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## TRANSCRIPT

[ Background Music Playing ]

Sometimes the world just happens. While we're happily unaware of the momentum that's going on behind the scenes. At Downer, we're not often seen in the limelight; which is fine by us. We're focused on helping our customers make people's lives better, every single day. We're a leading provider of integrated services in Australia and New Zealand. Exploring new technologies, and innovative approaches. While providing our customers, and the community, with services that they rely on. We don't simply deliver services, we manage our customer's assets, and build relationships that create success. Harnessing digital technologies to enhance our end-to-end services capabilities, while supporting our communities. At Downer, we're looking ahead. Doing what we do best, so you can get on with life.

## MEETING COMMENCES

MR HARDING: Okay, thank you. Good morning ladies and gentlemen, my name is Mike Harding, and I'm the chairman of Downer EDI Limited. I would like to begin by acknowledging the traditional owners of the land in which we meet today, the Gadigal people, of the Eora Nation. I pay my respects to the elders past and present. I would now like to officially open our annual general meeting for 2019. Based on the number of voting members in attendance, I declare a coram for this meeting.

Before I commence today's proceedings, I would like to draw your attention to the safety procedures of the venue. When notified of an emergency, which will be a voice heard through the speakers, please evacuate the building immediately via the nearest exit. Please make sure you don't use the lifts. Proceed to the designated external area, which is across the road next to MultiStar carpark, as shown on the diagram on the screen. Do not enter the building unless authorised.

I would now like to introduce my fellow Directors. On my far left is Nicole Hollows, and Phil Garling, Annabelle Chaplain, Peter Watson, Teresa Handicott and Grant Thorne. Next is our company secretary, Robert Regan. And on his immediate right is our Chief Executive Officer, Grant Fenn. I'd also like to introduce our Chief Financial Officer, Michael Ferguson; who is in attendance today. And I note that Cameron Slapp, representing our auditors KPMG, is here today; and will be able to answer questions on the auditor's report later in the meeting.

Before beginning the formal business of the meeting I would like to outline today's protocols. All resolutions will be decided by a poll at the end of the meeting. The meeting will consider all items of business outlined in the Notice of the Meeting sent to shareholders on 1 October. There will be opportunities for shareholders to ask questions on the resolutions. Any questions will be confined to the formal business of the meeting. Only the person holding a blue, or yellow card are eligible to ask questions. Any undirected proxies in my favour as chairman, will be a vote in favour of the relevant resolution. Prior to the formal business of the meeting, I'll present a brief report on behalf the board, and then our Chief Executive Officer, Grant Fenn, will give an update on the business.

We will now proceed to the formal business. Given that the Notice of the Meeting has been sent to all registered members, I move that the Notice of the Meeting be taken as read. The Minutes of the previous annual general meeting have been approved, and signed in accordance with the *Corporation Act*, and a copy is available for inspection should any member wish to do so. We'll now move to the business of the meeting, which includes all resolutions to be put to the meeting. Prior to each

resolution being discussed, the proxies that have been received on that item will be displayed up on the screen. As I mentioned earlier, all resolutions will be decided by a poll at the end of the meeting.

Item 1, is to consider and receive the Financial Report, the Director's Report, and the Independent Auditor's Report for the year ending 30 June 2019. The Annual Report has been made available to shareholders, and with it the Notice of the Meeting, which has been held by members in excess of the minimum period. The Annual Report is available on the company's website, and additional copies available for those present today. Before opening Item 1 for discussion, I'll present the Chairman's address, and following that I will invite your Chief Executive Officer, Grant Fenn, to provide an update on the group operations. Ladies and gentlemen, I'm -----

UNIDENTIFIED: Excuse me, Chairman, can you open all the polls, in case somebody has to leave before the end?

MR HARDING: Can we?

UNIDENTIFIED: I usually hear that at nearly every meeting, the polls are open so that anybody who leaves, can vote on the way out.

MR HARDING: I don't know, as a matter of process. Somebody will have to tell me. Can we?

UNIDENTIFIED: Just open the polls, which allows anybody that needs to leave, to vote.

MR HARDING: Okay, if that's all right, then we'll do it. So – sorry?

UNIDENTIFIED: Thank you.

MR HARDING: Pleasure. I'm pleased to report that Downer's had another good year. This includes, meeting guidance for the 8<sup>th</sup> consecutive year. Maintaining a strong share price, and increasing the dividends paid to our shareholders from 27 cents, to 28 cents in 2019. Our 2019 safety performance, as measured by the key industry safety statistics, improved from 2018. However, in late July 2019, an employee of Otraco, Jose Castro, died in Chillil. Otraco is a Downer business that delivers time management systems across 60 mine sites in Australia, South America, and South Africa. There's an ongoing investigation into Mr Castro's death, and Downer's assisting with the local authorities in the matter.

Sustainability is becoming an increasingly important issue for our shareholders, and our people, and I'm pleased to inform you that our sustainability report continues to improve. We have copies of the report here today, I encourage you to take one and read it. You'll see on page 5 of the 2018 report, it has received positive reviews from a number of independent organisations. This includes a leading rating from the Australian Council of Superannuation Investors. A level 1 rating, which is the highest rating from institutional shareholder services. And a AA rating from MSCI. A key milestone this year is that we've implemented recommendations of the CCFD.

We've also set an ambitious long term greenhouse gas emissions reduction target that aligns with the 2015 Paris Agreement. Another important issue was relevant, we revisited our materiality assessment, in accordance with a global report initiative standards, to identify what our stakeholders believe the material issues for Downer. The assessment reinforced the importance our stakeholder place on governance frameworks, and we've increased our reporting on Downer's governance, and the ethical conduct in this year's report.

Ladies and gentlemen, you have noticed the Board you knew has continued with Downer. Last year we welcomed Nicole Hollows as a Director, and in May this year Peter Watson joined the board. I will speak more about Peter later in the meeting, as Item 2 on the agenda, when we cover his election to the board. At the conclusion of today's meeting, Annabelle Chaplain will retire as a non-executive

Director of Downer. Annabelle has made an enormous contribution to Downer over more than a decade. She joined the Board in July 2018 (sic). Since that time the company has successfully navigated many challenges, and achieved significant growth. Annabelle has provided invaluable advice and leadership to her service on the Zero Harm Committee, the Remuneration Committee, and the Nominations in Corporate Governance Committee, and she played a particularly important role as the long term chair of the Audit and Risk Committee. On behalf of the Board, and our shareholders, thank you Annabelle for all that you've done; and we wish you the best for the future.

I would like to thank Grant, his executive team, and our people for the group's good performance in 2019. Spotless has continued to improve, with Peter Tomkins appointed as CEO a year ago. And Grant will provide more information about Spotless, and other businesses, in his update. Finally I would like to thank our shareholders for their support during the year. I'll now hand over to Grant, before I return and take us through the resolutions. Thank you.

MR THORNE: Thank you, Mike. Ladies and gentlemen, I'm pleased to report that Downer has delivered another solid operational and financial performance, in the 2019 financial year. The highlights included, underlying earnings increasing by 14.7% in the top quartile of ASX100 companies. And Downer meeting its earnings guidance for the 8<sup>th</sup> year in a row. Continuing strong and reliable cash performance, with operating cash of 630 million, and cashflow conversion of 89% of EBITA.

Maintaining a strong balance sheet, with gearing of 25%, and undrawn funding capacity, and cash of 1.8 billion. Growing work in hand to over \$44 billion, giving us a very solid pipeline of work for the years ahead. And increasing the total dividend to 28 cents per share, up from 27 cents per share, last year.

Our strong share price performance, and increased dividend are a welcome outcome for you, our shareholders. And I thank you for your continued support. I also thank our people for their hard work during the year, and their contribution to our results. I confirm that Downer is targeting NPATA of around 365 million, before minority interests, for the 2020 financial year. We believe the 7% profit growth we have forecast for the year ahead, is a good outcome in the current environment.

Our cash performance for the 2020 financial year is not expected to be as strong as it has been in recent years, due to a number of known factors including the cash impact of Murra Warra wind farm, the timing of cashflows from large projects winding down, and the timing of cash payments for the first bogie overhaul for the Waratah train fleet.

Ladies and gentlemen, over the past year we've highlighted the performance of our urban services business of transport, utilities, and facilities. These businesses contributed 83% of Downer's earnings in the 2019 financial year, and make up 88% of our work in hand, and are all well positioned for growth. Transport includes road services, rolling stock services, and transport projects. Utilities includes power and gas distribution, water, telecommunications, and renewable energy. Facilities, which includes Spotless, incorporates a broad range of services provided to industrial and government customers in sectors including health education, defence and justice. We've increased our focus on urban services in recent times, as governments in both Australia and New Zealand are continuing to invest in economic and social infrastructure, as they respond to the ongoing demands of population growth, and increasing urbanisation.

We're well placed to benefit from this government investment, we have strong and deep positions in urban services, and we have built multifaceted relationships with our customers. We offer our customers an extensive range of skills, and capabilities that help them solve their problems, and we work closely with them; and our aim is always to help them be successful. Our increasing proportion of Downer's earnings, contributed by urban services, is in line with our shareholder value proposition;

which is focused on driving growth in service orientated businesses, while maintaining disciplined cost and capital efficiency. At our full year results in August, we announced that we are undertaking a portfolio review to determine whether there are opportunities to enhance the alignment of our portfolio. We noted that an important area of focus for this review is our mining business.

Downer's mining business is a leader in Australia, with excellent people, and a strong and proven track record. However it is also very capital intensive. Mining contributed about 12% of Downer's profit in the 2019 financial year, but required more than 50% of the group's total capital expenditure to achieve that result. The process is progressing, and we will inform the market of any significant developments in that review.

Ladies and gentlemen, it has been two years since Downer acquired Spotless, and there have been many challenges, as we expected. But we have made substantial progress in improving the business, and we remain firmly of the view that Spotless is strategically very important to Downer's future. The highlights of the 2019 financial year for Spotless included reaching an agreement with the South Australian government, in relation to the new Royal Adelaide Hospital. This has significantly improved the monthly cash position, and provides a strong foundation for further improvements to the operating model. Reducing Spotless debt by 7% from the prior financial year. Strengthening the management team, under Peter Tomkins. And restructuring the business, so it's better aligned with customers and markets. And establishing centres of excellence to drive consistency of delivery, improve quality, innovation, and future growth.

Ladies and gentlemen, Downer performed well in the 2019 financial year. We have forecasted good growth for 2020. And we continue to have leading positions in all the markets in which we operate. Thank you again for your support. And I'll now hand the meeting back to our Chairman.

MR HARDING: Okay, thank you Grant. The Financial Report, Director's Report, and the Independent Auditor's Report are now open for discussion. There are no requirements for shareholders to approve these reports, accordingly, Item 1 is for discussion only, there will not be a vote on this item. I remind you that only shareholders of the company, or duly appointed representatives, or proxies, are permitted to ask questions. If you do have a question, please raise your hand, and we'll bring a microphone to you, hopefully. So there's a lady down there.

MS HEPWORTH: Thank you. Hello, my name's Katie Hepworth, from the Australasian Centre for Corporate Responsibility. You would know my colleagues, Dan and Brin. Our company is a member of the Business Council of Australia, and the Minerals Council of Australia. Both organisations campaign for the use of Kyoto carry over credits, in order to reduce Australia's 2030 emissions targets by half. Does the board support the use of Kyoto carry over credits by the federal government?

MR HARDING: Does the board support?

MS HEPWORTH: The use of carry over credits by the federal government.

MR HARDING: Do we Grant?

MR THORNE: Look I'm not sure it's something we've put our mind to, frankly.

MR HARDING: Don't know.

MS HEPWORTH: Well we'd just like to stress that Downer is (indistinct).

MR HARDING: We'll have a look at that, and see whether we do, or we don't.

MS HEPWORTH: Okay, that's good. But we'd just like to stress that Downer is on the BCA Energy and Climate Committees, and the MCA Board, both of which support Kyoto carry over credits.

MR HARDING: Okay. We'll have a look.

MS HEPWORTH: Okay. And the second question, our company is a member of the Queensland Resources Council, in the last 12 months both the Minerals Council and the QLC have lobbied the federal government to build new coal fired power stations. Does the Board believe new coal fire power stations are consistent with the Paris Agreement?

MR HARDING: I'll give the question to Grant in a minute. But the BCA and the Minerals Council, we're a leader in most of the markets that we operate in, and we're a member in many of the industry associations. And on page, I think it's 24, the Sustainability Report, it lists down who we are. And these association members, they keep us informed on major issues, not just climate change, but the things we need to know about, that they're handling, to keep Downer abreast of situations, and our employees and shareholders. We see them as a value. They're very measured, and we don't have to listen to everything they say, but we do want to listen to a good bit of what they say. We'll have no plans to change from those committees in the near future.

MS HEPWORTH: Is that a yes or a no then, on whether coal fired power stations comply with the Paris Agreement?

MR THORNE: Yeah, look again, it's not something that we've discussed specifically. But we do support the BCR.

MS HEPWORTH: Thank you.

MR HARDING: Okay, Nick.

MR BERRY: Mr Chairman, Nick Berry, Australian Shareholder Association. Just a few questions about Royal Adelaide Hospital and Spotless. Now we understand the cash situation has improved. Going forward, do I take it that we expect further improvements in that matter, so that we won't be (indistinct) any red ink in that regard, over the next period?

MR HARDING: Oh, sorry, Grant.

MR THORNE: Yes. When we first purchased Spotless, you would understand the situation that they were in, in respect of the new Royal Adelaide Hospital. It's taken us a long time to get to a position of a negotiated outcome with both the government, and Celsus, who's the SPV in that PPP. We've been able to do that because the operation that we've put in place there, which is basically doing all of the soft services. Almost everything other than the clinical services in that hospital, Spotless has been exceptional in, they've done a fantastic job. And they've done that with a great deal of help from their people, and from the management. Very recently we've got to that negotiating position, which is not only cash, but it's also how the contract works in relation to abatements and also other KPIs. We're in a position now where we roll into 2022, and there is a reprice for those services. We may, up until 2022, have a limited amount of losses that will still come through in the books. But at 2022 we get to reprice, so our pain will be limited.

MR BERRY: Thank you for that. And also with regard to Spotless, what are our prospects over a longer period of perhaps taking over the company, and compulsorily acquiring it, so we don't have to pay for two listings?

MR HARDING: Our favourite subject, Nick. Well Grant.

MR THORNE: Well we have another shareholder that owns somewhere near 12%, so our ability to compulsorily acquire isn't there, because we don't own over 90%. And we're in discussions periodically with them, at the moment they consider their investment there to be as a very supportive

shareholder. Look, those discussions continue. It would be great, at some point, that we own all of Spotless, and we're working on that, but it's not the case right now.

MR BERRY: And do I also take it you'd maintain your stance of not overpaying. And that's in the shareholder's interest, not to overpay. Because sometimes these people will say – well, they'll ask for a premium, for their shares; which is not in the company's and shareholder's interests to pay for. We're probably better off to keep two listings, rather than to be held over a barrel in that regard.

MR THORNE: We've delisted Spotless, so Spotless is delisted off the ASX, right. There's only one listing now, which is Downer. The position with Spotless is certainly we would like to take that 12%. We will only pay an amount that we think is worth paying. You can be assured that the Downer Board will make sure that they get value for anything that they pay in the future, should that occur.

MR BERRY: Thank you for that insight.

MR HARDING: Nick, just on that subject. Even though Coltrane still have about 12%, Grant runs Spotless, on the operational side, as another division of Downer. It doesn't have any difference than any other division now that we have. But there is that little bit of inefficiency there. Sorry, there was a lady behind you.

MS LEE: Thank you Mr Chairman, and thank you Board. Natasha Lee, shareholder. Just got a bit of a clarification on your report on page 81.

MR THORNE: Annual Report.

MR HARDING: Annual Report.

MS LEE: Annual Report.

MR HARDING: Okay, I'll just get there.

MS LEE: Under section C2, sorry. Trade receivables, you've got the loss allowance, and you've got impairments. You seem to be using the term interchangeably. But I take it that we will recover these funds at some point, given that your major customers are -----

MR HARDING: I think, this is a great question. Because they know I can't answer that one. It's either the CFO down there, who's got his head down now. Or Grant, who keeps telling me he's an accountant, he can have a go.

MR THORNE: Yes, it's in there as trade receivables less a loss allowance. The net of that, yes, will be recovered.

MS LEE: Yeah. Yeah, well that's what I was concerned about, is potential write offs for bad debt. Given that most of your customers are government, or larger corporations, we don't expect significant write offs.

MR THORNE: No, that's true. And should we have issues with those things then we do provide, as you see.

MS LEE: Okay.

MR THORNE: And you will see in the accounts.

MS LEE: Yeah. Yeah. It was just that you're using the term interchangeably, rather than having consistency between those two different tables. You don't seem to have employee numbers in your report. I'd like to see that, if (indistinct).

MR THORNE: We do in our sustainability reports.

MS LEE: Yeah (indistinct).

MR THORNE: We do. And within the websites. But numbers range, so the Downer Group now is around about 53,000 employees.

MS LEE: Right. Okay. And the final issue is with the audit fees. I note that the Australian based audit fees went up 5%, and overall the fees went up 13%. That, to my mind, doesn't seem justified. Can you explain, or justify such a bit increase?

MR THORNE: I'm going to hand that over to the man that negotiated the deal. Right here.

MR SLAPP: I think, the audit fee, we assess those on an annual basis, based on the changing environment of business, and (indistinct) growth in (indistinct) organic nature of business, and (indistinct) some of the increasing base audit fee. For the other services we use (indistinct) with other advisors for additional advisory work, and the levels of those fees that we have incurred in the 2019 year are well within the parameters that we are comfortable for independence for KPMG, and those fees are fairly tightly contested amongst the big four firms.

MS LEE: Okay, thank you. I don't entirely agree with you, but we'll leave it at that. Thank you very much.

MR HARDING: Okay, good questions. You keep them on their toes.

MS LEE: Exactly (indistinct).

MR HARDING: Yeah, he won't listen to me. Questions on the Financial Report, and the like? No Ed, there's not. Oh, sorry, go on.

MR WALLGIN: Thank you Mr Chairman, I'll reintroduce myself. My name's Ed Wallgin, I'm a shareholder. Thank you very much for moving that poll question early on. That happens very regularly at all the meetings I've been to.

MR HARDING: Yeah, we always put it at the end.

MR WALLGIN: It allows anybody who needs to leave -----

MR HARDING: Yeah.

MR WALLGIN: ---- to leave on time. You said there had been one death -----

MR HARDING: Yeah.

MR WALLGIN: ----- can you give me the date of that again, please?

MR HARDING: In July -----

MR WALLGIN: Okay, so (indistinct)

MR HARDING: It was after the year end.

MR WALLGIN: Okay, so we have had deaths in the past. And we have had the general manager, and I hope others below him, they've been fined - fined is not exactly the right word, I accept that - but have been fined for the deaths, because we're after zero harm. I assume that's going to come through in next year's report.

MR HARDING: It will come through.

MR WALLGIN: Okay

MR HARDING: It was after the year end. But I felt obliged to tell everybody.

MR WALLGIN: Very good. Thank you very much, Mr Chairman. I'm very, very interested in zero harm. If we're not looking at occupational health and safety, or whatever you like to call it.

MR HARDING: Mmhm.

MR WALLGIN: What else aren't we looking at? We are doing it, and obviously we're looking at the other areas, so thank you.

MR HARDING: And those, certainly fatalities and really bad accidents, both Grant Thorne's Zero Harm Committee, and the board, go through them line by line, detail by detail. They're not overlooked. Any more on the Financial Report, if not we can go onto Item 2A, the election of Peter Watson.

As I said earlier, Peter Watson was appointed by the Board during the year. Peter's retiring in accordance with the constitution of the company. And, being eligible, he's standing for re-election. I now invite Peter to address the shareholders for a couple of minutes, and you can ask him any questions you want.

MR WATSON: Thanks very much Mike. When I was first invited to join the board, I was excited by the opportunity. It was very much a company that married my own values, and culture in relation to taking those from a family position, into a workplace. And I've always been very, very, excited by that. The focus of Downer is very much on sustaining the environment by building trusted relationships. And our four promises that we have, which are based on four pillars of safety, zero harm, delivery of relationships, and thought leadership. They are all areas where I believe I can add value going forward. My background in services is well known – well maybe it's not. I was managing director of Transfield services for some 10 years. And it's now 10 years since I left Transfield. And in that time, I've focused on infrastructure, I've been involved in the management of PPP assets, where I've been involved in managing law courts, and managing defence facilities, and also as Chairman of rail infrastructure in the regional rail authority; which was almost a 5 billion dollar project in Melbourne.

I think that my background is well suited for the board of Downer, and being able to add value as a Director going forward. It's something that I very much look forward to, and working with the Board, the quality of the Directors here are absolutely outstanding. And I'm a bit like a deer in headlights at the moment. The company is so large, and I'm still working my way through understanding the company, and getting a good handle on it. Thank you very much. Mike, thank you for the opportunity.

MR HARDING: Thanks Peter. Proxies received in relation to this motion are displayed up on the screen. The other Directors, including me, unanimously recommend that shareholders vote in favour of this resolution. There's now an opportunity to discuss Peter's election. Nick?

MR BERRY: Oh, thank you Mike. We're supporting the re-election of all the non-executive Directors who are standing today. We believe that you're all well qualified (indistinct) your bibliographies, if you like, for the positions for which you've been appointed, and support. The only thing is that we seek the assurances of you all, as non-executive Directors, that you will look after the interests of the shareholders, and the company employees. And that means sometimes you will have to resist a lot of pressure from some of these people who come in, whether they're Adani demonstrators, or whoever they are. It's very easy to roll over when you get a lot of pressure from these people, screaming about the environment, or whatever it is, and perhaps not very well informed about what they're saying, or aren't very good at listening to anyone else's view point. Basically that's the assurance we seek from



all three of you. You look after the shareholders, and you look after the employees of the company, and that's your stake holding interest, if you like, not to roll over to any of these people, who'll come up and demand this, or that, or the other. As I said, you will have pressure placed upon you by some of these people from time to time, but we will always support you if you resist those demands, and look after the company's best interests, and the employees' best interests, the shareholders' best interests. These other people are just a bit of noise. And unless they have a valid viewpoint, they don't matter, and they don't count, and you must disregard them. We support the re-election of all three non-executive Directors on that premise. Thank you.

MR HARDING: Okay, thank you Nick. We'll move on to Item 2B, re-election of Director Teresa Handicott.

UNIDENTIFIED: We haven't done 2A (indistinct).

MR HARDING: Have we not done 2A?

UNIDENTIFIED: (indistinct) the proxies, but we haven't had a vote.

MR HARDING: Oh.

UNIDENTIFIED: We're doing it at the -----

MR HARDING: You're doing it as a poll at the end.

UNIDENTIFIED: Sorry.

MR HARDING: No, it's all right. It's all right. Don't worry. Sorry, go on. There's a gentleman there.

MR PAISLEY: Geoff Paisley, shareholder. My question is (indistinct) the vote, Peter.

MR HARDING: Sorry to have rushed you Geoff. Off you go.

MR PAISLEY: I'm a shareholder. And I note in the annual report, at the time, you weren't. Are you now?

MR WATSON: Yes, I am.

MR PAISLEY: Fantastic. I like skin in the game. Thanks.

MR HARDING: Okay, so voting at the end. There's the proxies up there. Can we go onto Item 2B. This is the re-election of Director Teresa Handicott. Teresa Handicott is retiring by rotation in accordance with the constitution of the company and, being eligible, she is standing for re-election. Proxies received in relation to this motion are displayed up on the screen. The other Directors, including me, unanimously recommend that shareholders vote in favour of this resolution. And there's now an opportunity for discussion on the resolution; are there any questions? No. Okay. Can we move on? All right. You haven't rushed out and polled yet.

UNIDENTIFIED: (indistinct) Mr Chairman.

MR HARDING: Okay, Item 2C, re-election of Director Grant Thorne. Grant Thorne is retiring by rotation in accordance with the constitution of the company. Being eligible, he is standing for re-election. Proxies received in relation to this motion are displayed up on the screen. The other Directors, including me, unanimously recommend that shareholders vote in favour of this resolution. There's now an opportunity for discussion on the resolution; are there any questions? No. Thank you. Here we go.

Adoption of the Remuneration Report. This meeting now needs to consider Item 3, Adoption of the Remuneration Report, for the year ended 30<sup>th</sup> of June 2019. Proxies received in relation to this item are displayed up on the screen. And the Remuneration Report is now open for discussion. Nick?

MR BERRY: Thank you, Mike. It's not that often that we come to a AGM, and we can give the Rem Report our blessing. I'll just quickly run through the Rem Report. The STI hurdles are very good. Free cashflow etcetera, etcetera. As are the long term incentive hurdles. They're not excessive. They don't amount to largess in any way, shape, or form. You have a situation where the remuneration is a third of the person's prospective earnings. The STI, if all the hurdles are met, comprises of the next third. The LTIs, should all the hurdles be met, comprise the next third. It's a good Rem Report, much better than most of what we see. We're supporting it, we're voting for it, and I hope that you continue to adopt like Rem Reports, and don't stray from that path. Thank you.

MR HARDING: Okay, thank you Nick. Any more questions on the Rem Report? Okay. Item 4, Approval of the Managing Director's Long Term Incentive. The meeting now needs to consider Item 4, Approval of the Managing Director's Long Term Incentive. The details of the Long Term Incentive Plan are set out in the details in the Notice of the Meeting. Proxies received in relation to this motion are showed up on the screen. And there's now an opportunity for discussion on the resolution.

MR WALLGIN: Thank you Mr Chairman, Ed Wallgin again. This is only a technical matter, I actually intend to approve the LTI, but I'm of the opinion that both of the vesting conditions have to be positive. Not the comparison that they are above the mean, and everything below the mean is negative. And I actually think both conditions should be positive. And I'm also of the opinion that it should begin at 51%. I had a little bit of an argument with the Director yesterday. And we're arguing over semantics of numbers, but at 51% we're above the median. I just basically make those two points. I intend to vote in favour of the LTI. But I'll also declare that I am a member of the Shareholder's Association, so that we do have full transparency. I just make those two points. Thank you, Mr Chairman. They're technical points, not against the actual motion, they're more to do with thinking about those two issues in the future, and on any other board that the Director may be a member of. Thank you.

MR HARDING: Okay, thank you. I think, it's Item 5 now, Re-insertion of proportional takeover -----

MR BERRY: Can I just -----

MR HARDING: Oh, sorry, go on Nick.

MR BERRY: Yeah, we're approving Item 4 for the same reason we approved Item 3. And we believe people should be incentivised to perform. And you've done quite a good job. You've bedded down the company's acquisitions, and done pretty well. And, I think, the shareholders owe you a vote of thanks for that. Keep on doing what you're doing, mate. Cheers. Thank you.

MR HARDING: Thank you, Nick. I think, I'm rushing you a bit, aren't I. Re-insertion of the proportional takeover approval provisions. The meeting now needs to consider Item 5, Re-insertion of the proportional takeover approval provisions in the constitution. Proxies received are up on the screen; are there any questions? No. Well fame at last. Polls will now be conducted. I invite the company Secretary, Robert Regan, to advise the poll procedure. Robert.

MR REGAN: Thank you, Chairman. Ria Joplik of Computershare Investor Services has been appointed returning officer for this meeting. And I am satisfied as to Computer Share's independence. If there is any person at this meeting who believes they're entitled to vote, but has not yet registered, would you please raise your hand for assistance. Every member present, in person, or by representative attorney, who holds a blue admission card, is entitled to one vote for each share held. The resolutions on which you are required to vote by poll, are Items 2A, 2B, 2C, 3, 4, and 5, as set out in the Notice of Meeting. Thank you, Chairman.

MR HARDING: Thank you, Robert. Are you going round with the boxes? Yeah. If you stick your hands up, they'll know where to run to. (indistinct) bit of papers. Do you want it? Are we all done? Anybody left? No. I'll declare the poll closed. The counting of the results will take a little time. I propose we close the meeting, and announce the results of the poll from ASX this afternoon. Is there any other business that we can lawfully bring forward today?

Okay, before we conclude I would like to take this opportunity to recognise the service of Annabelle Chaplain again. Annabelle's been a wonderful Director, and not only that, she's been a very good personal friend, and at times when we need coaching, she's been best at it. And we've all needed coaching over the 10 years, I can tell you. Annabelle, it's sad to see you go. I've tried my best. What they don't know is, I lied, and cheated, and told lies to keep her here another year. And I've run out of all that now, so I can't keep her any longer. We're going to have to say goodbye to her. But the best of luck for the future.

MS CHAPLAIN: Thank you very much, Mike. And thank you to all of our shareholders for the trust, and the confidence that you have placed in the Board of Directors, and the senior leadership team led by Grant, over some very interesting years. Indeed we have had challenging times at Downer. Certainly in the early years of my tenure. And I felt very fortunate, certainly on reflection, very fortunate to have worked closely, and to watch closely how Grant, and the senior leadership team, manage the business through those shoals, and into the company that we have today. I also feel incredibly privileged to have got to know many people within the Downer team. And I'd like to say it's more like a Downer family, notwithstanding we now have – how many people did you say this time. It's a moving number, but it's a very big number. And to have seen the growth of people individually, and also collectively over that time, has been fantastic. It's my turn to leave the board, as we all will at some point. And I want to acknowledge obviously Mike, your leadership. Grant, your incredible leadership of a very big ship, and the team that so ably supports you. And I'm very confident in the position that the company is in. From that perspective there couldn't be a better time to leave. That said, thank you again Shareholders, Mike for your leadership, Grant to you, and I'm both confident, but also have great faith in a very bright future ahead for the Downer Group. Thank you very much.

MR HARDING: Okay, thank you Annabelle. Ladies and gentlemen, there being no further business, the meeting will now be closed, if everybody's happy. Please join us out there for some tea, and coffee, and things to eat. Thank you.

**TRANSCRIPT ENDS**

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