

Notice of Annual General Meeting

Monadelphous Group Limited
2022 Annual General Meeting

The University Club
University of Western Australia (UWA), Crawley, and online
Tuesday, 22 November 2022 at 10:00am (AWST)

Map



The University Club, University of Western Australia, Theatre Auditorium

Hackett Drive, Entrance 1, Car Park 3

Monadelphous Group Limited

ACN 008 988 547

("Company")

Notice of Annual General Meeting

The Monadelphous Group Limited 2022 Annual General Meeting (**AGM**) will be held at The University Club, University of Western Australia (**UWA**), Crawley, in the theatre auditorium, and online, on Tuesday, 22 November 2022, commencing at 10:00am (AWST).

The Company has taken steps to ensure that all Shareholders can participate in the Meeting. The Board has therefore determined that it will hold a physical Meeting and simultaneously allow virtual access to the Meeting to enable Shareholders to attend online. The Company will update Shareholders if unexpected circumstances arise that impact the arrangements for the Meeting by way of an announcement to the ASX and the details will also be made available on the Company's website at www.monadelphous.com.au.

Shareholders do not need to attend the Meeting physically in order to cast their votes or to participate in the Meeting. Accordingly, the Company encourages all Shareholders who do not attend the Meeting in person, but who wish to vote, to do so by:

1. participating in the virtual Meeting and casting a vote online; or
2. appointing the Chair of the Meeting as their proxy (and where desired, directing the Chair how to vote on a resolution) by completing and returning their proxy form.

Further details are set out below.

Please refer to the attached map for directions to The University Club, University of Western Australia, Crawley.

Instructions on how to access the Meeting online are set out on page 5 of this Notice of Meeting, and in the Computershare Online Meeting Guide which is available at www.computershare.com.au/virtualmeetingguide and attached at Appendix C.

Agenda

Ordinary Business

1. Chair's Address

The Chair's address will be presented to the Meeting.

2. Managing Director's Address

The Managing Director will address the Meeting.

3. Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report for the year ended 30 June 2022, together with the Directors' Report and Auditor's Report for that period.

4. Resolutions

Resolution 1: Re-election of Director – Ms Sue Murphy AO

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

That Ms Sue Murphy AO, who retires by rotation in accordance with clause 11.3 of the Company's Constitution and, being eligible, offers herself for re-election, be re-elected as a Director.

Resolution 2: Grant of Retention Rights to Mr Rob Velletri

In December 2021 (and as announced to ASX on 21 December 2021), it was proposed that Mr Rob Velletri (or his nominee) be issued with 43,600 Retention Rights under the Monadelphous Group Limited 2021 Employee Retention Plan subject to Shareholder approval.

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

That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company be authorised to grant 43,600 Retention Rights to the Company's Managing Director, Mr Rob Velletri (who will become Executive Chair effective from the conclusion of the Meeting), or his nominee, under the Employee Retention Plan on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 2, by or on behalf of, a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Retention Plan or any associate (as defined in the ASX Listing Rules) of such person.

However, the Company need not disregard a vote cast in favour of Resolution 2 by:

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

Resolution 3: Grant of Performance Rights to Mr Rob Velletri

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

That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company be authorised to grant 29,020 Performance Rights to the Company's Managing Director, Mr Rob Velletri (who will become Executive Chair effective from the conclusion of the Meeting), or his nominee, which were offered to Mr Velletri under the Combined Reward Plan in his role as Managing Director for the year ended 30 June 2022, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Combined Reward Plan or any associate (as defined in the ASX Listing Rules) of such person.

However, the Company need not disregard a vote cast in favour of Resolution 3 by:

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

Resolution 4: Adoption of Remuneration Report

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

That the Remuneration Report for the year ended 30 June 2022 be adopted.

Note: Pursuant to the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

To the extent required by section 250R of the Corporations Act, a vote on Resolution 4 must not be cast (in any capacity) by or on behalf of a member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member. However, a person (the "voter") may cast a vote as a proxy where the vote is not cast on behalf of such a member or a closely related party of such a member and the voter is either:

- (a) appointed as a proxy by writing that specifies how the proxy is to vote on Resolution 4; or
- (b) the Chair of the meeting and the appointment of the Chair as proxy does not specify how the proxy is to vote on Resolution 4 and expressly authorises the Chair to exercise the proxy even though Resolution 4 is connected directly or indirectly with the remuneration of a member of the key management personnel.

General Business

5. Other Business

Shareholders will be provided with an opportunity to transact any other business which may be properly brought before the Meeting.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am (AWST) on Sunday, 20 November 2022.

How to Vote

Voting on all Resolutions at the Meeting will be conducted by a poll.

Attending and Voting in Person (or by Attorney)

Shareholders, or their attorneys, who plan to attend the Meeting in person are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that the Company can manage admission to the physical Meeting, and so their holding may be checked against the Company's Share register and their attendance recorded.

Attorneys must also provide a certified copy of the power of attorney, or the original power of attorney to the Company in the same manner, and by the same time, as outlined for proxy forms below.

Participating and Voting Online

Shareholders, or their attorneys, and proxyholders have the option to participate at the Meeting in real-time using the online platform. To use the online platform, you will require a computer, tablet or mobile device with an internet connection.

It is recommended that Shareholders, or their attorneys, and proxyholders login to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions as follows:

- Online registration will open from 9:00am (AWST) on 22 November 2022.
- Shareholders can register to participate in the Meeting via the online platform by using a web browser or mobile device at <https://meetnow.global/M2PC25K>.
- Click on 'Join Meeting Now'.
- Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the Meeting to obtain their login details.
- Enter your postcode registered to your holding if you are an Australian Shareholder. If you are an overseas Shareholder, select the country of your registered holding from the drop-down list.
- Read and, if you are prepared to do so, accept the Terms and Conditions and click 'Continue'.

Participating in the Meeting online enables Shareholders to view the Meeting live, comment and ask questions (written or oral), and vote in real-time at the appropriate time during the Meeting. Please note that if you join the Meeting online as a Shareholder, any proxy vote previously lodged will be suspended if you remain online at the time of voting. Consequently, for your vote to count you will need to use the voting button in the online platform at the time the Chair of the Meeting calls a poll.

It is possible that technical difficulties may arise during the course of the Meeting, in which case the Chair has discretion as to whether and how the Meeting should proceed (refer below for further information).

More information about online participation is available in the Computershare Online Meeting Guide at www.computershare.com.au/virtualmeetingguide and attached to this Notice at Appendix C.

Appointment of a Proxy:

A Shareholder can vote by:

- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Annual General Meeting; or
- submitting their proxy appointment and voting instructions online at www.investorvote.com.au and following the instructions provided, by post using the pre-addressed envelope provided, or by facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

To be effective, a proxy form and the power of attorney (if any) under which the proxy form is signed (or a certified copy of the power of attorney) must be received by the Company at least 48 hours before the commencement of the Meeting (that is, by 10:00am (AWST) on Sunday, 20 November 2022).

Voting Prohibition by Proxies

To the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 2, Resolution 3 or Resolution 4 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on the relevant Resolution. However, the proxy may vote if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 2, Resolution 3 or Resolution 4, by signing and returning the proxy form (including via an online voting facility) you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of key management personnel.

A proxy form has been provided to Shareholders and forms part of this Notice of Annual General Meeting.

Technical Difficulties

Technical difficulties may arise during the course of the Meeting. The Chair of the Meeting has discretion as to whether and how the Meeting should proceed in the event a technical difficulty arises. In exercising their discretion, the Chair of the Meeting will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected. Should there be any technical difficulties, a notification will be published on the Company's website as soon as possible.

By Order of the Board



Philip Trueman
Company Secretary
17 October 2022

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of Monadelphous Group Limited (ACN 008 988 547) to be held in person at The University Club, University of Western Australia, Crawley, Western Australia, and online, on Tuesday, 22 November 2022 at 10:00am (AWST).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

If you appoint the Chair of the Meeting as your proxy, or the Chair of the Meeting is appointed as your proxy by default, please note that the Chair of the Meeting intends to vote all undirected proxies held, and which are able to be voted, in favour of all Resolutions.

2. Glossary

The following terms and abbreviations used in this Explanatory Memorandum (and the Notice of Annual General Meeting to which it relates) have the following meanings:

"ASX"	ASX Limited trading as Australian Securities Exchange
"ASX Listing Rules"	The Official Listing Rules of the ASX, as amended from time to time
"Combined Reward Plan"	The Monadelphous Group Limited Combined Reward Plan for the year ended 30 June 2022
"Company"	Monadelphous Group Limited
"Constitution"	The Constitution of the Company as last amended at the Company's Annual General Meeting held on 22 November 2011
"Corporations Act"	Corporations Act 2001 (Cth) as amended from time to time
"Directors" or "Board"	The directors of the Company and "Director" means any one of them
"Employee Retention Plan"	The Monadelphous Group Limited 2021 Employee Retention Plan
"Meeting"	The 2022 Annual General Meeting of the Company to be held on 22 November 2022
"Notice"	This notice of Annual General Meeting, including this Explanatory Memorandum and the proxy form
"Performance Right"	A right granted to acquire a Share on the satisfaction of vesting conditions
"Remuneration Report"	The remuneration report included in the Directors' Report of the Company's 2022 Annual Report for the year ended 30 June 2022
"Resolution"	A Resolution in the Notice of Annual General Meeting to which this Explanatory Memorandum relates
"Retention Right"	A right granted pursuant to the Employee Retention Plan (in the form of a Performance Right) to acquire a Share on the satisfaction of the employment vesting condition
"Rules"	The Monadelphous Group Limited Performance Rights Plan Rules
"Shares"	Fully paid ordinary shares in the capital of the Company
"Shareholder"	Person registered as the holder of Shares in the register of members of the Company

3. Financial Reporting

As required by section 317 of the Corporations Act, the Financial Report of the Company (including consolidated financial statements of the Company and its controlled entities), Directors' Report and Auditor's Report for the most recent financial year will be laid before the Meeting. Shareholders will be provided with an opportunity to ask questions about the reports or about the Company and the consolidated entity generally, but there will be no formal resolution put to the Meeting. The Auditor will be available at the meeting to answer any questions in relation to the Auditor's Report or the conduct of the audit. Questions to the Auditor should ideally be submitted 48 hours prior to the Annual General Meeting using the Shareholder Questions form attached, or email your question(s) to agmquestion@monadel.com.au.

4. Shareholder Approvals Required

Background to Resolutions 1, 2 and 3 – Retirement of Directors and Board changes

In accordance with the Constitution, it is necessary for one-third of the Directors (rounded to the nearest whole number), excluding the Managing Director and any Director appointed since the last Annual General Meeting, to retire by rotation each year. Additionally, each Director (excluding the Managing Director) who will, at the conclusion of the meeting, have held office for three or more years must retire as a Director. Such Directors are eligible to stand for re-election.

Executive Chairman, Mr John Rubino, and Non-Executive Director, Ms Sue Murphy AO, will retire at the Meeting in accordance with the Constitution. Ms Murphy will stand for re-election (pursuant to Resolution 1).

As announced to ASX on 17 October 2022:

- Executive Chairman, Mr John Rubino, will not stand for re-election at the Meeting and will retire at the conclusion of the Meeting;
- the Company's incumbent Managing Director, Mr Rob Velletri, will be appointed by the Board to the role of Executive Chair effective from the conclusion of the Meeting; and
- Mr Zoran Bebic, who is currently Executive General Manager of the Company's Maintenance and Industrial Services division, will be appointed by the Board as Managing Director (pursuant to clauses 11.11 and 13.36 of the Company's Constitution) immediately following the conclusion of the Meeting.

As also announced to ASX on 17 October 2022, Non-Executive Director, Mr Peter Dempsey, has decided to retire at the conclusion of the Meeting and will not stand for re-election.

The Board wishes to take this opportunity to again thank Mr Rubino and Mr Dempsey for their valuable contributions and dedication to the Company over many years of service and wishes them all the best in their retirement.

Resolution 1: Re-election of Director – Ms Sue Murphy AO

Please refer to the Background to Resolutions 1, 2 and 3 (above).

Ms Sue Murphy AO retires as a Director of the Company by rotation in accordance with clause 11.3 of the Company's Constitution and, being eligible, offers herself for re-election.

Ms Murphy was first appointed as a Director on 11 June 2019. She is a Civil Engineer with 43 years of experience in the resources and infrastructure sectors. During her 25-year career with Clough, she held a wide range of operational and leadership roles before being appointed to the Board of Clough in 1998. Ms Murphy joined the Water Corporation of Western Australia in 2004 as the General Manager of Planning and Infrastructure, before being appointed as Chief Executive Officer in 2008, a role she held for over a decade. Ms Murphy holds a Bachelor of Civil Engineering and is an Honorary Fellow of Engineers Australia.

Ms Murphy is currently a Director of ASX listed entity, MMA Offshore Limited (ASX: MRM) and the West Australian Treasury Corporation, and serves as a Senate Member of the University of Western Australia.

Ms Murphy was last re-elected as a Director of the Company at the 2019 Annual General Meeting. Ms Murphy was appointed Deputy Chair / Lead Independent Non-Executive Director of the Company on 11 October 2021 and Chair of the Company's Remuneration Committee on 1 October 2021. She is also a member of the Company's Audit Committee and Nomination Committee.

Ms Murphy has been a Director of the Company for approximately three years. The Board considers Ms Murphy to be an independent Director.

The Board (other than Ms Murphy) has determined (after reference to, amongst other things, the Company's Board skills matrix, the past performance of Ms Murphy and the current and future needs of the Company) that Ms Murphy:

- has demonstrated commitment and dedication to her role;
- has made and continues to make a significant and valuable contribution to the Board and the quality of its decision making; and
- contributes to the mix of skills and other attributes required of the Board to effectively execute the Company's strategy.

The Board (other than Ms Murphy, who abstained) therefore unanimously recommends that Shareholders vote in favour of Ms Murphy's re-election.

Resolution 2: Grant of Retention Rights to Mr Rob Velletri

Please refer to the Background to Resolutions 1, 2 and 3 (above).

Mr Velletri joined Monadelphous in 1989 and was appointed to the Board on 26 August 1992, assuming the role of Managing Director on 30 May 2003. The Board unanimously supports Mr Velletri's appointment to the role of Executive Chair, noting his thorough knowledge of the industry, the Company and its stakeholders, and his demonstrated commitment and dedication to Monadelphous.

In December 2021 (and as announced to ASX on 21 December 2021), it was proposed that Mr Velletri (or his nominee) be issued with 43,600 Retention Rights under the Employee Retention Plan subject to Shareholder approval.

Over recent years, the Company has experienced significantly high industry activity levels, which were exacerbated by the interstate travel restrictions imposed to reduce the spread of COVID-19. These factors extensively impacted the Company's ability to source and retain talent. The Company believes that this extremely competitive labour market will continue in the foreseeable future, with labour demands expected to increase further as a result of the large number of construction opportunities forecast for coming years, and the continued strong demand for maintenance services. The predicted shortfall of skilled labour will be a major capacity constraint for the industry and for the Company, and will significantly challenge the Company's ability to retain people, as well as to attract new employees.

In response to these demands, the Company implemented the Employee Retention Plan in December 2021. The Employee Retention Plan acts as a retention incentive tool for those employees whose sustained contribution is of critical strategic and operational importance to the success of the business, in a manner aligned to the creation of Shareholder wealth. Retention Rights granted under the Employee Retention Plan are granted in the form of Performance Rights and are subject to, and governed by, the Rules. Approximately 180 employees were offered Retention Rights under the Employee Retention Plan.

Mr Velletri's ongoing contribution to the Company is of critical significance and, accordingly, the Retention Rights offered to Mr Velletri are subject to a vesting condition that relates to his ongoing employment with the Company or its subsidiaries during the period from the grant date to the relevant vesting date (described further below).

The Company is proposing to grant and issue 43,600 Retention Rights to Mr Velletri, under the terms of the Employee Retention Plan (**Proposed Retention Rights Issue**).

ASX Listing Rule 10.14 provides that a listed company must not permit a related party (such as a director) or certain other persons to acquire equity securities under an employee incentive scheme unless it obtains the approval of its Shareholders. The Proposed Retention Rights Issue falls within ASX Listing Rule 10.14 and therefore requires the approval of Shareholders.

The Retention Rights are subject to a vesting condition that Mr Velletri be continuously employed by (or hold office continually with) the Company and/or one or more of its subsidiaries during the period from grant date to the relevant vest date.

One third of the Retention Rights will vest (in equal instalments, subject to rounding) on 20 December 2022, 20 December 2023 and 20 December 2024, subject to satisfaction of the employment vesting condition noted above.

The Board considers that the issue of Retention Rights to Mr Velletri (or his nominee) under the Employee Retention Plan is in the Company's interests as it promotes long term retention and encourages long term share ownership (by being dependent on continuity of employment and by incorporating disposal restrictions on any Shares issued on vesting of Retention Rights), further aligning the interests of Mr Velletri with the interests of Shareholders in order to maximise Shareholder value.

The Board, having considered the Proposed Retention Rights Issue (and, taking into account the circumstances of the Company, the circumstances of the Directors, and the remuneration practices of other similar entities) considers that the financial benefits provided to Mr Velletri by way of the Retention Rights (together with the other elements of his remuneration package) constitute reasonable remuneration. Accordingly, approval under Chapter 2E of the Corporations Act is not being sought.

If Resolution 2 is passed, the Company will be able to proceed with the Proposed Retention Rights Issue and grant 43,600 Retention Rights to Mr Velletri or his nominee. If Resolution 2 is not passed, the Company will not be able to proceed with the Proposed Retention Rights Issue and the Board will consider an alternative remuneration structure for Mr Velletri.

The following information is provided in accordance with ASX Listing Rule 10.15 (which sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under ASX Listing Rule 10.14):

- (a) The person for whom approval is being sought is Mr Rob Velletri, the current Managing Director of the Company who will become the Executive Chair effective from the conclusion of the Meeting (or his nominee). It is proposed that 43,600 Retention Rights be issued to Mr Velletri (or his nominee).
- (b) Mr Velletri, being a director of the Company, falls within ASX Listing Rule 10.14.1. His nominee (if applicable) would fall within ASX Listing Rule 10.14.2 as an associate of Mr Velletri.
- (c) Mr Velletri's current total remuneration package in his role as Managing Director is set out below (noting that Mr Velletri's remuneration package may be adjusted following his commencement as Executive Chair and an announcement will be made to ASX when this occurs):
 - (i) \$1,087,200 in salary and fees;
 - (ii) \$12,592 in life and salary continuance insurance;
 - (iii) \$25,292 in superannuation;
 - (iv) the amortised yearly cost of the Proposed Retention Rights Issue (under Resolution 2); and
 - (v) the amortised yearly cost of the Proposed Performance Rights Issue (under Resolution 3).
- (d) Mr Velletri has not previously been issued Retention Rights under the Employee Retention Plan.
- (e) A summary of the vesting conditions of the Retention Rights is set out above. A summary of the material terms of the Rules (which govern the Employee Retention Plan) is set out in Appendix B.
- (f) The Retention Rights are being used as an incentive and retention mechanism for Mr Velletri. Retention Rights provide greater alignment with Shareholders' interests by enabling Mr Velletri to acquire Shares subject to continuity of employment.
- (g) The indicative total value of the Retention Rights to be issued to Mr Velletri is \$356,212 based on an independent fair market valuation (in accordance with the principles of AASB 2) undertaken by a global accounting firm at the time the Retention Rights were offered to Mr Velletri using a discounted cash flow calculation. The inputs and assumptions used in the valuation take into consideration the price of Shares on ASX at the time of the offer (of \$9.13), an expected dividend yield, an assumption that the holder will act in a manner that is financially optimal and an assumption that the holder will remain with the Company over the term of the Retention Rights. Resulting Shares are subject to a disposal restriction.
- (h) It is proposed that Mr Velletri (or his nominee) be issued the Retention Rights on or about 23 November 2022.
- (i) The Retention Rights will be issued to Mr Velletri (or his nominee) for nil cash consideration (in line with the terms of the Employee Retention Plan), and as part of his remuneration package.
- (j) No loan will be provided in relation to the acquisition of the Retention Rights.
- (k) Details of any Retention Rights issued under the Employee Retention Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- (l) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Retention Rights under the Employee Retention Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule. A voting exclusion statement in respect of Resolution 2 is set out in the Notice.

The Board (with the exception of Mr Velletri who abstains, given his interest in the Resolution) acknowledges the outstanding contribution that Mr Velletri has made and will continue to make to the Company, and therefore recommends Shareholders vote in favour of Resolution 2.

Resolution 3: Grant of Performance Rights to Mr Rob Velletri

Please refer to the Background to Resolutions 1, 2 and 3 (above). Please also refer to the Explanatory Memorandum for Resolution 2 for information about Mr Velletri's background regarding his career with the Company.

The Company's Combined Reward Plan sits alongside the Employee Retention Plan (as a separate incentive plan) and its objective is to recognise and reward the senior leaders of the business who positively contribute to the Company's success, to align these rewards with the creation of Shareholder wealth over time and to ensure the long term retention of the Company's key talent. Under the Combined Reward Plan, the Board has the discretion to make awards on an annual basis subject to the performance of the Company and that of the individual. Awards may be delivered in the form of Performance Rights and/or cash.

Based on the performance of the Company for the year ended 30 June 2022, the Board determined that an award would be made under the Combined Reward Plan with approximately 150 employees being eligible for an award of Performance Rights. Further details of the Combined Reward Plan are contained in the Remuneration Report.

The Board determined that Mr Velletri (or his nominee), in his role as Managing Director for the year ended 30 June 2022, be issued with 29,020 Performance Rights under the Combined Reward Plan, subject to Shareholder approval at the Meeting.

Awards under the Combined Reward Plan for the year ended 30 June 2022 comprised a cash payment of 25 per cent with the balance of 75 per cent taking the form of an issue of Performance Rights. The value of Mr Velletri's Performance Rights component is \$382,200. The actual number of Performance Rights to be granted is calculated by using the arithmetic average of the ten-day daily volume weighted average market price of the Company's ordinary shares commencing on the second trading day after the record date in respect of the 2022 final dividend, which is \$13.17. This calculation is the same as that used to determine the undiscounted share price for the Company's dividend reinvestment plan.

Mr Velletri's ongoing contribution to the Company is of critical significance and, accordingly, the Performance Rights offered to Mr Velletri are subject to a vesting condition that relates to his ongoing employment with the Company or its subsidiaries during the period from the grant date to the relevant vesting date (described further below).

The Performance Rights granted under the Combined Reward Plan are also subject to, and governed by, the Rules.

The Company is proposing to grant and issue 29,020 Performance Rights to Mr Velletri, the current Managing Director of the Company who will become the Executive Chair effective from the conclusion of the Meeting (or his nominee), under the terms of the Combined Reward Plan (**Proposed Performance Rights Issue**).

As noted above, ASX Listing Rule 10.14 provides that a listed company must not permit a related party (such as a director) or certain other persons to acquire equity securities under an employee incentive scheme unless it obtains the approval of its Shareholders. The Proposed Performance Rights Issue falls within ASX Listing Rule 10.14 and therefore requires the approval of Shareholders.

The Performance Rights are subject to a vesting condition that Mr Velletri be continuously employed by (or hold office continually with) the Company and/or one or more of its subsidiaries during the period from grant date to the relevant vest date.

One third of the Performance Rights will vest (in equal instalments, subject to rounding) on 1 July 2023, 1 July 2024 and 1 July 2025, subject to satisfaction of the employment vesting condition noted above.

The issue of Performance Rights to Mr Velletri (or his nominee) is designed to recognise and reward Mr Velletri's contribution to the success of the Company with a reward that is aligned to the creation of Shareholder wealth over time and that (by being dependent on continuity of employment and by incorporating disposal restrictions on any Shares issued on vesting of Performance Rights) is designed to promote long term retention and encourage long term share ownership.

The Board, having considered the Proposed Performance Rights Issue (and, taking into account the circumstances of the Company, the circumstances of the Directors, and the remuneration practices of other similar entities) considers that the financial benefits provided to Mr Velletri by way of the Performance Rights (together with the other elements of his remuneration package) constitute reasonable remuneration. Accordingly, approval under Chapter 2E of the Corporations Act is not being sought.

If Resolution 3 is passed, the Company will be able to proceed with the Proposed Performance Rights Issue and grant 29,020 Performance Rights to Mr Velletri or his nominee. If Resolution 3 is not passed, the Company will not be able to proceed with the Proposed Performance Rights Issue and the Board will consider an alternative remuneration structure for Mr Velletri.

The following information is provided in accordance with ASX Listing Rule 10.15 (which sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under ASX Listing Rule 10.14):

- (a) The person for whom approval is being sought is Mr Rob Velletri, the Managing Director of the Company who will become the Executive Chair effective from the conclusion of the Meeting (or his nominee). It is proposed that 29,020 Performance Rights be issued to Mr Velletri (or his nominee).

- (b) Mr Velletri, being a director of the Company, falls within ASX Listing Rule 10.14.1. His nominee (if applicable) would fall within ASX Listing Rule 10.14.2 as an associate of Mr Velletri.
- (c) Mr Velletri's current total remuneration package is set out in the Explanatory Memorandum for Resolution 2 (above).
- (d) Mr Velletri has previously been issued Performance Rights under the Combined Reward Plan for the years ended 30 June 2018 and 30 June 2019. He was granted 20,011 Performance Rights in 2018 and 19,310 Performance Rights in 2019. The Performance Rights were issued for nil consideration under the terms of the respective offers, and Shareholder approval was obtained for their issue at the 2018 and 2019 Annual General Meetings.
- (e) A summary of the material terms of the Performance Rights is set out above. A summary of the material terms of the Rules (which govern the issue of Performance Rights under the Combined Reward Plan) is set out in Appendix B.
- (f) The Performance Rights are being used as an incentive and retention mechanism for Mr Velletri. Performance Rights provide greater alignment with Shareholders' interests by enabling Mr Velletri to acquire Shares subject to continuity of employment.
- (g) The indicative total value of the Performance Rights to be issued to Mr Velletri is \$284,106 based on an independent fair market valuation (in accordance with the principles of AASB 2) undertaken by a global accounting firm at the time the Performance Rights were offered to Mr Velletri using a discounted cash flow calculation. The inputs and assumptions used in the valuation take into consideration the price of Shares on ASX at the time of the offer (of \$10.72), an expected dividend yield, an assumption that the holder will act in a manner that is financially optimal and an assumption that the holder will remain with the Company over the term of the Performance Rights. Resulting Shares are subject to a disposal restriction.
- (h) It is proposed that Mr Velletri (or his nominee) be issued the Performance Rights on or about 23 November 2022.
- (i) The Performance Rights will be issued to Mr Velletri (or his nominee) for nil cash consideration (in line with the terms of the Combined Reward Plan) as part of his remuneration package.
- (j) No loan will be provided in relation to the acquisition of the Performance Rights.
- (k) Details of any Performance Rights issued under the Combined Reward Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- (l) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Combined Reward Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule. A voting exclusion statement in respect of Resolution 3 is set out in the Notice.

The Board (with the exception of Mr Velletri who abstains, given his interest in the Resolution) acknowledges the outstanding contribution that Mr Velletri has made and will continue to make to the Company, and therefore recommends Shareholders vote in favour of Resolution 3.

Resolution 4: Adoption of Remuneration Report

Section 300A of the Corporations Act requires the Directors to include a Remuneration Report in the Directors' Report for a financial year. Section 250R(2) requires that the Remuneration Report be put to the vote at the Company's Annual General Meeting.

In accordance with the Corporations Act, the vote on Resolution 4 is advisory only and does not bind the Directors or the Company. However, under the "two strikes" rule, the Company will be required to put a resolution to Shareholders to hold new elections for Directors if, at two consecutive annual general meetings, more than 25% of the votes cast on a resolution to adopt the Remuneration Report (such as Resolution 4) are cast against that resolution. Accordingly, if 25% or more of the votes cast at the Meeting on Resolution 4 are against that Resolution and if, at the next annual general meeting in 2023, 25% or more of the votes are again cast against the resolution to adopt the Remuneration Report, then the Company will be required to propose a resolution to hold another general meeting within the following 90 days (a "**Spill Meeting**"). If more than 50% of Shareholders vote in favour of this resolution, then at the Spill Meeting all Directors (other than a Managing Director) will cease to hold office immediately before the end of the Spill Meeting, but may, if eligible, stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved would be the Directors of the Company.

Key management personnel, details of whose remuneration are included in the Remuneration Report, and their closely related parties, are prohibited from voting on Resolution 4, except in the circumstances described in the voting exclusion statement set out in the Notice.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of the adoption of the Remuneration Report.

5. Questions

Shareholders are encouraged to lodge questions in writing prior to the Meeting.

Shareholders are invited to put any questions to the Company in writing before the Meeting using the attached form at Appendix A. Submitting a question in advance of the Meeting does not in any way limit your ability to ask questions in person or online during the Annual General Meeting.

Shareholders attending via the online platform may ask or submit questions through the platform. Note that it may not be possible to respond to all questions, however the Company will do its best to respond to as many as is feasible.

Appendix A – Shareholder Questions

The Board of Monadelphous Group Limited welcomes your questions in relation to the Company.

Registered Shareholders will be provided with the opportunity to ask questions at the Annual General Meeting. However, as an alternative, Shareholders are invited to submit their questions in advance of the Meeting.

The Board will endeavour to address the more frequently asked questions during the course of the Annual General Meeting presentations.

If you would like to submit a question, please complete this form and forward to: The Company Secretary, Monadelphous Group Limited, PO Box 600, Victoria Park, WA 6979 or email your question(s) to agmquestion@monadel.com.au

All questions should be submitted to the Company by 20 November 2022.

YOUR QUESTION(S)

(Please complete all sections)

Shareholder Name

Address

General Shareholder Question(s):

Signature

Date

Appendix B – Summary of the Rules (Retention Rights and Performance Rights)

Set out below is a summary of the Rules which apply to awards of rights under the Employee Retention Plan and the Combined Reward Plan and therefore govern the Retention Rights and Performance Rights (respectively). A reference in the table below to **Rights** is a collective reference to Retention Rights and Performance Rights (unless otherwise specified).

Eligible Participants and Invitations	<p>The Board may from time to time determine that an Eligible Participant may participate in the Employee Retention Plan or the Combined Reward Plan.</p> <p>Eligible Participants essentially comprise employees and contractors of the Company or an associated entity of the Company, provided those persons fit within the categories of persons prescribed by the definition of “eligible participant” under ASIC Class Order 14/1000.</p> <p>Following determination that an Eligible Participant may participate in the Employee Retention Plan or the Combined Reward Plan, the Board may make an invitation to the Eligible Participant on any number of occasions.</p>
Nomination Right	<p>The Eligible Participant may renounce their Rights in favour of one of the following persons:</p> <ul style="list-style-type: none"> (a) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the Eligible Participant (being the Eligible Participant's spouse or dependant); or (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth)) where the Eligible Participant is a director of the trustee. <p>The Company may refuse an election to renounce an offer to a nominated person at its sole and absolute discretion.</p>
Nature of Rights	<p>Each Right represents a right to receive one ordinary share in the capital of the Company, subject to the terms and conditions of each respective plan and the Rules.</p> <p>Prior to a Right vesting, a participant is not entitled to:</p> <ul style="list-style-type: none"> (a) notice of, or to vote at or attend, a meeting of the Shareholders of the Company; (b) receive any dividends declared by the Company; (c) receive a return of capital from the Company, whether in a winding up, upon a reduction of capital or otherwise; or (d) participate in the surplus profits or assets of the Company upon a winding up of the Company, <p>by virtue of holding a Right.</p>
No Fee	No fee is payable upon the grant of Rights.
Exercise Price	No exercise price is payable upon the exercise of Rights.
Exercise of Vested Rights	<p>A Right may not be exercised unless and until that Right has vested.</p> <p>Upon vesting, each Right will be automatically exercised and will result in the issue (or transfer) of one Share. The Company may, in its discretion, defer vesting for a limited period of time.</p>

Forfeiture of Rights	<p>If a participant becomes a “Good Leaver”, the Board will allow the participant to retain unvested Rights only to the extent determined by the Board in its absolute discretion. All other unvested Rights will be forfeited.</p> <p>If a participant becomes a “Bad Leaver”, all Rights will be forfeited, subject to any alternative determination by the Board in its absolute discretion.</p> <p>Unless otherwise determined by the Board, Rights will also be forfeited if:</p> <ul style="list-style-type: none"> (a) the vesting conditions relevant to those Rights are not satisfied by the relevant time; (b) the Board determines (acting reasonably and in good faith) that any applicable vesting conditions relevant to those Rights have not been met or cannot be met by the relevant date; (c) the participant acts fraudulently or dishonestly; or (d) the participant becomes insolvent.
Disposal Restrictions	<p>Retention Rights</p> <p>Any shares acquired on exercise of Retention Rights will be restricted from disposal as determined by the Board and as set out in the invitation.</p> <p>In respect of the Retention Rights to be granted to Mr Velletri, any shares acquired on exercise of Retention Rights will be restricted from disposal until the earlier of:</p> <ul style="list-style-type: none"> (a) 20 December 2024, subject to that date being within a Monadelphous employee share trading window, and if not, when the next share trading window opens, around February 2025; and (b) the date on which the participant ceases to be employed or engaged (as applicable) by the relevant member of the Group. <p>Performance Rights</p> <p>Any shares acquired on exercise of Performance Rights will be restricted from disposal as determined by the Board and as set out in the invitation.</p> <p>In respect of the Performance Rights to be granted to Mr Velletri, any shares acquired on exercise of Performance Rights will be restricted from disposal until the earlier of:</p> <ul style="list-style-type: none"> (a) the opening of the share trading window following the release of the 30 June 2025 financial results (in or around August 2025); and (b) the date on which the participant ceases to be employed or engaged (as applicable) by the relevant member of the Group (unless otherwise specified in the invitation). <p>The Company’s Share Trading Policy (BMS-POL-026) and applicable laws may also impact when Resulting Shares may be disposed of.</p>
Employee Share Trust	<p>Any Resulting Shares issued and/or transferred to the participant as a result of the vesting and automatic exercise of Rights may be required to be held via the Monadelphous Group Limited Employee Share Trust (Trust) under the terms of the Monadelphous Group Limited Employee Share Trust Deed for the purposes of ensuring compliance with disposal restrictions.</p> <p>The trustee of the Trust is a third party provider of trustee services, CPU Share Plans Pty Limited.</p> <p>Once Rights have vested and Resulting Shares are being held by the trustee, the trustee will pass on dividends received to the underlying Shareholder and the underlying Shareholder can direct the trustee how to vote those shares.</p>

Change of Control Event	<p>Notwithstanding any other provisions of the Rules, if a Change of Control Event occurs, or the Board determines that such an event is likely to occur, the Board may determine the manner in which Rights will be dealt with, including, without limitation, in a manner that allows the participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.</p> <p>A Change of Control Event means:</p> <ul style="list-style-type: none"> (a) a change in Control of the Company; (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning more than fifty per cent (50%) of the issued capital of the Company; (c) where a person becomes the legal or the beneficial owner of, or has a relevant interest in, more than fifty per cent (50%) of the issued capital of the Company; (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of the issued capital of the Company; (e) where a Takeover Bid is made to acquire more than fifty per cent (50%) of the issued capital (or such lesser number of shares that when combined with the shares that the bidder (together with its Associates) already owns will amount to more than 50% of the issued capital of the Company) and the takeover bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in more than 50% of the issued capital of the Company; (f) a resolution is passed for the voluntary winding-up of the Company; (g) an order is made for the compulsory winding up of the Company; or (h) any other event determined by the Board in good faith to constitute a "Change of Control Event" for the purposes of these Rules, <p>but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group.</p>
Adjustment of Rights	<p>Reorganisation</p> <p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital), the rights of a holder of Rights (including the number of Rights to which each participant is entitled or the exercise price (if any)), will be adjusted in the manner specified by the ASX Listing Rules to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.</p> <p>Bonus Issue</p> <p>If Shares are issued by the Company pro rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Rights is entitled, upon exercise of the Rights, to receive, in addition to the Shares in respect of which the Rights are exercised and without the payment of any further consideration, an issue of as many additional Shares as would have been issued to a Shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Rights are exercised.</p> <p>Rights Issue</p> <p>A holder of Rights does not (in respect of their Rights) have the right to participate in a pro rata issue of Shares made by the Company or to receive or sell renounceable rights.</p> <p>No other participation</p> <p>Subject to the above, during the currency of any Rights and prior to their exercise, the holders of Rights are not entitled to participate in any new issue of securities of the Company as a result of their holding of Rights.</p>

Clawback	Unvested Rights remain subject to the Company's clawback policy that may apply where adverse events or outcomes arise that should impact on a participant's grant. The Board will have discretion as to the circumstances that would result in clawback of unvested Rights, and may give consideration to factors resulting in material financial misstatement, significant Company financial underperformance, negligence, lack of compliance, significant personal underperformance or behaviour or damage to the Company's reputation.
Board Discretion and Administration	The Board is responsible for administering the Employee Retention Plan and Combined Reward Plan and may amend any provisions of the Rules, including the terms and conditions upon which any Rights have been granted and determine that any amendments to the Rules be given retrospective, immediate or future effect.
Duration	<p>The Employee Retention Plan and Combined Reward Plan continue in operation until the Board determines otherwise.</p> <p>The Board may from time to time suspend the operation of the Employee Retention Plan and/or the Combined Reward Plan at its discretion.</p>

ONLINE MEETING GUIDE



GETTING STARTED

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time. To participate online visit <https://meetnow.global/au> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

TO LOG IN, YOU MUST HAVE THE FOLLOWING INFORMATION:

Australian Residents

SRN or HIN and postcode of your registered address.

Overseas Residents

SRN or HIN and country of your registered address.

Appointed Proxies

Please contact Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting to receive an email invitation.

PARTICIPATING AT THE MEETING

To participate in the online meeting, visit <https://meetnow.global/au>. Then enter the company name in the 'Search for meeting' field. Select and click on the displayed meeting.

Search for meeting

Please enter Company or Meeting Name. Enter 3 or more characters. e.g. Computershare

Or select the country where the company is based.

Australia

To register as a shareholder

Select 'Shareholder', enter your SRN or HIN and select your country. If Australia, also enter your postcode.

Shareholder

Invitation

Guest

If you are a shareholder or an appointed corporate representative, please enter the required details below.

SRN/HIN

eg. X1234567890

Country

Australia

Post Code

eg. 0123

SIGN IN

or To register as a proxyholder

To access the meeting click on the link in the invitation e-mail sent to you. Or select 'Invitation' and enter your invite code provided in the e-mail.

Shareholder

Invitation

Guest

If you have received an email invitation for this meeting, please enter your invite code below.

Invite Code

Enter your invite code. e.g. G-ABCDEFGH or ABCD

SIGN IN

or To register as a guest

Select 'Guest' and enter your details.

Shareholder

Invitation

Guest

If you would like to attend the meeting as a Guest please provide your details below.

First Name *

Last Name *

Email

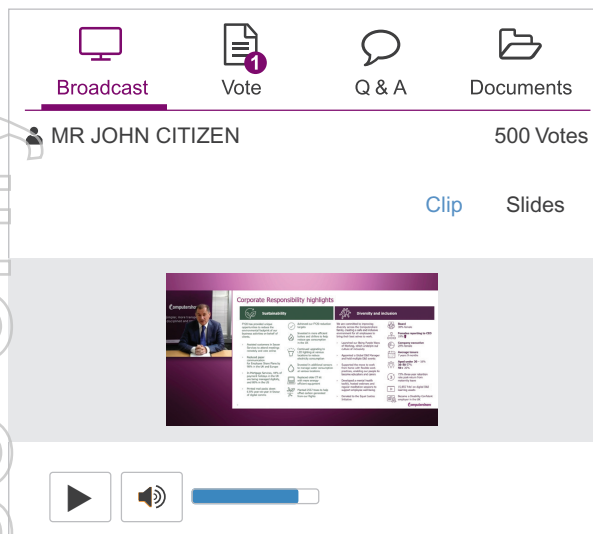
Company Name

SIGN IN



Broadcast

The webcast will appear automatically once the meeting has started. If the webcast does not start automatically press the play button and ensure the audio on your computer or device is turned on.

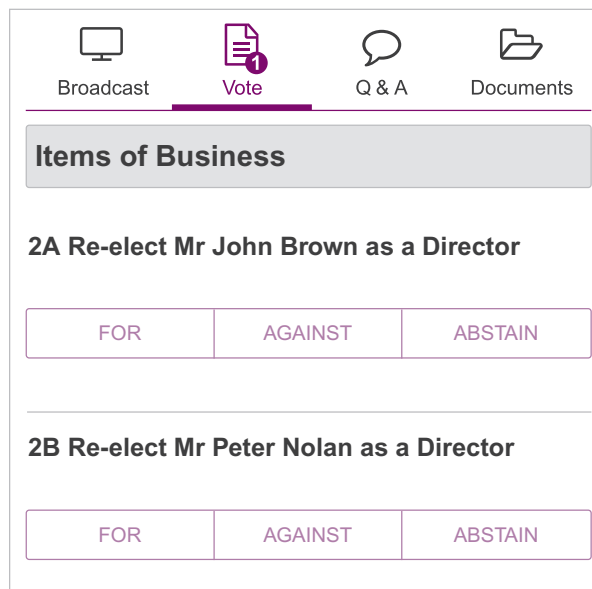


Vote

When the Chair declares the poll open, select the 'Vote' icon and the voting options will appear on your screen.

To vote, select your voting direction. A tick will appear to confirm receipt of your vote.

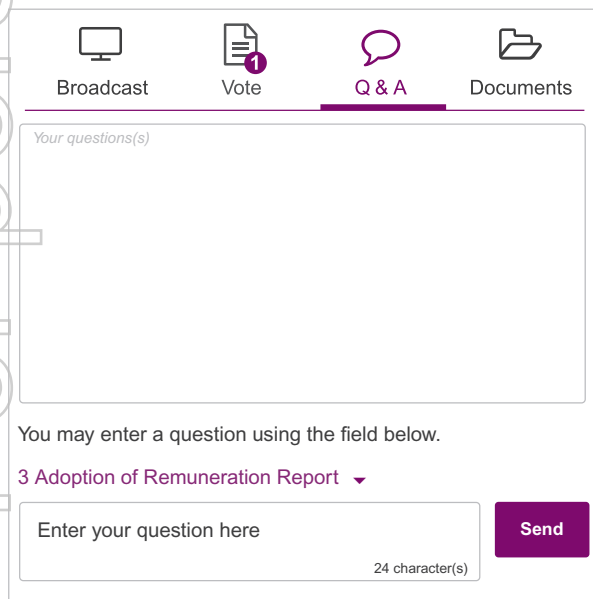
To change your vote, select 'Click here to change your vote' and press a different option to override.



Q & A

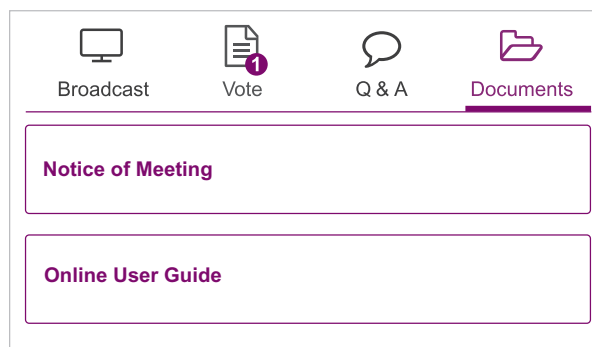
To ask a question select the 'Q & A' icon, select the topic your question relates to. Type your question into the chat box at the bottom of the screen and press 'Send'.

To ask a verbal question, follow the instructions on the virtual meeting platform.



Documents

To view meeting documents select the 'Documents' icon and choose the document you wish to view.



FOR ASSISTANCE

If you require assistance before or during the meeting please call +61 3 9415 4024.

For personal use only

