



Southern Cross Electrical Engineering Limited

ABN 92 009 307 046

Notice of Annual General Meeting and Explanatory Statement and Proxy Form

Date of Meeting: Monday, 29 October 2012
Time of Meeting: 10:00am (WST)
Place of Meeting: Plaza Room 1
Hyatt Regency Hotel
99 Adelaide Terrace
Perth, Western Australia



This Notice of Meeting and Explanatory Statement should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Southern Cross Electrical Engineering Limited ABN 92 009 307 046 (Company) will be held at 10:00am (WST) on Monday, 29 October 2012 at Plaza Room 1, Hyatt Regency Hotel, 99 Adelaide Terrace, Perth, Western Australia.

The Explanatory Statement that accompanies and forms part of the Notice of Meeting describes the various matters to be considered at the Annual General Meeting. This also includes a glossary of terms used. Shareholders should read the Explanatory Statement before deciding how to vote.

AGENDA

FINANCIAL REPORTS

To receive and consider the Financial Report of the Company and the reports of the Directors and Auditor for the year ended 30 June 2012.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

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

That the Remuneration Report for the year ended 30 June 2012 be 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, a vote must not be cast on Resolution 1 by, or on behalf of a member of the Company's key management personnel or their closely related parties, unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

The key management personnel of the Company are the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The remuneration report identifies the key management personnel for the financial year ended 30 June 2012. The closely related parties of the key management personnel are as defined in the Corporations Act and include certain of their family members, dependents and companies they control.

RESOLUTION 2: RE-ELECTION OF MR JOHN COOPER AS DIRECTOR

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

"That Mr John Cooper, who retires in accordance with Rule 5.1 of the Constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

RESOLUTION 3: ISSUE OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR FOR THE 2011/2012 FINANCIAL YEAR

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

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 419,664 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 2011/2012 financial year.

Voting exclusions

The Company will disregard votes cast on Resolution 3 by Mr High or any of his associates. However the Company need not disregard a vote if:

- (a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairperson of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a member of the Company's key management personnel and their closely related parties (other than as the Chairman of the meeting) may not vote as a proxy on this resolution if the appointment does not specify how the proxy is to vote. Details on the Company's key management personnel and their closely related parties are set out in Resolution 1 above.

RESOLUTION 4: ISSUE OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR FOR THE 2012/2013 FINANCIAL YEAR

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

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 323,396 Performance Rights (and the issue of Shares following any vesting of the Performance Rights) in accordance with the Plan to the Managing Director of the Company, Mr Simon High (or his nominee), in relation to the 2012/2013 financial year.

Voting exclusions

The Company will disregard votes cast on Resolution 4 by Mr High or any of his associates. However the Company need not disregard a vote if:

- (a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairperson of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a member of the Company's key management personnel and their closely related parties (other than as the Chairman of the meeting) may not vote as a proxy on this resolution if the appointment does not specify how the proxy is to vote. Details on the Company's key management personnel and their closely related parties are set out in Resolution 1 above.

By Order of the Board



Chris Douglass
Company Secretary
27 September 2012

Important information for Shareholders

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it. The glossary at the end of the Explanatory Statement contains definitions of capitalised terms used in this Notice of Meeting and the Explanatory Statement.

Required majorities

All of the Resolutions are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the resolution.

Proxies

All Shareholders who are entitled to attend and vote at the meeting have the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder. Shareholders holding two or more shares can appoint either one or two proxies. If two proxies are appointed, the appointing Shareholder can specify what proportion of their votes they want each proxy to exercise.

To vote by proxy, please complete and return the proxy form enclosed with this Notice of Meeting as soon as possible. To be effective, a completed proxy form must be received by no later than **10.00am (WST) on Saturday 27 October 2012**, being not less than 48 hours prior to the commencement of the meeting.

Details for sending your proxy form are as follows.

Address: Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 3000

Facsimile: Australia: 1800 783 447 / International: +613 9473 2555

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in the same way as the proxy form.

Corporate representatives

A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment may be a standing one. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company. An appointment form is included with the meeting materials.

Voting entitlements

The Board has determined that, for the purpose of voting at the meeting, Shareholders are those persons who are the registered holders of the Company's shares at 4.00pm (WST) on Thursday 25 October 2012.

Further information

If you need any further information about this Notice of Meeting or attendance at the Annual General Meeting please contact Mr Chris Douglass, the Company Secretary, on 08 9236 8300.

EXPLANATORY STATEMENT TO SHAREHOLDERS

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be transacted at the Annual General Meeting of the Company to be held at 10.00am (WST) on Monday, 29 October 2012. The Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting.

FINANCIAL REPORTS

The Corporations Act requires the Company to lay before the Annual General Meeting the Financial report, Directors' report (including the remuneration report) and the Auditor's report for the last financial year that ended before the Annual General Meeting.

No resolution is required for this item, but Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The Company's auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act. The Remuneration Report details the Company's policy on the remuneration of non-executive Directors, the Managing Director and senior executives and is set out in the Company's Annual Report. The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders will be provided with a reasonable opportunity to ask questions, or make comments on, the Remuneration Report at the Annual General Meeting.

As a result of recent amendments to the Corporations Act, the Chairman of the Meeting is entitled to vote undirected proxies on this resolution which is connected with the remuneration of the Company's Key Management Personnel.

The Directors recommend that Shareholders vote in favour of Resolution 1.

RESOLUTION 2: RE-ELECTION OF MR JOHN COOPER AS DIRECTOR

Mr John Cooper was appointed to the Board on 28 October 2007 and re-elected to the Board on 28 October 2010. Rule 5.1 of the Company's Constitution requires that at each annual general meeting one third of the Directors must retire from office. Rule 5.2 requires that the Directors to retire at an annual general meeting are those who have been in office the longest since their election. Accordingly, Mr Cooper is required to resign and being eligible, has offered himself for re-election as a Director of the Company.

Mr Cooper has over 35 years experience in the construction and engineering sector in Australia and overseas. Mr Cooper has provided consulting services to major projects for a number of years. Mr Cooper accepted the role of Chairman in March 2011, having served on the Board since the company listed on the ASX in 2007. Mr Cooper is also a Non-Executive Director of Flinders Mines, based in Adelaide and NRW Holdings, a major Western Australian based Civil Engineering contractor, Neptune Marine Limited, based in Perth, and QR National Limited, a Queensland based freight railway operator and rail transporter.

Mr Cooper was previously a member of the Murray and Roberts International Board, overseeing its operations globally and was a Non-Executive Director of Clough Engineering after having served in the role as Interim CEO during which time he successfully re-structured the Clough organisation. Mr Cooper's experience includes five years as Managing Director and Chief Executive of CMPS&F and over twenty years with Concrete Constructions, where he held the position of General Manager and was on the Board. He is a Fellow of The Institute of Company Directors, a Fellow of the Australian Institute of Management and a Fellow of the Institute of Engineers.

The Directors (other than Mr Cooper) recommend that Shareholders vote in favour of Resolution 2.

RESOLUTIONS 3 AND 4: ISSUE OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR FOR THE 2011/2012 AND 2012/13 FINANCIAL YEARS

Background

Resolutions 3 and 4 seek Shareholder approval for the grant of Performance Rights to Mr Simon High, the Managing Director of the Company, under the Company's Senior Management Long Term Incentive Plan (the Plan). The Plan was approved by Shareholders at the 2011 Annual General Meeting.

Under his employment agreement Mr High is currently entitled to receive a base salary, inclusive of superannuation of \$801,150. In addition, Mr High is also entitled to a variable Short Term Incentive cash bonus of up to 50% of his base salary (depending on the achievement of certain short term objectives). Subject to the passing of Resolutions 3 and 4, Mr High will also be entitled to Performance Rights in relation to the Company's performance over the period from 30 June 2011 to 30 June 2014 and 30 June 2012 to 30 June 2015, respectively.

The Company's executive remuneration structure is set out in more detail in the Remuneration Report in the 2012 Annual Report. Based on the Plan (and as set out below), Shareholder approval is being sought to issue to Mr High 419,664 Performance Rights with respect to the 2011/12 financial year and 323,396 Performance Rights with respect to the 2012/13 financial year. These Performance Rights are subject to specific performance conditions (as set out below) and will not vest into Shares until such time as the performance conditions are met.

The Directors believe that it is appropriate to provide Mr High with a long term incentive element in his remuneration package. The Directors also believe that Performance Rights, rather than share options, are a better alternative to remunerate executives who are tasked with achieving certain specific strategic outcomes. The grant of Performance Rights is intended to align Mr High's performance with successful Company outcomes for the benefit of Shareholders and also to provide him with an incentive to remain in the Company.

The Directors believe that the remuneration for Mr High, including the proposed grant of Performance Rights, is reasonable having regard to the circumstances of the Company, the duties and responsibilities of the Managing Director and market levels of remuneration for managing directors of similar companies.

The Plan

The Plan was approved by Shareholders at the 2011 Annual General Meeting. The main features of the Plan that are particular to the issue of Performance Rights are summarised as follows:

1. **Consideration Payable:** It is intended that Performance Rights will be granted for no consideration, even though the Plan allows the Board to impose consideration on the grant of Performance Rights. A "Performance Right Invitation" issued by the Board will set out the amount of consideration payable, if any.
2. **Vesting:** Subject to the satisfaction of the performance conditions set out in the Performance Right Invitation, within 10 Business Days of the exercise of the Performance Rights, the Company shall allot and issue Shares to the eligible participant (or, if applicable, their nominee) without further action being required on the part of the eligible participant.
4. **Retirement, Permanent Disablement, Redundancy or Death:** Under the Plan, within 30 days of the eligible participant ceasing to be a senior manager by reason of retirement, permanent disability, redundancy or death, the eligible participant (or their nominee or legal representative as applicable) may exercise the Performance Rights. To the extent that the conditions set out in the Performance Right Invitation have been satisfied, the Performance Rights will vest. All remaining Performance Rights will lapse.
6. **Restriction on dealing with Shares:** All Shares issued to a participant under the Plan will be subject to the Company's Share Trading Policy. In addition, the Board has the discretion to impose further restrictions on Shares issued to a participant under the Plan in the Performance Right Invitation.
7. **Takeover Bid or Change of Control: In the event of:**
 - (a) a Change of Control of the Company; or
 - (b) approval by the court of a merger of the Company by way of scheme of arrangement,

an eligible participant may exercise all Performance Rights which have not been exercised or lapsed and will vest notwithstanding the conditions set out in the Performance Right Invitation.

Performance Conditions

Subject to Shareholder approval, the Performance Rights to be issued will not vest (and the underlying Shares will not be issued) unless certain performance conditions have been satisfied. 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.

Performance Rights - 2011/2012 Financial Year

It is proposed that 50% of Mr High's performance conditions for the 2011/2012 Financial Year will be performance tested against Absolute Total Shareholder Return ("TSR") performance, and the other 50% be tested against Absolute Earnings per Share ("EPS") performance over a 3 year period from 30 June 2011 ("Start Date") to 30 June 2014 ("Test Date").

Performance Rights - 2012/2013 Financial Year

It is proposed that 50% of Mr High's performance conditions for the 2012/2013 Financial Year will be performance tested against TSR performance, and the other 50% be tested against EPS performance over a 3 year period from a Start Date of 30 June 2012 to a Test Date of 30 June 2015.

Absolute TSR

TSR measures the return received by shareholders from holding shares in a company over a particular period. TSR is calculated by taking into account the growth in a company's share price over the period as well as the dividends received during that period. The formula for calculating TSR is:

$$\frac{(\text{Share Price at Test Date} - \text{Share Price at Start Date}) + (\$ \text{ Dividends Reinvested})}{\text{Share Price at Start Date}}$$

A volume weighted average share price (VWAP) will be used to determine Share Price at the initial Test Date and Share Price at Start Date. The VWAP for the Share Price at Start Date will be based on the VWAP over the one week period prior to the start of the relevant performance period and the VWAP for the Share Price at the Test Date will be based on the VWAP over the one week period for the end of the relevant performance period.

Mr High's TSR performance conditions will include:

- a threshold target of 12% per annum (compounded over the period from the Start Date to the Test Date); and
- a stretch performance of 15% per annum (compounded over from the Start Date to the Test Date).

The percentage of Mr High's Performance Rights that are tested against TSR which vest will be determined as follows:

TSR performance over relevant Performance Period	Performance vesting outcomes (applied to 50% of the total Performance Rights granted)
Less than 12% per annum compounded	0% vesting
12% per annum compounded	50% vesting
Between 12% and 15% per annum compounded	Pro-rata vesting between 50% and 100%.
At or above 15% per annum compounded	100% vesting

Absolute EPS

The Company's EPS performance will be measured over the relevant period from the Start Date to the Test Date. Absolute EPS measures the portion of a company's profit allocated to each outstanding ordinary share and serves as an indicator of a company's profitability. It is prescribed by the accounting standards and set out in the Company's Financial Reports.

A threshold target and a stretch target will also be used for Mr High's EPS targets. Mr High will only receive Performance Rights that are tested against EPS if he achieves at least the threshold target. The Performance Rights that are tested against EPS will vest as set out in the following tables.

Performance Rights - 2011/2012 Financial Year

EPS performance over relevant Performance Period	Performance vesting outcomes (applied to 50% of the total Performance Rights granted)
Less than 12 cents per Share	0% vesting
12 cents per Share	50% vesting
Between 12 and 15 cents per Share	Pro-rata vesting between 50% and 100%.
At or above 15 cents per Share	100% vesting

Performance Rights - 2012/2013 Financial Year

EPS performance over relevant Performance Period	Performance vesting outcomes (applied to 50% of the total Performance Rights granted)
Less than 17 cents per Share	0% vesting
17 cents per Share	50% vesting
Between 17 and 22 cents per Share	Pro-rata vesting between 50% and 100%.
At or above 22 cents per Share	100% vesting

Regulatory information

Related party transaction

The grant of the performance rights to Mr High, as a Director of the Company, is a financial benefit for the purposes of the related party provisions in Chapter 2E of the Corporations Act. However, the Board has determined that the remuneration package for Mr High, including the grant of the Performance Rights, is reasonable having regard to the circumstances of the Company and Mr High (including the responsibilities involved in his office). Accordingly, and in reliance on this statutory exception to the related party requirements, Shareholder approval under Chapter 2E of the Corporations Act is not being sought in this case.

Listing Rules

In accordance with ASX Listing Rule 10.14, the acquisition of securities by a Director under an employee incentive scheme requires shareholder approval. The following information is provided for the purposes of Listing Rule 10.15.

- (a) The maximum number of Performance Rights that can be acquired by Mr High is 419,664 Performance Rights for the 2011/12 Financial Year and 323,396 Performance Rights for the 2012/13 Financial Year.
- (b) The price payable on the exercise of each Performance Right is nil.
- (c) No Performance Rights have previously been issued under the Plan to Mr High or any of the Directors.
- (d) Mr High, the Managing Director of the Company, is the only person referred to in ASX Listing Rule 10.14 who is entitled to participate in the Plan.
- (e) There is no loan proposed in relation to the proposed acquisition of the Performance Rights by Mr High.
- (f) The Performance Rights will be issued as soon as practicable following the date of the Meeting, and in any event, no later than 12 months after the date of the Meeting.

As a result of recent amendments to the Corporations Act, the Chairman of the Meeting is entitled to vote undirected proxies on this resolution which is connected with the remuneration of the Company's Key Management Personnel. The Directors (other than Mr High) recommend that Shareholders vote in favour of Resolutions 3 and 4.

GLOSSARY

The following terms and abbreviations used in this Explanatory Statement have the following meaning:

ASX:	means the Australian Securities Exchange or ASX Limited, as appropriate.
ASX Listing Rules:	means the listing rules of the ASX and any other rule of the ASX which are applicable while the Company is admitted to the official list of the ASX, each as amended or replaced from time to time, except to the extent of any express, written waiver by ASX.
Board:	means the board of directors of the Company.
Change of control:	means if: <ol style="list-style-type: none"> (a) if a person becomes a legal or beneficial owner of 50% or more of the issued capital of the Company; or (b) a person becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the issued share capital of the Company.
Company:	means Southern Cross Electrical Engineering Limited (ABN 92 009 307 046).
Constitution:	means the constitution of the Company.
Corporations Act:	means the Corporations Act 2001 (Cth).
Director:	means a member of the Board.
Explanatory Statement:	means this Explanatory Statement.
Managing Director:	means the managing director of the Company.
Meeting or Annual General Meeting:	means the meeting convened by the Notice.
Notice or Notice of Meeting:	means the notice convening the Annual General Meeting which accompanies this Explanatory Statement.
Performance Right:	means an entitlement to one Share, subject to vesting and satisfaction of a Performance Condition, granted in accordance with the Plan.
Plan:	means the Southern Cross Electrical Engineering Rules of the Senior Management Long Term Incentive Plan.
Related Party:	means a "related party" as defined in section 9 of the Corporations Act.
Resolution:	means a resolution included in the Notice.
Shares:	means fully paid ordinary shares in the capital of the Company.
Shareholders:	means holders of Shares.
WST:	means Western Standard Time, being the time in Perth, Western Australia.



Southern Cross Electrical
Engineering Limited

ABN 92 009 307 046

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

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

Proxy Form

For your vote to be effective it must be received by 10:00 am (WST) Saturday 27 October 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report or update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com

- ☒ Access the annual report
- ☒ Review your securityholding
- ☒ Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



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

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

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Southern Cross Electrical Engineering Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Southern Cross Electrical Engineering Limited to be held at Plaza Room 1, Hyatt Regency Hotel, 99 Adelaide Terrace, Perth on Monday, 29 October 2012 at 10:00 am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 3 and 4** (except where I/we have indicated a different voting intention below) even though **Items 1, 3 and 4** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 3 and 4** by marking the appropriate box in step 2 below.

STEP 2

Items of Business

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

		For	Against	Abstain
Item 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Re-election of Mr John Cooper as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Issue of Performance Rights to the Managing Director for 2011/2012	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Issue of Performance Rights to the Managing Director for 2012/2013	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /