

Austin Engineering Limited

ACN 078 480 136

Notice of Annual General Meeting

To be held at

Date: Friday 17 November 2017

Time: 10:00am

**Place: Brisbane Convention & Exhibition Centre
Arbour Level – A1 room
Cnr Merivale & Glenelg Streets
South Bank
Brisbane Qld 4101**

This is an important document and requires your attention.

This document should be read in its entirety.

If you are in any doubt how to deal with this document, please consult your legal, financial or other professional advisor.

Notice of Annual General Meeting

Notice is given that an Annual General Meeting of shareholders of Austin Engineering Limited ACN 078 480 136 (the **Company**) will be held at 10:00am Friday 17 November 2017 at Brisbane Convention & Exhibition Centre, Arbour Level – A1 room, Cnr Merivale & Glenelg Streets, South Bank, Brisbane Qld 4101.

Agenda

Financial Statements and reports

To receive and consider the financial statements and the reports of the Directors and the Auditor for the financial year ended 30 June 2017.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following as an ordinary resolution under section 250R(2) of the Corporations Act 2001:

‘That the Remuneration Report for the year ended 30 June 2017 be and is hereby adopted’.

Notes:

- (1) *The vote on this resolution is advisory only and does not bind the Directors or the Company.*
- (2) *If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a ‘spill resolution’) that another meeting be held within 90 days at which all of the Company’s Directors (other than a Managing Director) must stand for re-election.*

Voting exclusion statement

The Company will disregard and not count any votes cast (in any capacity) on Resolution 1 by or on behalf of either or both the following persons:

- (a) *a member of the Company’s Key Management Personnel; or*
 - (b) *a Closely Related Party of a member of the Company’s Key Management Personnel.*
- unless:*
- (c) *the person*
 - (i) *does so in relation to a resolution where they hold a Directed Proxy Form; or*
 - (ii) *is the Chairman of the Meeting and is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution; and*
 - (d) *the vote is not cast on behalf of a person described in paragraph (a) and (b) above.*

Resolution 2 – Re-election of Mr Chris Indermaur as Non-executive Director

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

‘To re-elect Mr Chris Indermaur, in accordance with ASX Listing Rule 14.4, who retires with effect from the end of the Annual General Meeting and, being eligible, offers himself for re-election.’

Dated: 16 October 2017

By order of the Board

Christine Hayward
Company Secretary

Notes

1. The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the share register at 7.00pm (Brisbane time) on Wednesday, 15 November 2017. Accordingly, those persons are entitled to attend and vote at the meeting.
2. If you are eligible, you may vote by attending the meeting in person or by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.
3. To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.
4. A member who is entitled to vote at the meeting, may appoint one proxy if the member is only entitled to one vote or one or two proxies if the member is entitled to more than one vote. A proxy need not be a member of the Company.
5. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
6. The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the Corporations Act and the constitution of that corporation.
7. To be effective, the proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting:
 - a. at its registered office at Kings Row 1, Level G, 52 McDougall Street Milton Qld 4064;
 - b. by facsimile to its registered office on fax number +61 7 3271 3689; or
 - c. at its share registry, Computershare Investor Services:
GPO Box 242
Melbourne VIC 3001
or fax number (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555
8. Any proxy form received after this deadline including at the meeting will be treated as invalid.
9. A member of the Company's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on the adoption of the Remuneration Report in Resolution 1.
10. A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
 - a. The proxy holds a Directed Proxy Form;
 - b. Where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel for the Company or a Closely Related Party and holds an Undirected Proxy Form; and

- c. The proxy is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.
11. Clause 10 b. does not apply if the Chairman of the meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.
12. If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your Undirected Proxy Form in accordance with his intentions set out below.
13. The Chairman intends to vote all Undirected Proxy Forms in favour of all resolutions including Remuneration Resolutions.
14. The following definitions apply in this document:
 - a. **Closely Related Party** means the closely related parties of Key Management Personnel as defined in the Corporations Act 2001, and includes certain members of their family, dependants and companies they control.
 - b. **Directed Proxy Form** means a proxy form which specifies how the proxy is to vote.
 - c. **Key Management Personnel** of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2017.
 - d. **Remuneration Resolution** means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel and includes Resolution 1 in this Notice of Meeting.
 - e. **Undirected Proxy Form** means a proxy form which does not specify how the proxy is to vote.

Explanatory Memorandum

This Explanatory Memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held at 10.00am on Friday 17 November 2017 at Brisbane Convention & Exhibition Centre, Arbour Level – A1 room, Cnr Merivale & Glenelg Streets, South Bank, Brisbane Qld 4101.

The Explanatory Memorandum should be read with, and forms part of, the accompanying Notice of Annual General Meeting.

Financial Statements and Reports

As required by law, the financial report, Directors' report and Auditor's report are laid before the Annual General Meeting. Members will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports. Members will also be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit and content of the Auditor's report. There is no requirement however for members to approve the reports.

Resolution 1 – Adoption of the Remuneration Report

The Corporations Act 2001 requires that a resolution be put to the members to adopt the Remuneration Report as disclosed in the Directors' report contained in the Company's 2017 Annual Report. The resolution gives the members the opportunity to ask questions or make comments concerning the Remuneration Report during the meeting.

The remuneration report:

- Discusses the Company's policy on remuneration of Directors and the link between remuneration and the Company's performance; and
- Details the remuneration arrangements in place for each Director.

Under Section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Company or its Directors. Although the vote is advisory, the Directors recognise this vote as an indication of shareholder sentiment and have careful regard to the outcome of the vote and any discussion when setting the Company's remuneration policies.

The Corporations Act states that if 25% of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs then shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must be considered for re-election.

Key Management Personnel and their Closely Related Parties are excluded from voting on this resolution in certain circumstances – please see the notes to Resolution 1.

The Chairman of the meeting intends to vote all Undirected Proxy Forms in favour of this resolution.

As the Directors have a personal interest in the proposed Resolution 1, they make no recommendation as to how shareholders should vote on the Resolution.

Resolution 2 – Background

ASX Listing Rule 14.5 and clause 3.6 of the Company's Constitution requires the Company to hold an election of Directors each year.

In accordance with ASX Listing Rules and the Company's Constitution, Non-executive Director, Mr Peter Pursey will retire by rotation at the end of the meeting. Mr Pursey joined the Board as a Non-executive Director in March 2004, and will not be seeking re-election.

Mr Pursey has made a significant contribution to the Company as Non-executive Director and in particular during February 2016 to November 2016 as Executive Chairman where he initiated and led the strategic review and planning, capital raising and refinancing activities. Mr Pursey is the Chair of the Audit Committee and member of the Nomination and Remuneration Committee.

Also, in accordance with the ASX Listing Rule 14.4, Mr Indermaur, who was appointed as Non-executive Director in July 2016, will retire from the office of Director with effect from the end of the Annual General Meeting and submits himself for re-election by shareholders as a Non-executive Director of the Company. See below for further details.

Resolution 2 - Re-election of Mr Chris Indermaur as Non-executive Director

Mr Chris Indermaur has over 30 years of experience in large Australian companies in engineering and commercial roles. He is currently the Non-executive Chairman of Poseidon Nickel Limited and Medibio Limited and Non-executive Director of Centrex Metals Limited. Mr Indermaur was formerly the Engineering and Contracts Manager for the QNI Nickel Refinery at Yabulu, Company Secretary for QAL and General Manager for Strategy and Development at Alinta Limited. Mr Indermaur holds a Bachelor of Engineering (Mechanical) and a Graduate Diploma of Engineering (Chemical) from the West Australian Institute of Technology (now Curtin University). Mr Indermaur also holds a Bachelor of Laws and a Master of Laws of the Queensland University of Technology and a Graduate Diploma in Legal Practice from the Australian National University.

Qualifications: B. Eng (Bachelor of Engineering), Graduate Diploma of Engineering (Chemical), B. Law, M. Law, Graduate Diploma in Legal Practice.

Special responsibilities: Chair of the Nomination and Remuneration Committee, Member of the Audit Committee and Member of the Risk Committee.

Directorships held in other listed entities: Poseidon Nickel Limited from July 2007, Medibio Limited from 2 April 2015 and Centrex Metals from 1 July 2017.

The Directors (with Mr Indermaur abstaining) recommend that shareholders vote in favour of this Resolution.

Lodge your vote:

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

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

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

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

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

Proxy Form

 <p>Vote and view the annual report online</p> <ul style="list-style-type: none"> • Go to www.investorvote.com.au or scan the QR Code with your mobile device. • Follow the instructions on the secure website to vote. 	
<p>Your access information that you will need to vote:</p> <p>Control Number: 181080</p> <p>SRN/HIN:</p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

 **For your vote to be effective it must be received by 10:00am (Brisbane time) Wednesday 15 November 2017**

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

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

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

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Austin Engineering 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 Austin Engineering Limited to be held at **Brisbane Convention & Exhibition Centre, Arbour Level - A1 room, Cnr Merivale & Glenelg Streets, South Bank, Brisbane, Qld 4101 on Friday 17 November 2017 at 10:00am (Brisbane 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 **Resolution 1** (except where I/we have indicated a different voting intention below) even though **Resolution 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 **Resolution 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 a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Chris Indermaur as Non-executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Before completing your vote and returning by post, please consider using the preferred electronic voting option outlined on the front page of this form.

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 / / _____