdle"); and
- 50% of the Performance Rights (being 294,120) will be subject to RCR's relative Total Shareholder Return ("TSR") performance, measured against a comparator group of peer companies ("TSR Hurdle").

If the EVA performance measure ("EVA Hurdle") is introduced then the Board intends to allocate the Performance Rights 50% to the EPS Hurdle, 25% to the TSR Hurdle and 25% to the EVA Hurdle.

The Board will decide on the introduction of the EVA measure prior to the Performance Rights being granted to Dr Dalgleish. Accordingly, the final allocation of Performance Rights and the relevant performance criteria that will apply will be announced to the ASX at the time of grant.

The Performance Rights will vest as set out below according to the levels of performance achieved at the end of the Performance Period. The Performance Rights lapse if the performance hurdles are not met at the end of the Performance Period. There is no re-testing of the Performance Rights after the testing date.

The performance criteria for each performance hurdle is summarised below.

EPS Hurdle (50% weighting)

The EPS component of the Performance Rights will vest if RCR's EPS growth is in the range of 5% to 15% per annum at the end of the three year performance period, in accordance with the following vesting schedule:

EPS Hurdle	% of Performance Rights subject to EPS measure that vest
Less than 5% per annum	0%
Equal to 5% per annum	35%
Between 5% to 15% per annum	straight line vesting between 35% to 100%
Equal to 15% per annum or above	100%

EPS is calculated by dividing the statutory net profit after tax, by the weighted average number of ordinary shares of RCR on issue.

EPS growth is measured over the three year Performance Period, using 23.0 cents per share as the base to be compared against EPS for FY19 as the end year.

TSR Hurdle (50% weighting or, if the EVA Hurdle is introduced 25% weighting)

The relative TSR component of the Performance Rights will vest if RCR's relative TSR performance is equal to or greater than the median of the comparator group of companies at the end of the three year performance period, in accordance with the following vesting schedule:

Percentile Ranking for TSR Hurdle	% of Performance Rights subject to TSR measure that vest
Less than 50th percentile	0%
Equal to 50th percentile	35% vesting
Between the 50th and 75th percentile	straight line vesting between 35% to 100%
Equal to the 75th percentile or above	100% vesting

As an additional condition, the Board has also determined that RCR's actual TSR must be positive, for full vesting to occur. Where RCR's actual TSR is negative then any vested entitlement will be reduced by half.

The comparator group of companies for the TSR Hurdle will comprise up to 25 peer companies ("Comparator Group") selected by the Board. The Comparator Group will be determined before the date of grant of the Performance Rights and will include companies with a higher and lower market capitalisation than RCR and who compete or operate in similar industries and/or sectors to RCR.

The Board has the discretion to adjust the Comparator Group to take into account events, including but not limited to takeovers, mergers or demergers or changes and or failure of business that might occur during the Performance Period.

TSR calculation:

TSR for RCR and the companies in the comparator group will be calculated by an external provider as follows:

- TSR will be measured over the three year Performance Period (i.e. 1 July 2016 to 30 June 2019);
- for the purpose of this measurement, the share price will be averaged over the 30 calendar days preceding the start and end date of the performance period;
- dividends will be assumed to have been re-invested on the ex-dividend date; and
- tax and any franking credits (or equivalent) will be ignored.

The Board will then determine the level of satisfaction of the TSR Hurdle and therefore the level of vesting of the Performance Rights subject to the TSR Hurdle.

EVA Hurdle (if introduced)

As stated above, the Board is currently evaluating the introduction of EVA² as a third performance measure for the proposed grant of Performance Rights to Dr Dalglish.

EVA is a well-established performance measure that measures the profit the business makes above and beyond what investors could expect to earn, had their funds been invested elsewhere at similar risk. (e.g. $EVA = NOPAT - \text{weighted average cost of capital} \% \times \text{total capital invested}$).

The Board believes, that EVA is a measure of efficiency and value creation and is therefore as demanding a performance measure. EVA is also considered to be meaningful because it is an indicator of cash profits of an organisation and provides enhanced insight into the performance of the business.

EVA complements rather than duplicates EPS because the Company uses statutory EPS and EVA is a measure of the economic profit above the cost of capital.

The Board will seek independent expert advice before it adopts the use of an EVA measure to ensure the EVA formula and its components are robust, transparent and require minimal, if any, adjustments.

If an EVA performance measure is introduced by the Board, then 25% of the proposed grant of Performance Rights (being 147,060 Performance Rights) will be subject to RCR achieving a pre-defined EVA Hurdle.

In addition to determining whether or not to introduce EVA, the Board will also determine the EVA Hurdle level, before the grant of Performance Rights is made. It will complete detailed analysis to determine appropriate levels of future EVA performance. Details on the EVA Hurdle, if introduced, will be advised in the Company's FY17 Annual Remuneration Report and EVA performance and vesting outcomes will be determined by an independent external party.

² EVA is a service mark of Stern Value Management.

Entitlements on Vesting and Exercise of Performance Rights

If the relevant performance hurdles are met, the Performance Rights will vest at the end of the performance period and become capable of being exercised.

The Board has the discretion to determine whether vested entitlements will, on exercise, be cash settled (in whole or in part) rather than through the issue or transfer of Shares.

Under the terms of the Performance Incentive Plan, on Performance Rights vesting. Dr Dalglish will have up to 15 years from the date of grant during which to exercise any vested Performance Rights (in line with new tax rules applicable to employee share plans which became effective 1 July 2015).

On exercise of Performance Rights, Dr Dalglish will become entitled to one Share for every Performance Right that vests plus additional Shares equal to the number calculated by dividing the value of the dividends that would have been earned by the prevailing end-of-day Share price at the time that dividends are paid (rounded up to the nearest whole number).

No dividends or resultant rights to Shares accrue in respect of Performance Rights that lapse.

The rules of the Performance Incentive Plan also contain provisions in relation to the adjustment of Performance Rights in certain circumstances, including in the event of any capital reorganisation (such as a subdivision or consolidation) or bonus issue.

Conversion may also be adjusted net of applicable tax in order to limit the potential need on the part of Dr Dalglish to dispose of Shares to meet tax obligations or all or some of the conversion may be settled in cash less any applicable tax.

Treatment of Performance Rights on Cessation of Employment

Subject to the terms of the Performance Incentive Plan, any unvested Performance Rights granted to Dr Dalglish may lapse if he ceases to be an employee or Director within the RCR group (other than due to his death or total and permanent disability) or if he acts fraudulently or dishonestly or is in breach of his obligations to the RCR.

In the event Dr Dalglish ceases to be an employee or director of RCR due to his death or total and permanent disability, the Board may at its discretion determine that a pro-rata number of unvested Performance Rights will lapse, based on the proportion of time remaining in the relevant performance period, while the remaining unvested Performance Rights may still vest to Dr Dalglish, subject to satisfaction of the performance hurdles at the end of the Performance Period.

Change of Control

If there is a change of control of RCR (such as by way of a takeover bid or scheme of arrangement where a person acquires voting power of 50% or more in RCR), the Board may in its discretion determine that all or some Performance Rights vest earlier than the vesting date.

Clawback Provisions

The terms of the Performance Incentive Plan contain a mechanism for the Board to clawback or adjust the Performance Rights which vest (or may vest) as a result of fraud, dishonesty, breach of obligations or material misstatement in or an omission from the Company's financial statements

Requirement for Shareholder Approval

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires that shareholders approve awards of securities being acquired by a Director under an employee incentive scheme.

Shareholder approval for the issue of Performance Rights to Dr Dalglish is sought for this purpose and will also preserve the flexibility as to how RCR sources any Shares to be allocated on vesting (i.e. whether Shares are purchased on-market and transferred to Dr Dalglish or issued directly to him, with the latter not being possible unless the proposed grant of Performance Rights has been approved by shareholders).

As approval is being sought under ASX Listing Rule 10.14, the Company will not be required to obtain further approval under ASX Listing Rule 7.1.

Sections 200B and 200E of the Corporations Act

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" in the Company or its related bodies corporate if it is approved by shareholders or an exemption applies.

The term "benefit" is open to a wide operation and may include the early vesting or acceleration of Performance Rights under the Performance Incentive Plan. Under the Performance Incentive Plan, the Board has the discretion to determine that some or all of the Performance Rights held by Dr Dalglish may become entitled to early or accelerated vesting in certain circumstances.

Shareholder approval is sought such that the grant of those Performance Rights and the issue (or transfer) of Shares or cash payments of the equivalent value (or a combination of both) do not count towards such maximum termination amounts to the extent that the benefits are deliverable on the cessation of Dr Dalglish's employment.

Details of Dr Dalglish's remuneration including termination benefits are set out in the Company's 2016 Remuneration Report.

The value of any consequent termination benefit that may be received as a result of early exercising of the Performance Rights upon cessation cannot be ascertained at the present time. Apart from the future share price being unknown, the following are matters which will or are likely to affect the value of the benefit:

- the number of unvested Performance Rights held by Dr Dalglish prior to cessation of employment;
- the reasons for cessation of employment; and
- the exercise of the Directors' discretion at the relevant time.

Other Information

Details of Dr Dalglish's remuneration and other interests in RCR (including security interests and interests in unvested Performance Rights) are set out in the 2016 Remuneration Report and Director's Report in the Company's 2016 Annual Report released to the ASX on 25 August 2016 and available on the Company's website.

For the purposes of ASX Listing Rule 10.15:

- Dr Dalglish is the only Director entitled to participate under the Performance Incentive Plan;
- the maximum number of Performance Rights to be granted to Dr Dalglish under the Performance Incentive Plan is 588,240 (which are subject to the vesting conditions discussed above);
- the grant of the Performance Rights form part of Dr Dalglish's remuneration arrangements and as such will be granted at no cost and no amount is payable on vesting and exercise;
- shareholders' approved the grant of 777,200 Performance Rights under the Performance Incentive Plan to Dr Dalglish at the Company's 2015 annual general meeting. Other than those 777,200 Performance Rights which were subsequently granted to Dr Dalglish, since that approval no securities have been acquired under the Performance Incentive Plan by Directors or their associates (though Performance Rights have been granted to other Executives who are not Directors pursuant to the Company's remuneration framework) and Dr Dalglish is the only Director entitled to participate in the Performance Incentive Plan. Dr Dalglish's current relevant interest in securities in the Company, comprises 8,318,767 Shares (representing 5.94% of the capital of the Company) and 1,247,420 Performance Rights. The Performance Rights held by Dr Dalglish have been previously approved by shareholders and granted under the Company's previous Long-Term Incentive Plan or the current Performance Incentive Plan;
- there is no loan scheme in relation to the Performance Rights;
- Dr Dalglish is prohibited from hedging the share price exposure in respect of Performance Rights during the Performance Period applicable to Performance Rights. Shares issued on the vesting of Performance Rights (if any) will be subject to the Company's Securities Trading Policy;
- Performance Rights are non-transferrable and do not carry voting entitlements or dividend entitlements (save as provided for on vesting and exercise);
- if shareholder approval is obtained, details of the Performance Rights to be granted to Dr Dalglish will be provided in the Company's Remuneration Report for the year ending 30 June 2017;
- if shareholder approval is obtained, it is anticipated that the Performance Rights will be granted after the Meeting and, in any event, no later than 12 months after the date of the Meeting; and
- voting exclusions will apply to Dr Dalglish and any of his associates, as set out below.

The Performance Rights are subject to the terms of the Performance Incentive Plan, a summary of which was set out in the 2015 Notice of Annual General Meeting released to ASX on 5 October 2015 and on page 48 of the Company's 2016 Annual Report

If Shareholders Approval is Not Obtained

In the event that the grant of Performance Rights contemplated under item 4 is not approved by shareholders, in order to meet the Company's contractual obligations under Dr Dalglish's employment contract, it will be necessary for the Board and Dr Dalglish to agree an alternative remuneration structure to provide Dr Dalglish with his contractual entitlement. This could include an alternative equity proposal to be put to shareholders and/or an amount in cash. Any such offer would be equivalent in value to the current proposed awards and, to the extent that they are relevant, on similar terms as set out above (including the satisfaction of applicable performance hurdles and service conditions).

Board Recommendation

The Non-Executive Directors unanimously recommend that shareholders vote in favour of resolution 4.

The Chairman of the Meeting intends to vote all undirected proxies in favour of resolution 4.

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on item 4 by Dr Dalglish and any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

In accordance with the Corporations Act, a vote on item 4 must not be cast by a member of the Company's Key Management Personnel or any of their closely related parties (such as family members and any controlled companies or trusts) as a proxy for a person who is entitled to vote, unless the vote is cast in accordance with the directions on the Proxy Form specifying the way the proxy is to vote or by the Chairman in accordance with an express authorisation on the Proxy Form.

For information on voting restrictions that may affect your proxy appointment on this item, see the notes on page 4.

Glossary

Annual Financial Report	has the meaning given to it in the section of this Explanatory Memorandum entitled "Item 1 – 2016 Annual Financial Report".
Annual General Meeting or AGM or Meeting	means the annual general meeting of shareholders of RCR to be held at the Fort Macquarie Room, InterContinental Sydney, 117 Macquarie Street, Sydney, New South Wales, on Tuesday, 25 October 2016, commencing at 10.30 am (Sydney time) or any adjournment thereof.
ASX	means ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.
ASX Listing Rules or Listing Rules	means the Listing Rules of the ASX, from time to time and as modified by any express waiver given by ASX.
Board	means the board of Directors.
Chairman	means the person chairing the Meeting from time to time.
closely related party	<p>of key management personnel means:</p> <ul style="list-style-type: none">• a spouse or child of the member; or• a child of the member's spouse; or• a dependent of the member or the member's spouse; or• anyone else who is one of the member's family any may be expected to influence the member or be influenced by the member in the member's dealings with RCR; or• company the member controls; or• a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Company or RCR	means RCR Tomlinson Ltd (ABN 81 008 898 486).
Constitution	means RCR's constitution.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of RCR.
EPS	means Earnings Per Share.
EVA	means Economic Value Added.
FY2016 or FY16	means the financial year commencing on 1 July 2015 and ending 30 June 2016
Key Management Personnel or KMP	has the same meaning given in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of RCR (whether directly or indirectly), and includes any Directors.
Notice of Annual General Meeting or Notice	means this notice of Annual General Meeting, including the Explanatory Memorandum.
Non-Executive Director	means a Non-Executive Director of RCR.
Performance Incentive Plan	means the RCR Performance Incentive Plan which was approved by shareholders at RCR's 2015 annual general meeting held on 6 November 2015.
Performance Right	means a right, subject to conditions determined by the Board, to receive Shares.
Proxy Form	means the proxy form attached to this Notice.
Remuneration Report	means the remuneration report for the year ended 30 June 2016 forming part of the Directors' Report in RCR's 2016 Annual Report.
RCR Group	means RCR, any subsidiary and any other entity declared by the Board to be a member of the group for the purposes of the Performance Incentive Plan
Share	means a fully paid ordinary share in the capital of RCR.
TSR	means Total Shareholder Return.



rcrtom.com.au



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Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 138863

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 10.30am (Sydney time) Sunday, 23 October 2016**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of RCR Tomlinson Ltd hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of RCR Tomlinson Ltd to be held at the Fort Macquarie Room, InterContinental Sydney, 117 Macquarie Street, Sydney, New South Wales on Tuesday, 25 October 2016 at 10.30am (Sydney time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3 and 4 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 2a	Re-election of Director - Ms Eva Skira	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2b	Re-election of Director - Mr Lloyd Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of the 2016 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Performance Rights to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /
