



ALS Limited
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ABN 92 009 657 489

21 June 2018

Dear Shareholder,

ANNUAL GENERAL MEETING 2018

The 2018 Annual General Meeting of ALS Limited will be held at **The Pullman Hotel, King George Square, Cnr Roma and Ann Streets, Brisbane, Qld 4000** at **10.00am (AEST) on Wednesday, 1 August 2018**.

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 re-elections of myself and Charlie Sartain for a further three-year term, adoption of the remuneration report, increase in the NED Fee pool, approval of prospective termination payments and grant of performance rights to the Managing Director and CEO, Raj Naran.

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 10.00am AEST on Monday 30 July 2018**.

Voting on all resolutions will be determined by a poll rather than a show of hands. The Meeting will be webcast.

If you plan to attend the meeting, please bring your proxy voting form 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

Bruce Phillips
Chairman



Notice of Annual General Meeting 2018

Notice is hereby given that the 67th Annual General Meeting of the shareholders of ALS Limited (**Company** or **ALS**) will be held at **The Pullman Hotel, King George Square, Cnr Roma and Ann Streets, Brisbane, Qld 4000** at **10.00am (AEST) on Wednesday, 1 August 2018 (Meeting)**.

BUSINESS OF THE MEETING

1. Presentations by the Chairman and Managing Director

\$150,000 from \$1,500,000 to \$1,650,000 (inclusive of superannuation), effective from 1 August 2018"

2. Re-election of Directors

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

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

*"That **Bruce Phillips**, 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 **Charlie Sartain**, 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."*

3. Remuneration Report

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

"That the Remuneration Report contained in the Company's 2018 Annual Report in respect of the financial year ended 31 March 2018, 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).

4. Increase in Fee Pool for Non-Executive Directors

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

"That, in accordance with Rule 10.17 of the ASX Listing Rules and clause 66.1 of the Company's Constitution, the aggregate maximum amount of fees available to be paid by the Company to non-executive directors each financial year (inclusive of Superannuation) be increased by

5. Grant of Performance Rights to the Managing Director/CEO

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

"That, for the purposes of the Corporations Act 2001 (Cth) and ASX Listing Rules, and for all other purposes, approval is hereby given for the grant of 103,725 Performance Rights (incorporating the right to acquire shares in the Company) to the Managing Director and CEO, Raj Naran under the Company's Long Term Incentive Plan (LTIP), which is constituted and administered in accordance with the Rules of the LTIP, as described in the Explanatory Notes to this Notice of Meeting."

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

6. Prospective Termination Payments

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

"That approval be given for all purposes, including sections 200B and 200E of the Corporations Act 2001 (Cth), for the giving of all benefits (including any termination benefits), under the Company's Short Term Incentive Plan and Long Term Incentive Plan, to any current or future personnel, who hold or during the 3 years prior to retirement held a managerial or executive office in the Company or a related body corporate, in connection with that person's retirement from an office or cessation of employment in the Company or a related body corporate, on the terms set out in the Explanatory Notes accompanying this Notice of Meeting."

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

7. 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 2018.

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

Michael Pearson
Company Secretary
21 June 2018

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 Re-election of Directors (Resolutions 2 (i) and 2(ii))

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 serve 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 the Meeting, Bruce Phillips and Charlie Sartain, having each held office as a non-executive director for a continuous period of three years since their election to the Board, retire and, being eligible, offer themselves for re-election as non-executive directors of the Company.

The Board, as the Nominations Committee, has reviewed the performance of both directors and is satisfied that they continue to bring valuable expertise and experience to the Board.

Their respective details are:

BRUCE PHILLIPS



B Sc (Hons) (Geology)

Chairman and Independent Non-Executive

Director Age 63

Bruce Phillips was appointed a non-executive director of the Company on 1 August 2015 and became Chairman on 26 July 2016 following the Company's 2016 AGM. Bruce is a qualified geophysicist with more than 35 years of technical, financial and managerial experience in the energy sector.

He founded Australian Worldwide Exploration Limited (ASX: AWE) in 1997 and was its Managing Director until his retirement in 2007. He re-joined as a non-executive director in 2009 and held the position of Chairman until his retirement from the Board in November 2017. He has also been Chairman of Platinum Capital Limited (October 2009 – June 2015) and a non-executive director of AGL Energy Limited (August 2007 – September 2016) and Sunshine Gas Limited.

He is a member of the People Committee.

Recommendation

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

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

CHARLIE SARTAIN



B Eng (Hons) (Mining), FAusIMM, FTSE

Independent Non-Executive Director

Age 57

Charlie Sartain was appointed a non-executive director of the Company on 1 February 2015. He spent more than 30 years with MIM Holdings and then Xstrata after it acquired MIM. He led Xstrata's global copper business as Chief Executive of Xstrata Copper for nine years from 2004 and prior to that held senior executive positions with the company in Latin America and Australia.

Charlie is currently a non-executive director of Goldcorp Inc. (appointed January 2017), Chairman of the Advisory Board of the Sustainable Minerals Institute at the University of Queensland and a Board Member of Wesley Medical Research. His previous roles included Chairman of the International Copper Association, a Member of the Department of Foreign Affairs and Trade's Council on Australian Latin American Relations and a Director of Xstrata Schweiz Limited. He also served as a non-executive director of Austin Engineering Limited between April 2015 and March 2018 and as a Member of the Senate of the University of Queensland from 2010 until December 2017.

He is Chairman of the Sustainability Committee and a member of the Audit and Risk Committee.

Recommendation

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

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

Item 3 Remuneration Report (Resolution 3)

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 20 to 38 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.

Recommendation

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

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

Item 4 Increase in Fee Pool for Non-Executive Directors (Resolution 4)

Clause 66.1 of the Company's Constitution and ASX Listing Rule 10.17 provide that the non-executive directors may be remunerated for their services from a maximum aggregate sum determined from time to time by the Company in general meeting. The maximum

aggregate sum is to be divided among the non-executive Directors in such proportion and manner as the Directors agree and, in default of agreement, equally and is deemed to accrue from day to day.

In accordance with clause 66.1 of the Company's constitution and ASX Listing Rule 10.17, it is proposed that the maximum aggregate remuneration which may be paid to the Company's non-executive directors be increased by \$150,000 to \$1,650,000 (including superannuation) a year effective from 1 August 2018.

The reasons for the proposed increase are outlined below.

The current maximum aggregate remuneration limit of \$1,500,000 for non-executive directors was approved at the Company's AGM in July 2012, 6 years ago. In the 2018 financial year on an annualised basis, the remuneration for non-executive directors was approximately \$1,225,000 (as detailed in the Remuneration Report).

The Board currently consists of six (6) non-executive and one executive director. Whilst the Board is not currently seeking to increase its size, it is seeking an increase to the current cap for the purpose of strategic flexibility in succession planning. In particular, to allow for overlapping terms of non-executive directors and the future appointment of more globally diverse Board members.

The Board is of the view that the proposed increase to non-executive directors' remuneration is commensurate with market remuneration paid to non-executive directors at equivalent ASX listed companies in terms of growth and market capitalisation and is necessary for the Board to be able to retain and attract appropriately qualified Australian and internationally based non-executive directors to oversee the Company's increasingly global business and strategic direction.

Since the last increase to the non-executive directors' fee pool at the 2012 AGM, the Company has continued to expand its operations. This combined with the results of the benchmarking review undertaken by the Board showing the current fees of ALS directors to be below the market average for a company of its size, suggests that a 10% increase to the non-executive directors' fee pool is reasonable.

In accordance with ASX Listing Rule 10.17 the Company confirms that no securities have been issued to a non-executive director under Listing Rule 10.11 or Listing Rule 10.14 with the approval of shareholders at any time in the preceding three (3) years.

Recommendation

The Directors abstain from making a recommendation in relation to the resolution.

Item 5 Grant of Performance Rights to the Managing Director/CEO (Resolution 5)

Managing Director/CEO participation in LTI Plan

As Managing Director and CEO, Raj Naran is entitled to participate in the Company's Long Term Incentive Plan (LTIP) and receive up to 60% of TFR (or US\$600,000) in value of Performance Rights under the LTIP, with vesting

dependent on achievement of the EPS, TSR, ROCE and EBITDA performance hurdles detailed below, measured over a three-year period.

The Board is seeking approval of shareholders for the issue of 103,725 Performance Rights (being US\$600,000 in value) under the LTIP for the purposes of all applicable requirements under the Corporations Act and ASX Listing Rules, including ASX Listing Rule 10.14, which require shareholder approval for a director to acquire securities under an employee incentive scheme.

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

Basis of LTIP grant

Raj Naran's Performance Rights offer this year is 103,725 Performance Rights (being US\$600,000 in value, equivalent to AUD\$781,047) under the Company's LTIP, being the maximum potential allocation under the LTIP in relation to his total remuneration package for 2018-19.

The number of Performance Rights proposed to be granted to Raj Naran was determined based on the volume weighted average price (**VWAP**) of shares in the Company calculated over the 10 trading days following the date of announcement of the final full year audited results on 28 May 2018, being AUD\$7.53. The USD currency amount was converted to Australian dollars during the allocation process. The exchange rate used was the mid-market rate as at 31 March 2018, being USD/AUD0.7682.

Raj 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 2018 to 31 March 2021. The basis of the grant to Raj Naran is as follows:

Twenty five percent (25%) of the Performance Rights are subject to an Underlying Earnings per Share (**EPS**) measurement, twenty five percent (25%) are subject to an Underlying 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 Underlying EPS growth	Proportion of performance rights that may be exercised if Underlying EPS growth hurdle is met
Less than 6% per annum	0%
Between 6% and 10% per annum	Straight line vesting between 12.5% and 25% of total grant
10% or higher per annum	25% of total grant

Underlying EBITDA margin of ALS relative to Underlying EBITDA margin of comparator peer companies	Proportion of performance rights that may be exercised if Underlying EBITDA hurdle is met
Less than the 50 th percentile	0%
Between the 50 th 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 Underlying EBITDA margin measurement is contingent upon performance of the Company against a group of comparator peer companies, which include:

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

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 11.4%	0%
Between 11.4% and 16.4%	Straight line vesting between 0% and 25% of total grant
At or above 16.4%	25% of total grant

The respective ROCE thresholds are set at 2% and 7% above the March 2018 Weighted Average Cost of Capital (**WACC**) of 9.4%⁽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 2018 Pre-tax Nominal WACC (midpoint).

(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 and at the discretion of the Board, a 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.

Other required information (per ASX Listing Rule 10.15A)

Previously, 117,010 Performance Rights were granted to Raj Naran which remain unvested. The grant was approved by shareholders at the Company's 2017 AGM.

Raj Naran as Managing Director and CEO 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 Raj Naran 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 unless approval is obtained under Listing Rule 10.14.

Allocation of Performance Rights to Raj Naran will be made no later than 12 months after the date of the Meeting.

Any issue of shares to Raj Naran under this approval will be made no later than 3 years after the date of the Meeting.

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

The Board considers that Raj Naran'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 Meeting, 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 Raj Naran is entitled to participate in the LTIP in 2018.

Recommendation

Each of your directors (other than Managing Director, Raj Naran, who is not entitled to vote) recommends the approval of the grant of equity-based performance rights to Raj Naran. None of the directors (other than Raj Naran) has an interest in the outcome of this resolution.

The Chairman of the Meeting intends to vote all 'open' proxies (where the Chairman has been appropriately authorised) in favour of this resolution.

Item 6 Prospective Termination Payments (Resolution 6)

Background

Section 200B of the *Corporations Act* restricts the benefits which can be given in connection with the retirement from office or cessation of employment of certain officers of the Company or a related body corporate, unless an exemption applies or shareholder approval is obtained. Amongst other things:

- (a) the restrictions apply not only to directors of the Company, but also cover senior executives who are key management personnel of the Company or whose remuneration details are disclosed in the Company's remuneration report. They also extend to any person who held such a directorship or position in the previous 3 years;

- (b) the cap that applies to the termination payments that the Company is permitted to make to the affected officers without shareholder approval is 12 months' average base salary;
- (c) various identified types of remuneration including accelerated and automatic vesting of share-based remuneration are specifically characterised as benefits for the purposes of the provisions; and
- (d) there are a number of specific exemptions from the operation of the provisions – for example, deferred bonuses, genuine superannuation contributions and benefits from certain defined benefit superannuation schemes are exempt from the requirement to obtain shareholder approval.

Details of benefits for which shareholder approval is sought

The Company is seeking advance shareholder approval, for the purposes of sections 200B and 200E of the *Corporations Act*, to provide benefits which may otherwise be prohibited under section 200B, so as to obtain certainty about its ability to maintain its existing remuneration arrangements and satisfy contractual and legal obligations.

Shareholders have in the past prospectively approved these benefits, the last time being in 2014 (**2014 Approval**). While the 2014 Approval was not limited as to time, good corporate governance practice suggests that the 2014 Approval be periodically refreshed. As such, shareholders are now being requested to refresh this approval. The proposed resolution is similar to that passed in 2014.

Shareholders are not being asked to approve any increase in the remuneration or benefits payable to relevant personnel, nor any variations to the existing discretions of the Board. The approval being sought is in relation to the Company's existing obligations and other obligations entered into in the future in the ordinary course.

The approval is sought in relation to certain short term incentive (STI) and long term incentive (LTI) awards which may be delivered through the Company's Short Term Incentive Plan (STIP) and LTIP. If shareholder approval is obtained, it will give the maximum flexibility to pay the unpaid STIs and/or vest the unvested LTIs of executives or key personnel who cease employment. If shareholder approval is not obtained, this could constrain the Company's ability to comply with, or adapt to, emerging market, regulatory and legislative developments in the future which might create uncertainty for, and impact the Company's ability to attract and retain, staff.

The approval is limited to where Board discretion is exercised or vesting entitlements are granted to participants under the STIP Rules or LTIP Rules or benefits are otherwise provided other than as a result of death or incapacity. Approval is sought in relation to both current

and future personnel who hold or have held during the 3 years prior to cessation of employment a managerial or executive office in the Company or a related body corporate.

Non-executive directors are not entitled to participate in the Company's LTI or STI arrangements and so this approval will not apply to them.

The ALS Short Term Incentive Plan

Certain executive employees of the Company are eligible to participate in the Company's STIP and may receive a STI for a particular year (**performance year**). The STIP involves at risk bonuses paid in cash or by the issue of shares. Performance hurdles are determined annually. STIs may not exceed a specified proportion of an individual's total fixed remuneration. The grant is tied to key performance indicators for the performance year.

The STIP sets out the treatment of unpaid or unvested STI entitlements following cessation of employment. Participants whose employment ceases before payment or receipt of an STI will not generally be eligible to participate in the STIP. However, where a participant ceases employment due to death, permanent disability or retirement and has served at least 6 months of the performance year or if otherwise approved, a portion of any STI entitlements may be awarded in accordance with the STIP Rules. There is no obligation to exercise this discretion. Exercise of the discretion will depend on factors such as the participant's performance, contribution and tenure.

A copy of the STIP Rules can be obtained from the Company Secretary upon request.

The ALS Long Term Incentive Plan

A summary of the LTIP is set out in Schedule 1.

Under the LTIP an employee must remain employed on the vesting date for the relevant Performance or Phantom Rights to be eligible for issue of the shares or the relevant payment (subject to EPS, TSR, ROCE and EBITDA performance criteria being met). Unvested Performance Rights will generally lapse where the participant ceases employment prior to the end of a performance period. However, where a participant's termination of employment is due to death or bona fide age or disability retirement, or if otherwise approved, part of the participant's unvested Performance Rights may continue to be held by the participant or participant's beneficiary subject to the performance hurdles to be tested at the vesting date. There is no obligation to exercise this discretion.

A copy of the LTIP Rules can be obtained from the Company Secretary upon request.

As noted above, automatic and discretionary vesting of entitlements under the LTIP or STIP may constitute a

'benefit' for the purposes of the termination benefits provisions under the *Corporations Act*. Accordingly, approval is being sought to provide the flexibility to grant Performance or Phantom Rights and/or approve the vesting of Performance or Phantom Rights under the LTIP Rules and to award STIs under the STI Rules following the cessation of employment.

It is anticipated that the LTIP and / or the STIP Rules may be amended from time to time in line with market practice and changing governance standards and, where required, the Company will disclose these changes in the Company's Remuneration Report. However, it is intended that the approval will remain valid, provided that, at the time that the discretion is exercised, the LTIP Rules contain a discretion to prevent the lapse of and vest unvested Performance or Phantom rights or provide for automatic vesting or the STIP Rules contain a discretion to award STIs after cessation of employment.

Value of the benefits

The value of the potential termination benefits cannot be ascertained in advance as they are dependent on various matters, events and circumstances which will or would likely affect calculation of the value.

Specifically, the value of a LTI benefit will depend on factors including:

- the participant's previous performance year STI at the time the grants are made under the LTIP;
- the number of unvested Performance or Phantom rights that the participant holds at the time they cease to be employed;
- the Company's share price at the time of vesting;
- the number of Performance rights that automatically vest or that the Board decides to vest;
- the portion of any relevant performance periods that have expired at the time they cease to be employed; and
- the extent to which EPS, TSR, ROCE AND EBITDA targets are achieved.

In the case of an STI, the value of the benefit will be affected by the amount of the participant's STI for the current performance year, the proportion of the relevant performance year that has expired at the time they ceased to be employed and the amount of the STI that are to be made.

Important voting information for employee shareholders and executive directors

Section 200E(2A) of the *Corporations Act* provides that a benefit will not be approved if the retiring managerial or executive officer (**Retiree**) or an associate of the Retiree casts a vote on a resolution to approve the giving of the benefit (except where the vote is a permitted proxy vote as described below).

Accordingly, if you are an employee shareholder or executive director of the Company or its related bodies corporate, or may become one in the future, you should:

- not vote on this proposed resolution; and
- ensure that your associates do not vote on this proposed resolution.

A vote is a permitted proxy vote where it:

- is cast by the Retiree or associate as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- is not cast on behalf of the Retiree or an associate of the Retiree.

Recommendation

Each of your directors (with the Managing Director, Raj Naran abstaining) recommends that you vote in favour of the resolution.

Item 7 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 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.

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 Monday, 30 July 2018**. 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 3 - Remuneration Report

A vote must not be cast, and the Company will disregard any votes cast, on the resolution proposed in item 3 (**Resolution 3**) 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 sees fit even if Resolution 3 is connected directly or indirectly with the remuneration of a member of the KMP.

Item 4 – Increase in Fee Pool for Non-Executive Directors

A vote must not be cast, and the Company will disregard any votes cast, on the resolution proposed in item 4 (**Resolution 4**):

- by or on behalf of any Director of the Company or any of their 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 because 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 4 is connected directly or indirectly with the remuneration of a member of the KMP.

Item 5 - Grant of Performance Rights to the Managing Director/CEO

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 Raj Naran and any director who is eligible to participate in the LTIP or any of their 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 because 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.

Item 6 - Prospective Termination Payments

A vote must not be cast, and the Company will disregard any votes cast on the resolution proposed in item 6 (**Resolutions 6**) 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 because 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 6 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 2018;

- '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.

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 10am (AEST) on Monday, 30 July 2018 (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/alsagm2018

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.

POLL

Voting on all items will be determined by a poll at the Meeting rather than a show of hands. Shareholders and proxy holders attending the Meeting will be provided with poll voting cards. Shareholders not attending the Meeting may use the enclosed voting form or vote online.

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 Wednesday 25 July 2018** (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.

WEBCAST

A webcast of the Meeting will be conducted live and a copy of the meeting will be available on the Company's website at www.alsglobal.com.

RESULTS OF THE MEETING

Voting results will be announced on the Australian Securities Exchange (ASX) as soon as practicable after the Meeting and will also be made available on the Company's website at www.alsglobal.com.

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") or in jurisdictions where the securities or other legislation makes the issue of shares difficult, cash payments to an equivalent value ("Phantom Rights").

The Performance Rights will be granted and ordinary shares issued (or in the case of Phantom Rights, 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

The maximum eligibility in the LTIP for the 2018 offer is set at the same maximum percentage of total fixed remuneration as the executive's STI maximum potential percentage.

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 10 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 (although an alternative calculation measure may be undertaken if unusual circumstances arise to deem this calculation inappropriate).

Subject to any applicable 'good leaver' provisions in the LTIP Rules, 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.

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 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 10:00am (AEST) on Monday 30 July 2018.**

🖨 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/alsagm2018>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE NOTICE OF DIRECTION 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 resolution. Please only mark either "for" or "against" for each resolution. Do not mark the "abstain" box if you are voting directly. If no direction is given on a resolution, or if you complete both the boxes in Section 1 and 2, your vote may be passed to the Chairman of the Meeting 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.

SECTION 2: APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Section 2. If you wish to appoint someone other than the Chairman 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 or does not vote on a poll in accordance with your instructions, the Chairman of the Meeting will be your proxy by default. A proxy need not be a Securityholder of the company. Do not write the name of the issuer 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 Proxy 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 forms. On each 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 resolution. 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 resolution by inserting the percentage or number that you wish to vote in the appropriate box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%. If you do not mark any of the boxes on a given resolution, your proxy may vote as he or she chooses (subject to any voting restrictions that apply to your proxy). If you mark more than one box on a resolution for all your securities your vote on that resolution will be invalid.

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

Notice of Direction 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 **10:00am (AEST) on Monday 30 July 2018.** Any form received after that time will not be valid for the scheduled meeting.

Forms may be lodged using the enclosed Reply Paid Envelope or:

🖨 **Online** <https://www.votingonline.com.au/alsagm2018>

📠 **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 vote directly at the Annual General Meeting of the Company to be held at **The Pullman Hotel, King George Square, Cnr Roma & Ann Streets, Brisbane QLD 4000 on Wednesday 1 August 2018 at 10:00am (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 shareholder) 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 4000, on Wednesday 1 August 2018 at 10:00am (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 3, 4, 5 and 6), I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of Resolutions 3, 4, 5 and 6 (except where I/we have indicated a different voting intention below), even though Resolutions 3, 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 all Resolutions (including Resolutions 3, 4, 5 and 6). 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.

		For	Against	Abstain*
Item 2 (Resolution 2(i))	Re-election of Director – Bruce Phillips	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 (Resolution 2(ii))	Re-election of Director – Charlie Sartain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 (Resolution 3)	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 (Resolution 4)	Approval of increase in Fee Pool for Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 (Resolution 5)	Grant of Performance Rights to the Managing Director/CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 (Resolution 6)	Prospective Termination Payments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 4 SIGNATURE OF SECURITYHOLDERS

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

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary / Sole Director (no Company Secretary)	Director	Director / Company Secretary



ABN 92 009 657 489

All correspondence and enquiries to:



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 9290 9655
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 2018 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 2018.

This form must be received by the Company's share registrar, Boardroom Pty Limited, by Wednesday, 25 July 2018. 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

Three horizontal lines for writing the question.

2. Question is for the [] Chairman, or [] Auditor

Three horizontal lines for writing the question.

3. Question is for the [] Chairman, or [] Auditor

Three horizontal lines for writing the question.

All correspondence to



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