



Dear Shareholder

I am pleased to invite you to attend Boart Longyear's 2018 Annual General Meeting (AGM) to be held at 11:00am (Melbourne time) on Wednesday, 23 May 2018 at the Melbourne Convention and Exhibition Centre, 1 Convention Centre Place, South Wharf, Melbourne Victoria. Registration will commence at 10:00am.

If you attend the meeting, please bring your Proxy form, as the bar coding on the form will simplify your registration.

Enclosed are documents relating to the AGM including the Notice of Annual General Meeting, the Annual Report for year ending 2017, Proxy form and Question form.

Summary of Business at the AGM

The Notice of Annual General Meeting (**Notice**) explains in detail the items of business you will be asked to consider at the AGM. You should carefully read the Notice and Explanatory Statement before deciding how to vote on the resolutions.

Questions and Voting for the AGM

To assist the Board and other shareholders, you are encouraged to submit any questions you may have in writing in advance of the AGM by completing and returning the enclosed Question form prior to 5.00pm (Melbourne time) on Wednesday 16 May 2018.

If you are unable to attend the meeting, I encourage you to vote on the resolutions contained in the Notice either by using the enclosed Proxy form or lodging your Proxy form online at www.linkmarketservices.com.au. Proxy forms must be received before 11:00am (Melbourne time) on Monday 21 May 2018 in order to be valid for the AGM.

Unmarketable Parcels of Shares

If you are a shareholder with a registered address in Australia or New Zealand and your shareholding is valued at less than A\$500, you have been mailed a letter and Retention Form advising you of our intent to sell your unmarketable parcels of shares. The purpose of implementing the unmarketable parcel facility is to provide shareholders with the opportunity to sell their shares without incurring any brokerage or handling costs and to also reduce the Company's administrative expenses in maintaining small shareholder accounts and distributing shareholder communications. If you wish to retain your unmarketable parcels (shareholding valued at less than A\$500), you will need to complete and return the Retention Form as instructed.

On behalf of the Board, I would like to thank you for your continued support during the year. I look forward to welcoming you to the 2018 AGM.

A handwritten signature in black ink, appearing to read "MRandolph".

Marcus Randolph
Chairman

18 April 2018

NOTICE OF ANNUAL GENERAL MEETING

Boart Longyear Limited ABN 49 123 052 728

Notice is given that the 2018 Annual General Meeting (**AGM**) of shareholders of Boart Longyear Limited (**Company**) will be held at the Melbourne Convention and Exhibition Centre 1 Convention Centre Place, South Wharf, Melbourne Victoria on Wednesday, 23 May 2018, commencing at 11:00 AM (Melbourne time).

BUSINESS OF THE MEETING

A. CONSIDERATION OF REPORT

To receive and consider the Financial Report, the Directors' Report (and Remuneration Report included within the Directors' Report) and the Independent Audit Report of the Company for the financial year ended 31 December 2017.

The Annual Report, which contains the Financial Report, the Director's Report and Independent Audit Report for the year ended 31 December 2017, is available to all shareholders on the website of the Company at <https://www.boartlongyear.com/company/investors/annual-reports/>.

B. QUESTIONS AND COMMENTS

Following the consideration of Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about, or comment on, the performance and affairs of the Company.

The Company's auditor will attend the AGM and will be available to answer questions relevant to the:

- (a) conduct of the audit;
- (b) preparation and content of the Independent Audit Report;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) independence of the auditor in relation to the conduct of the audit.

C. ITEMS FOR APPROVAL

Resolution 1 – Election of Mr Eric Waxman

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

“That Mr Eric Waxman, having been appointed as an additional director to the Board of the Company on 29 September 2017 in accordance with the Company's Constitution and having offered himself for election and being eligible, is hereby elected as a director of the Company in accordance with ASX Listing Rule 14.4.”

Resolution 2 – Election of Mr Richard Wallman

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

“That Mr Richard Wallman, having been appointed as an additional director to the Board of the Company on 29 September 2017 in accordance with the Company's Constitution and having offered himself for election and being eligible, is hereby elected as a director of the Company in accordance with ASX Listing Rule 14.4.”

Resolution 3 – Election of Mr James Kern

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

“That Mr James Kern, having been appointed as an additional director to the Board of the Company on 20 February 2018 in accordance with the Company's Constitution and having offered himself for election and being eligible, is hereby elected as a director of the Company in accordance with ASX Listing Rule 14.4.”

Resolution 4 – Re-election of Mr Marcus Randolph

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

“That Mr Marcus Randolph, having retired by rotation in accordance with the Company’s Constitution and having offered himself for re-election and being eligible, is hereby elected as a director of the Company in accordance with ASX Listing Rule 14.4.”

Resolution 5 – Remuneration Report

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

“That the Remuneration Report for the financial year ended 31 December 2017 (set out in the Directors’ Report) is adopted.”

Note - The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 5:

- by or on behalf of a member of KMP named in the Remuneration Report or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of KMP at the date of the AGM or one of their closely related parties if the appointment does not specify the way the proxy is to vote on the resolution.

However, votes will not be disregarded if they are cast by the Chairman as proxy for a person entitled to vote on Resolution 5 pursuant to an express authorisation to exercise the proxy even though Resolution 5 is connected with the remuneration of a member of the Company’s KMP.

Resolution 6 – Approval of Boart Longyear Management Incentive Plan (MIP)

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

“That approval is given for all purposes, including ASX Listing Rule 7.2, Exception 9(b), and for all other purposes, to the grant of ‘LTIP Units’ under the Company’s Management Incentive Plan, a summary of the terms of which are set out in the explanatory memorandum, of which this notice of meeting forms part, and the issue of ordinary shares in the Company (or other equity securities) on vesting of those ‘LTIP Units’, as an exception to Listing Rule 7.1.”

Voting exclusion: In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- in favour of Resolution 6 by or on behalf of any Director or their associates (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- on Resolution 6 by a proxy who is a member of KMP at the date of the AGM or one of their closely related parties if the appointment does not specify the way the proxy is to vote on the resolution.

However, votes will not be disregarded if they are cast by the Chairman of the meeting as proxy for a person who is entitled to vote on Resolution 6 pursuant to an express authorisation to exercise the proxy even though Resolution 6 is connected with the remuneration of a member of the Company’s KMP.

Resolution 7 – CEO, Mr Olsen’s Participation in the MIP

“That approval is given for all purposes, including ASX Listing Rule 10.14, to the grant of ‘LTIP Units’ under the Company’s Management Incentive Plan to Mr Jeffrey Olsen as the long term incentive component of his remuneration for the financial year ending 31 December 2018, and the issue of ordinary shares in the Company (or other equity securities) on vesting of those ‘LTIP Units’, on the terms set out in the explanatory memorandum, of which this notice of meeting forms part.”

Voting exclusion: In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- in favour of Resolution 7 by or on behalf of Mr Olsen and his associates, regardless of the capacity in which the vote is cast; and
- on Resolution 7 by proxy who is a member of KMP at the date of the AGM or one of their closely related parties if the appointment does not specify the way the proxy is to vote on the resolution.

However, votes will not be disregarded if they are cast by the Chairman of the meeting as proxy for a person who is entitled to vote on Resolution 7 pursuant to an express authorisation to exercise the proxy even though Resolution 7 is connected with the remuneration of a member of the Company’s KMP.

Resolution 8 – Approval of the issue of shares to Non-Executive Directors

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

“That approval is given for all purposes, including ASX Listing Rule 10.14, for the issue of ordinary shares in the Company to Non-Executive Directors on the terms set out in the explanatory memorandum, of which this notice of meeting forms part.”

Note: As explained in the Explanatory Statement, this proposal will not result in any increase in Non-Executive Director remuneration. Non-Executive Directors may choose to receive shares in lieu of cash at market price up to a value equivalent to 100% of their annual director fee entitlement.

Voting exclusion: In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes:

- cast in favour of Resolution 8 by or on behalf of any Non-Executive Director or an associate of a Non-Executive Director; and
- cast on Resolution 8 by a proxy who is a member of KMP at the date of the AGM or one of their closely related parties if the appointment does not specify the way the proxy is to vote on the resolution.

However, votes will not be disregarded if they are cast by the Chairman of the meeting as proxy for a person who is entitled to vote on Resolution 8 pursuant to an express authorisation to exercise the proxy even though Resolution 8 is connected with the remuneration of a member of the Company's KMP.

Important note:

The Chair of the meeting intends to vote all available proxies in favour of each resolution.

By order of the Board

Robert Closner
Company Secretary

NOTES

Entitlement to Attend and Vote

In accordance with Reg 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that persons who are registered holders of shares of the Company as at 7.00 pm (Melbourne time) on Monday, 21 May 2018 will be entitled to attend and vote at the AGM as a shareholder. Accordingly, transactions registered after that time will be disregarded for determining which shareholders are entitled to attend and vote at the AGM.

Voting by Proxy

A shareholder entitled to attend and vote at the AGM may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the *Corporations Act 2001* (Cth) (**Corporations Act**) to exercise its powers as proxy at the AGM. A proxy need not be a shareholder.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

Details for completion and lodgement of proxies are on the reverse side of the proxy form. To be effective, the proxy must be received at the share registry of the Company no later than 11:00 am (Melbourne time) on 21 May 2018. Proxies must be received before that time by one of the following methods:

Online At www.linkmarketservices.com.au

By post: Boart Longyear Limited
c/ - Link Market Services Limited
Locked Bag A14
Sydney South, NSW 1235
Australia

Facsimile: In Australia (02) 9287 0309
From outside Australia +61 2 9287 0309

By hand delivery: Link Market Services Limited
Level 12, 680 George Street
Sydney, NSW 2000
Australia
or
1A Homebush Bay Drive, Rhodes, NSW 2138
Australia

Voting by Attorney

A proxy form and the original power of attorney, if any, under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 11:00 am (Melbourne time) on 21 May 2018, being not later than 48 hours before the AGM.

Corporate Representatives

A body corporate that is a shareholder, or that has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed "Certificate of Appointment of Corporate Representative" (available from the Company's share registry) confirming its authority to act as the shareholder's representative.

Shareholder Questions

Shareholders may submit questions about the items of business to be considered at the AGM or to the Company's auditor in relation to the content of the Auditor's Report or the conduct of the audit of accounts for the year ended 31 December 2017 (see Question Form submitted to all shareholders with the proxy form). Written questions must be received by the Company or Link Market Services Limited by 5.00pm (Melbourne time) on 16 May 2018.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for shareholders in relation to the business to be conducted at the Company's 2018 Annual General Meeting and forms part of the Notice of Meeting.

The purpose of this Explanatory Statement is to provide shareholders with information they may reasonably require to decide how to vote upon the Resolutions. The Directors recommend that shareholders read this Explanatory Statement before determining whether or not to support a resolution.

Resolutions 1 through 8 are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution.

Resolution 1 – Election of Mr Eric Waxman

Mr Eric Waxman was appointed by the Board as a Non-Executive Director of the Company on 29 September 2017. In accordance with rule 44(d) of the Constitution and ASX Listing Rule 14.4, Mr Waxman offers himself for election.

Mr Waxman is a Partner within Ares Management L.P.'s (**Ares**) Private Equity Group. Mr Waxman works on both the acquisition and disposition of Ares portfolio assets and assists Ares portfolio companies in dealing with a range of significant legal issues, including corporate governance, regulatory inquiries and litigation. Prior to joining Ares in 2016, he was a Partner at Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates, where he practiced for more than 30 years.

Mr Waxman holds a B.A. from the University of California Los Angeles in Economics and a J.D. from The University of California Davis School of Law.

Mr Waxman is not considered an independent director as referred to in the ASX Corporate Governance Council's Principles and Recommendations given his current employment with Ares.

The Directors, with Mr Waxman abstaining, unanimously recommend that shareholders vote **IN FAVOUR** of this resolution.

Resolution 2 – Election of Mr Richard Wallman

Mr Richard Wallman was appointed by the Board as a Non-Executive Director of the Company on 1 September 2017 and is Chairman of the Audit, Safety and Risk Committee. In accordance with rule 44(d) of the Constitution and ASX Listing Rule 14.4, Mr Wallman offers himself for election.

Mr Wallman's distinguished career includes senior executive roles in finance, as well as non-executive director roles at several large, publicly listed US companies. His executive experience includes serving as the Chief Financial Officer and Senior Vice President at Honeywell International, Inc. and its predecessor, AlliedSignal, from 1995 until his retirement in 2003. He also has held senior financial positions with the IBM Corporation and Chrysler Corporation and worked at Ford Motor Company earlier in his career.

Mr Wallman currently is a non-executive director of Roper Technologies, Inc. (NYSE), Charles River Laboratories International, Inc. (NYSE), Wright Medical Group, Inc. (NASDAQ) and Extended Stay America, Inc (NYSE). Mr Wallman holds a Bachelor of Engineering degree from Vanderbilt University in the United States and also holds a Master's in Business Administration from the University of Chicago.

Mr Wallman is considered to be an independent director as referred to in the ASX Corporate Governance Council's Principles and Recommendations.

The Directors, with Mr Wallman abstaining, unanimously recommend that shareholders vote **IN FAVOUR** of this resolution.

Resolution 3 – Election of Mr James Kern

Mr Lawrence First appointed Mr James Kern as his alternate director on 29 September 2017 for 180 days. With effect from 20 February 2018, Mr First resigned from the Board and Mr Kern was appointed by the Board as a Non-Executive

Director of the Company. In accordance with rule 44(d) of the Constitution and ASX Listing Rule 14.4, Mr Kern offers himself for election.

Mr Kern has served as Managing partner of Majestic Ventures 1 LLC, a consulting and investment partnership focused on early stage growth companies, since 2014. In addition, he currently serves on the boards of THL Credit Inc. (NASDAQ), a middle market lending company, PlaySight Interactive, an Israeli-based sports data analytics business, and Basic Energy Services (NYSE), an oilfield services company.

From 2010 to 2014, Mr Kern was a Managing Director at Nomura Securities, serving as Head of Global Finance Financial Institutions Group ("FIG") and Specialty Finance Investment Banking for the Americas. He previously served as a Managing Director at J.P. Morgan Securities within the FIG practice and was focused on Asset Management and Specialty Finance clients. From 1994-2008, he was a Senior Managing Director at Bear Stearns, where he held several positions including Head of Strategic Finance-FIG, Head of Corporate Derivatives and was a founding member of the firm's Structured Equity Products group.

Mr Kern has a B.S. from the Marshall School of Business at the University of Southern California.

Mr Kern is considered to be an independent director as referred to in the ASX Corporate Governance Council's Principles and Recommendations.

The Directors, with Mr Kern abstaining, unanimously recommend that shareholders vote **IN FAVOUR** of this resolution.

Resolution 4 – Re-election of Mr Marcus Randolph

Mr Marcus Randolph was appointed a Non-Executive Director and Chairman of the Board of Directors of the Company on 25 February 2015.

ASX Listing Rule 14.4 and Rule 46 of the Constitution require directors to retire by rotation in line with their length of service. Mr Randolph by rotation and, being eligible, offers himself for re-election.

Mr Randolph has served more than 35 years in the mining industry in a variety of global, senior executive roles. Most recently, he was Chief Executive of BHP Billiton's Ferrous and Coal business from July 2007 to September 2013, located in Melbourne, and was a member of BHP's Group Management Committee.

Prior to that role, he held several other senior executive roles at BHP, including as its Chief Organization Development Officer, President Diamonds and Specialty Products, Chief Development Officer Minerals and Chief Strategic Officer Minerals. His earlier career includes Chief Executive Officer, First Dynasty Mines, Mining and Minerals Executive, Rio Tinto Plc, Director of Acquisitions and Strategy, Kennecott Inc, General Manager Corporacion Minera Nor Peru, Asarco Inc, and various mine operating positions in the US with Asarco Inc.

Mr Randolph holds a Bachelor of Sciences degree in Mining Engineering from the Colorado School of Mines in the United States and also holds a Masters in Business Administration from Harvard University.

Centerbridge Partners, L.P (**Centerbridge**) nominated Mr Randolph as a director and Chairman. Mr Randolph joined the Board as an independent, non-executive director and does not represent Centerbridge's interests on the Board and the Board is comfortable that he is able to bring an independent judgment to bear on issues presented before the Board.

However, given that Mr Randolph continues to serve Executive Chairman and exercises executive responsibilities at the Company, the Board has determined that Mr Randolph should not be considered as an independent director as referred to in the ASX Corporate Governance Council's Principles and Recommendations.

The Directors, with Mr Randolph abstaining, unanimously recommend that shareholders vote **IN FAVOUR** of this resolution.

Resolution 5 – Remuneration Report

Section 250R(2) of the Corporations Act requires that the Company put to a shareholder vote a resolution that the Remuneration Report be adopted. The vote is advisory only and does not bind the Directors of the Company, although the Company takes the outcome of the vote into consideration in determining the remuneration policy going forward.

As set out in the Remuneration Report, the Company's remuneration philosophy and practices aim to set board and executive compensation at levels that are fair and reasonable and competitive with relevant market practice as well as to assist the Company to recruit, retain and motivate skilled and talented people across the Company's operations. Wherever possible, the Company's remuneration practices and governance are consistent with best practice for

Australian listed companies, adapted where necessary to the needs of a multinational company operating in some 40 countries worldwide and headquartered in the U.S. These policies and practices are overseen by the Board's Remuneration Committee.

The Remuneration Report is available in the Directors' Report of the Annual Report, which can be viewed on the website at <http://www.boartlongyear.com/company/investors/annual-reports/>.

The Directors unanimously recommend that shareholders vote **IN FAVOUR** of this resolution.

Resolution 6 – Approval of Boart Longyear Management Incentive Plan

Why is approval being sought?

The Company is seeking shareholder approval for the purposes of Exception 9(b) of ASX Listing Rule 7.2 and all other purposes for a new employee incentive plan, being the Boart Longyear Limited Management Incentive Plan (**MIP**). ASX Listing Rule 7.1 imposes a limit on the number of equity securities which the Company may issue without shareholder approval in any 12 month period.

In general terms, an entity may not, without prior shareholder approval, issue, or agree to issue, equity securities if the equity securities will in themselves or, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of fully paid ordinary shares on issue at the commencement of that 12 month period, unless an exception applies.

Exception 9(b) of ASX Listing Rule 7.2 provides an exception for an issue under an employee incentive scheme if within 3 years before the issue date, the issue has been approved by a resolution of shareholders as an exception to ASX Listing Rule 7.1.

Resolution 6 seeks shareholder approval of the issue of LTIP Units (as defined below) and the issue of shares under the MIP on the vesting of those LTIP Units for the purposes of Exception 9(b) of ASX Listing Rule 7.2. Accordingly, if the resolution is passed, any grant of LTIP Units under the MIP and shares issued on the vesting of those LTIP Units will be excluded from the calculation of the maximum number of shares that can be issued by the Company in any 12 month period for a period of 3 years from the date of the approval.

Purpose of the MIP

The purpose of the MIP is to assist in the attraction, motivation and retention of employees (including executive directors).

The MIP will replace the existing Boart Longyear Limited Long Term Incentive Plan (**LTIP**), Stock Options and Retention Incentive Grant Agreement (**RIGA**). LTIP and RIGA accruals of all share and cash awards ceased as of 31 December 2017 and will be distributed on a pro-rata basis on the LTIP and RIGA vesting date, in compliance with the continued employment condition provisions and other applicable provisions in the LTIP and RIGA agreements. All stock options performance vesting pricing was measured as of 31 December 2017.

The new MIP is focused on aligning performance objectives to the total enterprise value of the Company and to the interests of shareholders. As the markets begin to stabilise, the Board believes that restructuring the incentive plan program provides a balanced long-term focus on both share price appreciation and continued improvement of the underlying operational and financial performance of the Company.

Governing Terms

A grant of LTIP Units under the MIP is subject to the MIP rules (**MIP Rules**). Additional terms and conditions of a grant of LTIP Units will be set out in the relevant eligible Participant's award agreement in respect of that grant.

Participation

The Remuneration Committee may, in its discretion, invite any employee of the Company or its subsidiaries to participate in the MIP (**Participant**).

The grant of LTIP Units and the issue of shares on the vesting of LTIP Units to a Director, will require express shareholder approval pursuant to ASX Listing Rule 10.14.

Non-Executive Directors of the Company are not permitted to participate in the Plan.

Consideration

Under the terms of the MIP, and subject to the execution of an award agreement, a Participant may be awarded non-voting units of measurement that, once vested, entitle a Participant to receive payment in cash and/or shares in the Company (or any other stock or securities into which such shares may be converted or exchanged, including, if it occurs, pursuant to a re-domiciliation of the Company) (**LTIP Units**). The award of such LTIP Units in a specified year is referred to as an "**Award**".

A Participant is not required to pay any consideration for the grant of an LTIP Unit or for the acquisition of a share or receipt of cash on the vesting of the LTIP Unit.

Nature of LTIP Units

The LTIP Units granted under an Award will be split into three equal tranches as follows:

- 33⅓% will be "Time Vesting Units";
- 33⅓% will be "Tier I Performance Vesting Units"; and
- 33⅓% will be "Tier II Performance Vesting Units".

Vesting Conditions for LTIP Units

Each tranche of LTIP Units is subject to different vesting conditions as set out below.

Subject to the continued active employment of a Participant:

- the Time Vesting Units will vest in five equal proportions on the later of each of the first five anniversaries of the grant of that Award and the corresponding Measurement Date (**Time Vesting Date**);
- the Tier I Performance Vesting Units will vest in five equal proportions on each Measurement Date if the Measurement Period TEV for that Measurement Date exceeds US\$900 million; and
- the Tier II Performance Vesting Units will vest in five equal proportions on each Measurement Date if the Measurement Period TEV for that Measurement Date exceeds US\$1,100 million.

The Measurement Dates are dates as of which Ares, Centerbridge or Ascribe II Investments LLC (**Key Stakeholders**) have sold, in aggregate, a specified percentage (**Percentage Trigger**) of the shares in the Company they held as at 1 September 2017 (**Original Holding**), as set out in the following table:

| Measurement Date | Percentage Trigger | Measurement Period |
|-------------------------|--------------------|---|
| First Measurement Date | 15% | 1/09/2017- First Measurement Date |
| Second Measurement Date | 30% | First Measurement Date to Second Measurement Date |
| Third Measurement Date | 45% | Second Measurement Date to Third Measurement Date |
| Fourth Measurement Date | 60% | Third Measurement Date to Fourth Measurement Date |
| Final Measurement Date | 75% | Fourth Measurement Date to Final Measurement Date |

Given the vesting dates are linked to sales by the Key Stakeholders, it is not possible to determine when the LTIP Units will vest if ever.

The Measurement Period TEV for a Measurement Date is the average of the TEVs on each date the Key Stakeholders sold shares during the Measurement Period ending on that Measurement Date weighted by the number of shares sold on each sale date.

The "**TEV**" on any sale date is the total enterprise value of the Company on that date as defined in the MIP Rules.

Any unvested Performance LTIP Units will be forfeited on the Final Measurement Date to the extent that the relevant TEV threshold has not been met as of that date.

Alignment of the MIP to the sale of shares in the Company by the Key Stakeholders which results in increasing TEV is considered to be a key indicator that the Company is creating value for all shareholders. Participants will therefore only be rewarded under the plan to the extent value has been created for shareholders.

Shares issued or cash paid on vesting of LTIP Units

The TEV of the Company as at the date of the Company's recapitalisation on 1 September 2017 was US\$650 million (**Base TEV**). The Plan gives Participants an opportunity to share in increases in the TEV at certain points in time over the Base TEV if the LTIP Units vest at that point in time.

On any Measurement Date, Participants have an opportunity to share in:

- in the case of Time Vesting Units, 0.666% of the amount by which the TEV on that Measurement Date exceeds the Base TEV (**Time Vesting Pool**); and
- in the case of Tier I Performance Vesting Units, 0.666% of the amount by which the Measurement Period TEV on that Measurement Date exceeds the Base TEV (**Tier I Vesting Pool**); and
- in the case of Tier II Performance Vesting Units, 0.666% of the amount by which the Measurement Period TEV on that Measurement Date exceeds the Base TEV (**Tier II Vesting Pool**).

The value a Participant is entitled to receive on any Measurement Date if the LTIP Units vest is that Participant's LTIP Percentage of the Time Vesting Pool, Tier I Vesting Pool and Tier II Vesting Pool as the case may be.

Upon the vesting of any tranche of LTIP Units, a Participant will be entitled to receive cash and/or shares (with the allocation determined at the Board's sole discretion).

If the Board determines to issue shares on vesting of an LTIP Unit, shares will be issued at a price equal to the volume weighted average closing sales price on ASX on the thirty days prior to, and including, the applicable Measurement Date.

The actual number of shares that will be issued under the Plan cannot be ascertained at this time as the actual number of shares issued will turn on a number of factors which are not known at the date of this notice of meeting. Those factors include when the Key Stakeholders sell the required number of shares to meet the Percentage Triggers, the prices at which they sell those shares, the level of debt at that time, whether the LTIP Units vest and whether the board decides to satisfy the vesting of the LTIP Units with cash or shares.

The Plan Rules currently provide that the maximum number of shares that can be issued over the life of the Plan is 3,000,000,000 shares. This does not mean that 3,000,000,000 shares will be issued under the Plan but it does mean that the number of shares issued under the Plan will not exceed 3,000,000,000 without further shareholder approval.

Cessation of employment

All unvested LTIP Units terminate upon a Participant's cessation of employment except where a Participant ceases employment as a result of:

- a Participant's employment is terminated without cause;
- a Participant ceases employment as a result of death or disablement; or
- the Participant terminates employment for a good cause (including a material reduction in a Participant's base salary, requirement to transfer to a different working location or any other reason specified in the award agreement) (each a **Qualifying Event**).

In the event of a Qualifying Event a Participant's unvested LTIP Units shall remain outstanding and eligible to vest for 6 months after the occurrence of the Qualifying Event and, if one or more Measurement Dates occurs during such period, the Participant will be treated as if he or she was employed by the Company or its subsidiaries and any vested LTIP Units will be settled in accordance with the MIP Rules.

Change of control

If the Company undergoes any merger, consolidation, statutory exchange, spin-off, reorganisation, recapitalisation, restructuring, or effects a transfer of all or substantially all of the Company's assets and business, and such transaction does not trigger the "Final Measurement Date" described above, then the Board will have the discretion to:

- maintain the MIP and adjust the vesting terms in accordance with the MIP; or
- procure the acquirer to assume the MIP (such that the vesting of LTIP Units will be settled by cash or shares in the acquirer);
- terminate the MIP and consider such termination to be an additional Measurement Date for the purposes of the Performance Vesting Units; and/or
- accelerate the vesting of all or a portion of the LTIP Units.

Term of MIP

No LTIP Units will be granted on or after the date that is seven years after the MIP is approved by shareholders.

If the MIP terminates before a Measurement Date, unvested Performance Vesting Units shall vest if the relevant TEV threshold is met as at the Expiration Date.

Other Information

- This is the first meeting at which shareholder approval has been sought for the grant of LTIP Units under the MIP and the issue of shares on the vesting of those LTIP Units. As at the date of this meeting, 85% of the available LTIP Units have been granted to employees of the Company (or a subsidiary of the Company) subject to the approval by shareholders of Resolution 6 and, in the case of LTIP Units granted to Mr Olsen, the approval by shareholders of Resolution 7.
- No shares have been issued by the Company in connection with the vesting of any LTIP Unit under the MIP.

The Directors, with Mr Olsen abstaining, unanimously recommend that shareholders vote **IN FAVOUR** of this resolution.

Resolution 7 – CEO, Mr Olsen's Participation in the MIP

Under his employment agreement, the CEO, Mr Jeffrey Olsen is entitled to receive annual long term incentive (LTI) grants with a target level of compensation of approximately US\$1,000,000. The Board proposes that the long term incentive component of Mr Olsen's compensation for 2018 be satisfied through the grant of LTIP Units to Mr Olsen under the MIP.

Accordingly, shareholder approval is sought for the grant of 25% of the total LTIP Units under the MIP to Mr Jeffrey Olsen (that is an LTIP Percentage of 25%).

As noted above in Resolution 6, upon vesting of the LTIP Units under the MIP, Mr Olsen will be entitled to receive cash and/or shares (with such allocation at the sole discretion of the Board).

The Company is seeking shareholder approval for the purpose of ASX Listing Rule 10.14 to retain the flexibility to issue shares to Mr Olsen in connection with the vesting of his LTIP Units.

On any Measurement Date, if the LTIP Units vest Mr Olsen will be entitled to 25% of:

- in the case of Time Vesting Units, the Time Vesting Pool; and
- in the case of Tier I Performance Vesting Units, the Tier I Vesting Pool; and
- in the case of Tier II Performance Vesting Units, the Tier II Vesting Pool.

If the Board determines to issue shares to Mr Olsen on vesting of an LTIP Unit, shares will be issued at a price equal to the volume weighted average closing sales price on ASX on the thirty days prior to, and including, the applicable Measurement Date.

The actual number of shares that will be issued under the Plan to Mr Olsen cannot be ascertained at this time as the actual number of shares issued will turn on a number of factors which are not known at the date of this notice of meeting. Those factors include when the Key Stakeholders sell the required number of shares to meet the Percentage Triggers, the prices at which they sell those shares, the level of debt at that time, whether the LTIP Units vest and whether the board decides to satisfy the vesting of the LTIP Units with cash or shares.

If all 3,000,000,000 shares are issued over the life of the Plan which is currently the maximum number of shares that can be issued under the Plan, the maximum number of shares that could potentially be issued to Mr Olsen is 250,000,000 shares per tranche over the life of the Plan. This does not mean that each or any tranche will result in the issuance of 250,000,000 shares being to Mr Olsen under the Plan.

Other Information

- Mr Olsen is the only Director entitled to participate in the MIP.
- The details of any shares granted to Mr Olsen under the Plan will be published in each Annual Report relating to a period in which shares have been issued to Mr Olsen with a statement that approval for the issue of the shares was obtained pursuant to ASX Listing Rule 10.14.
- No loans will be made available by the Company in relation to the grant of LTIP Units to Mr Olsen.
- The LTIP Units have been granted to Mr Olsen subject to receipt of shareholder approval of Resolution 7 at the AGM.

- If approval is given by shareholders under Listing Rule 10.14 for the issue of 25% of the total LTIP Units to Mr Olsen, any shares that are issued to Mr Olsen upon vesting of such LTIP Units will not use up part of the 15% capacity under Listing Rule 7.1 (as described above).

The Directors, with Mr Olsen abstaining, unanimously recommend that shareholders vote **IN FAVOUR** of this resolution.

Resolution 8 – Approval of the issue of shares to Non-Executive Directors in lieu of Directors' fees

The Company is seeking shareholder approval to allow current and future Non-Executive Directors to elect to receive up to 100% of their director fees in shares in the Company in lieu of cash payments.

The election of Non-Executive Directors to receive all or a portion of their compensation in shares of the Company in lieu of cash pursuant to the plan will not result in any additional remuneration for the Non-Executive Directors. It is merely a mechanism for the Non-Executive Directors to elect to invest some of the fees to which they are otherwise entitled in the Company.

Background

Up until implementation of the recapitalisation on 1 September 2017, Non-Executive Directors had been required to receive 50% of their annual base fees in the form of shares in the Company. On and from implementation of the recapitalisation, new remuneration arrangements were put in place with the Non-Executive Directors.

It is now proposed that the Company give its Non-Executive Directors the ability to elect to contribute up to 100% of their total annual compensation fees towards acquiring newly issued shares in the Company (**NED Shares**). The Plan allows the Company to conserve cash and direct it towards working capital while also allowing directors to be more closely aligned with the success of the business. These new arrangements are referred to in the notes below as the 'Plan'.

Participation in the Plan

Participation in the Plan will be open to current and future Non-Executive Directors of the Company in office from time to time unless such participation would result in the contravention of any applicable law or require the Company to issue a disclosure document.

Currently, there are five Non-Executive Directors who would be eligible to acquire NED Shares in accordance with the Plan:

- Jason Ireland
- James Kern
- Gretchen McClain
- Robert Smith
- Richard Wallman

Mr Cruz and Mr Waxman are both Non-Executive Directors of the Company but are employees of Centerbridge and Ares (respectively) who do not currently receive directors' fees (and therefore will not at this stage be allocated any NED Shares).

Current or future executive Directors, including the Managing Director, will not participate in the Plan.

When will NED Shares be issued?

Under the terms of the Plan, NED Shares will be issued quarterly (or at other intervals in compliance with insider trading laws and the requirements of the Company's Securities Trading Policy) at predetermined dates throughout the year.

Following issue, Non-Executive Directors will not be able to deal in the shares for a 12 month period. After this period, they will be free to deal in the shares subject to the Company's Securities Trading Policy and any minimum shareholding requirements adopted by the Board.

How many shares will be issued?

The number of NED Shares to be allocated to Non-Executive Directors who elect to participate in the Plan each quarter will be calculated by dividing the amount of director's fees which the relevant Non-Executive Director has elected to contribute to the Plan by the arithmetic average of the daily volume weighted average sale price of the Company's shares sold on ASX on the ordinary course of trading during the five trading days preceding the issue date of the shares.

The number of NED Shares which may be issued to current and future Non-Executive Directors under the Plan cannot be precisely calculated in advance, as it depends on:

- the percentage of director's fees which each Non-Executive Director elects to contribute to the Plan;
- the share price at the time when NED Shares are issued to Non-Executive Directors;
- the number of Non-Executive Directors in office from time to time; and
- the level of the Non-Executive Directors' compensation from time to time.

As an illustrative example, based on:

- the current share price of \$0.010;
- an AUD/USD exchange rate of 0.7684;
- the Company's current issued capital of 26,289,795,216 ordinary shares; and
- no warrants on issue being exercised,

if all the non-executive directors eligible to participate in the Plan elected to take 100% of their annual fees in shares, 108,974,492 additional shares would be issued and the maximum annual dilution would be 0.4128%.

In addition, like current Non-Executive Directors, future Non-Executive Directors will not obtain any additional remuneration by participating in the Plan.

If at any time the Board determines that the issue of NED Shares to a Non-Executive Director would result in the Company breaching the Company's Constitution, Securities Trading Policy, and any applicable law or is otherwise inappropriate in the circumstances, the Company will not issue shares to that Non-Executive Director.

Other information

- NED Shares acquired by Non-Executive Directors will rank equally (in relation to dividends (provided the record date for such dividend precedes the issue date of shares), voting and other rights) in all respects with other issued fully paid shares.
- No loan will be made available by the Company in connection with the acquisition of NED Shares by the Non-Executive Directors.
- No shares have yet been issued in accordance with this Plan.
- Details of any shares issued will be published in each Annual Report of the Company relating to a period in which shares have been issued, and that approval for the issue of shares was obtained under ASX Listing Rule 10.14.
- If this Resolution 8 is approved, Non-Executive Directors will be able to participate in the Plan from the time shareholder approval is granted. Whilst it is intended that the Plan will continue to operate indefinitely, new shares will only be issued under the Plan up until 23 May 2021, unless shareholder approval for the issue of shares under the Plan is refreshed prior to that date.
- If approval is given by shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

LODGE YOUR VOTE**ONLINE**www.linkmarketservices.com.au**BY MAIL**Boart Longyear Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia**BY FAX**

+61 2 9287 0309

**BY HAND**Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000**ALL ENQUIRIES TO**

Telephone: +61 1800 781 633 (free call within Australia)

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am on Monday, 21 May 2018**, being not later than 48 hours before the commencement of the Annual General Meeting (AGM). Any Proxy Form received after that time will not be valid for the scheduled AGM.

Proxy Forms may be lodged using the reply paid envelope or:

**ONLINE**www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

**BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code**HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM****YOUR NAME AND ADDRESS**

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the AGM as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the AGM as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE AGM

Any directed proxies that are not voted on a poll at the AGM will default to the Chairman of the AGM, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the AGM will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the AGM and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the AGM the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Boart Longyear Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the AGM (mark box)

OR if you are **NOT** appointing the Chairman of the AGM as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the AGM, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Wednesday, 23 May 2018 at The Melbourne Convention and Exhibition Centre, 1 Convention Centre Place, South Wharf, Melbourne Victoria 3006** (the AGM) and at any postponement or adjournment of the AGM.

Important for Resolutions 5, 6, 7 and 8: If the Chairman of the AGM is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the AGM to exercise the proxy in respect of **Resolutions 5, 6, 7 and 8**, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the AGM intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the AGM.

Please read the voting instructions overleaf before marking any boxes with an

Ordinary Resolutions

| | For | Against | Abstain* | | For | Against | Abstain* |
|---------------------------------------|--------------------------|--------------------------|--------------------------|---|--------------------------|--------------------------|--------------------------|
| 1 Election of Mr Eric Waxman | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6 Approval of Boart Longyear Management Incentive Plan ("MIP") | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Election of Mr Richard Wallman | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 7 Approval of Mr Jeffrey Olsen's (CEO) participation in the MIP | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Election of Mr James Kern | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8 Approval of the issue of shares to Non-Executive Directors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Re-election of Mr Marcus Randolph | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 5 Adoption of the Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |

STEP 2



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

BLY PRX1801N



LODGE YOUR QUESTIONS

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
 Boart Longyear Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

 **BY FAX**
 +61 2 9287 0309

 **BY HAND**
 Link Market Services Limited
 1A Homebush Bay Drive, Rhodes NSW 2138; or
 Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
 Telephone: +61 1800 781 633 (free call within Australia)


X999999999999

Please use this form to submit any questions about Boart Longyear Limited ("the Company") that you would like us to respond to at the Company's 2018 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Company's share registrar, Link Market Services Limited, by **5:00pm on Wednesday, 16 May 2018**.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

My question relates to (please mark the most appropriate box)

- | | | |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Sustainability/Environment | <input type="checkbox"/> Other |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> Future direction | |

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| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Sustainability/Environment | <input type="checkbox"/> Other |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> Future direction | |

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QUESTIONS