

27 February 2017

Raj Naran to succeed Greg Kilmister as ALS CEO and Managing Director

ALS Limited (ASX Code: ALQ) advises that Mr Raj Naran will be the Company's next CEO and Managing Director, succeeding Greg Kilmister who will retire from the Company at the conclusion of the 2017 Annual General Meeting on July 20 after 36 years with the Company, including 12 years as CEO.

With immediate effect Mr Naran will assume the role of Deputy CEO and will work alongside Greg Kilmister as he hands over his responsibilities to Raj over the coming months. Mr Naran will join the Board as CEO & Managing Director at the conclusion of the 2017 Annual General Meeting. In the meantime, he will also maintain his current role as head of ALS' Life Sciences division.

Commenting on the appointment, ALS Chairman Bruce Phillips said *"Over the last nine months a comprehensive process has been underway to prepare for Greg's succession, including a major global talent search conducted with the assistance of the Korn Ferry group. We are delighted an ALS executive so strongly committed to the Company's culture has emerged as the best candidate to succeed Greg."*

"As part of the succession process, Raj has also recently been leading a review of the Company's 5-year strategic plan, a role that will continue until his formal appointment as CEO."

Raj Naran was a founder of e-Lab Analytical Inc. which operated an environmental analytical testing business in Texas and Michigan, USA until it was acquired in 2007 by ALS. Raj was appointed to lead ALS' USA Environmental business at that time and grew his role over the subsequent years to lead the global Life Sciences Division.

During his ten-year tenure with the division, Revenue has increased from A\$165 million to A\$634 million; EBIT from A\$24 million with a 15% ROS, to A\$110 million and a 17% ROS, and headcount increased from 1,500 to more than 6,500 people.

Mr Phillips added *"Raj's leadership qualities have been well demonstrated during the significant growth of the Life Sciences division. His strong focus on profitability and delivering on customer needs, through both organic growth and M&A activity have delivered substantial gains for ALS shareholders."*

Mr Naran responded to the news saying *"It is an honour, privilege and great responsibility to be appointed the next Managing Director and CEO of ALS. I look forward to working with the ALS team to build on the achievements of my predecessors."*

Mr Phillips also paid tribute to Mr Kilmister’s leadership as Managing Director. *“Greg has dedicated his business life to building ALS. He has been the pivotal force in the growth and transformation of the Company from a diversified industrial group to a globally respected Testing, Inspection & Certification (TIC) player and an ASX100 company. During his tenure as CEO, the Company’s market cap has grown 705% from \$ 381 million in 2005 to \$ 3.1 billion today. His legacy will never be forgotten.”*

Mr Kilmister said *“It has been a privilege to lead an exceptional team of talented people in building ALS from 4,000 staff in 2005 to in excess of 13,000 today. ALS is a unique Australian company and I have every confidence that Raj will lead the company to an even brighter future. I look forward to working with Raj and the board to ensure a smooth transition in the months ahead.”*

The material terms of Mr Naran’s appointment and his profile are set out in the attachments.

-ENDS-

Further information:

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About ALS Limited

ALS is a global Testing, Inspection & Certification business. The company's strategy is to broaden its exposure into new sectors and geographies where it can take a leadership position.

Attachment 1 - to ASX Release, 27 February 2017

Chief Executive Officer & Managing Director:

Summary of Key Terms of Employment

Item	Details
Start date	At the conclusion of the AGM on 20 July 2017
Term of appointment	Ongoing, no fixed term. Termination in accordance with provisions noted below.
Location	Mr Naran will be based in Houston and travel to Australia as required to perform his duties.
Fixed Remuneration	US\$1,000,000.00, including pension and health care benefits.
Short Term Incentive (STI)	<p>Up to 60% of fixed remuneration at the target level of performance and up to 90% of fixed remuneration at outperformance level.</p> <p>Payment of any STI is dependent on achievement of financial KPIs (70%), Health, Safety & Environment KPIs (10%) and personal KPIs (20%). STI Payments achieved at the outperformance level will be deferred into Share Rights for a period of two years, no dividends will be paid during the two year vesting period.</p> <p>Equity awards are subject to Shareholder approvals.</p> <p>Claw Back - No STI payments will apply for misrepresentation of financial and non-financial KPI results. Material misstatements discovered after the STI payment has been made may result in having to return the payment to the Company.</p> <p>The terms and conditions of the STI Plan for future years are subject to the discretion of the Board.</p>
Long Term Incentive (LTI)	<p>Up to 60% of fixed remuneration, vesting is dependent on achievement of the EPS, TSR, ROCE and EBITDA performance hurdles, measured over a period of three years.</p> <p>Equity awards are subject to Shareholder approvals.</p> <p>The terms and conditions of the LTI Plan for future years are subject to the discretion of the Board.</p>
Living Allowance	An annual allowance of US\$100,000 has been granted in recognition of the need to maintain homes in Brisbane and Houston and associated travel costs.

<p>Notice & Termination</p>	<p>A period of 12 months notice must be given by either party for termination. Termination due to serious misconduct, may be made with no notice.</p> <p>Termination as a result of retirement, death or serious illness subject to Board discretion will result in pro-rated LTI vesting.</p> <p>All accrued statutory leave entitlements will be paid out upon termination.</p>
<p>Confidentiality & Intellectual Property</p>	<p>The interests of the Company are protected by provisions regarding intellectual property and confidential information during and after the term of employment.</p>
<p>Restraints</p>	<p>A period of up to 12 months' post-employment restraint will apply.</p>

Attachment 2 - to ASX Release, 27 February 2017

Raj Naran Profile



Raj Naran is an experienced global executive in the Testing, Inspection & Certification (TIC) Industry. He holds a Bachelor of Science majoring in Chemistry and a Bachelor of Arts majoring in Mathematics as well as management training qualifications.

He was born and raised in Rhodesia and following compulsory military service, he decided to leave Rhodesia, soon after the country was renamed Zimbabwe in 1979. He followed a sibling to the United States where he pursued academic qualifications at the Southern Methodist University in Dallas, Texas.

Upon graduating in 1984, he commenced employment with several global corporations including Environmental Resources Management (ERM), a global consulting business. Through his career, he undertook field based work before progressing to his first laboratory management role in Houston. When ERM sold its' laboratory operations to Core Laboratories, Inc in the US in the early 1990s, Mr Naran transferred with it. Core Laboratories is a service provider of core and fluid analysis in the petroleum and resources industries.

After seven years as Laboratory Manager in which he had both laboratory and business development responsibilities, Mr Naran departed in 1999 to commence his own business known as e-Lab Analytical, Inc. Headquartered in Houston, the company built a presence in North America, South America, and Australia. After eight years of growing the business, e-Lab was acquired by ALS in 2007. Mr Naran was retained after the acquisition and given the opportunity to run ALS' Environmental Division for North America and Europe based in Houston, Texas.

He was later appointed in 2012 to lead the Global Life Sciences Division of ALS growing the business significantly through both organic and M&A initiatives that has delivered 75% growth in the division over the five-year period since 2012. Strategy during this time focused on building the global Food and Pharmaceutical, Consumer Products and Water businesses and expanding the global footprint especially in North and South America, Asia and Europe.

Raj currently has residences in Houston and Brisbane and will split his time between the USA and Australia as required.