

AJ Lucas Group Limited

(ABN 12 060 309 104)

Notice of Annual General Meeting and Explanatory Statement

**Annual General Meeting of the Company
to be held on
17 November 2016 at 10.30am**

**The Portside Centre
Level 5, Symantec House
207 Kent Street
Sydney NSW 2000**



AJ LUCAS GROUP LIMITED

(ABN 12 060 309 104)

(Company)

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM or Meeting**) of the Company is to be held as set out below.

DETAILS OF MEETING

Date: 17 November 2016

Time: 10:30am

Address: The Portside Centre
Level 5, Symantec House
207 Kent Street
Sydney NSW 2000

Members unable to attend the AGM are invited to vote by proxy on the resolutions to be considered at the meeting.

An Explanatory Statement and instructions on how to vote (including how to vote by proxy) are set out in this Notice of AGM.

ORDINARY BUSINESS

Financial statements and reports

To receive and consider the consolidated financial statements of the Company and its controlled entities and the reports of the directors and the auditor for the year ended 30 June 2016.

Shareholders can access a copy of the reports from the Company's website www.lucas.com.au.

Please note that there is no vote on this item.

Resolution 1: Adoption of the Remuneration Report

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

"That the Remuneration Report, which forms part of the Directors' Report of the Company for the financial year ended 30 June 2016, be adopted."

The vote on **Resolution 1** is advisory only and does not bind the directors or the Company.

Resolution 2: Re-election of director

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

"That Phil Arnall, having retired by rotation in accordance with clause 10.2 of the Company's constitution and, being eligible, having offered himself for re-election, be re-elected a director of the Company."

Resolution 3: Re-election of director

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

"That Ian Meares, having retired by rotation in accordance with clause 10.2 of the Company's constitution and, being eligible, having offered himself for re-election, be re-elected a director of the Company."

By Order of the Board

Marcin Swierkowski
Company Secretary

Date: 14 October 2016

Voting exclusion: As required by the *Corporations Act 2001* (**Corporations Act**), no member of the Company's key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report, or a closely related party of any KMP, may vote in any capacity (e.g. as a shareholder, proxy or corporate representative) on Resolution 1 unless:

- the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed resolution; and
- the vote is not cast on behalf of any such member or closely related party of any such member.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include the Company's Directors and certain senior executives.

The prohibition in the Corporations Act on members of KMP or a closely related party of any KMP voting does not apply to the Chairman of the Meeting as proxy for a member entitled to vote where the proxy appointment expressly authorises the Chairman of the Meeting to vote in that capacity on Resolution 1 (see page 3 for further information).

If a member of KMP or a closely related party of any KMP (or any person acting on behalf of any such person) purports to cast a vote that will be disregarded by the Company (as indicated above), that person may be liable for an offence for breach of voting restrictions that apply under the Corporations Act.

NOTES AND VOTING INSTRUCTIONS

ACCOMPANYING DOCUMENTS - IMPORTANT

The following documents accompany this notice:

- (a) Explanatory Statement in relation to the resolutions to be considered;
- (b) a Proxy Form;
- (c) the 2016 Annual Report (for those Shareholders who have specifically requested it);
- (d) Lost Holder letter (for holders who are flagged as return mail); and
- (e) Go Online election form. (for holders who have not elected to receive communications online)

The Explanatory Statement forms part of this Notice of Meeting.

The background and reasons behind the resolutions to be considered are more fully set out in the Explanatory Statement. Members should read the Explanatory Statement in full and carefully consider its contents.

HOW TO VOTE

Members can vote in one of two ways

1. By attending the AGM and voting in person or by attorney or, in the case of corporate members, by corporate representative; or
2. By appointing a proxy to attend the AGM and vote on their behalf by:
 - Using the proxy form enclosed with this Notice of AGM; or
 - Recording their proxy voting instructions on the internet at www.investorvote.com.au. To access this facility, members will need their holder identification number (HIN) or security holder reference number (SRN) and postcode which are printed on the proxy form enclosed with this Notice of AGM.

Voting in person or by Attorney

Members are asked to arrive at the venue from 10.00am to allow for registration for the AGM.

To help facilitate registration, please bring the proxy form enclosed with this Notice of AGM. An individual attending the AGM as corporate representative must present satisfactory evidence of his or her appointment to attend on the company's behalf, unless previously lodged with the Company or the Company's Share Registry (the **Share Registry**). Attorneys should bring with them original or certified copies of the Power of Attorney under which they have been authorised to attend and vote at the AGM, unless previously lodged with the Company or the Share Registry.

Voting by Proxy

- A member entitled to attend and vote is entitled to appoint a proxy or, if the member is entitled to cast two or more votes at the meeting, appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Each proxy will have the right to vote and to speak at the AGM.
- Where a member appoints two proxies or attorneys to vote at the AGM and the authority of one is not conditional on the other failing to attend or vote, the following rules apply:
 - the appointment is of no effect and the proxy or attorney may not vote unless each proxy or attorney, as the case may be, is appointed to represent a specified proportion of the member's voting rights;
 - on a show of hands, neither proxy or attorney may vote; and
 - on a poll, each proxy or attorney may only exercise the voting rights the proxy or attorney represents.
- A proxy, attorney or representative may be a member of the Company but does not have to be a member.
- A proxy form appointing a proxy or a document appointing an attorney may direct the manner in which the proxy or attorney is to vote in respect of a particular resolution and, where the form or document so provides, the proxy or attorney is not entitled to vote on the proposed resolution except as directed in the form or document.
- Members who complete and return their proxy form but do not nominate the identity of the proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the AGM, the Chairman of the Meeting will act in place of the nominated proxy. In each case, the Chairman of the Meeting will vote in accordance with any voting directions specified by the member in the proxy form or, where the member does not specify any voting instruction in the proxy form for an item of business, in accordance with the voting intentions of the Chairman of the Meeting in respect of undirected proxies set out below.
- If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each resolution by marking either "For", "Against" or "Abstain" on the proxy form for each of those items of business.

Undirected Proxies

- If a member entitled to vote appoints the Chairman of the Meeting as its proxy and the member does not direct the Chairman of the Meeting how to vote on Resolution 1, the member may authorise the Chairman of the meeting in respect of that item to exercise the proxy notwithstanding that resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel. Further details are contained on the proxy form distributed with the Notice of AGM.
- Where the Chairman of the Meeting is appointed as proxy for a member entitled to vote, the Chairman of the meeting will (where authorised) vote all undirected proxies IN FAVOUR of all the proposed resolutions to be considered at the AGM. Accordingly, if you appoint the Chairman of the Meeting as your proxy and wish to vote differently to how the Chairman of the Meeting intends to vote on any of the resolutions, you must mark "For", "Against" or "Abstain" on the proxy form in relation to the relevant item of business.

Lodgement of Proxy Forms

The proxy's appointment and, if applicable, the authority appointing an attorney, must be sent by post or fax to the Company's registered office or to the address or fax number of the Company's Registry, set out below:

- (a) **By mail** to: Share Registry – Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, VIC 3001 Australia;
- (b) **By facsimile** to: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
- (c) **By mail** to: The Company's office at PO Box 538, North Sydney NSW 2059;
- (d) **Vote online:** Shareholders can also cast their votes online at www.investorvote.com.au and follow the prompts. To use this facility, you will need your holder number (SRN or HIN), postcode and control number as shown on the Proxy Form. You will have been taken to have signed the Proxy Form if you lodge it in accordance with the instructions on the website; and
- (e) **Custodian voting:** for Intermediary Online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions,

so that they are received by **no later than 10.30am (Sydney time) on Tuesday, 15 November 2016**.

Proxy forms or proxy voting instructions received after this time will be invalid.

The proxy form must be signed by the member or the member's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act.

Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney or the power itself must be received by the Share Registry at either the postal addresses listed above or by fax before 10.30am (Sydney time) on Tuesday, 15 November 2016. If faxed, the power of attorney must be certified.

Entitlement to Vote

The Board has determined that, for the purposes of the AGM (including voting at the AGM), members are those persons who are registered holders of fully paid ordinary shares (**Shares**) in the Company (**Shareholders**) at close of business on Tuesday, 15 November 2016. Members entitled to vote are referred to the '**Voting exclusion**' note in relation to Resolution 1 for the adoption of the Remuneration Report.

EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice of Meeting convening the Annual General Meeting (**AGM or Meeting**) of Shareholders to be held on 17 November 2016 and is to assist Shareholders in understanding the background to the resolutions.

Financial Statements and Reports

The Corporations Act requires the Financial Report (which includes the Financial Statements and Directors' Declaration), the Directors' Report and the Auditor's Report to be laid before the AGM.

There is no requirement either in the Corporations Act or in the Company's Constitution for members to approve the Financial Report, the Directors' Report or the Auditor's Report.

Members will have a reasonable opportunity at the meeting to ask questions and make comments on these Reports and on the business and operations of the Company. Members will also be given a reasonable opportunity to ask the auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report.

Resolution 1: Adoption of the Remuneration Report

The Directors' Report for the year ended 30 June 2016 contains a Remuneration Report which sets out the policy for the remuneration of the directors and specified executives of the Company and its consolidated group. The Remuneration Report is set out on pages 28 to 32 of the Company's 2016 Annual Report.

In accordance with section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to vote at the Company's AGM. The vote on Resolution 1 is advisory only and does not bind the directors or the Company.

Members attending the meeting will be given a reasonable opportunity to ask questions about, and make comments on, the Remuneration Report. The 2016 Annual Report is available on the Company's website, www.lucas.com.au.

The Directors unanimously recommend that Shareholders vote in favour of the resolution.

Resolution 2: Re-election of Phil Arnall as a Director

Mr Arnall was first appointed a director of the Company in August 2010 and was appointed Chairman in November 2013. Between January 2014 and June 2014 he also served as the Company's Chief Executive Officer whilst a permanent appointment to this role was sought. He is also a member of the Company's Audit and Risk Committee and the Human Resources and Nominations Committee.

Under the Company's constitution, at the annual general meeting one third of the directors (excluding the Managing Director and any Directors appointed during the year either to fill a casual vacancy or as an addition to the existing Directors), or the nearest whole number thereto, must retire from office. In accordance with this requirement Mr Arnall now retires from the Board and offers himself for re-election.

Mr Arnall has a distinguished thirty-year career in the mining and steel industries including senior executive responsibilities at Australian National Industries Ltd and Tubemakers of Australia Limited. Mr Arnall was a Non-executive director of Bradken Limited until November 2015 when he was appointed chairman. He was previously a director and Chairman of Ludowici Limited 2006-2012 and Chairman of Capral Limited from 2010 to 2011.

Mr Arnall holds a Bachelor of Commerce (Accounting) degree from University of Newcastle where he undertook postgraduate studies in Marketing and Industrial Law.

The Directors unanimously recommend that Shareholders vote in favour of the re-election of Phil Arnall as a director.

Resolution 3: Re-election of Ian Meares as a Director

Mr Meares was appointed as director of the Company in June 2013. He is currently the Chairman of the Company's Human Resources and Nominations Committee.

Under the Company's constitution, at the annual general meeting one third of the directors (excluding the Managing Director and any Directors appointed during the year either to fill a casual vacancy or as an addition to the existing Directors), or the nearest whole number thereto, must retire from office. In accordance with this requirement Mr Meares now retires from the Board and offers himself for re-election.

Mr Meares has many years of experience in the global civil infrastructure, mining and energy industries. He brings a deep knowledge of the management and control of complex engineering projects as well as a wide network of industry contacts.

Previous roles include Executive Director, Engineering and Infrastructure, with Brookfield Multiplex where he had responsibility for delivery of large scale infrastructure projects throughout Australia, responsibility for mine infrastructure delivery at Leighton Contractors, Group Manager Business Development at Clough Limited and Managing Director of Bechtel Australia.

Mr Meares holds a Bachelor of Civil Engineering (Honours), a Master degree in Engineering Science and a Master of Business administration. He is also a member of the Australian Institute of Company Directors.

The Directors unanimously recommend that Shareholders vote in favour of the re-election of Ian Meares as a director.



AJ Lucas Group Limited

ABN 12 060 309 104

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

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

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

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form



Vote and view the annual report online

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

Your access information that you will need to vote:

Control Number:

SRN/HIN:

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



For your vote to be effective it must be received by 10:30am (Sydney time) on Tuesday 15 November 2016

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

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

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

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

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

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of AJ Lucas Group Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of AJ Lucas Group Limited to be held at **Portside Centre, Level 5, Symantec House, 207 Kent Street, Sydney NSW 2000 on Thursday 17 November 2016 at 10:30am (Sydney time)** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 1** (except where I/we have indicated a different voting intention below) even though **Item 1** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy, you can direct the Chairman to vote for or against or abstain from voting on **Item 1** by marking the appropriate box in step 2 below.

STEP 2 Items of Business



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

ORDINARY BUSINESS

	For	Against	Abstain
1 Adoption of the Remuneration Report	☐	☐	☐
2 Re-election of Director - Phil Arnall	☐	☐	☐
3 Re-election of Director - Ian Meares	☐	☐	☐

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

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /