

**SOUTHERN CROSS ELECTRICAL ENGINEERING LIMITED**  
**Annual General Meeting**  
**28 October 2013 at 10:00 am**

**CHAIRMAN'S SCRIPT**

**1. Welcome**

Good morning, ladies and gentlemen. I would like to welcome you to Southern Cross Electrical Engineering Limited's 2013 Annual General Meeting. My name is John Cooper. I am a Director and the Chairman of the Company and will be chairing today's meeting.

We appreciate your attendance today and encourage your participation in the proceedings.

The format of the meeting will a short address from me followed by the formal business set out in the notice of meeting. When the formal business is completed we will have a presentation from Mr Simon High our Chief Executive Officer and Managing Director.

**2. Quorum**

As we have a quorum<sup>1</sup> present, this meeting is properly constituted and I now declare the annual general meeting open.

Are there any apologies?

**3. Notice of Meeting**

The Notice of Meeting dated 26 September 2013 has been sent to all SCEE shareholders. Unless there are any objections, I propose that the Notice of Meeting be taken as read.

---

<sup>1</sup> Three members: cl81.1 constitution

#### **4. Directors**

I will now introduce you to my fellow Directors and the Company Secretary who are present at today's meeting.

- Mr Simon High, the Managing Director and Chief Executive Officer.
- Mr Frank Tomasi, a non-executive director.
- Professor Derek Parkin, a non-executive director.
- Mr Peter Forbes, a non-executive director.
- Dr John (“Jack”) Hamilton, a non-executive director.
- Mr Chris Douglass, our Chief Financial Officer and Joint Company Secretary.
- Mr Colin Harper, our Joint Company Secretary.

#### **5. Auditors and lawyers**

Mr Robert Gambitta, a partner of KPMG, the Company’s auditor, is also present today, as well as representatives of K&L Gates, the Company's lawyers.

#### **6. Chairman’s address**

I am pleased to welcome you all to this year’s Annual General Meeting for Southern Cross Electrical Engineering Limited.

In 2013 SCEE reported a record financial result for the second consecutive year. We are very satisfied to have delivered this against a backdrop of resource industry uncertainty, industry profit downgrades and an operating environment in which clients have become increasingly commercially focussed.

Importantly this was achieved in a safe manner with over 1.6 million man hours executed without a Lost Time Incident. We are now over nine year's LTI free in Australia and the safety of our people, our projects and the environment remains our top priority.

I congratulate Simon and his team on their excellent achievements in 2013 and thank all of our stakeholders for their support throughout the year.

In the current year we are seeing market conditions continue to tighten, with tendering becoming increasingly competitive. Amongst other imperatives clients are placing greater emphasis on managing their costs.

Despite this, we are targeting further growth and see a significant pipeline of opportunities in a number of sectors:

- As Iron Ore remains a key commodity for SCEE, we are continuing tendering for a number of jobs that would underpin our 2014 revenue targets and provide order book into 2015;
- Our LNG focussed joint venture, KSJV, received its first contract award in September and with six Australian LNG plants scheduled to be completed over the next three to five years we expect to secure further work in the sector; and
- The three East Coast LNG projects have an upstream Coal Seam Gas requirement which offers significant long-term opportunity.

While domestic construction is likely to remain our core business in the short to medium term, we are focussed on the need to re-position ourselves for a reduction in this work volume in the future. The growth of recurring revenues, both organically and

through acquisition, remains a key strategic objective. We will also continue to evaluate opportunities to return to international work.

As always, we remain committed to offering and providing our clients the highest standards of client service, safety and quality.

Over the past two years significant investment has been made in the assets and systems that will help us to deliver this. We have renewed our plant and equipment fleet and our new Enterprise Resource Planning system went live in the first week of October. The SCEEtrak suite of project management systems are to be fully implemented by December.

Whilst we have undoubtedly entered a period of tougher and fiercely competitive operating conditions, I remain positive about SCEE's ability to continue to grow. Together with the rest of the Board and the management team I look forward to facing the challenges that lie ahead.

We will now proceed to the formal business of the meeting.

## **7. Voting**

With regard to voting on today's resolutions, all shareholders, proxyholders and authorised corporate representatives who are entitled to vote should have been issued with voting cards. A voting card also entitles you to comment and ask questions in this meeting.

If anyone present is entitled to vote and does not have a voting card, please see one of the Computershare staff at the registration table at the entrance door. They will assist you.

Visitors and media are reminded that whilst we welcome you at this meeting, it is a shareholder meeting and you may not make comments or ask questions.

We have received proxies representing [x] shares or [x]% of the Company's issued shares.

Before the vote on each resolution, I will announce the number of proxy votes received for, against, open and abstaining.

Where a proxy vote has been given to me, as the Chairman, without voting instructions, I intend to vote these proxies in favour of each resolution.

## **8. Minutes of Previous Meeting**

The minutes of the annual general meeting of the Company held last year have been signed and a copy is available for inspection from the Company Secretary.

## **9. Procedure for the meeting**

We have a number of formal matters of business to attend to today. As I mentioned, at the conclusion of the formal matters I will ask your CEO, Mr Simon High, to address the meeting.

Shareholders will then have the opportunity to comment and ask questions about the management of the Company.

There will also be an opportunity before each resolution is voted on, for shareholders to ask questions of the board as they relate to that resolution.

## **10. Financial reports**

The first order of business is to receive and consider financial statements and related reports from the Directors and auditors:

I confirm that all Shareholders who have requested a copy, have been sent a copy of the Company's 2013 Annual Report. The Annual Report is also available on the Company's website and

contains the Statement of Comprehensive Income, Balance Sheet, Cash Flow Statement and other financial information together with the reports of the Directors and Auditor for the financial year ended 30 June 2013.

The financial reports and the Directors' and Auditors' reports are tabled at the meeting, but are not to be the subject of a resolution as this is not required by the Corporations Act.

I now invite shareholders to comment or ask questions on the financial reports of the business of the Company.

Questions may also be asked of the Company's auditor, Mr Robert Gambitta of KPMG, in relation to the conduct of the audit including the content of the audit report, accounting policies adopted by the company and the independence of the auditor in carrying out the audit.

I would ask that questions on other items of business be deferred until we come to that item.

Are there any comments or questions?

[Shareholder comments and questions]

Thank you ladies and gentlemen. As there are no further questions, we will now move to the next item of business:

## **11. Resolution 1 – Adoption of the Remuneration Report**

In accordance with the Corporations Act, the Company submits to shareholders for consideration and adoption by way of a non-binding vote its Remuneration Report for the year ended 30 June 2013. The remuneration report is included in the annual report on pages 31 to 40.

I wish to advise you of the proxy votes received on this Resolution, which are as follows:

For	<input checked="" type="checkbox"/>
Against	<input checked="" type="checkbox"/>
Abstain	<input checked="" type="checkbox"/>
Open proxies	<input checked="" type="checkbox"/>

Members of the Company's key management personnel as disclosed in the remuneration report, or any closely related parties of those persons may not vote on this resolution. Any votes cast by these persons will be disregarded by the Company.

Are there any questions or comments on this Resolution?

[Questions and Comments]

There being no (further) questions I will now put the resolution to the meeting:

*That the remuneration report for the year ended 30 June 2013 be adopted.*

All those in favour of Resolution 1 please raise your voting card.

All those against Resolution 1 please raise your voting card.

Thank you ladies and gentlemen. I declare the motion carried/lost.

*[If a poll is demanded see Appendix. If no poll is demanded, move on to the next resolution.]*

## **12. Resolution 2 – Re-Election of Professor Derek Parkin as director**

Rule 5.1 of the Company's Constitution provides that at every annual general meeting, one-third of the Directors, or, if their

number is not a multiple of 3, then the number nearest one-third, shall retire from office. A retiring Director is eligible for re-election.

Professor Derek Parkin is retiring by rotation in accordance with this requirement and, being eligible, seeks re-election.

Details of Professor Parkin's background and experience are set out in the notice of meeting and the Directors' report on page 25 of the annual report, so I will not repeat those details here.

Each of the Directors, other than Professor Parkin who has a personal interest in the resolution, recommends the re-election of Professor Parkin.

I wish to advise that the proxy votes we have received are as follows:-

For	[x]
Against	[x]
Abstain	[x]
Open proxies	[x]

Before I put the motion, are there any comments or questions?

[Questions and Comments]

There being no [further] questions I now put the resolution to the meeting:

*That Professor Derek Parkin, who retires by rotation under rule 5.1 of the company's constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the company.*

All those in favour of Resolution 1 please raise your voting card.

All those against Resolution 1 please raise your voting card.



I declare the motion carried/ lost.

*[If a poll is demanded see Appendix. If no poll is demanded, move on to the next resolution.]*

**13. Resolution 3 – Issue of performance rights to the Managing Director for the 2013/2014 financial year**

Resolution 3 seeks shareholder approval for the grant of 487,769 Performance Rights to Mr Simon High, the Managing Director of the Company, under the Company's Senior Management Long Term Incentive Plan with respect to the 2013/2014 financial year.

The Plan was approved by Shareholders at the 2011 Annual General Meeting. The grant of the Performance Rights represents the long term incentive component of Mr High's remuneration package as described in the remuneration report.

The grant of Performance Rights is designed to reward long term sustainable business performance which is aligned to the long term strategic objectives of the Company. Accordingly, the Performance Rights will not vest (and the underlying Shares will not be issued) unless certain performance conditions have been satisfied. The performance conditions are set out in the notice of meeting and are based on the Company's performance in respect of total shareholder return and earnings per share over a three year period.

I wish to advise the meeting that the proxy votes we have received are as follows:-

For	<input checked="" type="checkbox"/>
Against	<input checked="" type="checkbox"/>
Abstain	<input checked="" type="checkbox"/>
Open proxies	<input checked="" type="checkbox"/>

The Company will disregard any votes cast on this Resolution by Mr High and his associates.

Before I put the motion, are there any comments or questions?

[Questions and Comments]

There being no [further] questions I now put the resolution to the meeting:

*That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve, as further described in the Explanatory Statement, the issue of 487,769 Performance Rights (and the issue of Shares following any vesting of the Performance Rights) in accordance with the Company's Senior Management Long Term Incentive Plan (Plan) to the Managing Director of the Company, Mr Simon High, (or his nominee) in relation to the 2013/2014 financial year.*

All those in favour of Resolution 3 please raise your voting card.

All those against Resolution 3 please raise your voting card.

Thank you ladies and gentlemen. I declare the motion carried/lost.

*[If a poll is demanded see Appendix. If no poll is demanded, move on to the next resolution.]*

#### **14. Closure**

Now that the formal matters of business have been completed, I will now invite Mr Simon High our Chief Executive Officer and Managing Director to address the meeting.

[Simon High's address]

I now invite shareholders who may have questions or comments not related to the specific business of the meeting to speak.

[Shareholder comments and questions]

Thank you all for your attendance and interest and we look forward to your continued support in the coming year.

We have now completed the matters contained in the Notice of Annual General Meeting and I declare the meeting closed.

Please join us now for light refreshments.

## **ANNEXURE PROCEDURE WHERE POLL DEMANDED**

### **Guidance**

- 1 First, call for a show of hands on the resolution
- 2 Second, if there is either:
  - (a) any doubt of the result or sense of the meeting; or
  - (b) a valid demand for a poll; or
  - (c) a result that the Chairman knows or believes is contrary to the recommendation being made by the Chairman,then the Chairman should demand a poll.
- 3 A valid poll can be demanded by:
  - (a) the Chairman;
  - (b) any 5 members; or
  - (c) any individual or members holding 5% or more of the vote.

### **Procedure** (Chairman to read as follows)

A poll has been called by me as Chairman of the Meeting in respect of Resolution [insert]. The poll will now be taken, so I therefore declare the poll open.

All members and appointed proxies entitled to vote were given a voting card upon admission to the meeting.

Members attending the meeting who have also voted by proxy must vote under a poll as their proxy votes are ineligible.

Please clearly mark either “For”, “Against” or “Abstain” on the front of the card next to the resolution being voted on under a poll.

The Returning Officer for the poll will be [Mr Robert Gambitta] from [KPMG].

Once you have marked your vote it will be collected by the Returning Officer’s staff.

*(Pause whilst shareholders vote)*

*[Confirm that all ballot papers have been collected. Once confirmed announce]*

I now declare the Poll closed.

The Returning Officer will now count the ballot papers.

I will announce the result once all ballots have been counted.

*Adjourn meeting to count results of the poll*

Thank you for your patience, ladies and gentlemen. We will not have a result until the vote is counted. Accordingly, I will now adjourn the meeting for approximately 15 minutes.

*Announcement of result of poll (If Results are announced during the meeting)*

Thank you for waiting for the outcome of the voting ladies and gentlemen. I now declare the meeting re-opened and announce the results of the poll.

The number of votes cast FOR Resolution [ ] was [.....] representing [.....] % of all votes cast.

The number of votes cast AGAINST Resolution [ ] was [.....] representing [.....] % of all votes cast.

The number of votes cast ABSTAINING was [.....] representing [.....] % of all votes cast.

Accordingly, I declare the motion in relation to Resolution [ ] [carried / defeated] as the required [50% majority [has / has not] been achieved.

The results of the poll in respect of Resolution [ ] will be released to the ASX shortly and will be displayed on the ASX website as soon as practicable later today.

*Announcement of result of poll (If Results are to be just to be released to the ASX following the meeting)*

Thank you ladies and gentlemen. Given the time it is going to take to collate the results, I declare the meeting closed. The results of the poll in respect of Resolution [ ] will be released to the ASX shortly and will be displayed on the ASX website as soon as practicable later today.