

SOUTHERN CROSS ELECTRICAL ENGINEERING LIMITED
Annual General Meeting
27 October 2014 at 10:00 am

CHAIRMAN'S SCRIPT

1. Welcome

Good morning, ladies and gentlemen. I would like to welcome you to Southern Cross Electrical Engineering Limited's 2014 annual general meeting. My name is John Cooper¹. I am a Director and the Chairman of the Company and will be chairing today's meeting.

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

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

2. Quorum

As we have a quorum² present, this meeting is properly constituted and I now declare the annual general meeting open.

3. Notice of Meeting

The Notice of Meeting dated 25 September 2014 has been sent to all SCEE shareholders. Unless there are any objections, I propose that the Notice of Meeting be taken as read.

¹ The chairman should be one of the directors appointed in accordance with cl 82.1 of the Constitution, or in his absence, the deputy chairman appointed under 82.2. If no such appointment has been made at all, the directors may appoint one of the directors present at the meeting to be chairman of the meeting.

² Three members: cl81.1 constitution

4. Directors

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

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

5. Auditors and lawyers

Mr Matthew Beevers, a partner of KPMG, the company's auditor, is also present today, as well as a representative of K&L Gates, the Company's lawyers.

6. Chairman's address

Thank you for your attendance at this year's Annual General Meeting of Southern Cross Electrical Engineering Limited.

2014 was a year of significant change for contractors operating in the resources sector. A reduction in available work, particularly on large scale construction projects, resulted in increased

competition and significant margin pressure. We expect that these trends will continue through the 2015 year.

We delivered full year revenues of \$218.2m and net profit after tax of \$7.7m in 2014 which included the successful completion of some of the largest projects in the Company's history at Rio Tinto Cape Lambert Phase B and the AngloGold Ashanti Tropicana Gold project. After reporting a record result in 2013, it was disappointing that the change in market conditions prevented us from continuing this growth trend.

In order to counter the reduction in workloads and margins we took steps during the year to reduce our overhead base. We continue to actively manage overheads to ensure that they are appropriately sized to allow us to continue to deliver our projects safely and to the high standards our clients associate with SCEE.

Importantly we closed 2014 with a strong balance sheet and a healthy order book. Since the year end we have secured over \$120m of new work, including approximately \$80m at the Citic Pacific Sino Iron project, and our tendering activity remains high. We continue to see a pipeline of work in both the near and longer term.

As the client contracting model moves increasingly towards integrated packages across a breadth of service offerings we expect to see continued consolidation in the resources sector. We are actively monitoring and evaluating potential growth and acquisition options and are confident that we have the balance sheet strength and management team that will allow us to capitalise on opportunities that will add value to our shareholders.

We are immensely proud of our safety record. 2014 marked SCEE's tenth consecutive Lost Time Incident free year in Australia and we received the NECA-WA "Health and Safety Award" for our work on the Rio Tinto Yandi Sustaining project. Whilst this is demonstrative of the proactive safety culture we have embedded

across the whole of SCEE, we remain committed to targeting further improvement.

On behalf of the Board I would like to take this opportunity to thank SCEE's shareholders, staff and clients for their continued support. Despite the current uncertainty in the resources sector we see opportunity for SCEE to grow and look forward to facing the challenges that lie ahead together.

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

7. Voting

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

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

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

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

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

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

8. Minutes of Previous Meeting

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

9. Procedure for the meeting

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

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

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

10. Financial reports

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

I confirm that all Shareholders who have requested a copy have been sent a copy of the Company's 2014 Annual Report. The Annual Report is also available on the Company's website and contains the Statement of Comprehensive Income, Balance Sheet, Cash Flow Statement and other financial information together with the reports of the Directors and Auditor for the financial year ended 30 June 2014.

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

I now invite shareholders to comment or ask questions on the financial reports of the Company. Questions may also be asked of the Company's auditor, Mr Matthew Beevers of KPMG, in relation to the conduct of the audit including the content of the audit report, accounting policies adopted by the company and the independence of the auditor in carrying out the audit.

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

Are there any comments or questions?

[Shareholder comments and questions]

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

11. Resolution 1 – Adoption of the Remuneration Report

In accordance with the Corporations Act, the Company submits to shareholders for consideration and adoption by way of a non-binding vote its Remuneration Report for the year ended 30 June 2014. The remuneration report is included in the annual report on pages 24 to 32.

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

For	<input checked="" type="checkbox"/>
Against	<input checked="" type="checkbox"/>
Abstain	<input checked="" type="checkbox"/>
Proxy's discretion	<input checked="" type="checkbox"/>

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

Are there any questions or comments on this Resolution?

[Questions and Comments]

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

“That the remuneration report for the year ended 30 June 2014 be adopted.”

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

All those against Resolution 1 please raise your voting card.

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

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

12. Resolution 2 – Re-Election of Mr Gianfranco Tomasi as Director

Rule 5.1 of the Company’s Constitution provides that at every annual general meeting, one-third of the Directors, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office. A retiring Director is eligible for re-election.

Mr Gianfranco (“Frank”) Tomasi is retiring by rotation in accordance with this requirement and, being eligible, seeks re-election.

Details of Mr Tomasi's background and experience are set out in the notice of meeting and the Directors’ report on page 19 of the annual report, so I will not repeat those details here.

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

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

For	<input checked="" type="checkbox"/>
Against	<input checked="" type="checkbox"/>
Abstain	<input checked="" type="checkbox"/>
Proxy's discretion	<input checked="" type="checkbox"/>

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

[Questions and Comments]

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

“That Mr Gianfranco Tomasi, who retires by rotation under rule 5.1 of the company’s constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the company.”

All those in favour of Resolution 2 please raise your voting card.

All those against Resolution 2 please raise your voting card.

I declare the motion carried/ lost.

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

13. Resolution 3 – Re-Election of Dr John Hamilton as Director

Dr John (“Jack”) Hamilton is also retiring by rotation in accordance with the requirements of the Company’s Constitution and, being eligible, seeks re-election.

Details of Dr Hamilton's background and experience are set out in the notice of meeting and the Directors’ report on page 20 of the annual report.

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

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

For	<input checked="" type="checkbox"/>
Against	<input checked="" type="checkbox"/>
Abstain	<input checked="" type="checkbox"/>
Proxy’s discretion	<input checked="" type="checkbox"/>

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

[Questions and Comments]

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

“That Dr John Hamilton, who retires by rotation under rule 5.1 of the company’s constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the company.”

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

All those against Resolution 3 please raise your voting card.

I declare the motion carried/ lost.

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

14. Resolution 4 – Re-Election of Mr Peter Forbes as Director

Mr Peter Forbes is also retiring by rotation in accordance with the requirements of the Company’s Constitution and, being eligible, seeks re-election.

Details of Mr Forbes’ background and experience are set out in the notice of meeting and the Directors’ report on page 20 of the annual report.

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

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

For	<input checked="" type="checkbox"/>
Against	<input checked="" type="checkbox"/>
Abstain	<input checked="" type="checkbox"/>
Proxy’s discretion	<input checked="" type="checkbox"/>

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

[Questions and Comments]

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

“That Mr Peter Forbes, who retires by rotation under rule 5.1 of the company’s constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the company.”

All those in favour of Resolution 4 please raise your voting card.

All those against Resolution 4 please raise your voting card.

I declare the motion carried/ lost.

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

15. Resolution 5 – Approval of the Senior Management Long Term Incentive Plan

Resolution 5 seeks Shareholder approval for the Company's Senior Management Long Term Incentive Plan.

Details of the rules of the Plan are set out in the Explanatory Statement to the Notice of Meeting so I will not repeat them here, except to say that the Plan enables the board to provide incentives in the form of Options and or Performance Rights.

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:

- recognise the ability and efforts of senior managers who have contributed to the success of the Group;
- provide incentives to the senior managers to achieve the long terms objectives of the Group and to improve the performance of the Group;
- attract staff of experience and ability to work for the Group;
and

- foster and promote loyalty between staff and its senior managers.

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.

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

For	<input checked="" type="checkbox"/>
Against	<input checked="" type="checkbox"/>
Abstain	<input checked="" type="checkbox"/>
Proxy's discretion	<input checked="" type="checkbox"/>

The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Plan and their associates.

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

[Questions and Comments]

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

“That for the 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.”

All those in favour of Resolution 5 please raise your voting card.

All those against Resolution 5 please raise your voting card.

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

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

16. Resolution 6 – Issue of Performance Rights to the Managing Director for the 2014/2015 financial year

Resolution 6 seeks shareholder approval for the grant of 842,026 Performance Rights to Mr Simon High, the Managing Director of the Company, under the Company's Senior Management Long Term Incentive Plan with respect to the 2014/2015 financial year.

The grant of the Performance Rights represents the long term incentive component of Mr High's remuneration package as described in the remuneration report.

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

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

For	<input checked="" type="checkbox"/>
Against	<input checked="" type="checkbox"/>
Abstain	<input checked="" type="checkbox"/>
Proxy's discretion	<input checked="" type="checkbox"/>

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

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

[Questions and Comments]

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve, as further described in the Explanatory Statement, the issue of 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.”

All those in favour of Resolution 6 please raise your voting card.

All those against Resolution 6 please raise your voting card.

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

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

17. Resolution 7 – Approval of 10% Placement Facility

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. The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 7 seeks shareholder approval to have the ability to issue Equity Securities under the 10% Placement Facility.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders eligible to vote.

A description of ASX Listing Rule 7.1A and the specific information required to be provided in accordance with the ASX Listing Rules are included in the Explanatory Statement to the Notice of Meeting.

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

For	<input checked="" type="checkbox"/>
Against	<input checked="" type="checkbox"/>
Abstain	<input checked="" type="checkbox"/>
Proxy's discretion	<input checked="" type="checkbox"/>

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

[Questions and Comments]

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

“That, 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.”

All those in favour of Resolution 7 please raise your voting card.

All those against Resolution 7 please raise your voting card.

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

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

18. Closure

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

[Simon High’s address]

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

[Shareholder comments and questions]

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

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

Please join us now for light refreshments.