



GR ENGINEERING SERVICES LIMITED

ABN 12 121 542 738

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

10 November 2015

Time of Meeting

11:00am (AWST)

Place of Meeting

Empire Bar Function Room

220 Great Eastern Highway, Rivervale, Western Australia

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

GR Engineering Services Ltd

ABN 12 121 542 738

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of GR Engineering Services Limited ABN 12 121 542 738 ("Company") will be held at Empire Bar Function Room, 220 Great Eastern Highway, Rivervale on 10 November 2015 at 11:00am (AWST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

ITEMS OF BUSINESS

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2015, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

1. Resolution 1 - Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding resolution**:

"That the Remuneration Report as set out in the Annual Report be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and 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; and

- (b) *it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.*

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) *the appointment specifies the way the proxy is to vote on Resolution 1; or*
- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.*

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

2. Resolution 2 - Re-election of Terrence Strapp as a Director

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

"That, Terrence Strapp, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected in accordance with clause 13.3 of the Constitution as a Director."

3. Resolution 3 - Re-election of Peter Hood as a Director

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

"That, Peter Hood, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected in accordance with clause 13.3 of the Constitution as a Director."

4. Resolution 4 - 2015 Equity Incentive Plan

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

"That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, Shareholders approve any issue of Incentive Securities under the GR Engineering Services Limited 2015 Equity Incentive Plan, a summary of the rules of which are set out in the Explanatory Memorandum, as an exception to Listing Rule 7.1."

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by:

- **any Director, (other than any Director who is ineligible to participate in any employee incentive**

scheme in relation to the Company) and any person who is an Associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled vote, in accordance with the directions on the proxy form; or*
- (b) it is cast by 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.*

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Certain abbreviations and other defined terms are used throughout this Notice. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

A handwritten signature in black ink, appearing to read 'Geoff Jones', written in a cursive style.

Geoff Jones
Managing Director

Dated: 9 October 2015

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting or by submitting their proxy appointment and voting instructions by person, post, courier or facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's Share register and attendances recorded. A properly executed original (or certified copy) of an appropriate power of attorney under which an attorney has been authorised to attend and vote at the Meeting must be received by the Company's share registry by 11.00 am (AWST) on 8 November 2015 (48 hours before the commencement of the Meeting) in the same manner as outlined for proxy forms below to be effective.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of their appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.

- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their 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 Meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice.
- To be effective, proxies must be received by 11:00am (AWST) on 8 November 2015. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this Notice; or
 - by faxing a completed proxy form to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
 - for Intermediary Online Subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

The proxy form must be signed by the Shareholder or the Shareholder'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 Company at the above address, or by facsimile, and by 11:00am (AWST) on 8 November 2015. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 4.00pm (AWST) 8 November 2015.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of GR Engineering Services Limited ("**GR Engineering**" or the "**Company**").

FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2015 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2015 Annual Report be adopted.

The Remuneration Report is set out in the Company's 2015 Annual Report and is also available on the Company's website (www.gres.com.au).

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

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 30 June 2014 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 12 November 2014. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders. However, a Spill Resolution will be required if the Remuneration Report at the 2016 annual general meeting receives a vote of more than 25% against its adoption.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

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

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to

vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 2 - RE-ELECTION OF TERRENCE STRAPP AS A DIRECTOR

Clause 13.2 of the Constitution provides that at every annual general meeting of the Company, one-third of the Directors (excluding any alternate Directors and the Managing Director), or, if their number is not a multiple of 3, then such number as is appropriate to ensure no Director holds office for more than 3 years, shall retire from office. A retiring Director is eligible for re-election.

Pursuant to Clause 13.2 of the Company's Constitution, Mr Terrence Strapp retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Terry joined the Board on 10 February 2011.

Terry has extensive experience in banking, finance and corporate risk management and has over 40 years experience in the mining and resources industry. He was formerly Chairman of Mercator Gold and a non-executive director of The Mac Services Group Limited. Terry is a non-executive director of Ausdrill Limited.

The Directors (other than Mr Strapp):

- consider that Mr Strapp, if re-elected, will continue to qualify as an independent Director; and
- support the re-election of Mr Strapp and recommend shareholders vote in favour of this resolution.

RESOLUTION 3 - RE-ELECTION OF PETER HOOD AS A DIRECTOR

Clause 13.2 of the Constitution provides that at every annual general meeting of the Company, one-third of the Directors (excluding any alternate Directors and the Managing Director), or, if their number is not a multiple of 3, then such number as is appropriate to ensure no Director holds office for more than 3 years, shall retire from office. A retiring Director is eligible for re-election.

Pursuant to Clause 13.2 of the Company's Constitution, Mr Peter Hood retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Terry joined the Board on 10 February 2011.

Peter is a Chemical Engineer and has over 40 years experience in the resources and energy sectors. He formerly served in senior management and project development roles for WMC in nickel and gold production. Peter was formerly the chief executive officer of Coogee Chemicals and then oil and gas operator Coogee Resources.

Peter has considerable board experience and is currently a Non-Executive Chairman of Matrix Composites and Engineering Limited and the President of the Chamber of Commerce and Industry of Western Australia. He was formerly Chairman of Apollo Gas Limited.

The Directors (other than Mr Hood):

- consider that Mr Hood, if re-elected, will continue to qualify as an independent Director; and
- support the re-election of Mr Hood and recommend shareholders vote in favour of this resolution.

RESOLUTION 4 - 2015 EQUITY INCENTIVE PLAN

Background

In 2012, the Directors considered it desirable to establish an employee incentive scheme pursuant to which employees and Directors may be offered the opportunity to be granted Incentive Securities. Accordingly, the Directors adopted the GR Engineering Equity Incentive Plan (**2012 Plan**). The 2012 Plan was consistent with ASIC Class Order 03/184 (**CO 03/184**) which provides relief from certain provisions of the Corporations Act relating to disclosure, on-sale and other matters. The 2012 Plan was approved by Shareholders at the Company's 2012 Annual General Meeting.

The structure of employee incentive schemes has changed since the 2012 Plan was adopted and CO 03/184 is not in all cases consistent with these revised structures. In October 2014, ASIC issued Class Order 14/1000 (**CO 14/1000**) to replace CO 03/184. In addition, certain developments have been made to the treatment of Incentive Securities for taxation purposes.

The Directors considered that it was desirable to establish a new equity incentive plan under which Eligible Employees may be offered the opportunity to subscribe for equity securities in the Company, on terms that are consistent with CO 14/1000 and new taxation treatment. Accordingly, the Company adopted the GR Engineering Services Limited 2015 Equity Incentive Plan (**2015 Plan**) on 8 October 2015.

The 2015 Plan is designed to align the interests of Eligible Employees with the interests of Shareholders by providing an opportunity for them to acquire and retain an equity interest in the Company and therefore directly participate in the future success of the Company over the medium to long term.

The Directors still consider that the issue of Incentive Securities to employees is a cost effective and efficient means for the Company to incentivise Eligible Employees as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure and retain personnel who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The 2015 Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

The following Incentive Securities may be offered to Eligible Employees under the 2015 Plan:

- Performance Rights, with each Performance Right being a right to acquire a Share subject to the satisfaction of specified performance conditions; and
- Share Appreciation Rights, being rights to receive a future payment in Shares, equal to the amount of increase in market value of one Share in the Company in a specified period between the grant of the Share Appreciation Right and exercise of that Share Appreciation Right.

The Incentive Securities will be subject to vesting criteria as determined by the Board and have a term of 3 years (or such other term as determined by the Board).

Summary of the 2015 Plan

The key terms of the 2015 Plan are set out below:

- (a) **Eligibility:** The Board may from time to time, invite eligible employees, directors and contractors of the Company (or its associated bodies corporate), to be eligible to receive Incentive Securities under the 2015 Plan (Eligible Employees).
- (b) **Offers:** The Board may, from time to time, at its absolute discretion, determine the number and value of any Incentive Securities to be granted under the 2015 Plan. Without limiting its discretion, the Board may also determine the vesting conditions, the performance hurdles, the exercise conditions and any other

terms applicable to a particular grant of Incentive Securities in an offer made to an Eligible Employee.

- (c) **Rights of Incentive Security holders:** Incentive Securities do not entitle the holder to notice of, or to vote or attend at, a meeting of Shareholders, or, receive any dividends declared by the Company.
- (d) **Transferability:** Incentive Securities may not be assigned, transferred, encumbered, or otherwise disposed of unless that assignment or transfer occurs by force of law upon the death of the holder to the holder’s legal representative.
- (e) **Incentive Securities:** Awards of both “Performance Rights” and/or “Share Appreciation Rights” may be made to Eligible Employees under the 2015 Plan.
- (f) **Performance Right:** a Performance Right is an entitlement to be issued or transferred (as determined by the Board) one Share on exercise of the Performance Right, subject to the satisfaction of any vesting conditions, performance hurdles and/or exercise conditions.
- (g) **Share Appreciation Right:** a Share Appreciation Right is a right to be issued or transferred (as determined by the Board) that number of Shares on exercise of the Share Appreciation Right (rounded down to the nearest whole Share) calculated as follows:

Quantity of Shares to be issued/transferred on exercise =

$$\frac{\text{Quantity of exercised Share Appreciation Rights} \times (\text{Subsequent Market Value} - \text{Initial Market Value})}{\text{Subsequent Market Value}}$$

Where:

Initial Market Value means the Market Value of Share as at the grant date of a Share Appreciation Right (or another date determined by the Board and specified in the offer (plus a premium if applicable and specified in the offer));

Subsequent Market Value means the Market Value of a Share as at the date of exercise of a Share Appreciation Right; and

Market Value means the volume weighted average price of the Shares over a 5 day

period, or otherwise as determined by the Board.

- (h) **Vesting Conditions / Performance Hurdles / Exercise Conditions:** The Incentive Securities will be subject to the vesting conditions, performance hurdles and exercise conditions as determined by the Board at the time of grant. In certain circumstances, the Board may in its discretion determine that any unvested Incentive Securities will become vested and may be exercised in any period, whether or not any or all of the applicable vesting conditions and exercise conditions have been satisfied, including if an Eligible Employee becomes a good leaver (for example, ceases to be an executive director or employee due to death or incapacity) or there is a change of control of the Company.
- (i) **Exercise and issue/transfer of Shares:** An Incentive Security may only be exercised by a holder following vesting of that Incentive Security. An offer must specify whether an Incentive Security will either be deemed to automatically have been exercised by the holder on vesting or whether the holder must manually exercise the Incentive Security by delivering a notice of exercise to the Company within a period specified in the offer.
- (j) **Shares:** Any Shares allotted and issued, or transferred, to an Eligible Employee following the exercise of an Incentive Security (Plan Share) will rank equally with all existing Shares on and from the date of issue or transfer, subject to any disposal restrictions notified at the time of the offer of the Incentive Security. Shares, or any beneficial or legal interest in Plan Shares, may not be transferred, encumbered or otherwise disposed of unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.
- (k) **Forfeiture:** Unless otherwise determined by the Board, an Eligible Employee's Incentive Securities will generally be forfeited in the circumstances set out in the 2015 Plan Rules, and include where:
- (i) an Eligible Employee's employment or office or engagement with the Company (or an associated body corporate of the Company) ceases, unless the Board has determined that the leaver may retain their Incentive Securities. For example, where the leaver has ceased employment

or office with the Company due to becoming a good leaver (e.g. due to death or incapacity), the Board may determine that Eligible Employee may retain their Incentive Securities;

- (ii) the relevant vesting conditions, performance hurdles or exercise conditions are not satisfied or cannot be satisfied by the relevant expiry date of the Incentive Securities;
- (iii) an Eligible Employee acts fraudulently or dishonestly or in breach of his or her obligations to the Company; or
- (iv) an Eligible Employee becomes insolvent.
- (l) **Trust:** The Board may elect to use, on such terms and conditions as determined by the Board in its absolute discretion, an employee share trust for the purpose of holding Shares before or after the exercise of an Eligible Employee's Incentive Securities or delivering any Shares to that Eligible Employee upon the vesting and exercise of an Incentive Security.
- (m) **Change of control:** If a change of control event occurs, which is defined in the rules of the 2015 Plan, the Board may in its absolute discretion determine the manner in which all vested and unvested Incentive Securities are dealt with (including without limitation in a manner that allows the Eligible Employee to benefit from the change of control event).
- (n) **Amendment:** The Board has the ability to amend the rules of the 2015 Plan at any time, including with retrospective effect, except that any amendments which affect an Eligible Employee's existing entitlements or obligations require an Eligible Employee's consent unless the amendment is primarily necessitated to ensure compliance with the Constitution or laws or to correct manifest errors or for other limited reasons set out in the 2015 Plan rules.

Copies of the 2015 Plan Rules are available on the Company's website at www.gres.com.au.

Listing Rule Requirements

Listing Rule 7.1 broadly provides that in any 12 month period, a company may issue Equity Securities up to 15% of its issued share capital without shareholder approval. Exception 9(b) of Listing Rule 7.2 provides that an issue of Equity Securities under an employee incentive scheme which has been approved by shareholders within 3 years of the issue, may be issued as an exception to

the 15% limit imposed by Listing Rule 7.1. Accordingly, the Company seeks Shareholder approval of the Plan pursuant Listing Rule 7.2 Exception 9(b) such that the issue of Incentive Securities under the Plan may be issued as an exception to the 15% limit imposed by Listing Rule 7.1.

Prior Shareholder approval will be required before any Director or related party of the Company can participate in the 2015 Plan.

Under the 2015 Plan, the Board may offer to Eligible Employees the opportunity to subscribe for such number of Incentive Securities as the Board may decide and on the terms set out in the rules of the 2015 Plan, a copy of which is contained in Annexure A of this Explanatory Memorandum. Incentive Securities granted under the Plan will be offered to participants in the 2015 Plan on the basis of the Board's view of the contribution of the Eligible Employee to the Company.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b) the following information is provided:

- (a) a summary of the 2015 Plan is set out above and made available on the Company's website at www.gres.com.au;
- (b) this is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the 2015 Plan. The Company has issued 2,825,000 Performance Rights and 3,269,337 Share Appreciation Rights under the 2012 Plan since it was last approved; and
- (c) a voting exclusion statement has been included for the purposes of Resolution 4.

GLOSSARY

"**2012 Plan**" means the GR Engineering Services Limited Equity Incentive Plan adopted on 28 March 2012.

"**2015 Plan**" means the GR Engineering Services Limited 2015 Equity Incentive Plan adopted on 8 October 2015;

"**2015 Plan Rules**" means the rules of the 2015 Plan;

"**Accounting Standards**" has the meaning given to that term in the Corporations Act;

"**Annual Report**" means the annual report of the Company for the year ended 30 June 2015;

"**AWST**" means Australian Western Standard Time;

"**Board**" means the board of Directors of the Company;

"**Closely Related Party**" has the meaning given in the Corporations Act;

"**Company**" means GR Engineering Services Limited ABN 12 121 542 738;

"**Constitution**" means the constitution of the Company, as amended from time to time;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Director**" means a director of the Company;

"**Eligible Employee**" has the meaning given to it in the Plan Rules;

"**Incentive Security**" means a Performance Right or a Share Appreciation Right issued pursuant to the 2015 Plan;

"**Key Management Personnel**" has the meaning given to it in the Accounting Standards;

"**Meeting**" means the 2015 annual general meeting the subject of the Notice;

"**Notice**" means the notice of annual general meeting which accompanies this Explanatory Memorandum;

"**Performance Rights**" has the meaning given to it in the 2015 Plan Rules;

"**Resolution**" means a resolution proposed pursuant to the Notice of Annual General Meeting;

"**Restricted Voter**" means Key Management Personnel and their Closely Related Parties;

"**Share**" means a fully paid ordinary share in the Company;

"**Share Appreciation Right**" has the meaning defined in the 2015 Plan Rules; and

"**Shareholder**" means a holder of Shares.



GR ENGINEERING SERVICES LIMITED
 ABN 12 121 542 738

Lodge your vote:



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



┌ 000001 000 GNG
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Proxy Form

XX

For your vote to be effective it must be received by 11:00am (AWST) Sunday, 8 November 2015

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

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.

Turn over to complete the form ➔



View the annual report, 24 hours a day, 7 days a week:

www.gres.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I999999999



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

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

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.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of GR Engineering Services 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 GR Engineering Services Limited to be held at the Empire Bar Function Room, 220 Great Eastern Highway, Rivervale, Western Australia on Tuesday, 10 November 2015 at 11:00am (AWST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolution: 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
Resolution 1	Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Terrence Strapp as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Peter Hood as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	2015 Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 / /