



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, 27 October 2014

Time of Meeting:
10:00am (WST)

Place of Meeting:
Level 5
Pan Pacific Hotel
207 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, 27 October 2014 at Level 5, Pan Pacific Hotel, 207 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 in full 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 2014.

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 2014 be adopted.

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

Voting Exclusion

A vote must not be cast on Resolution 1 (and the Company will disregard any such vote) 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 or by the Chairman of the Meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit, even though it is connected directly or indirectly with remuneration of the Company's key management personnel.

RESOLUTION 2: RE-ELECTION OF MR GIANFRANCO TOMASI AS DIRECTOR

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

That Mr Gianfranco Tomasi, who retires in accordance with 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.

RESOLUTION 3: RE-ELECTION OF DR JOHN HAMILTON AS DIRECTOR

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

That Dr John Hamilton, who retires in accordance with 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.

RESOLUTION 4: RE-ELECTION OF MR PETER FORBES AS DIRECTOR

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

That Mr Peter Forbes, who retires in accordance with 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.

RESOLUTION 5: APPROVAL OF THE SENIOR MANAGEMENT LONG TERM INCENTIVE PLAN

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

*That for the purpose of ASX Listing Rule 7.2, exception 9 and for all other purposes, Shareholders approve the Senior Management Long Term Incentive Plan (**Plan**), the terms and conditions of which are summarised in the Explanatory Statement, and the grant of Performance Rights or Options under the Plan and the issue of Shares upon the vesting of such Performance Rights or Options as required.*

Voting Exclusion

The Company will disregard votes cast on Resolution 5 by any Director (except one who is ineligible to participate in any employee incentive scheme of the Company) or any of their 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.

RESOLUTION 6: ISSUE OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR FOR THE 2014/2015 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 842,026 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 2014/2015 financial year.

Voting Exclusions

The Company will disregard votes cast on Resolution 6 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 Key Management Personnel and their Closely Related Parties may not vote (and the Company will disregard any such vote) as a proxy on this resolution 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 or by the Chairman of the Meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit, even though it is connected directly or indirectly with remuneration of the Company's key management personnel.

RESOLUTION 7: APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass as a special resolution:

That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1.4.2 and on the terms and conditions in the Explanatory Statement.

Voting Exclusion

The Company will disregard any votes cast on Resolution 7 by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this resolution is passed.

However, the Company need not disregard a vote cast on this resolution if:

- (a) it is cast by a 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.

By Order of the Board



Colin Harper
Company Secretary
25 September 2014

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

Resolutions 1 to 6 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.

Resolution 7 is a special resolution. A special ordinary resolution requires a 75% 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 25 October 2014**, 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 Limited, 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 10.00am (WST) on Saturday 25 October 2014.

FURTHER INFORMATION

If you need any further information about this Notice of Meeting or attendance at the Annual General Meeting please contact Mr Colin Harper, 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, 27 October 2014. 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, the 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 and make comments on the Remuneration Report at the Annual General Meeting.

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

RESOLUTION 2: RE-ELECTION OF MR GIANFRANCO TOMASI AS DIRECTOR

Mr Tomasi was elected as a Director of the Company on 28 November 2011. 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 Tomasi is required to resign and being eligible, has offered himself for re-election as a Director of the Company.

Mr Tomasi is the founder of the Company. He was the Chairman of SCEE from 1978 until he retired from that role in March 2011. Mr Tomasi is a member of the Company's Nomination and Remuneration Committee.

Mr Tomasi has over 40 years experience in the electrical construction industry and holds an Electrical Engineering Certificate (NSW) and is a Fellow of the Australian Institute of Company Directors. Prior to founding SCEE he worked at Transfield from 1968 – 1978, serving as the National Manager Electrical from 1971 – 1978.

Mr Tomasi was awarded the Order of Australia in the 2013 Australia Day Honours list. The award recognised Mr Tomasi's service to business through leadership roles in the electrical contracting industry and his contribution to the community.

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

RESOLUTION 3: RE-ELECTION OF DR JOHN HAMILTON AS DIRECTOR

Dr Hamilton was elected as a Director of the Company on 28 November 2011. 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, Dr Hamilton is required to resign and being eligible, has offered himself for re-election as a Director of the Company.

Dr Hamilton has held a number of senior executive roles with international oil and gas exploration and production companies including Shell, Woodside and Liquid Niugini Gas. Whilst with Woodside, Jack was Director NW Shelf Ventures having overall responsibility for Woodside's NW Shelf Ventures Business Unit.

Dr Hamilton currently holds Non-Executive Directorships with Geodynamics Ltd, DUET Group, Calix Ltd and is the Non-Executive Chairman of Antilles Oil And Gas NL. Dr Hamilton is also a Non-Executive Director of Federation Training for the Victorian Government.

Dr Hamilton holds a Bachelor of Chemical Engineering Degree and a Doctorate of Philosophy (Engineering) both from the University of Melbourne.

Dr Hamilton is a member of the Company's Nomination and Remuneration Committee and Audit and Risk Management Committee and also represents SCEE on the Board of KSJV.

The Directors (other than Dr Hamilton) recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4: RE-ELECTION OF MR PETER FORBES AS DIRECTOR

Mr Forbes was elected as a Director of the Company on 28 November 2011. 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 Forbes is required to resign and being eligible, has offered himself for re-election as a Director of the Company. Mr Forbes is a Fellow of Certified Practising Accountants, a Fellow of Chartered Secretaries Australia and is a Fellow of the Australian Institute of Company Directors.

Mr Forbes is also a Non-Executive Director of QIC Private Capital Pty Ltd and a member of the Queensland Council of the Australian Institute of Company Directors. Previously, Mr Forbes was Deputy Chief Executive and Executive General Manager, Equities at Queensland Investment Corporation and has held a number of senior management positions across a broad range of industries including Non-Executive Director of Macarthur Coal Ltd and Dart Energy Ltd.

Mr Forbes is the Chairman of the Company's Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee.

The Directors (other than Mr Forbes) recommend that Shareholders vote in favour of Resolution 4.

RESOLUTION 5: APPROVAL OF THE SENIOR MANAGEMENT LONG TERM INCENTIVE PLAN

Background

Resolution 5 seeks Shareholder approval for the Company's Senior Management Long Term Incentive Plan (**Plan**). Pursuant to Listing Rule 7.2, exception 9(b), if Shareholder Approval for resolution 5 is granted, the issue of Options and Performance Rights under the Plan will be exempt from the 15% annual limit on the issue of new securities without shareholder approval for a period of 3 years from the date of the approval. The Plan was last approved by Shareholders at the Annual General Meeting held on 28 November 2011.

The Plan has two aspects to it as it enables the Company to grant long term incentives in the form of Options and/or Performance Rights to senior management. Senior management, as defined in the Plan, are the full-time or part-time employees (including the Managing Director and other Executive Directors) of the Company and its subsidiaries (**Group**) whom the Board considers, act in a senior management roles within the Group.

The Board believes that the Group will benefit from being able to provide the Group's senior management with an opportunity to acquire an ownership interest in the Company through the grant of Options.

The Board also believes that the Group will benefit from the flexibility of having an equity based plan allowing the Board to grant Performance Rights which will only vest on the satisfaction of appropriate performance conditions set by the Board.

The Board believes that grants of Performance Rights or Options made to eligible participants under the Plan will provide a powerful tool to underpin the Group's employment strategy, and that the implementation of the Plan will:

- (a) recognise the ability and efforts of senior managers who have contributed to the success of the Group;
- (b) provide incentives to the senior managers to achieve the long terms objectives of the Group and to improve the performance of the Group;
- (c) attract staff of experience and ability to work for the Group; and
- (d) foster and promote loyalty between staff and its senior managers.

Since the last approval by Shareholders, the Company has issued 4,112,250 Performance Rights and nil Options to senior management personnel under the Plan.

Summary of the Plan

Participation

As part of the Company's strategy, the Board wishes to be in a position to grant Options and/or Performance Rights under the Plan to senior management or an approved nominee to achieve the objectives outlined above.

Common Rules

The main features of the Plan which apply both to the issue of Options and to the issue of Performance Rights are as follows:

1. **Eligible Participants:** All full-time employees and permanent part-time employees (including the Executive Directors and the Managing Director) of the Group whom the Board have determined are in a senior management role, are eligible participants under the Plan. Shareholder approval is required before any Director or related party of the Company can participate in the Plan;
2. **Limits on Entitlements:** The maximum number of Shares that is issuable under the Plan, when combined with the number of Shares issued during the previous five years pursuant to the Plan or any other employee incentive scheme of the Company but disregarding any offer made, or Performance Rights acquired or Shares issued by way of or as a result of:
 - (a) an offer to a person situated at the time of receipt of the offer outside Australia; or
 - (b) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
 - (c) an offer made under a disclosure document,must not exceed 5% of the total number of issued Shares.
3. **Individual Limits:** The Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.
4. **Amendments to Plan:** The Board may at any time and from time to time by resolution alter the Plan. However, any amendment to the Plan is subject to any restrictions or procedural requirements relating to the amendment or the rules of an employee incentive scheme imposed by the Listing Rules or applicable securities laws. Generally amendments to the Plan will not affect the terms of Options or Performance Rights that have already been issued under the Plan unless the resolution specifically says otherwise.
5. **Disposal of Options or Performance Rights:** Without the approval of the Board, no Options or Performance Rights issued under the Plan may be transferred, be made the subject of an option or a third party right (such as a charge or security), or otherwise be dealt with or disposed of by the eligible participant. If an eligible participant contravenes this requirement of the Plan, the Options or Performance Rights will lapse.

6. **Forfeiture:** If an eligible participant acts fraudulently, dishonestly or has wilfully breached his or her obligations to the Company Group, the Board will have the discretion to determine that any Options or Performance Rights granted to the eligible participant will lapse.
7. **Suspension or Termination:** The Board may suspend or terminate the Plan at any time, without notice, but the suspension or termination will not affect any Options or Performance Rights already granted.
8. **Alteration in Share Capital:** If there is a reorganisation of the share capital of the Company, including consolidation, subdivision, reduction or return of issued capital, the number of Shares, to which an eligible participant is entitled to receive upon the exercise of an Option or a Performance Right will be adjusted in the way specified by the Listing Rules from time to time.
9. **Bonus Issue:** If there is a bonus issue of Shares to Shareholders, the number of shares, to which an eligible participant is entitled to receive upon the exercise of an Option or a Performance Right will be increased by the number of Shares which the eligible participant would have received if the Option or Performance Right, as applicable, had been exercised before the record date for the bonus issue.
10. **No Participation Rights:** There are no participation rights or entitlements inherent in the Options or the Performance Rights. An eligible participant will only be entitled to participate in new issues of capital offered to Shareholders to the extent that the Options or the Performance Rights have been exercised and the eligible participant has become a Shareholder.

Rules for granting Options

The Board may issue a written invitation to an eligible participant to receive a grant of Options (**Option Invitation**). The Option Invitation will set out the terms on which the Options will be granted and exercised. Participation in the Plan is subject to the acceptance of the Option Invitation by the eligible participant (or their nominee) within a specified period. In accordance with the requirements of the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the issue of Options under the Plan. The main features of the Plan (and the terms and conditions to be attached to the Plan) which are particular to the issue of Options are summarised as follows:

1. **Consideration Payable:** the Board will have the discretion to determine if any consideration is payable for the grant of the Options. The amount of consideration payable, if any, will be set out in the Option Invitation.
2. **Exercise of Options:** An eligible participant can exercise the Options at any time before the date on which they lapse by issuing a notice to the Board setting out the number of Options to be exercised, paying the exercise price nominated in the Option Invitation for each Option that is being exercised and producing the certificate for the Options to the Board.
The Board also has the discretion to impose conditions on the Options (other than the payment of an exercise price) which must be satisfied either before the Options are exercised or before the Options vest. If such conditions are set out in the Option Invitation they must be met in accordance with the terms of the Option Invitation.
3. **Exercise Price:** The exercise price for each Option will be set out in the Option Invitation. The exercise price in respect of an Option may be reduced in accordance with the terms of the Plan if a pro rata issue of Shares is made to Shareholders before the Option is exercised.
4. **Vesting:** Subject to the satisfaction of any conditions attaching to the Options, within 10 business days of the exercise of the Options, the Company must allot and issue Shares to the eligible participant (or, if applicable, their nominee) without any further action being required on the part of the eligible participant.
5. **Term and Lapse:** The term of the Options is determined by the Board in its absolute discretion and will be specified in the Option Invitation. Options will lapse if they are not exercised by the expiry date set in the Option Invitation. The Options may also lapse if the eligible participant's employment is terminated for cause or in circumstances other than as described in the next paragraph.
6. **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 disablement, redundancy or death, the eligible participant (or their nominee or legal representative as applicable) may exercise the Options. To the extent that the conditions set out in the Option Invitation have been satisfied, the Options will vest. All remaining Options will lapse. However, the Board retains a discretion in these circumstances to waive the conditions for some or all of the Options or allow them to continue to be exercisable until the expiry date upon the satisfaction of the applicable conditions.

7. **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 Option Invitation.
8. **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,
 All options which have not been exercised by the eligible participant may be exercised and will vest notwithstanding the conditions set out in the Option Invitation, other than the payment of the Exercise Price.

Rules for granting Performance Rights

A Performance Right is a right to be issued a Share upon the satisfaction of certain performance conditions that are attached to the Performance Right, as determined by the Board. In accordance with the requirements of the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the issue of Performance Rights under the Plan.

The number of Performance Rights granted under the Plan and the conditions that must be satisfied in order for the Performance Rights to either be exercised or to vest, will be determined by the Board and expressed in a written invitation ("Performance Right Invitation") made by the Company to the eligible participant. Participation in the Plan is subject to acceptance of the Performance Right Invitation by the eligible participant (or their nominee) within a specified period. It is intended that the conditions imposed on the Performance Rights will relate either to the performance of the Company, the Group or the employee (or a combination of these).

The main features of the Plan (and the terms and conditions to be attached to 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, event though the Plan allows the Board to impose consideration on the grant of Performance Rights. The Performance Right Invitation will set out the amount of consideration payable, if any.
2. **Exercise of Performance Rights:** An eligible participant will apply to the Board to exercise some or all of the Performance Rights by giving notice to the Board and producing the certificate for those Performance Rights.
3. **Vesting:** Subject to the satisfaction of the 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. **Term and Lapse:** The term of the Performance Rights is determined by the Board in its absolute discretion and will be specified in the Performance Right Invitation. Performance Rights are subject to lapsing if performance conditions are not met by the relevant measurement date or expiry date (if no other measurement date is specified) or if the eligible participant's employment is terminated for cause or in circumstances other than as described in the next paragraph.
5. **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 disablement, 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. However, the Board retains a discretion in these circumstances to waive the conditions for some or all of the Performance Rights or allow them to continue to be exercisable until the expiry date upon the satisfaction of the applicable conditions.
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.

The Directors recommend that Shareholders vote in favour of Resolution 5.

RESOLUTION 6: ISSUE OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR FOR THE 2014/2015 FINANCIAL YEAR

Background

Resolution 6 seeks 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**). Shareholder approval of the Plan is sought under Resolution 5.

Under his employment agreement Mr High is currently entitled to receive a base salary, inclusive of superannuation of \$825,185. 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) and a Long Term Incentive in the form of Performance Rights with respect to the Company's performance over the periods from 30 June 2012 to 30 June 2015 and 30 June 2013 to 30 June 2016 respectively. Subject to the approval of Resolution 6, Mr High will also be entitled to Performance Rights in relation to the Company's performance over the period from 30 June 2014 to 30 June 2017.

The Company's executive remuneration structure is set out in more detail in the Remuneration Report in the 2014 Annual Report.

Based on the Plan (and as set out below), Shareholder approval is being sought to issue to Mr High 842,026 Performance Rights with respect to the 2014/15 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 Non-Executive Directors believe that it is appropriate to provide Mr High with a long term incentive element in his remuneration package. The Non-Executive Directors also believe that Performance Rights, rather than 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 Non-Executive 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 main features of the Plan that are particular to the issue of Performance Rights are summarised in the explanatory notes to Resolution 5 above.

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.

It is proposed that 50% of Mr High's performance conditions for the 2014/2015 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 2014 to a Test Date of 30 June 2017.

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 8% 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 8% per annum compounded	0% vesting
8% per annum compounded	50% vesting
Between 8% 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 table.

EPS performance over relevant Performance Period	Performance vesting outcomes (applied to 50% of the total Performance Rights granted)
Less than 5.7 cents per Share	0% vesting
5.7 cents per Share	50% vesting
Between 5.7 and 7.3 cents per Share	Pro-rata vesting between 50% and 100%.
At or above 7.3 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 Non-Executive Directors have 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. Rights that are tested against EPS will vest as set out in the following table.

Listing Rules

In accordance with 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 842,026 Performance Rights for the 2014/15 Financial Year.
- (b) The price payable on the exercise of each Performance Right is nil.
- (c) Since the 2013 Annual General Meeting, being the last approval of the grant of Performance Rights under Listing Rule 10.14, Mr High is the only person under Listing Rule 10.14 who has received Performance Rights. Mr High received 487,769 Performance Rights in respect of the 2013/2014 financial year for nil consideration.
- (d) The Company's Managing Director is the sole person referred to in Listing Rule 10.14 who is entitled to participate in the Plan. Mr High is the Managing Director of the Company.
- (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.

The Directors (other than Mr High) recommend that Shareholders vote in favour of Resolution 6.

RESOLUTION 7: APPROVAL OF 10% PLACEMENT FACILITY

Background

ASX Listing Rule 7.1A enables eligible entities to issue “Equity Securities” (being shares, options and other securities as defined in the ASX Listing Rules) up to 10% of their issued capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company’s 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to Issue Equity Securities under the 10% Placement Facility.

The actual number of Equity Securities that the Company will have capacity to issue under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described below).

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice of Meeting, has on issue one class of Equity Securities, being ordinary shares. The number of ordinary shares currently on issue is 161,523,130.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$(A \times D) - E$

A is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity’s 15% placement capacity without shareholder approval; and

(D) less the number of fully paid shares cancelled in the 12 months.

Note that *A* has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity’s 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 161,523,130 Shares. Therefore the Company will have a capacity to issue:

(i) 24,228,469 Equity Securities under Listing Rule 7.1; and

(ii) 16,152,313 Equity Securities under Listing Rule 7.1A, subject to the Shareholder approval being granted under this Resolution.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the Volume Weighted Average Price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX (10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the following table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The following table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) (as described above) as at the date of this notice of meeting.

The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the Issue Price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.29 50% decrease in Issue Price	\$0.58 Issue Price	\$1.16 100% increase in Issue Price
Current Variable 'A' 161,523,130	10% Voting Dilution	16,152,313 Shares	16,152,313 Shares	16,152,313 Shares
	Funds Raised	\$4,684,171	\$9,368,342	\$18,736,683
50% increase in current Variable 'A' 242,284,695	10% Voting Dilution	24,228,469 Shares	24,228,469 Shares	24,228,469 Shares
	Funds Raised	\$7,026,256	\$14,052,512	\$28,105,024
100% increase in current Variable 'A' 323,046,260	10% Voting Dilution	32,304,626 Shares	32,304,626 Shares	32,304,626 Shares
	Funds Raised	\$9,368,342	\$18,736,683	\$37,473,366

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iii) The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
 - (iv) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that those options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vi) The issue price is \$0.58, being the closing price of the Shares on the ASX on 10 September 2014.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) In the Company's full year results announcement on 26 August 2014, it stated that it was continuing to explore acquisitions that would provide the Company with increased scale and competence and address the market move to integrated packages. Accordingly, and subject to paragraph (c) above, the Company may seek to issue the Equity Securities for the purpose of funding any such acquisitions as follows:
- (i) Non-cash consideration. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards the consideration for any acquisition.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed Issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including, but not limited to, the following:
- (i) the identification of appropriate acquisition opportunities and consideration of the appropriate ways in which to fund the consideration for such acquisitions;
 - (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (iii) the financial situation and solvency of the Company;
 - (iv) the effect of the issue of the Equity Securities on the control of the Company; and
 - (v) advice from corporate, financial and broking advisors (if available).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. If the Company is successful in acquiring new businesses, assets or investments, the allottees under the 10% Placement Facility may include vendors of the new businesses, assets or investments.

(f) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

(g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder to participate in an issue of Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

The Directors recommend that Shareholders vote in favour of Resolution 7.

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.
Board:	means the board of directors of the Company.
Change of control:	means if: (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.
Closely Related Parties:	means those 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.
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.
Key Management Personnel:	means 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 2014.
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.
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.
Option	means an option to acquire a Share subject to payment of an exercise price and satisfaction of any other conditions.
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 Limited 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.



SCEE Perth Office:

41 Macedonia Street
Naval Base WA 6165
T: +61 (0)8 9236 8300
F: +61 (0)8 9410 2504

SCEE Brisbane Office:

12 Trade Street
Lytton QLD 4178
T: +61 (0)7 3308 8900
F: +61 (0)7 3348 2095

SCEE Rockhampton Office:

15 Bush Crescent,
Parkhurst QLD 4702
T: +61 (0)7 4936 1611
F: +61 (0)7 4936 2992

E: scee@scee.com.au

scee.com.au

ISO 9001
ISO 14001
AS 4801
BUREAU VERITAS
Certification



Printed on Monza
Recycled paper

WA EC 001681
QLD 12707
NSW 17066C
NT C 0977
SA PGE 187637
ABN: 92 009 307 046
Established 1978



SCEE Infrastructure, SCEE Construction and SCEE Services are divisions of Southern Cross Electrical Engineering Limited (SCEE)



Southern Cross Electrical Engineering Ltd
 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 10:00am (WST) Saturday, 25 October 2014

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 or abstain as they choose (to the extent permitted by law). 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 help tab, "Printable 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, 24 hours a day, 7 days a week:

www.scee.com.au

To view and update your securityholding:

www.investorcentre.com

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 the Pan Pacific Hotel, 207 Adelaide Terrace, Perth, Western Australia on Monday, 27 October 2014 at 10:00am (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 Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5 and 6 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 Resolutions 1, 5 and 6 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
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Gianfranco Tomasi as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Dr John Hamilton as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Re-election of Mr Peter Forbes as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of the Senior Management Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Issue of Performance Rights to the Managing Director for the 2014/2015 financial year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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 / /

S X E

9 9 9 9 9 9 A

Computershare +