



**GUILDFORD COAL LIMITED  
CHAIRMAN'S ADDRESS TO  
ANNUAL GENERAL MEETING  
28 NOVEMBER 2013**

**A. INTRODUCTION**

Ladies and Gentlemen,

Good morning. Welcome to the 2013 Annual General Meeting for Guildford Coal Limited.

Let me introduce myself. I am Alan Griffiths, Acting Non-Executive Chairman of the company, Chairman of the Remuneration Committee and Chairman of the meeting.

As we have a quorum, being a minimum of 5 shareholders, I declare this meeting open.

After making my preliminary comments and outlining some housekeeping matters, I will call on the Group Managing Director, Peter Kane, to provide the meeting with an update on the company's business. We will then move to the formal aspects of the meeting (as described in the Notice of Meeting you have all received).

If you have not already done so, please turn off your mobile phone now as a courtesy to your fellow shareholders.

Let me introduce to my my fellow directors:

- Mr. Peter Kane, Group Managing Director
- Mr. Kon Tsiakis, a non-executive director and Company Secretary

Also in attendance are:

- Mr Mark Reynolds, Acting CFO and Project Director North Queensland
- representatives of the Company's lawyers, K&L Gates, represented by Russell Lyons
- the Company's auditors, EY, represented by partner, Ryan Fisk, and Siobhan Hughes

- Lee Marshall, a representative of Link Market Services who will be acting as Returning Officer if a poll is called.

We welcome the opportunity to update you in person on the business of the Company. Most of this meeting is, in compliance with the Corporations Act, formal and restricted to the matters including the resolutions set out in the notice of meeting. After the meeting closes, we invite you to join us for informal discussions and light refreshments.

## **B. Update to Shareholders regarding the Company's business**

As you will soon hear shortly from Group Managing Director, Peter Kane, 2014 will be a year of delivering value for our shareholders.

That value will be secured as Guildford makes its planned transition from explorer to miner.

Change has been necessary and inevitable as we move through this next phase in our development.

Over the past year we farewelled Chairman, the Honourable Peter Lindsay, as well as Directors Michael Avery, Craig Ransley, Mike Chester and Peter Westerhuis.

Gary Humphrys, after initially indicating that he would be seeking election at this AGM, has recently advised that he would not be seeking a further term.

On behalf of the Board, I thank each of these individuals for their service to Guildford and wish them well for the future.

The Directors recommended for election at this AGM, are a diverse and highly skilled group with proven experience in the mining industry. They are well equipped to deliver on the objectives of the company.

With respect to the position of Chairman, we are well advanced in our search for Peter's replacement. Our aim is to ensure that the new Chairman is a person who combines a deep industry understanding, with both strategic and high level governance capabilities.

I expect to make a positive announcement regarding that person in the near future.

While this recruitment process is underway, we can be very confident in the capacity of our executive management team to manage the day-to-day operations of the Company.

Our executive team was reviewed this year based on our forward plans and it is now headed by Mr Peter Kane as Group Managing Director. Peter brings to Guildford a wealth of hands-on experience in the successful operation of coal mines in Australia.

I now invite Peter Kane to present an update regarding the company's business activities.

Thank you Peter for that presentation. I will now move on to the formal part of the meeting.

### **C. NOTICE OF MEETING**

Notice of this Annual General Meeting has been given to shareholders in accordance with the Company's constitution, the Listing Rules of the Australian Securities Exchange Limited (**ASX**) and the Corporations Act. A copy of the notice of meeting has been lodged with the ASX and posted to all shareholders.

Does anyone not have a copy of the Notice of Meeting who would like a copy?

Replacement copies are available from Link Market Services staff at the entrance to the room.

I table the Notice of Meeting dated 24 October 2013 which is taken as read.

I am pleased, in the interests of the environment, to note that an increasing proportion of the Company's shareholders choose to receive all company communications electronically. Almost all elect to access the Annual Report electronically. However, copies of the Annual Report are available at the entrance to the room if anyone wishes to refer to it during the meeting or to take a copy away.

### **VOTING PROCEDURES**

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 green voting cards. A green card also entitles you to comment and ask questions in this meeting.

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

Non-voting Shareholders were issued with a purple card upon entering the auditorium. A purple card will not allow you to vote. However, you may still comment and ask questions.

White cards indicate a visitor. 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.

If I call on you, please raise your green voting or purple non-voting admission card prior to speaking to identify yourself as a Shareholder. If you are acting as a proxy, please state clearly who you are appointed to represent when introducing yourself to the meeting.

When voting on a show of hands, please raise the green voting card.

We will now turn to the business of the meeting.

## **BUSINESS OF THE MEETING**

### **1. Receipt and Consideration of Financial Statements and Reports for the period ended 30 June 2013**

This agenda item is intended to provide Shareholders with the opportunity to raise questions on the consolidated financial statements, the directors' report and the auditor's report and on the performance of the company generally. It is not the purpose and there is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the directors' report or the auditor's report of the meeting or that the Financial Statements and Reports be accepted, rejected or modified in any way.

No written questions to the auditor under Section 250PA of the Corporations Act were received by the cut-off date 5 business days before this meeting.

If you have a question on the financial statements or reports for the period ended 30 June 2013, please raise your green or purple card to identify yourself as a Shareholder.

I will now turn to the resolutions to be considered.

### **2. Resolutions to be considered at the meeting**

I will follow the procedure for conducting shareholder meetings described in the Company's constitution. All resolutions will be decided on a show of hands unless a poll is demanded at or before the declaration of the result of the show of hands.

I wish to advise Shareholders that the number of proxies received by the company, including those received by fax, as at 11:00 am on Tuesday 26 November 2013 was 110. Proxies received after that time are invalid as, under the company's constitution, they were received too late.

Of the proxies received in time, 311,801,620 proxy votes are deemed valid for the purpose of this meeting, unless such shares submitted for voting by proxy have been sold, or a notice has been received by the company's share registry from the registered Shareholder, revoking the votes previously cast.

For each resolution, I will inform the meeting how many proxy votes have been received and how the proxy votes are to be cast on that resolution before a vote is taken.

Before we commence I remind you that only Shareholders present in person, persons holding valid proxies, and validly appointed corporate representatives have the right to speak and vote at this meeting. If a Shareholder has appointed a proxy but is present at the meeting in person, the proxy holder is not entitled to speak or vote.

### **Resolution 1 – Remuneration Report (Advisory Resolution)**

Under the Corporations Act, the Company must put the adoption of its Remuneration Report to the vote at the Annual General Meeting and must allow the Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report which was included on pages 21 to 25 of the Company's 2013 Annual Report (and 13 to 17 of the Company's financial statements for the year ended 30 June 2013 lodged with the ASX on 30 September 2013).

The Remuneration Report:

- (a) explains the Board's policies in respect of the nature and level of remuneration paid to Directors and senior management of the Company;
- (b) discusses the link between the Board's policies and the Company's performance;
- (c) explains why the performance conditions were chosen and how performance is measured against them;
- (d) sets out the remuneration details for each Director and each member of the Company's senior management team; and
- (e) makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives and executive Directors.

Although the vote to adopt the Remuneration Report is advisory only, it must still be put to members at this Annual General Meeting.

If you have a question on the Remuneration Report, please raise your green or purple card to identify yourself as a Shareholder.

The Resolution before you is to consider and if thought fit, to pass the following resolution as an ordinary resolution:

*“That for the purposes of section 250R(2) and 250SA of the Corporations Act and for all other purposes, the Remuneration Report for the Company and its controlled entities for the period 1 July 2012 to 30 June 2013 be adopted”.*

I note for the record that under the Corporations Act 2001:

- (a) if the vote to approve the Remuneration Report receives a "no" vote by at least 25% of the votes cast, this will constitute a "first strike"; and

- (b) members of the key management personnel whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report, except where:
- (i) either:
    - (A) they are voting as a proxy for a person who is not a member of the key management personnel (or a closely related party of those members) and they have been appointed in writing specifying how the proxy is to vote on the proposed resolution; or
    - (B) the vote is cast by the Chairman of the meeting as proxy for a person entitled to vote in accordance with an express authority to vote undirected proxies as the Chairman of the meeting sees fit; and
  - (ii) the vote being cast is not on behalf of a member of the key management personnel (or a closely related party of those members).

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 311,801,620 valid proxies were received, of which –

- (a) 307,139,006 votes were in favour of the resolution;
- (b) 3,013,759 votes were against the resolution;
- (c) 7,550 abstained;
- (d) 948,855 were directed to the Chairman to vote in accordance with his voting intentions on Resolution 1, *As Chairman of this meeting I will be voting in favour of passing this resolution.*

I now move to a vote on a show of hands.

All those in favour?

Those against?

I declare the resolution [carried/lost – *as appropriate*].

**Resolution 2: Election of directors of the Company**

Rule 15.1 (c) of the Company's Constitution provides that the directors may at any time appoint any person to be a director. That person may only hold office until the next Annual General Meeting and is eligible for election at that meeting.

**Resolution 2 (a)**

The Resolution before you is to consider and if thought fit, to pass the following resolution as an ordinary resolution:

*"That pursuant to rule 15.1 of the Company's constitution and for all other purposes the Company elects Kon Tsiakis as a director of the Company".*

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 311,785,940 valid proxies were received, of which –

- (a) 303,271,001 votes were in favour of the resolution;
- (b) 6,866,084 votes were against the resolution;
- (c) 23,230 abstained; and
- (d) 948,855 were undirected, leaving the Chairman of the meeting with a direction as to how to vote the relevant proxies. *As Chairman of this meeting I will be voting in favour of passing this resolution.*

I now move to put the resolution to shareholders for a vote on a show of hands.

All those in favour?

Those against?

I declare the resolution [carried/lost – *as appropriate*].

Given that the next resolution relates to my election as a Director of the Company, I would ask that I be excused from further participation at this time and ask that Mr. Kon Tsiakis chair the meeting for this resolution.

*[Kon Tsiakis to read out the following information]*

**Resolution 2 (b)**

Rule 15.3 of the Company's constitution provides that no Director, other than any Managing Director appointed by the Company, may hold office for a period in excess of 3 years or beyond the third Annual General Meeting following their election, whichever is the longer, without submitting themselves for re-election.

In addition, rule 15.3 provides that one-third of the previously elected Directors, and if there number is not a multiple of 3, then the number nearest to but not exceeding one-third, must retire from office and are eligible for re-election. The Directors to retire every year are the Directors longest in office since last elected.

Mr Alan Griffiths is the longest serving Director, having been appointed on 17 December 2010 and elected at the Company's 2011 Annual General Meeting. As result, Mr. Griffiths is the Director eligible for re-election at this Annual General Meeting.

The Resolution before you is to consider and if thought fit, to pass the following resolution as an ordinary resolution:

*"That pursuant to rule 15.1 of the Company's constitution and for all other purposes the Company elects Alan Griffiths as a director of the Company".*

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 311,785,940 valid proxies were received, of which –

- (a) 306,399,329 votes were in favour of the resolution;
- (b) 3,337,756 votes were against the resolution;
- (c) 23,230 abstained; and
- (d) 1,348,855 were undirected, leaving the Chairman of the meeting with a direction as to how to vote the relevant proxies. *As Chairman of the meeting for this resolution I will be voting in favour of passing this resolution.*

I now move to put the resolution to shareholders for a vote on a show of hands.

All those in favour?

Those against?

I declare the resolution [carried/lost – *as appropriate*].

I now ask Alan Griffiths to resume the chair and continue as Chairman for the remainder of the meeting.

*[Alan Griffiths resumes chairing the meeting]*

**Resolution 2 (c)**

The Resolution before you is to consider and if thought fit, to pass the following resolution as an ordinary resolution:

*“That pursuant to rule 15.3 of the Company’s constitution, ASX Listing Rule 14.4 and for all other purposes the Company elects Mr. Tsogt Togoo as a director of the Company”.*

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 311,785,940 valid proxies were received, of which –

- (e) 307,283,001 votes were in favour of the resolution;
- (f) 2,854,084 votes were against the resolution;
- (g) 23,230 abstained; and
- (h) 948,855 were undirected, leaving the Chairman of the meeting with a direction as to how to vote the relevant proxies. *As Chairman of this meeting I will be voting in favour of passing this resolution.*

I now move to put the resolution to shareholders for a vote on a show of hands.

All those in favour?

Those against?

I declare the resolution [carried/lost – *as appropriate*].

**Resolution 2 (d)**

As mentioned earlier Mr Gary Humphrys has chosen not to stand for re-election and as such resolution 2 (d) is withdrawn.

**Resolution 2 (e)**

The Resolution before you is to consider and if thought fit, to pass the following resolution as an ordinary resolution:

*“That pursuant to rule 15.3 of the Company’s constitution, ASX Listing Rule 14.4 and for all other purposes the Company elects Mr. Peter Kane as a director of the Company”.*

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 311,789,620 valid proxies were received, of which –

- (a) 307,294,481 votes were in favour of the resolution;
- (b) 2,825,084 votes were against the resolution;
- (c) 19,550 abstained; and
- (d) 970,055 were undirected, leaving the Chairman of the meeting with a direction as to how to vote the relevant proxies. *(As Chairman of this meeting I will be voting in favour of passing this resolution).*

I now move to put the resolution to shareholders for a vote on a show of hands.

All those in favour?

Those against?

I declare the resolution [carried/lost – *as appropriate*].

**Resolution 3: Approval of issue of Shares to Terra Holdings**

Subject to Shareholder approval, the Company is proposing to issue a maximum of 20,000,000 Shares to Terra Holdings under the terms of the Restructure Agreement.

Listing Rule 7.1 provides that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting unless another exception to Listing Rule 7.1 applies.

Resolution 3 seeks shareholder approval for the purposes of ASX Listing Rule 7.1 to the issue of up to 20,000,000 Shares (at a minimum issue price of \$0.75 per Share and aggregate value of

\$15,000,000) in the Company as the final deferred consideration amount due no later than 21 December 2013 under the Restructure Agreement (**Deferred Consideration Shares**).

A more detailed explanation of Resolution 3 is contained in the Notice of Meeting.

As stated in the Notice of Meeting, the directors recommend that shareholders vote in favour of Resolution 3.

The Resolution before you is to consider and if thought fit, to pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue and allotment of 20,000,000 Shares in the Company on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting”.*

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 307,779,120 valid proxies were received, of which –

- (a) 305,876,268 votes were in favour of the resolution;
- (b) 240,297 votes were against the resolution;
- (c) 4,030,050 abstained; and
- (d) 962,555 were undirected, leaving the Chairman of the meeting with a direction as to how to vote the relevant proxies. *(As Chairman of this meeting I will be voting in favour of passing this resolution.)*

I now move to put the resolution to shareholders for a vote on a show of hands.

All those in favour?

Those against?

I declare the resolution [carried/lost – *as appropriate*].

**THAT CONCLUDES THE FORMAL RESOLUTIONS WHICH ARE THE SUBJECT OF THIS MEETING.**

**D. CLOSING OF MEETING**

Ladies and Gentlemen, that concludes the business of this meeting. I do hope you will stay and take the opportunity to discuss with our directors any issues that you may care to raise about the activities of the company.

Thank you for your attendance.

**I declare the meeting closed.**

**ANNEXURE****PROCEDURE WHERE POLL DEMANDED**

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

**Directions** (Chairman to read as follows)

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

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

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

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

The Returning Officer for the poll will be Lee Marshall from Link Market Services.

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

I now declare the Poll closed.

The Returning Officer will now count the ballot papers.

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

### **Adjourn meeting to count results of the poll**

Thank you for your patience, ladies and gentlemen. We will not have a result until the vote is counted. Accordingly, I will now adjourn the meeting for approximately 15 minutes. . During that adjournment, please help yourselves to the refreshments.

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

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

### Resolution

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

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

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

Accordingly, I declare the motion in relation to Resolution [       ] [**carried / defeated**] as the required [**50%** majority [**has / has not**] been achieved. The results of the poll in respect of Resolution [       ] will be released to the ASX shortly and will be displayed on the ASX website as soon as practicable later today.

*[Where a poll takes place for Resolution 1 move on to Resolution 2 while the ballots are counted.]*

*[If a poll is demanded for Resolution 2 or later resolutions then the Chairman should wait for the results of the poll before concluding the meeting.]*

Once the voting cards have been collected, and the Poll has been declared closed, Link will complete the count & provide the reports (including but not limited to the Poll Declaration) on the outcome of the poll.