Notice of Annual General Meeting 2020

Notice is hereby given that the 69th Annual General Meeting of the shareholders of ALS Limited (Company or ALS) will be held at 10.00am (AEST) on Wednesday, 29 July 2020 (Meeting).

Due to COVID-19 restrictions on public gatherings and the temporary modifications to the Corporations Act 2001 (Cth) (Corporations Act) under the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, (Cth) the Meeting will be held virtually and there will not be a physical meeting where shareholders can attend. Shareholders can watch and participate in the Meeting via the online platform by using:

- Computer, by entering the following URL in your browser: https://web.lumiagm.com
- Mobile device, by entering the following URL in your browser: https://web.lumiagm.com or by using the Lumi AGM app

The meeting ID for the Meeting is: 315-475-853

Your username is your Boardroom internal S reference number (which can be located on the back of your Voting Form or on your notice of meeting email).

Your password is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Voting User Guide.

If you have been nominated as a third party proxy, or for any enquiries relating to virtual participation, please contact the Company’s share registry on 1300 737 760 (within Australia) and +61 2 9290 9600 (outside Australia). Shareholders will be able to log in to the online platform from 9.00am (AEST) on the date of the Meeting.

Further information on how to participate virtually is set out in this Notice of Meeting and in the Online Voting User Guide available online at https://www.alsglobal.com/en/myals/news/2020/06/2020-annual-general-meeting-als-limited.

If it becomes necessary to make further alternative arrangements for holding the Meeting, the Company will ensure that shareholders are given as much notice as possible. Further information will be made available on the Company’s website at https://www.alsglobal.com/en/myals/news/2020/06/2020-annual-general-meeting-als-limited or the ASX.

BUSINESS OF THE MEETING

1. Presentations by the Chairman and Managing Director/CEO.

2. Re-election and Election of Directors
   i. To consider and, if thought fit, to pass the following ordinary resolution:
   "That John Mulcahy, 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 Leslie Desjardins, who was appointed to the Board since the last Annual General Meeting of the Company and who ceases to hold office in accordance with clause 61.2 of the Company’s Constitution and being eligible, be elected as a non – executive Director of the Company."

3. Remuneration Report
   To consider and, if thought fit, to pass the following ordinary resolution:
   "That the Remuneration Report contained in the Company’s 2020 Annual Report in respect of the financial year ended 31 March 2020, 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. 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 (including ASX Listing Rule 10.14), and for all other
purposes, approval is hereby given for the grant of 144,743 Performance Rights (incorporating the right to acquire shares in the Company) to the Managing Director and CEO, Raj Narain 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)

5. Amendment of Constitution

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

“That the Company’s Constitution be amended by:

(a) inserting the following new definitions in clause 1.1:

“Holding Lock has the same meaning as in ASX Settlement Operating Rules.

Issuer Sponsored Subregister has the same meaning as in the Listing Rules.”

(b) replacing the reference to “restriction agreement” with “restriction deed” in clause 27.2(a) of the Constitution; and

(b) deleting clauses 27.5 and 46.2 in full and inserting the following new clause 107:

“107. Restricted Securities
Notwithstanding any other provision of this Constitution and without limiting the obligation to comply with the Listing Rules:

(a) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;

(b) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company’s Issuer Sponsored Subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those securities;

(c) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;

(d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and

(e) if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a disposal of Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.”

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

6. Confirmation of Auditor

“That, for the purposes of section 327B of the Corporations Act 2001 (Cth) and all other purposes, Ernst & Young, having been duly nominated and having consented in writing to act, be appointed as auditor of the Company effective from the conclusion of the Meeting.”

7. Financial Statements and Reports


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
24 June 2020
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 and Election of Directors (Resolutions 1 and 2)

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, John Mulcahy, having held office as a non-executive director for a continuous period of three years since his election to the Board, retires and, being eligible, offers himself for re-election as a non-executive director of the Company.

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

Grant Murdoch will also retire by rotation as a director of the Company at the conclusion of the Meeting and will not be seeking re-election.

As part of the Board renewal process and global diversity, Leslie Desjardins was appointed a non-executive director effective 21 November 2019. In accordance with clause 61.2 of the Company’s Constitution she retires and being eligible, offers herself for election as a non-executive director of the Company.

Their respective details are:

JOHN MULCAHY

PhD, BE (Civil Eng) (Hons), FIE AUST
Independent Non-Executive Director Age 70

John Mulcahy was appointed a non-executive director of ALS Limited in 2012

He has more than 30 years of experience in the financial services and property investment sectors. John is the former Managing Director and Chief Executive Officer of Suncorp-Metway Limited, prior to which he also held senior executive roles with Commonwealth Bank and Lend Lease.

John is Chairman of Mirvac Group Ltd and Orix Australia Corporation Ltd, Deputy Chairman of GWA Group Ltd and holds non-executive directorships of Zurich Australia Insurance Limited and Zurich Financial Services Australia Limited.

He is a former Guardian of the Future Fund of Australia.

John is a member of the People Committee.

Recommendation

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

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

LESLIE DESJARDINS

B. Industrial Admin, Finance (Kettering), MS. Management (MIT)
Independent Non-Executive Director Age 60

Leslie Desjardins has a background as a CFO and senior financial and governance professional in a range of large multinational and global businesses.

She has extensive commercial and financial governance expertise with large multinational public companies in North America, Canada and Australia each with extensive global operations. Her areas of expertise include CFO level executive and financial strategic leadership, M&A, corporate finance and treasury, governance, financial and tax compliance and enterprise risk management.

She is currently a Director, Audit Committee Chair, CSR/Risk Committee member with Ansell Limited and Director and Audit Committee Chair with Terry Fox Foundation, Canada. Previously, she served as a Board Director and Audit Committee member with AptarGroup.

During her executive career, Leslie served as Executive VP and CFO at Amcor Limited, a global leader in packaging of food, beverage, pharmaceutical and tobacco products. Prior to Amcor Ltd, she served in financial and corporate strategic positions with General Motors Corporation, including Chief Financial Officer GM Holden Australia, Controller GM North America, Executive Director Manufacturing Finance and Director GM North America Strategy and Planning.

Leslie holds a Master of Science, Management with Massachusetts Institute of Technology, Sloan and a Bachelor of Industrial Administration, Finance with Kettering University.

Leslie is a Member of the Audit and Risk Committee.

Recommendation
Each of your directors (other than Leslie Desjardins who is seeking election) recommends you vote in favour of the election of Leslie Desjardins 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 requires listed companies to put to their shareholders a resolution to adopt the Remuneration Report as set out on pages 21 to 43 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 (where the Chairman has been appropriately authorised) in favour of this resolution.

Item 4 - Grant of Performance Rights to the Managing Director/CEO (Resolution 4)
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 total fixed remuneration (TFR) (or US$636,540) 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 144,743 Performance Rights (being US$636,540 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.

Basis of LTIP grant
Raj Naran’s Performance Rights offer this year is 144,743 Performance Rights (being US$636,540 in value, equivalent to AUD$1,045,050.07 under the Company’s LTIP, being the maximum potential allocation under the LTIP in relation to his total remuneration package for 2020-21.

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 27 May 2020, being AUD$7.22. 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 2020, being USD/AUD $0.6091.

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 2020 to 31 March 2023. 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 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:

<table>
<thead>
<tr>
<th>Compound annual diluted Underlying EPS growth</th>
<th>Proportion of performance rights that may be exercised if Underlying EPS growth hurdle is met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 6% per annum</td>
<td>0%</td>
</tr>
<tr>
<td>Between 6% and 10% per annum</td>
<td>Straight line vesting between 12.5% and 25% of total grant</td>
</tr>
<tr>
<td>10% or higher per annum</td>
<td>25% of total grant</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Underlying EBITDA margin of ALS relative to Underlying EBITDA margin of comparator peer companies</th>
<th>Proportion of performance rights that may be exercised if Underlying EBITDA hurdle is met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than the 50th percentile</td>
<td>0%</td>
</tr>
<tr>
<td>Between the 50th and 75th percentile</td>
<td>Straight line vesting between 12.5% and 25% of total grant</td>
</tr>
<tr>
<td>75th percentile or higher</td>
<td>25% of total grant</td>
</tr>
</tbody>
</table>

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

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

The respective ROCE thresholds are set at 2% and 7% above the March 2020 Weighted Average Cost of Capital (WACC) of 9% \(^{(1)}\).

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 2020 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.

**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.

**Listing Rule 10.14**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the company;
- an associate of a director of the company; or
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX’s opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of 144,743 Performance Rights to Raj Naran under the LTIP falls within Listing Rule 10.14.1 and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

Resolution 4 seeks the required shareholder approval to the proposed issue of 144,743 Performance Rights to Raj Naran under and for the purposes of Listing Rule 10.14.

If Resolution 4 is passed, the Company will be able to proceed with the issue.

If Resolution 4 is not passed, the Company will not be able to proceed with the proposed issue and it is intended that all of Mr Naran’s award will be provided in cash.

**Other required information (per ASX Listing Rule 10.15)**

Previously, a total of 227,084 Performance Rights were granted to the Managing Director and CEO, Raj Naran, as follows which remain unvested:

- 103,725 on 1 August 2018 valued at AUD7.53 per right, relating to the three year performance period 1 April 2018 to 31 March 2021; and
- 123,359 on 31 July 2019 valued at AUD7.06 per right, relating to the three year performance period 1 April 2019 to 31 March 2022.

The following Performance Rights were also granted to the Managing Director and CEO, Raj Naran in previous years:

- 117,010 on 20 July 2017 valued at AUD6.71 per right, relating to the three year performance period 1 April 2017 to 31 March 2020.

Such grants were approved by shareholders at the Company's 2018, 2019 and 2017 AGMs, respectively, and were made to Raj Naran at no cost to him.
Raj Naran’s total remuneration package for the year ended 31 March 2020 totalled USD$2,652,250 and included:

- TFR of USD$1,060,900 (inclusive of superannuation);
- short-term incentive cash component, at target, of up to 60% of TFR being USD$636,540; and
- short-term incentive cash component for outperformance above target, of 50% of the at target cash incentive, being USD$318,270; and
- a long-term incentive component for outperformance of up to 60% of TFR being USD$636,540.

Full details of Raj Naran’s remuneration are set out in the Remuneration Report as set out on pages 27 to 36 of the Company’s Annual Report.

The Company has chosen to issue the Performance Rights to Raj Naran for the following reasons:

- to focus on the long term outcomes required by the Board;
- to align Mr Naran’s reward with shareholders’ interests by payment in equity;
- to encourage teamwork through measurement of ALS Group level performance hurdles;
- the 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.
- the issue of Performance Rights to Raj Naran provides an incentive to satisfy performance hurdles over a three year period which are measured across multiple factors important to shareholder value, and provide a counter balance for any tendency to focus on short term outcomes; and
- by virtue of the above, 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.

The fair value of the Performance Rights proposed to be issued to Raj Naran will be determined in accordance with Australian Accounting Standards and is dependent on the date on which Mr Naran is deemed to have received his offer to participate in the LTIP.

The fair value is calculated using Binomial Tree (EPS, EBITDA and ROCE hurdles) and Monte Carlo Simulation (TSR hurdle) valuation methodologies and typically includes the following inputs:

- Share Price – the share price of the Company on the grant date (noting that the grant of the Performance Rights for Mr Naran has not occurred and is not yet known);
- Volatility – the expected annual volatility of the Company over the vesting period;
- Risk-free rate – generally, the yield on Australian Government bonds with a term equal to the term of the Performance Rights being valued;
- Time to Maturity – the period of time from the grant date to the expected exercise of the Performance Rights; and
- Dividend yield – the expected ration of annual dividends to share price over the term of the Performance Rights.

The fair value of Performance Rights issued to Mr Naran in previous years is detailed at page 39 in table 11.4 of the Company’s Annual Report.

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 material terms 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 3 years 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.

**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 5 - Amendment to Company’s Constitution
(Resolution 5)

The amendments are proposed to update the Company’s Constitution to reflect changes to the ASX Listing Rules that came into effect on 1 December 2019 which, among other things, introduced a two-tier escrow regime to facilitate escrow arrangements.

These changes allow certain escrow arrangements to be imposed without execution of a formal escrow agreement provided this is permitted by the company’s constitution.

The Company does not currently have any restricted securities on issue and has no present intention to issue restricted securities. The amendments are being proposed to give the Company maximum flexibility if it wished to issue securities which would be restricted securities at some time in the future.

Resolution 5 is a special resolution and must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Recommendation

The Board recommends you vote in favour of modifying the Constitution to update the provisions to ensure compliance with the Listing Rule changes. The Chairman of the Meeting intends to vote all ‘open’ proxies in favour of this resolution.

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

Item 6 – Confirmation of Auditor (Resolution 6)

As announced to ASX on 25 September 2019, the Board appointed Ernst & Young (EY) as the new auditor of the Company to fill the casual vacancy following the resignation of the previous auditor of the Company, KPMG. In accordance with s 327C(2), the appointment continues only until this AGM.

Section 327B of the Corporations Act requires the Company to confirm the appointment of EY as auditor by obtaining shareholder approval by ordinary resolution.

The Board supports the appointment of EY as the Company’s auditor.

In accordance with the section 328B(1) of the Corporations Act, a member of the Company, Mr Michael Pearson, has given the Company written notice of the nomination of EY for appointment as auditor. A copy of the written notice of nomination is attached to this Notice as Annexure A.

EY has consented in writing to the appointment as the Company’s auditor and, as at the date of this Notice, has not withdrawn its consent.

Recommendation

The Board recommends you vote in favour of appointing EY as a new auditor of the Company.

The Chairman of the Meeting intends to vote all ‘open’ proxies in favour of this 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, EY, 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, 27 July 2020. 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 - Grant of Performance Rights to the Managing Director/CEO

The Company will disregard any votes cast in favour of the resolution proposed in item 4 (Resolution 4) by or on behalf of Raj Naran or any of his associates.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with
directions given to the proxy or attorney to vote on Resolution 4 in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair to vote on Resolution 4 as the Chair decides; or
- a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on Resolution 4; and
  - the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

A vote must not be cast, and the Company will disregard any votes cast on Resolution 4 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, unless 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.

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 2020;
- ‘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, 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 be counted on a poll.
4. A shareholder who has cast a direct vote may attend the Meeting and vote online, but their online vote 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, 27 July 2020 (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/alsagm2020

If you require an additional Voting Form, contact the Company’s share registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), who will supply it on request.

Shareholders are encouraged to submit their Voting Forms online. If you wish to post a Voting Form, please be aware of current postal timeframes, including the possibility of delays due to COVID-19 regulations and reduced frequency of deliveries.

PARTICIPATING AND VOTING ONLINE DURING THE MEETING

Due to COVID-19 restrictions on public gatherings, the Meeting will be held as a virtual meeting which will be webcast live through the Lumi AGM software platform.
and there will not be a physical meeting where shareholders can attend.
Shareholders can watch and participate in the Meeting virtually via the online platform by using:

- **Computer**, enter the following URL in your browser: https://web.lumiagm.com

- **Mobile device**, by entering the following URL in their browser: https://web.lumiagm.com or using the Lumi AGM app

The meeting ID for the Company’s AGM is: **315-475-853**

Your **username** is your Boardroom internal S reference number (which can be located on the back of your Voting Form or on your notice of meeting email).

Your **password** is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Voting User Guide.

If you have been nominated as a third party proxy, or for any enquiries relating to virtual participation, please contact the Company’s share registry on 1300 737 760 (within Australia) and +61 2 9290 9600 (outside Australia).

Shareholders will be able to log in to the online platform from 9.00am (AEST) on the date of the Meeting.

Participating in the Meeting online, enables shareholders to view the Meeting live, ask text-based questions and cast votes in the real time poll at the appropriate times during the Meeting.


Shareholders are also strongly encouraged to lodge their Voting Forms before the deadline listed above even if they are participating in the Meeting online. If you do not intend, or are unable to participate in, the Meeting online, please lodge your Voting Forms before the deadline listed above.

**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. Shareholders not attending the Meeting may use the enclosed Voting Form or vote online before the deadline listed above.

**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 22 July 2020** (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 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.

<table>
<thead>
<tr>
<th>Schedule 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary of LTIP</strong></td>
</tr>
<tr>
<td>Under the LTIP, the Board, at its discretion, may offer employees, including executive directors, conditional rights to acquire 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”).</td>
</tr>
<tr>
<td>The Performance Rights will be granted, and ordinary shares allocated (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.</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td><strong>Participation</strong></td>
</tr>
<tr>
<td>The maximum eligibility in the LTIP for the 2020 offer is set at the same maximum percentage of total fixed remuneration as the executive’s STI percentage.</td>
</tr>
<tr>
<td>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).</td>
</tr>
<tr>
<td>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 allocation of the shares (subject to EPS, EBITDA margin, TSR and ROCE performance criteria being met).</td>
</tr>
<tr>
<td>Employees will not be allowed to enter into any hedging arrangements in relation to any unvested Performance Rights.</td>
</tr>
</tbody>
</table>
Annexure A – Notice of Nomination of Auditor

ALS Limited ACN 009 657 489

Nomination of Auditor

To: The Company Secretary
   ALS Limited
   32 Shand Street
   Stafford QLD 4060

As a member of ALS Limited ACN 009 657 489 (Company), and pursuant to section 323B(1) of the Corporation Act 2001 (Cth), I nominate Ernst & Young of 111 Eagle Street, Brisbane, Queensland 4000 to be appointed as the auditor of the Company at the Annual General Meeting to be held on 29 July 2020, or at any adjournment or postponement of that meeting.

Dated: 16 June 2020

Signed: ____________________________

Name (print): Michael Fasson