

NOTICE OF ANNUAL GENERAL MEETING

EMECO HOLDINGS LIMITED (ACN 112 188 815)

The Annual General Meeting of the Shareholders of Emeco Holdings Limited (**Company** or **Emeco**) will be held at The Studio, Crown Perth on Thursday, 20 November 2014 commencing at 12.00 noon (Perth time). Registrations will commence at 11.00am.

The Explanatory Notes to this Notice of Annual General Meeting provide additional information on matters to be considered at the meeting. The Explanatory Notes form part of this Notice of Annual General Meeting.

BUSINESS

1. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2014.

2. QUESTIONS AND COMMENTS

Shareholders will be given a reasonable opportunity to ask questions about or comment on the management and audit of the Company.

3. ITEMS FOR APPROVAL

Resolution 1:

Re-election of Mr Alec Brennan

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

"That Mr Alec Brennan, who will be retiring by rotation at the close of the meeting in accordance with clause 20 of the Constitution and for all other purposes, is re-elected as a non-executive Director of the Company."

Resolution 2:

Re-election of Mr John Cahill

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

"That Mr John Cahill, who will be retiring by rotation at the close of the meeting in accordance with clause 20 of the Constitution and for all other purposes, is re-elected as a non-executive Director of the Company."

Resolution 3:

Adoption of Remuneration Report

To consider and, if thought fit, to pass the following as an advisory resolution of Shareholders:

"That the Remuneration Report for the financial year ended 30 June 2014 be adopted."

The Remuneration Report forms part of the Directors' Report (included in the Annual Report at pages 50 to 63).

Voting prohibitions: In accordance with the Corporations Act, a vote on this Resolution will be disregarded by the Company, and must not be cast (in any capacity), by or on behalf of the following persons:

- (a) a member of the Key Management Personnel for the Company, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (**Voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described in sub-paragraphs (a) and (b) above and either:

- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the Voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 3, 4, 5 and 6".

Resolution 4:

Approval of the Managing Director/Chief Executive Officer acquiring Shares under the Emeco Short Term Incentive Scheme

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the allotment and issue of 313,690 Shares to Mr Kenneth Lewsey, the Managing Director and Chief Executive Officer of the Company, under the Emeco Short Term Incentive Scheme on the terms set out in the Explanatory Notes be approved."

Voting prohibitions: In accordance with the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel of the Company; or
 - (ii) Closely Related Party of a member of the Key Management Personnel of the Company; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the meeting; and
- (b) the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

Voting exclusions: In accordance with ASX Listing Rule 14.11, and without limiting the prohibitions set out above, the Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in the Short Term Incentive Scheme), and any associates of any such person, unless the vote is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting 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.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 3, 4, 5 and 6".

Resolution 5:

Approval of allocation of Performance Shares to the Managing Director/Chief Executive Officer for the 2014 financial year

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

"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, the allotment and issue of 4,553,571 Performance Shares to Mr Kenneth Lewsey, the Managing Director and Chief Executive Officer of the Company, on the terms set out in the Explanatory Notes be approved."

Voting prohibitions: In accordance with the Corporations Act, a vote on this Resolution must not be cast by or on behalf of Mr Lewsey or an associate of Mr Lewsey unless:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- (b) it is not cast on behalf of Mr Lewsey or an associate of Mr Lewsey.

Further, a vote on this Resolution must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel of the Company; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the meeting; and
- (b) the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

Voting exclusions: In accordance with ASX Listing Rule 14.11, and without limiting the prohibitions set out above, the Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in the Employee Incentive Plan), and any associates of any such person, unless the vote is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting 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.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 3, 4, 5 and 6".

Resolution 6:

Approval of allocation of Performance Shares to the Managing Director/Chief Executive Officer for the 2015 financial year

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

"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, the allotment and issue of 4,250,000 Performance Shares to Mr Kenneth Lewsey, the Managing Director and Chief Executive Officer of the Company, on the terms set out in the Explanatory Notes be approved."

Voting prohibitions: In accordance with the Corporations Act, a vote on this Resolution must not be cast by or on behalf of Mr Lewsey or an associate of Mr Lewsey unless:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- (b) it is not cast on behalf of Mr Lewsey or an associate of Mr Lewsey.

Further, a vote on this Resolution must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of a member of the Key Management Personnel of the Company; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the meeting; and
- (b) the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Voting exclusions: In accordance with ASX Listing Rule 14.11, and without limiting the prohibitions set out above, the Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in the Employee Incentive Plan), and any associates of any such person, unless the vote is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting 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.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 3, 4, 5 and 6".

INFORMATION FOR SHAREHOLDERS

AVAILABILITY OF THE ANNUAL REPORT

For those Shareholders who have not elected to receive a printed copy, the Annual Report comprising the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2014 is available online on the Company's website at:
<http://www.emecogroup.com/view/investors/annual-reports>.

DETERMINATION OF ENTITLEMENT TO VOTE

In accordance with Reg. 7.11.37 of the *Corporations Regulations 2001 (Cth)*, you will be entitled to attend and vote at the meeting if you are registered as a holder of Shares as at 4.00pm (Perth time) on Tuesday, 18 November 2014. If you are not registered as a holder of Shares as at this time, you will not be entitled to attend or vote at the meeting as a Shareholder.

If more than one joint holder of Shares is present at the Annual General Meeting (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

PROXIES

Appointing a proxy

If you are a Shareholder entitled to attend and vote, you are entitled to appoint a proxy. Shareholders can appoint a body corporate as well as an individual as their proxy. A Shareholder who is entitled to attend and cast two or more votes at the meeting may appoint two other persons as that Shareholder's proxies and may specify the proportion or the number of votes each proxy is appointed to exercise. If the Shareholder does not specify the proportion or number of votes to be exercised by each proxy, each proxy may exercise half of the Shareholder's votes.

A proxy need not be a Shareholder of the Company.

Lodging your proxy form

You can lodge your completed proxy form by:

- (a) mailing it to Link Market Services Limited using the reply paid envelope;
- (b) posting it to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- (c) lodging it online at Link Market Services Limited's website, www.linkmarketservices.com.au. You will be taken to have signed your proxy form if you lodge it in accordance with the instructions on the website;
- (d) by facsimile to 02 9287 0309 or to +61 2 9287 0309 (from outside Australia); or

- (e) hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes, New South Wales.

Your completed proxy form (and any necessary supporting documentation) must be received by Link Market Services by no later than 12.00 noon (Perth time) on Tuesday, 18 November 2014, that is, at least 48 hours before the commencement of the Annual General Meeting.

If the proxy form is signed by an attorney, the original power of attorney (or a certified copy) under which the proxy form was signed must also be received by Link Market Services by no later than 12.00 noon (Perth time) on Tuesday, 18 November 2014 unless it has previously been provided to Link Market Services.

A proxy form accompanies this Notice of Annual General Meeting. Additional proxy forms will be supplied by Link Market Services on request.

How the Chairman of the meeting will vote undirected proxies

The Chairman will vote undirected proxies in favour of Resolutions 1 and 2. In respect of Resolutions 3, 4, 5 and 6, Shareholders should refer to the important information below under the heading "Important information concerning proxy votes on Resolutions 3, 4, 5 and 6".

Important information concerning proxy votes on Resolutions 3, 4, 5 and 6

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on the advisory resolution to adopt the Company's Remuneration Report and resolutions connected directly or indirectly with the remuneration of the Company's Key Management Personnel. Key Management Personnel of Emeco are the Directors of Emeco and all other persons having authority and responsibility for planning, directing and controlling the activities of Emeco, directly or indirectly. The Remuneration Report identifies Emeco's Key Management Personnel for the financial year ended 30 June 2014. "Closely related party" is defined in the Corporations Act (and repeated in the Glossary to the Explanatory Notes) and includes certain family members and dependants of, and companies controlled by, Key Management Personnel.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Chairman as their proxy (including an appointment by default) are encouraged to direct the Chairman as to how to vote on all Resolutions.

If the Chairman of the meeting is appointed, or taken to be appointed, as your proxy, you can direct the Chairman of the meeting to vote for, against or abstain from voting on Resolutions 3, 4, 5 and 6 by marking the appropriate box opposite this Resolution on the proxy form. You should direct the Chairman how to vote on these Resolutions.

However, if the Chairman of the meeting is your proxy and you do not direct the Chairman how to vote in respect of Resolutions 3, 4, 5 and 6 on the proxy form, you will be deemed to have directed and expressly authorised the Chairman to vote your proxy in **favour** of Resolutions 3, 4, 5 and 6. This express authorisation acknowledges that the Chairman may vote your proxy even if:

- (a) Resolutions 3, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company; and
- (b) the Chairman has an interest in the outcome of Resolutions 3, 4, 5 and 6 and that votes cast by the Chairman for these Resolutions, other than as authorised proxy holder, will be disregarded because of that interest.

BODY CORPORATE REPRESENTATIVE

Any Shareholder being a body corporate may authorise any person to act as its representative at the Annual General Meeting. The representative so appointed is entitled to exercise the same powers as the body corporate could have exercised as a Shareholder if it were a natural person. The appointment of a corporate representative must comply with the requirements of section 250D of the Corporations Act. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a general meeting or in voting on a Resolution.

Corporate Shareholders who wish to appoint a representative to attend the meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the company's representative. That formal notice of appointment must be brought to the Annual General Meeting.

Explanatory Notes

Please refer to the Explanatory Notes attached to this Notice of Annual General Meeting in relation to the items of business set out in this Notice.

By order of the Board



Thao Vanderplancke
Company Secretary
15 October 2014

EXPLANATORY NOTES

1. CONSIDERATION OF REPORTS

The Financial Report, Directors' Report and the Independent Auditor's Report for the financial year ended 30 June 2014 will be presented for consideration.

2. QUESTIONS AND COMMENTS

Following consideration of the Reports, the Chairman will give Shareholders a reasonable opportunity to ask questions about, or comment on, the management of the Company.

The Chairman will also give Shareholders a reasonable opportunity to ask the auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

The Chairman will also give the auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Auditor's Report or to the conduct of the audit. Any written questions submitted by Shareholders will be made available at the start of the Annual General Meeting. Any written answer tabled by the auditor at the Annual General Meeting will be made available as soon as practicable after the meeting.

3. ITEMS FOR APPROVAL

Resolution 1:

Re-election of Mr Alec Brennan

Appointment: Independent non-executive Director since August 2005. Chairman since November 2006.

Board committee membership: Chairman of the Remuneration and Nomination Committee. Member of the Audit and Risk Committee.

Skills and experience: Alec was Chief Executive Officer of CSR from April 2003 until March 2007, prior to which he held a range of positions with CSR and related companies, including time as director of Finance and Strategy for the group. He was Chief Executive Officer of a number of group companies including Readymix Group, Bradford Insulation and Gove Aluminium. Alec has been a public company director for more than 20 years. Alec is a Member of the Order of Australia for significant service to business and commerce, tertiary education administration and to the community.

Current appointments:

- Director of the New South Wales Environment Protection Authority (since 2012).

- Pro-Chancellor of the Senate of Sydney University. Chair of the University's Finance and Human Resources committees (since 2006).

The Directors (with Mr Brennan abstaining) unanimously recommend that Shareholders vote in favour of Mr Brennan's re-election.

Resolution 2:

Re-election of Mr John Cahill

Appointment: Independent non-executive Director since September 2008.

Board committee membership: Chairman of the Audit and Risk Committee. Member of the Remuneration and Nomination Committee.

Skills and experience: John has over 25 years' experience working in senior treasury, finance, accounting and risk management positions, predominantly in the energy utility sector. John was previously non-executive director (2007 to 2013) and President and Chairman (2011 to 2013) of CPA Australia Ltd.

Current appointments:

- Non-executive director (since 2009) and Deputy Chairman (since 2010) of Electricity Networks Corporation, Western Australia (trading as Western Power). Chair of its Finance and Risk Committee and a member of its People and Performance Committee.
- Councillor of Edith Cowan University and Chair of the University's Resources Committee (since 2011).
- Non-executive director of Accounting Professional & Ethical Standards Board (since February 2014).

The Directors (with Mr Cahill abstaining) unanimously recommend that Shareholders vote in favour of Mr Cahill's re-election.

Resolution 3:

Adoption of Remuneration Report

The Corporations Act requires the Shareholders at the Company's Annual General Meeting to vote on an advisory resolution that the Remuneration Report be adopted.

The vote on this Resolution is advisory only and does not bind the Directors. However, under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution on whether the Board should be put up for re-election (**Spill Resolution**). If the Spill Resolution is passed, then the Company is required to hold another meeting within 90 days of the Spill Resolution at which all of the Directors (other than the Managing Director/ Chief Executive Officer) who were in office at the date of approval of the applicable Directors' Report must stand

for re-election. As less than 25% of votes that were cast on the resolution to adopt the 2013 Remuneration Report at last year's annual general meeting were against that resolution, there is no requirement for a Spill Resolution to be considered at the Annual General Meeting.

The Remuneration Report is contained in the Company's Annual Report at pages 50 to 63.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

The Directors unanimously recommend that Shareholders vote in favour of this advisory Resolution.

Resolution 4:

Approval of the Managing Director/Chief Executive Officer acquiring Shares under the Emeco Short Term Incentive Scheme

Resolution 4 seeks Shareholder approval for the issue and allotment of 313,690 Shares to Mr Kenneth Lewsey, the Managing Director and Chief Executive Officer of the Company, under the terms of Emeco's short term incentive scheme (**Short Term Incentive Scheme**).

Under the Short Term Incentive Scheme, Mr Lewsey is entitled to receive a bonus of up to 100% of his fixed annual remuneration, with the percentage entitlement ultimately determined by the Board by reference to the financial performance of the Company and an agreed set of performance criteria. Any bonus to which Mr Lewsey becomes entitled under the Short Term Incentive Scheme is to comprise a cash component and an equity component (**STI Payment**). The equity component will be 25% of the STI Payment; the cash entitlement will be 75% of the STI Payment.

The Board has assessed the financial performance of the Company and Mr Lewsey's performance against the specified criteria in the Short Term Incentive Scheme for the financial year ended 30 June 2014. The Board has determined that Mr Lewsey is entitled to receive Shares equal to the value of 7.75% of Mr Lewsey's annual fixed remuneration as at 4 November 2013, being the date that Mr Lewsey commenced employment with Emeco, as determined in accordance with the Short Term Incentive Scheme (being 313,690 Shares).

Resolution 4 seeks the approval of Shareholders to issue these Shares to Mr Lewsey under the Emeco Short Term Incentive Scheme.

Shareholders should be aware that approval is not being sought for the purposes of the related party provisions contained in Chapter 2E of the Corporations Act, because the Board (other than Mr Lewsey who is not able to make a recommendation due to his interest in his own resolution) considers that the grant of these Shares pursuant to this Resolution 4 constitutes part of Mr Lewsey's reasonable remuneration. In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

ASX Listing Rule requirements

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting the acquisition of securities under an employee incentive scheme by a director or an associate of a director. As Mr Lewsey is the Company's Managing Director, the Company is seeking approval for the acquisition of these Shares by Mr Lewsey under ASX Listing Rule 10.14 and for all other purposes.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders.

Maximum number of securities to be granted and issue price

It is proposed that Mr Lewsey will be issued 313,690 Shares, being the equivalent of 7.75% of Mr Lewsey's annual fixed remuneration as at 4 November 2013, which is the date that Mr Lewsey commenced employment with Emeco. The value of the Shares proposed to be issued to Mr Lewsey under the Short Term Incentive Scheme has been determined based on the volume weighted average price of trading in the Company's Shares on ASX during June 2014. The Shares issued to Mr Lewsey are to be held in escrow for a period of two years until the announcement of Emeco's annual results in 2016.

The Shares are being issued in consideration of services provided by Mr Lewsey to the Company and so there is no cash consideration payable by Mr Lewsey in connection with the issue of these Shares. As such, no loans will be provided by the Company in connection with the grant of these Shares.

Details of prior issues

There have been no prior issues of Shares under the Short Term Incentive Scheme.

Entitlement to participate

As the only executive Director, Mr Lewsey is the only Director eligible to participate in the Short Term Incentive Scheme.

Voting exclusion

A voting exclusion statement is set out under Resolution 4 in the Notice of Meeting.

Date of grant

If approved, the Shares will be issued to Mr Lewsey no later than 12 months after the Annual General Meeting.

The Directors (other than Mr Lewsey, who makes no recommendation due to his personal interest in the outcome of the Resolution) recommend that Shareholders vote in favour of Resolution 4.

Resolution 5:

Approval of allocation of Performance Shares to the Managing Director/Chief Executive Officer for the 2014 financial year

Resolution 5 seeks Shareholder approval to the issue and allotment of 4,553,571 Performance Shares to Mr Kenneth Lewsey, the Managing Director and Chief Executive Officer of the Company, under the terms of Emeco's employee incentive plan (**Employee Incentive Plan**).

Performance shares granted under the Employee Incentive Plan (**Performance Shares**) are ordinary fully paid shares that vest subject to satisfaction of certain performance and retention conditions. This proposed grant relates to the long term incentive award component of Mr Lewsey's remuneration for the 2014 financial year.

In particular, for the Performance Shares to vest, certain performance conditions must be satisfied and Mr Lewsey must remain employed by the Company during the period expiring on the date which is the 20th trading day after the announcement of the Company's annual results for the financial year ended 30 June 2016 (except in circumstances where he leaves the Company due to death, total and permanent disability, retrenchment or retirement).

The performance conditions attaching to the grant of these Performance Shares will only be satisfied if the total Shareholder return (**TSR**) of the Company, when compared with the TSR of a peer group of companies, is above a certain ranking. A TSR-based vesting condition is designed to directly align Mr Lewsey's incentives with the returns and gains made by the Shareholders.

For these purposes, the TSR of all peer group companies, including Emeco, will be assessed by reference to the respective volume weighted average share price of each of these peer group companies during the 20 trading days following the release of the Company's full financial year results for 2013 and 2016 respectively. The Performance Shares to be issued to Mr Lewsey will only vest if a certain TSR performance is achieved, with the proportion of Shares vesting being determined as follows:

Emeco's comparative TSR:	% of Performance Shares that vest
Up to 50.1 percentile	Nil
At the 50.1 percentile	50%
At 51 st percentile	52%
Between 51 st and 75 th percentile	Sliding scale
At or above 75 th percentile	100%

In the event of a change in control of the Company (that is, the acquisition by a third party and its associates of greater than 50% of the Shares in Emeco), the Performance Shares issued to Mr Lewsey under the Employee Incentive Plan will vest on an accelerated basis if the TSR performance criteria outlined above have been met as at the date that any such change in control occurs.

Further, if there is an effective (but not an absolute) change of control of the Company, the Board may determine in its absolute discretion whether to waive any performance conditions and immediately vest any unvested Performance Shares. For these purposes, effective control means the occurrence of an event which results in a third party and its associates having the capacity to determine the outcome of decisions on the financial and operating policies of Emeco.

Vesting of the Performance Shares to be issued to Mr Lewsey may also be accelerated in the event of Mr Lewsey's death, total and permanent disability, retrenchment or retirement, with Emeco's TSR performance criteria outlined above being assessed by reference to the date of termination of employment. The actual amount of Performance Shares that vest in such circumstances will be pro-rated based on the length of employment. In all other circumstances, unvested Performance Shares will lapse on the termination of Mr Lewsey's employment unless the Board (in its absolute discretion) determines otherwise.

Performance Shares issued to Mr Lewsey under the Employee Incentive Plan will be held by the Emeco Employee Share Ownership Trust, a trust operated by an independent and professional trustee, Pacific Custodians Pty Ltd, until they vest in accordance with their terms. Whilst these Performance Shares are held by the trustee of the Emeco Employee Share Ownership Trust, Mr Lewsey will be entitled to the voting rights attaching to those Performance Shares irrespective of whether the vesting conditions have been satisfied. However, any dividends payable in relation to these Performance Shares will accumulate in the trust and will only be paid to Mr Lewsey if the Performance Shares ultimately vest to him (and then only in respect of the vested Performance Shares).

Performance Shares that do not ultimately vest to Mr Lewsey will remain in the Emeco Employee Share Ownership Trust and may be reallocated to another employee under a future award under the Employee Incentive Plan. As noted above, the Board retains the discretion to waive the vesting conditions attaching to the grant of these Performance Shares to Mr Lewsey.

Shareholders are being asked to consider the issue of these Performance Shares to Mr Lewsey for the purposes of ASX Listing Rule 10.14, the termination benefit provisions contained in sections 200B and 200E of the Corporations Act and for all other purposes.

However, for the same reasons set out in relation to Resolution 4 above, Shareholder approval is not being sought to the issue of these Performance Shares for the purposes of the related party provisions contained in Chapter 2E of the Corporations Act, as the Board (other than Mr Lewsey who is not able to make a recommendation due to his interest in his own resolution) considers that the grant of these Performance Shares pursuant to this Resolution 5 constitutes part of Mr Lewsey's reasonable remuneration.

ASX Listing Rule requirements

As set out in relation to Resolution 4 above, as Mr Lewsey is the Company's Managing Director, the issue of these Performance Shares to Mr Lewsey requires the prior approval of Shareholders under ASX Listing Rule 10.14.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders in connection with the approval sought under this Resolution 5.

Maximum number of securities to be granted and issue price

It is proposed that Mr Lewsey will be issued 4,553,571 Performance Shares, being the equivalent of 75% of Mr Lewsey's annual fixed remuneration as at 4 November 2013, which is the date that Mr Lewsey commenced employment with Emeco. The value of these Performance Shares has been determined by reference to the volume weighted average price of trading in the Company's Shares during the 20 trading days following the release of the Company's full financial year results for 2013 and discounted to take into account the vesting conditions attaching to the grant of those Performance Shares.

The Performance Shares are being issued as part of Mr Lewsey's remuneration for the 2014 financial year and so there is no cash consideration payable by Mr Lewsey in connection with the issue of these Performance Shares. As such, no loans will be provided by the Company in connection with the grant of these Performance Shares.

Details of prior issues

At the annual general meeting held on 20 November 2012, Shareholders approved the grant of 1,498,957 Performance Shares under the Employee Incentive Plan to the Company's former Managing Director and Chief Executive Officer, Mr Keith Gordon, in respect of the 2012 financial year. Resolution 5 also seeks the approval of Shareholders to the issue of Performance Shares under the Employee Incentive Plan to Mr Lewsey in relation to the long term incentive award component of his remuneration for the 2014 financial year.

Entitlement to participate

As the only executive Director, Mr Lewsey is currently the only Director eligible to participate in the Employee Incentive Plan.

Voting exclusion

A voting exclusion statement is set out under Resolution 5 in the Notice of Meeting.

Date of grant

If approved, the Performance Shares will be granted to Mr Lewsey no later than 12 months after the Annual General Meeting.

Termination benefits

As indicated above, Shareholder approval is also being sought for the potential future termination benefits under sections 200B and 200E of the Corporations Act should any of the Performance Shares the subject of this Resolution 5 vest as a result of termination of employment. Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company if it is approved by shareholders under section 200E of the Corporations Act or an exception otherwise applies.

Details of the retirement benefits

As indicated above, under the terms of the Employee Incentive Plan, Performance Shares will vest on an accelerated basis in the event of Mr Lewsey's death, total and permanent disability, retrenchment or retirement. In these circumstances, the number of Performance Shares that vest will be assessed against the TSR performance criteria outlined above, as at the accelerated vesting date, and will be pro-rated based on the period that Mr Lewsey has been employed during the scheduled three year vesting period. However, if Mr Lewsey's employment with Emeco terminates prior to the three year vesting period for cause or as a result of resignation for any other reason, the unvested Performance Shares will immediately lapse (unless the Board determines otherwise).

As set out above, where the Performance Shares vest on an accelerated basis, a pro-rata proportion of Mr Lewsey's Performance Shares (based on the period that Mr Lewsey has been employed during the three year vesting period) will vest if the performance conditions have been met. The accelerated vesting of Performance Shares in these circumstances may be considered a benefit in connection with Mr Lewsey's retirement from office and, therefore, within the scope of section 200B of the Corporations Act.

The benefit may fall within one of the recognised exceptions under the Corporations Act if the amount of the benefit is less than a prescribed multiple of the director's remuneration and if the nature of the benefit falls within one of the categories set out in the Corporations Act. However, in the event the Performance Shares vest to Mr Lewsey on an accelerated basis and such a benefit does not technically fall within any of the categories of exceptions set out in the Corporations Act, Shareholders are being asked to approve the accelerated vesting of Performance Shares in these circumstances for the purposes of section 200E of the Corporations Act.

Value of the retirement benefits

The total value of the benefits to be approved by Shareholders cannot be determined in advance. This is because various matters will or are likely to affect the value, including:

- (a) the market price of Emeco Shares at the time that any Performance Shares vest on an accelerated basis to Mr Lewsey; and
- (b) the period that Mr Lewsey has been employed during the three year vesting period.

If and when the Performance Shares vest on an accelerated basis to Mr Lewsey, the value of the benefit can be calculated by multiplying the number of Performance Shares which vest by the market price of Emeco Shares at that vesting time.

The Company is seeking this approval to assist it meet its obligations to Mr Lewsey under the Employee Incentive Plan and to provide the Company with flexibility to continue to remunerate non-executive Directors fairly and responsibly, particularly in relation to its treatment of performance shares granted under the Employee Incentive Plan.

It should be noted that there is no current intention for Mr Lewsey to vacate his role of Managing Director/Chief Executive Officer.

The Directors (other than Mr Lewsey, who makes no recommendation due to his personal interest in the outcome of the Resolution) recommend that Shareholders vote in favour of Resolution 5.

Resolution 6:

Approval of allocation of Performance Shares to the Managing Director/Chief Executive Officer for the 2015 financial year

Resolution 6 seeks Shareholder approval for the grant of 4,250,000 Performance Shares to Mr Kenneth Lewsey, the Managing Director and Chief Executive Officer of the Company, under the Employee Incentive Plan. This proposed grant relates to the long term incentive award component of Mr Lewsey's remuneration for the 2015 financial year.

The Performance Shares the subject of this Resolution 6 are issued subject to the same performance and retention conditions as set out in relation to the Performance Shares the subject of Resolution 5, except that:

- (a) the Company's performance is assessed by reference to the Company's Share price performance compared to that of its peer group companies, based on the 20 trading days following the release of the Company's full financial year results for 2014 and 2017 respectively; and

- (b) the retention condition requires for Mr Lewsey to remain employed by the Company during the period expiring on the date which is the 20th trading day after the announcement of the Company's annual results for the financial year ended 30 June 2017 (except in circumstances where he leaves the Company due to death, total and permanent disability, retrenchment or retirement).

All other terms and conditions relating to the issue of the Performance Shares are the same as those that apply to the Performance Shares the subject of Resolution 5.

Shareholders are being asked to consider the issue of these Performance Shares to Mr Lewsey for the purposes of ASX Listing Rule 10.14, the termination benefit provisions contained in sections 200B and 200E of the Corporations Act and for all other purposes.

For the same reasons set out in relation to Resolution 4 and 5 above, Shareholder approval is not being sought to the issue of these Performance Shares for the purposes of the related party provisions contained in Chapter 2E of the Corporations Act as the Board (other than Mr Lewsey who is not able to make a recommendation due to his interest in his own resolution), considers that the grant of these Performance Shares pursuant to this Resolution 6 constitutes part of Mr Lewsey's reasonable remuneration.

ASX Listing Rule requirements

For the reasons set out in respect of Resolution 5 above, as Mr Lewsey is the Company's Managing Director, the issue of these Performance Shares to Mr Lewsey requires the prior approval of Shareholders under ASX Listing Rule 10.14.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders in connection with the approval sought under this Resolution 6.

Maximum number of securities to be granted and issue price

It is proposed that Mr Lewsey will be issued 4,250,000 Performance Shares, being the equivalent of 75% of Mr Lewsey's annual fixed remuneration as at 1 October 2014. The value of these Performance Shares has been determined by reference to the volume weighted average price of trading in the Company's Shares during the twenty trading days following the release of the Company's full financial year results for 2014 and discounted to take into account the vesting conditions attaching to the grant of those Performance Shares.

The Performance Shares are being issued as part of Mr Lewsey's remuneration for the 2015 financial year and so there is no cash consideration payable by Mr Lewsey in connection with the issue of these Performance Shares. As such, no loans will be provided by the Company in connection with the grant of these Performance Shares.

Details of prior issues

At the annual general meeting held on 20 November 2012, Shareholders approved the grant of 1,498,957 Performance Shares under the Employee Incentive Plan to the Company's former Managing Director and Chief Executive Officer, Mr Keith Gordon, in respect of the 2012 financial year. Resolution 6 also seeks the approval of Shareholders to the issue of Performance Shares under the Employee Incentive Plan to Mr Lewsey in relation to the long term incentive award component of his remuneration for the 2015 financial year.

Entitlement to participate

As the only executive Director, Mr Lewsey is currently the only Director eligible to participate in the Employee Incentive Plan.

Voting exclusion

A voting exclusion statement is set out under Resolution 6 in the Notice of Annual General Meeting.

Date of grant

If approved, the Performance Shares will be granted to Mr Lewsey no later than 12 months after the Annual General Meeting.

Termination benefits

As outlined above, Shareholder approval is also being sought for the potential future termination benefits under sections 200B and 200E of the Corporations Act should any of the Performance Shares the subject of this Resolution 6 vest as a result of termination of employment.

The reasons for seeking approval for the potential termination benefits should any of the Performance Shares the subject of this Resolution 6 vest as a result of termination of employment, and the potential benefits that may accrue to Mr Lewsey upon termination of his employment, are the same as for the issue of the Performance Shares the subject of Resolution 5 above.

For the same reasons set out in relation to the issue of the Performance Shares the subject of Resolution 5 above, the total value of the benefits to be approved by Shareholders under this Resolution 6 cannot be determined in advance.

The Directors (other than Mr Lewsey, who makes no recommendation due to his personal interest in the outcome of the Resolution) recommend that Shareholders vote in favour of Resolution 6.

GLOSSARY OF DEFINED TERMS

The following terms and abbreviations used in these Explanatory Notes and Notice of Meeting have the following meanings:

Annual General Meeting means the annual general meeting of the Company to be held on Thursday, 20 November 2014.

Annual Report means the Company's annual report comprising the Financial Report, the Directors' Report and the Independent Auditor's Report for the financial year ending 30 June 2014.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the official Listing Rules of the ASX.

Board means the current board of Directors.

Chairman means the Chairman of the Annual General Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) 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 Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company or **Emeco** means Emeco Holdings Limited ABN 89 112 188 815.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Employee Incentive Plan means the employee incentive plan discussed in Resolutions 5 and 6.

Explanatory Notes means the explanatory notes accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes all Directors.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this Notice of Annual General Meeting including the Explanatory Notes and the proxy form.

Performance Shares means the ordinary fully paid Shares proposed to be issued under Resolutions 5 and 6, or either Resolution, as the context requires.

Remuneration Report means the remuneration report included in the Annual Report at pages 50 to 63.

Resolutions means the resolutions set out in the Notice of Annual General Meeting, or any one of them, as the context requires.

Share means an ordinary fully paid share in the Company.

Shareholder means the holder of one or more Shares.

Short Term Incentive Scheme means the scheme by which Shares will be issued to Mr Kenneth Lewsey, pursuant to Shareholder approval of Resolution 4.

Spill Resolution means the resolution described in the Explanatory Notes to Resolution 3.

TSR means total Shareholder return, as described in the Explanatory Notes to Resolution 5.



By mail:
 Emeco Holdings Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235
 Australia



By fax: +61 2 9287 0309



In person:
 Link Market Services Limited
 1A Homebush Bay Drive
 Rhodes, NSW 2138



For all enquiries call: 1800 689 300 (free call within Australia)
 +61 1800 689 300 (outside Australia)


X99999999999

SECURITYHOLDER VOTING FORM

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

STEP 1

APPOINT A PROXY

the **Chairman of the Meeting**
(mark box)

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

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company (**Meeting**) to be held at **12:00 noon (Perth time) on Thursday, 20 November 2014, at The Studio, Crown Perth, Great Eastern Highway, Burswood Western Australia** and at any postponement or adjournment of the Meeting.

I/We expressly authorise the Chairman of the Meeting to exercise my/our proxy even though Resolutions 3, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than **48 hours** before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

Resolution 1

Re-election of Mr Alec Brennan

For Against Abstain*

Resolution 2

Re-election of Mr John Cahill

Resolution 3

Adoption of Remuneration Report

Resolution 4


Approval of the Managing Director/Chief Executive Officer acquiring Shares under the Emeco Short Term Incentive Scheme

Resolution 5

Approval of allocation of Performance Shares to the Managing Director/Chief Executive Officer for the 2014 financial year

Resolution 6

Approval of allocation of Performance Shares to the Managing Director/Chief Executive Officer for the 2015 financial year

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

STEP 3

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

EHL PRX401R


HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Votes on Items of Business - Proxy Appointment

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

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or 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; and
- (b) return both forms together.

Signing Instructions

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

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

Joint Holding: where the holding is in more than one name, either securityholder may sign.

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

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

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00 noon (Perth time) on Tuesday, 18 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE  www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



by mail:

Emeco Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

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