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AZJ.AX - Aurizon Holdings Ltd Annual Shareholders Meeting

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## CORPORATE PARTICIPANTS

**Tim Poole** *Aurizon - Chairman*

**Lance Hockridge** *Aurizon - CEO and Managing Director*

**Russell Caplan** *Aurizon Holdings Limited - Independent Non-Executive Director*

**Michael Fraser** *Aurizon Holdings Limited - Independent Non-Executive Director*

**Kate Vidgen** *Aurizon Holdings Limited - Independent Non-Executive Director*

## CONFERENCE CALL PARTICIPANTS

**Michael Waterhouse** *Australian Shareholders' Association*

**Ken Rolland** *Shareholder*

**Mike Deckman** *Shareholder*

**Katie Petersall** *Shareholder*

## PRESENTATION

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### **Tim Poole - Aurizon - Chairman**

The Company Secretary has confirmed that a quorum is present and accordingly I declare the Annual General Meeting open. The Notice of Meeting was mailed to all shareholders on 5 September 2016 and I'll take the Notice of Meeting as read.

I would now like to outline the format of this morning's meeting. My introduction and address will be followed by an address from our Managing Director and CEO Lance Hockridge. We will then turn to the business of the meeting during which you will have an opportunity to ask any questions relating to the business of the meeting.

I will now introduce your Board of Directors and some of our senior executives. Seated from my far right, your left, is Kate Vidgen. Next to Kate is John Cooper. Next to John is Sam Lewis. Next to Sam is our Company Secretary Dominic Smith. Next to Dominic is our CEO and Managing Director Lance Hockridge. Next to Lance is Russell Caplan. Next to Russell is Karen Field and next to Karen is Michael Fraser.

Members of the Company's executive committee, Lance's direct reports, are also present. John Yeoman of PricewaterhouseCoopers, the Company's external auditor, is also in attendance today and he is seated in front of me this morning. John will actually be replaced as the Company's external auditor after the conclusion of today's Annual General Meeting. I'd like to thank John for the high quality of his work and advice to the Company over many years. John will be available to answer any questions regarding the conduct of the audit and the content and preparation of the Audit Report. I will now turn to my meeting address.

Once again, ladies and gentlemen, welcome and I'm very pleased to welcome you here to the sixth AGM of Aurizon Holdings Ltd. In keeping with Aurizon's commitment to reconciliation and respect, I acknowledge the Turrbal and Jagera people as the traditional owners of the land where we gather and recognize that this land has always been under their custodianship. I pay my respects to elders past and present and to emerging community leaders. I also extend respect to all Aboriginal and Torres Strait Islander people here today.

The 2016 financial year was challenging for Aurizon. Market conditions in the resources and freight sectors were tough for our customers and this resulted in flat or lower volumes across our businesses. In this difficult environment, the development plans the Company had been advancing in Western Australia and Queensland were wound back. The asset impairments that partly flowed from these decisions were disappointing and were largely the reason for a decline in statutory net profit. We are committed to improving our approach to capital allocation when considering future growth opportunities.

The stand out performance for the year came from our network business. Tonnes transported across our rail network in Central Queensland were 225.9 million tons, marginally above the prior year and another record for the system. Total revenue for network was up 6% and EBIT up 5% compared to the prior year. The regulated network is a very valuable Australian infrastructure asset and is a key component of Aurizon's value proposition to investors.



Total coal volumes in our above-rail haulage operations in Queensland and New South Wales were down 2% on the prior year to 206.8 million tons. Revenue in above-rail and coal declined 1% compared to the prior period. We budgeted for better but in a difficult market this was a reasonable result.

Our freight businesses remain challenged with volumes of 40.4 million tons, 9% lower than the prior year. During the past two years, revenue in the freight business has declined 28% though balanced somewhat with a 20% reduction in operating costs. With some divisions loss making and others not earning an appropriate return on invested capital, this is not an acceptable position. As a result, we are conducting a detailed review of our intermodal and diversified bulk freight businesses with the clear objective of improving performance from these segments of our Company. The outcome of this review may also have implications for the carrying value of the assets in the intermodal and diversified bulk freight businesses.

Given a subdued market outlook, business transformation remains absolutely fundamental to the Company. Transformation initiatives are making your Company more efficient, reducing the cost base and making us even more competitive in the marketplace.

In this transformation space, we continue to build momentum. We took another AUD131 million out of our cost base last year and remain on track to achieve the AUD380 million target, a three-year transformation target, by mid-2018. Major restructuring projects are at various stages of implementation right across the organization, together with the continued introduction of new technology and systems.

The Board is focused on effective capital management and in the 2016 financial year Aurizon returned 830 million to shareholders through dividends and share buybacks. The full-year dividend of 24.6 cents per share represented a 100% dividend payout ratio on underlying earnings, up slightly on dividends paid in the prior year. As announced at our full-year results, the Board has determined to cease the share buyback while we manage new term balance sheet capacity with potential growth opportunities.

The Board expects the Company to be in a strong position to deliver strong shareholder returns as free cash flow increases significantly over the coming years, with capital expenditure reducing and savings realized from ongoing transformation activities.

Moving on now to our recent news of CEO succession. On 1 December this year we will welcome Andrew Harding to the role of Aurizon's Managing Director and Chief Executive Officer. Andrew joins Aurizon with a wealth of experience in the resources industry after more than 24 years at Rio Tinto, most recently as Chief Executive of Iron Ore. Andrew has experience in managing highly complex businesses. He has a thorough understanding of the issues facing our customers and he has managed logistics operations in a mining environment. The Board is delighted to have attracted someone of Andrew's caliber to lead Aurizon.

On behalf of the Board and shareholders, I'd like to take this opportunity to pay tribute to Lance Hockridge for his outstanding leadership as Managing Director and Chief Executive Officer for the past nine years. Lance's leadership has been central to Aurizon's transformation from a government owned railway to a successful top 50 ASX listed company. Aurizon has achieved new levels of operational and commercial performance as well as taking major steps on cultural change.

One of Lance's true legacies will be Aurizon's safety transformation. His personal commitment is unwavering and he's been relentless in driving very significant improvements in safety performance. Aurizon has not had a lost time injury in two years. That achievement alone is a testament to the work that's been done.

Lance has also championed Aurizon's commitment to diversity and inclusion. This has seen him recognized internationally for programs Aurizon is implementing, which are gaining real traction and hard-fought cultural change across a traditionally male-dominated workforce.

I know Lance is focused on the work at hand through to his departure in December. However, as this is his last AGM I wanted to put on record with shareholders the Board's appreciation of his efforts and wish him all the very best for the future.

Rejuvenating and diversifying Aurizon's Board has been a key focus over the past year. I believe the Board is now well structured to deal with the challenges and opportunities in front of us.

I acknowledge long-serving directors Gene Tilbrook and John Atkin who retired since last year's AGM. I thank them for their significant contribution in steering Aurizon through the listing on the ASX and a period of great change.

Earlier this year we welcomed new Directors, Michael Fraser and Kate Vidgen. Michael has more than 30 years' experience in the Australian energy industry and has taken on the role of Chairman of the Aurizon Network Board. Kate's career to date has been in investment banking and principal investing spanning infrastructure, energy and resources industries.



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Similar to last year's AGM, I'll shortly be inviting all Directors nominated for election or re-election to address you directly to outline their credentials. The Board's view is that shareholders should have the opportunity to hear firsthand the knowledge and experience each director brings to the Aurizon Board.

Looking forward to the 2017 financial year, we are cautiously optimistic notwithstanding the low-growth environment. The Company is strongly positioned with stable and long-term contractual arrangements with significant and largely investment grade customers. We also note recent improvements in commodity prices particularly metallurgical coal which is likely to deliver an increase in customer profitability and improved confidence generally in the resources sector. There's still a long way to go before we can call this a recovery but the signs are positive.

Aurizon's view is that we will continue to see strong demand for high-quality Australian coal, both thermal and metallurgical, from Asia and the Indian sub-continent. This is supported by external and internal analysis and is covered extensively in our Sustainability Report, copies of which are available on the tables outside our meeting here today.

We readily acknowledge that markets remain tough and the competition for new business is fierce. Our focus remains on transformation and driving greater productivity in both our above and below rail businesses. This work will take many shapes including the continued introduction of new innovation and technology. We will also be actioning the recommendations arising from the review of our intermodal and diversified bulk freight businesses.

The outcome of the next Access Undertaking called UT5 for the regulation of the Central Queensland Coal Network is significant for the Company. We are working extremely hard on the submission that is due to the regulator at the end of November. This includes enhancements to the UT4 outcome to seek to ensure we earn an acceptable return on the capital we have invested in network capacity and we are adequately compensated for the risks we are required to accept.

In August, we gave guidance for the 2017 financial year for an increase in underlying EBIT to between AUD900 million and AUD950 million. We also advised that above rail volumes are expected to remain flat in a range of 255 to 275 million tons, above rail coal haulage is forecasted between 200 and 212 million tons and below rail volumes across the SCQ are anticipated to be flat. This guidance remains appropriate based on trading to date and our current expectations for the remainder of the 2017 financial year.

In closing this morning, I would like to acknowledge Aurizon's leadership team and the dedicated employees at the front line. Each of our employees, regardless of what they do, play a vital role in delivering for our customers. Our team is operating in a changing, highly competitive environment. The commitment and hard work that I see firsthand by our employees is outstanding.

I also acknowledge the enduring support of our customers. We highly value your business and aim to provide you with an efficient, reliable and safe service each and every day. Also to the communities in which we operate and the community representatives at local, state and federal level, we are fortunate to have such engaged stakeholders willing to share valued feedback on Aurizon's progress.

Finally, my thanks to you, our shareholders, for your continued support and interest in our business. The Board appreciates your views and your feedback and we look forward to having a chance to catch up with you individually after today's formal proceedings.

I'd now like to invite Lance to address us in his final AGM presentation as Aurizon's Managing Director and CEO.

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### **Lance Hockridge - Aurizon - CEO and Managing Director**

Thank you, Tim, particularly thank you for the kind words and good morning to all of you, ladies and gentlemen. The Chairman's just detailed our Company financial performance across the last financial year and I look forward to the challenges and opportunities that lay ahead for us. In my address this morning I'll speak more about our transformation, the hallmark of our Company including customer outcomes, safety performance, sustainability and diversity.

In terms of transformation, the pace of change has certainly continued. Tim has confirmed that we are on track with our three-year target of AUD380 million of benefits to be achieved by FY18. If achieved, this would mean that in the space of five years, we will have taken more than AUD630 million out of the cost base of your business.

Transformation is fundamentally about doing more with less, doing it smarter with new technology and new process and finding better ways to work with customers. Many ideas are simple but tough to execute. Others have multiple benefits in productivity as well as in safety. Initiatives like longer trains with bigger payloads, trackside technology that is rapidly driving down maintenance costs across our fleet or drones that inspect overhead power systems on the 2,700 kilometers of coal network.



In the five years to June 2016, we can see productivity gains in these simple measures. We're delivering 11% more tons to our customers with 37% fewer locomotives, 19% fewer wagons and 3,000 fewer employees.

We've done a lot of work over the last year to refine our customer value proposition including extensive engagement with our customers to gain their feedback. Coupled with the productivity and the efficiency gains that I've spoken about, this has positioned us well to secure new work or to renew and extend existing contracts. We won during the year a range of new coal intermodal and diversified bulk freight contracts with high-quality customers including BHP Billiton, Anglo American, Wollongong Coal, Syntech Resources, Wilmar and Mitsui.

We know however there is opportunity to do more and as Tim mentioned in his address we're certainly reviewing in detail underperforming areas of our freight business.

In May, we relocated our Sydney freight operations from Yennora to Enfield. This site has direct access to the north-south interstate railway and a dedicated rail then to Port Botany. It is a turnkey site secured under long-term lease arrangements. Soon thereafter, as you know, we sold our equity stake in the future Moorebank freight development for almost AUD100 million.

In North Queensland, we're completing construction of a new intermodal facility in Townsville at an investment cost of some AUD40 million. Again, this is strategically located infrastructure which we see as key to the commercial success for us in that market. Again, it's also allowed us to exit inner-city Townsville and put the large land area that we had in that part of the world on the market.

Moving now to safety, our core value and the number one priority in everything that we do. Our turnaround in safety performance during my time at Aurizon has been gratifying but it's a great testament to the ability of our employees to be able to embrace change. In FY16, we achieved a lost time injury frequency rate of zero for the first time in the railway's 150-year history. This contrast with what was frankly an appalling rate when I arrived at the Company at the end of 2007, when we recorded 117 injuries that were severe enough to prevent our employee turning up to their next rostered shift.

Last week, as Tim has already noted, we recorded two years without a lost time injury. While our employees and the leadership team should be very proud of what we have achieved we understand the fragility of safety and the need for constant vigilance every single day.

Last week we released our third sustainability report. As Tim's observed, there are copies, if you would like one, outside this morning or of course they are also available online. This year's report focuses on the resilience of our Company, our customers and the communities in which we operate and analyses in some detail the ongoing demand for the commodities that we haul. What I trust is that it gives you as shareholders a level of detail and context around that resilience of the Company and the underlying strength of the markets in which we do operate. This includes a detailed analysis of future coal demand.

It points out just by one way of one example, that in FY16 metallurgical coal underpins 73% of our network revenue and 51% of our coal-related rail haulage revenues. Metallurgical coal of course is used for steel and there's no ready substitute for using coal in the steel-making process.

Sustainability initiatives will lead us to discovering smarter ways of doing business, developing more commercial solutions for customers and ultimately delivering greater value for you, the owners of our business.

At Aurizon, we believe that building a more diverse and inclusive workforce is critical to us achieving our financial as well as our strategic objectives. It's clearly also the right thing to do. It includes diversity of gender, of ethnicity, sexual orientation and of course diversity of thought. It's not an easy task diversifying a predominantly male blue collar workforce, a demographic which as you know is generally reflected in the Australian rail industry.

Back in 2010 shortly after our IPO, women made up around 12% of our workforce. Our efforts to turn this around have frankly at times been greeted by cynicism and active resistance. Slowly though we are starting to achieve tangible results. We have a range of specific programs in place as well as initiatives to drive cultural change right across our workforce. Aurizon is becoming known as an employer of choice where all people are valued for their talents.

Aurizon's female participation now stands at more than 18% as at the end of last month, so there's some good momentum. Still, there's clearly a lot of work ahead before Aurizon can really claim to be a truly diverse and inclusive company.

So then as I near the end of my remarks this morning I too would like to welcome and acknowledge the appointment of Andrew Harding as my successor. Andrew will have the support of exceptionally talented employees as well as a committed leadership team and a high-caliber Board.



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In this then, my sixth and final AGM addressed to shareholders, a few brief reflections. I'm certainly very proud of the Company we are today but even more so am I excited about what the future holds for Aurizon. When I first arrived as I say at the end of 2007 and well before the task of privatization and public listing, it was a very different place. Across all dimensions we've spoken about safety, but customers, commercial and operational performance, we had a lot to do and a lot to learn.

In a few short years, the changes are stark. We are leaner, more resilient and more productive. Customer service has improved immeasurably. Many aspects of our safety performance that we've described this morning are world leading.

But what hasn't changed, in fact it's at the heart of our transformation, is the incredible talent, the capability and the sense of belief of our people to genuinely embrace change, new technology and innovation, to refocus on recreating value for customers as well as for shareholders.

It's not been all smooth sailing. With change does come disruption, the end of old work practices and unfortunately there have been job losses. Our footprint is smaller yet our labor and asset productivity continues to grow.

Renewal is fundamental to Aurizon's continued organizational growth, cultural change and commercial success. More than a third of our employees are new to the Company even since privatization in 2010. In leadership ranks that number is even more pronounced. More than 80% of the top 35 leadership roles in the Company have changed out since privatization.

New recruits have brought new ideas, a new perspective but they've built on the bedrock of railway knowledge and capability formed over that 150 years of our history. It is this ongoing transformation that lies at the core of our future success. Now is the time to refocus and redouble our efforts to ensure that Aurizon is well positioned for what in my view is the inevitable recovery in market conditions.

I would certainly like to thank our employees right across the country for their ongoing hard work, dedication and determination in transforming Aurizon into the Company that it is today. Thank you also to my leadership team who have been instrumental in the significant reform that we have been able to achieve. To our customers and to our shareholders, thank you for your ongoing loyalty and support.

And finally to the Board, thank you for the opportunity to lead this great company over nearly a decade as well as for your enduring support. It's been for me the most great honor and privilege and I now hand back to Tim.

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### **Tim Poole - Aurizon - Chairman**

Thank you, Lance. Ladies and gentlemen, we now come to the formal business of the meeting.

There are a number of procedural matters which I would like to draw your attention to. As this is a shareholders' meeting, only shareholders, their attorneys, proxies and authorized representatives are entitled to speak or vote at this meeting. Each item will be discussed in turn and members will have the opportunity to ask questions on that item of business. Please save your questions on individual items until we reach that specific item of business.

As indicated in the Notice of Meeting, and in order to ensure that the views of all shareholders are taken into account, all items of business before the meeting where a vote is required will be determined by way of a poll. All eligible shareholders and proxy holders will have been issued blue voting cards on entering the meeting. If you are both a shareholder and a proxy holder it is important you complete two voting cards, one in your own right and the second as a proxy. All eligible non-voting shareholders will have been issued red voting cards on entering the meeting.

Proxy holders should note that all directed votes received thus far have been accumulated and recorded. Proxy holders with open votes are asked to record a vote in favor of or against a resolution. If proxy holders want to vote percentages of their vote in different ways, you will need to specify the relevant percentages on the voting card. The sum of the votes cast cannot exceed 100%.

Following questions on each resolution, details of the proxies received by the Company from shareholders will be displayed on the screens behind me. Subject to the voting exclusions detailed in the Notice of Meeting for item three and the shareholder having marked the appropriate box, any open proxies will be voted in favor of each resolution.

As mentioned earlier, all items of business before the meeting today where a vote is required will be determined by way of a poll. In respect to conducting the poll, I appoint [Taylor Fan] of Computershare Investor Services as the returning officer. During the course of the meeting, I will ask you to mark the reverse side of your voting card and at the end of the meeting, they will be collected by the returning officer and his colleagues. For the convenience of those who may wish to leave early, I



open the poll now. You can therefore mark your voting cards now and as you leave, pass them to the returning officer and his colleagues who will be standing by the exits.

The first item of business listed in the Notice of Meeting is to receive and consider the financial statements, Director's Report and Independent Auditor's Report of the Company and its controlled entities for the financial year ended 30 June 2016. In accordance with the Corporations Act there is no vote on this item. This item of business provides shareholders with the opportunity to ask questions about the reports and management of the Company. Any questions for the auditor should initially be directed to me as Chairman and I will determine who is best placed to answer the question.

I am happy to take any comments or questions you may have in relation to the financial report or the management of the Company in general. If you have a question, can I please ask that you move towards one of the attendants, present your shareholder admission card which will be blue or red in color, state your name and then ask your question.

Are there any questions?

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**Unidentified Audience Member**

Hi, I have two questions. Earlier this year, Aurizon wrote down AUD30 million from its partnership with [JVK] Hancock Coal in the Galilee Basin. This occurred despite experts from the institute for energy economics and financial analysis saying back in 2013 that the project made no financial sense in the context of current and forecast global energy market dynamics. They were right and Aurizon was wrong in this case. The same analysts are now saying that the current market dynamics are even worse for Adani in the Galilee as Adani's coal is double the cost of India's own domestic coal suppliers and India's Energy Minister has stated he's looking to cease foreign coal imports in two to three years. Considering this reducing coal demand and the uncompetitiveness of Adani's coal exports to India, can the Chairman assure shareholders that Aurizon will avoid another highly probable loss in the Galilee Basin by not partnering with Adani's Carmichael Mine?

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**Tim Poole - Aurizon - Chairman**

In relation to that project we are currently not doing any work on that project but what I won't do this morning is actually rule anything in or out. We work with our customers, we work with prospective customers on development opportunities and if market conditions are such that that project does become viable in the future, then it would be appropriate for us to reconsider whether we want to be a service provider to that project. So that's something that we'll continue to assess but at this stage we're not working on that project actively but as I say, if market conditions change then we may look to do so in the future.

What's your second question?

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**Unidentified Audience Member**

My second question is related to Aurizon's Sustainability Report which uses scenarios traded by the International Energy Agency to determine the implications of climate change policy on Australian's thermal coal exports. Aurizon's forecasts in the report assume that until 2030 Australia will have a constant 23% share in the global seaborne thermal coal market and it also estimates that if a policy scenario succeeded in limiting global warming to two degrees Celsius, there could be a potential increase of Australian thermal coal exports.

However, other analysts forecast that successful global action to reach the two degrees target could lead to Asian thermal coal imports declining from 673 million tons in 2016 to 433 million tons in 2035. This would mean Australian thermal coal exports could decline from 210 million tons in 2016 to 135 million tons in 2035. In light of this inconsistency, has Aurizon modelled the potential impact of a decrease in Australian thermal coal exports on Aurizon's profitability and if so, what is the magnitude of this impact?

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**Tim Poole - Aurizon - Chairman**

Thank you. It's a really interesting point and it's fundamental to the core of our business. It is an issue that exercises our mind and I can assure you that we look at all scenarios, both worst case scenarios and more optimistic scenarios, about the future of coal, not only thermal coal but also metallurgical coal. A lot of our views, our base case views and risk adjusted views to the downside and upside are covered in our Sustainability Report so I encourage everyone as I said in my address to have a look at it.



Our fundamental view, and I do acknowledge that there are many, many views out there in terms of the outlook particularly for thermal coal. Some are very pessimistic and some are much more optimistic. Our fundamental view is that the future of Australian thermal coal is very sound. We believe that high quality Australian thermal coal will continue to take market share off other countries who provide coal at the other end of the spectrum, so either high ash content or lower energy which is not suitable for the ultra-critical coal-fired generation plants that are being built in the world today.

So we think, our fundamental view is that Australian thermal coal has a future, has a long-term future and will continue to take market share and in fact it's actually better for the environment if Australian thermal coal with its higher quality actually displaces dirtier coal from other parts of the world. So that's our view and that's our base case view as we've set out in our Sustainability Report but thank you for your two questions.

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**Michael Waterhouse - Australian Shareholders' Association**

Michael Waterhouse, Australian Shareholders' Association. Now I echo the voices of half a million shares representing about AUD2.5 million. First, I'd like also echo your congratulations to our CEO in all his efforts to diversify the Company. It's good to see First Nation peoples being employed across the state and the nation and you're one of the companies that have done that. As an Australian, I'd like to see that done more and thank you for all the efforts. It wasn't an easy effort and it won't be in the future, continuous education and improvement is the way to go.

But I wanted to ask two questions of you, Mr. Chairman. One is one out of the blue, but it's important, I think, for retail shareholders. Does the Company have a political donation policy? The reason I ask that is the Australian Electoral Commission reports 18 months after an election or thereabouts. And I note, on that list, Aurizon is on that list. And I want to know, from the Board's perspective, have you set a policy of political donations throughout the Company to guide the Company in what it wants to do and what is that policy? And can you please make it very transparent and public?

The second question is a bit more financial. It's about buyback of shares. Now buyback of shares we've spent, if I recall, AUD370 million to purchase 75.5 million shares over the space of about 18 months or close to two years. The share price has gone down, whether you look at it from the market perspective or whether you look at it from an equity point of view.

Now the theory about buyback shares, as I understand it, is that if I buy back 10% of the shares, my share price should go up 10%. So the way we measure it -- and I know there's a lot of factors going on -- but since this is a practice by many companies on the Australian stock exchange, could we please get a methodology to prove what the return on that investment is; on AUD370 million did you get 10.5% return or better, because if that's what your target is for the rest of the investments, why can't you have the same target? And if it's not that target, then give it back to the shareholders by other means. Thank you.

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**Tim Poole - Aurizon - Chairman**

Thanks, Michael, and good morning. In relation to your first question, the Board does have a policy in relation to political donations which is we don't make them. So it's just a very simple answer to that question.

In relation to your second question, you and I are going to keep talking about buybacks for a long time, I can feel it. So, but let me just reiterate why we decided to undertake the buyback. There's essentially two reasons. One is when the -- prior to the buyback the gearing of the Company was sitting below the level that it should do, particularly in relation to our regulated network business, the regulator, the QCA gives us 55% gearing in our weighted average cost of capital. And if we run gearing at a lower level, we're essentially destroying value vis-a-vis that regulatory case. So it's very important, from the Board's perspective, to provide the right set of returns for shareholders that we run gearing at least at the level provided by the regulator in our WACC.

So given that we're already -- we've already shifted the payout ratio to 100%, we couldn't lift the dividends higher to try and increase our gearing. So buybacks was one option available to us. We couldn't do it off-market, because we didn't have franking credits. We also are limited by the fact that we don't have surplus reserves on the equity side of our balance sheet due to a quirk at the time of privatization. So we actually had relatively few means to try and increase the gearing to that regulatory 55% and buybacks was one of them. So that's one of the key reasons that we undertook the buyback.

The other one, the other reason, which is also critically important and alluded to in your question is, when we were buying back those shares, the forward-look return on the money we were spending to buy back the shares was very attractive. There are many analyst reports in the market that publish IRRs or internal rates of return on buying the shares today and what the forward-look looks like. So many of you would be able to look up those analyst reports and see even where the share price is today, if we were buying back shares what the forward-look return is.





And the Board formed the view that the risk adjusted return for buying back our shares at the prices we did was a very attractive return on the capital we employed. So in terms of lifting our gearing and the rate of return that we're getting on buying back those shares, for us it was something that was very appropriate for us to do.

Are there any other questions?

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**Unidentified Audience Member**

(Inaudible). Two questions. At the end of last year in Paris the world's government agreed to keep global warming between two degrees -- below two degrees. The agreement will become legally binding on November 4. And the Australian government has promised to ratify it before the end of the year. To achieve this, the latest science shows that at least 80% of current proven and probable fossil fuel reserves will need to be kept in the ground. This implies a lot of fossil-fuel companies won't be able to burn their reserves and the money spent on exploration is money wasted. That means there is trillions of dollars' worth of value that will gradually or suddenly disappear from fossil-fuel companies.

So what is the Board's view on this, and when this correction in the value of fossil-fuel companies will occur? And what plans does the Board have in place to avoid massive losses during the global transition away from thermal coal?

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**Tim Poole - Aurizon - Chairman**

So as I highlighted in answer to the previous gentleman's question, the Board's view -- and you can actually see it in our sustainability report -- the market is already shifting. Other parts of the world, as I said earlier, where there are coal not of the same quality as Australian thermal coal, you're actually seeing market share fall quite dramatically. So the US, for example, the reduction in thermal coal exports out of the US has been quite dramatic. Other parts of the world, as I say, where thermal coal is lower quality, you're already seeing the market already adjusting.

But what you're seeing in Australia is market share is actually increasing because of the quality of our coal. So emerging Asia needs thermal coal for a very, very, very long time into the future. And, as I said before, the environment will be better off if that adjustment continues where lower-quality thermal coal is displaced for higher-quality Australian thermal coal. And that's the Board's view. And your second question?

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**Unidentified Audience Member**

So Paul Head, an above-ground miner, has recently been diagnosed with black lung disease. His case shows Michael Roche from the Queensland Resources Council was wrong when he said the disease was only confined to underground mining. Paul's case highlights the potentially devastating health effects to communities exposed to coal dust in above-ground situations such as from uncovered coal trains.

You've addressed coal dust in the FY16 sustainability report. However, it states that coal dust is unlikely to result in any additional adverse health effects for people living along the rail corridor. And the main mitigant in place is merely monitoring dust levels.

In the light of these revelations regarding black lung, can you confirm that you'll be covering coal trains that are travelling through or near residential suburbs in order to avoid potential future litigation or reputational damage?

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**Tim Poole - Aurizon - Chairman**

So this is an issue that we take very seriously. And for many years we have been veneering the top of the wagons to ensure that coal dust is minimized to the greatest extent possible. We and the authorities do a lot of monitoring in relation to coal dust to see what impact it is having and how much is being released. So we believe that the issue is being appropriately managed. We certainly monitor the health and wellbeing of our staff as well to ensure that the issue is being well managed.

Lance, is there anything else that you'd like to add in this space?

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**Lance Hockridge - Aurizon - CEO and Managing Director**



Only to reiterate what you've said, Chairman, and to also indicate that we continue to work very closely with the Queensland Resource Council who are managing this whole issue on behalf of the industry. And the utmost care and attention is being paid to it.

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**Tim Poole - Aurizon - Chairman**

Thank you. Thank you for your questions. Are there any other questions? Yes, please.

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**Unidentified Audience Member**

(technical difficulty) Board's attention to what seems to be one of the key objectives in the annual report, and that's the operating ratio. Now, if you read some of the commentary by the North American experts on rail transportation, and you can read in some of the current information that I have, and I'd like to point out in particular the chief of Burlington Northern Sante Fe Railroad in the United States, Matt Rose, said that operating ratio should be the figure of whatever it is; not to try and strive to reduce that percentage. What we need is leadership in customer satisfaction instead of worrying about things like operating ratio. Thank you.

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**Tim Poole - Aurizon - Chairman**

Thank you, sir. I'm not sure there was a question there, but in terms of -- we do obviously monitor operating ratio very closely because it's effectively an EBIT margin so it goes to the heart of profitability of our business and to the return we're earning on the capital we've got employed in the business.

But we -- so we are passionate about that number. And we are passionate about reducing it because we believe that will -- that's fundamental to the sustainability of our business. But I assure you that it's not the only metric that we watch. Customer satisfaction, employee satisfaction, there are many other measures that we watch as a Board and leadership team to measure the health and prosperity of the business. So you're right; no one should look at OR exclusively and we don't. We look at a range of measures.

Thank you for your question. Please.

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**Ken Rolland Shareholder**

[Ken Rolland]. Mr. Chairman. Thank you for the opportunity to ask you a question. Looking at the sustainability report here, I'm looking at a section of your rail network that runs from Toowoomba down through Warwick. And you have what they call the South-West line out towards Goondiwindi and I think maybe Dirranbandi. And I have an interest in Warwick. Sometimes when I'm up there I see the Aurizon haulage train going across through the upper end of Albion street where I live when I'm up there. So I wonder, can you or the CEO or anybody on the Board enlighten me as to whether that's a profitable part of your business, that South-West line?

And with the lot of talk in the papers up there about the new railway line that they're going to build through the Inland, from Melbourne up to Brisbane, and there's great debate in the papers as to exactly where that line is going to go. And the Federal Minister for Infrastructure I think he says, give us another couple of months and we'll give you our decision. So all that area there is very interested in what's going on. And I'm wondering what the future of that line might be in the future. Can you enlighten me at all? Thank you.

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**Tim Poole - Aurizon - Chairman**

Thank you. In relation to the second part of the question, in relation to Inland Rail, you're absolutely right. That is still up for debate. And we don't have any better certainty in terms of the alignment.

In relation to the first part of your question, Lance, are you able to answer that question?

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**Lance Hockridge - Aurizon - CEO and Managing Director**



Our -- look, well, firstly to acknowledge Mauro Neves who is the Head of Customers, who is here and who can follow up. Our predominant trade in that part of the world is in fact coal. And our coal goes via Toowoomba into, for example, the New Hope. So we have very little, if anything, other than that in that part of the world. Most of the train services I think that you would refer to are in fact Queensland Rail train services.

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**Tim Poole - Aurizon - Chairman**

If you come and see me after the meeting, I'm very happy to put you in touch with some of our executives up here who can probably give you a little further elaboration. So, thank you. Are there any other questions at this stage?

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**Mike Deckman Shareholder**

[Mike Deckman]. Mr. Chairman, thanks for taking the time to take my question. As a shareholder and also as a service provider to the Aurizon CQCN particularly, I have some -- I applaud Aurizon, firstly, in its evolution in procurement, more so recently. And we applaud Aurizon's sites for ZERO Harm. However, we have noticed that in this new year, in the last 12 months, it's also been challenging, that ZERO Harm might be fragile in some or all of the changes we're seeing. And this is -- I'm concerned as a shareholder and, secondly, as a service provider.

Where -- and this is a question to any member of the Board -- is a service provider to go when we're seeing some challenging situations which we consider will affect the ZERO Harm? We've raised matters with PMs, heads of procurement, only to be ignored. I have concerns in that regard when we've provided documented comments which have, we believe, been dismissed inappropriately. So who would we approach, independently?

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**Tim Poole - Aurizon - Chairman**

So clearly I'm not able to answer that and you haven't raised, actually, any specifics. But we do have members of our senior leadership team. And I think you referred to the fact that you're doing work on the network. And we do have Alex Kummant here who is the EVP responsible for our network business. So if you come and see me after the meeting, I'll introduce you to Alex and we'll actually see whether we can deal with your particular concern.

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**Mike Deckman Shareholder**

Thank you, because I do believe it could affect the bottom line.

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**Tim Poole - Aurizon - Chairman**

Thank you. Are there any other questions? If there are no other questions, then I'll declare that the reports have been received and considered at the meeting. And we will now move to the next item of business.

## PRESENTATION

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**Tim Poole - Aurizon - Chairman**

So Item 2 relates to the election of directors. Russell Caplan retires in rotation, in accordance with the Company's constitution and seeks re-election. Michael Fraser and Kate Vidgen, as directors appointed during the year and in accordance with the Company's constitution, will seek election at this year's meeting. Each election motion is an ordinary resolution and will be voted on separately.

As a matter of process, I'll ask each director standing for re-election or election to introduce themselves to the meeting.

Item 2(a) is the election of Russell Caplan. Russell joined the Company's Board on September 14, 2010. Details of Russell's background, qualifications and experience are set out in the Notice of Meeting. I will now ask Russell to introduce himself and to say a few words.



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**Russell Caplan - Aurizon Holdings Limited - Independent Non-Executive Director**

Good morning, ladies and gentlemen. I'm Russell Caplan. I've been a Director of your Company since the float in 2010. I'm the Chair of the Board's Remuneration Committee. And I sit on the Audit, Risk Management and Governance Committee.

I'm pleased to present myself for re-election to the Board today. In my time on the Aurizon Board I've tried to support and challenge management to create value. I've used my commercial, executive experience, gained in a 42-year international career with the Shell Oil Company, and my commercial governance experience gained as Chairman of Orica and formerly as a Director of Woodside.

I've been pleased to contribute to the emergence and development of Aurizon as a safe, thriving, independent commercial entity. And on what is a continuing journey, many things have gone well, improving the business dramatically and generating sustainable value. But not everything has gone as well as we had wished. We have taken some risks and we have made some investments that have not met our expectations and that have had to be written off. From this experience I've learned valuable lessons, especially about capital allocation, that will serve the Company well into the future.

Since the float, Aurizon has navigated the ups and downs of the resources' business cycle. And I'm convinced that, based on the Company's ongoing program of aggressive self-help measures, driven by a renewed management team, Aurizon is well placed to serve our customers throughout the cycle and to create value for our investors while doing so.

I'm pleased to be a Member of your Board. And if you choose to re-elect me today, I look forward to working with my diverse and commercially accomplished colleagues to continue to support and challenge management for the benefit of all of our stakeholders. Thank you.

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**Tim Poole - Aurizon - Chairman**

Thank you, Russell. The Board, with Mr. Caplan abstaining, recommends that shareholders vote in favor of the re-election of Russell Caplan as a Director of the Company. The resolution before the meeting is that Russell Caplan, who retires by rotation and being eligible, be re-elected as a Director of the Company. Is there anyone who wishes to ask a question in relation to this motion?

If there are no questions, I will now put the resolution to the meeting. Displayed on the screens behind me are details of the proxies received in relation to the re-election of Mr. Caplan. As this item will be determined by poll, if you have not already done so, you should mark the reverse side of your voting card in relation to Item 2(a).

The next item is the election of Mr. Michael Fraser. Michael joined the Company's Board on February 15, 2016. Details of Michael's background, qualifications and experience are also set out in the Notice of Meeting. I will now ask Michael to introduce himself and to say a few words.

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**Michael Fraser - Aurizon Holdings Limited - Independent Non-Executive Director**

Thank you, Chairman, and good morning to all of our shareholders who are here today. I was delighted when I was invited to join the Board of Aurizon because it's a company which I believe I can make a real contribution to as the Non-Executive Director.

My experience over the last 30 years has involved working across all aspects of the Australian energy industry, including seven and a half years as Managing Director and CEO of AGL Energy. And many of the issues that I've had to deal with in that time I believe are very relevant to Aurizon's business today. The capital-intensive nature of the railroad business, the long-term investment horizons, the exposure to the resource sector, the cultural and operational transformational changes that the Company is going through and the heavy involvement of the QCA as the regulator of our below-rail business, are all matters with which I'm very familiar.

When I joined the Board earlier this year, Tim asked me to chair the Aurizon Network Board which is responsible for the regulated part of our business. This is a role where I believe I can make a particular contribution to the Company, given my past extensive dealings with regulators in all shapes and forms across the country, including the QCA.

I believe my background and experience leave me well placed to make a contribution to the Company's future. And I'd be delighted to be elected as a Director by shareholders this morning. Thank you.



**Tim Poole - Aurizon - Chairman**

Thank you, Michael. The Board, with Mr. Fraser abstaining, recommends that shareholders vote in favor of the election of Michael Fraser as a Director of the Company. The resolution before the meeting is that Michael Fraser, who was appointed to the Board and being eligible, be elected as a Director of the Company. Is there anyone who wishes to ask a question in relation to this motion?

**QUESTION AND ANSWER**

**Katie Petersall Shareholder**

[Katie Petersall]. All I want to say is that I can't see anything on this blue card so I cannot vote because the lighting is very dim. So can we have a little more light? Thank you.

**Tim Poole - Aurizon - Chairman**

Thank you for that. I think we can accommodate a bit more light. So hopefully the lights will come up a bit. Thank you. And what we might do at the end is actually put them even more when I stop talking, to give you a chance to see even better.

**PRESENTATION**

**Tim Poole - Aurizon - Chairman**

If there are no more questions, I'll now put the resolution to the meeting. Displayed on the screens behind me are the details of the proxies received in relation to the election of Mr. Fraser. As this item will be determined by poll, if you have not already done so, you should mark the reverse side of your voting card in relation to Item 2(b); that is assuming you can actually see. So hopefully that's a little bit better.

Okay. Moving on to Item 2(c) which is the election of Kate Vidgen. Kate joined the Board, the Company's Board, on July 25, 2016. Details of Kate's background, qualifications and experience are also set out in the Notice of Meeting. I'll now ask Kate to introduce herself and to say a few words.

**Kate Vidgen - Aurizon Holdings Limited - Independent Non-Executive Director**

Good morning, shareholders. I was very pleased to be asked to join the Aurizon Board earlier this year. I have spent more than 18 years in Macquarie Group working primarily in infrastructure, bulk commodities and energy. During this time, I have not only worked advising Australian entities on M&A and debt and equity ratings, but also as an investor and an asset manager. I have had particular focus on regulated assets and I am very keen to use this experience to assist Aurizon in gaining the best possible outcomes from UT5 and beyond. I have also worked very closely with many of Aurizon's customers and think, therefore, I understand their objectives and drivers. I hope this knowledge can assist Aurizon to improve and enhance its partnerships with its customers.

I'm also the Chair of Quadrant Energy, a major oil and gas company. I'm involved in all aspects of this business, but most importantly I have been very involved in developing a cost-management plan and a new, long-term strategy for the company, which has provided much more certainty for its shareholders.

Obviously, the oil and gas sector has been very challenged in the last couple of years. I believe this experience can help Aurizon and our new CEO shape the strategic direction of the Company going forward.

Importantly, for Quadrant Energy, we have spent a great deal of time on safety and the importance of zero harm to our employees. It is of critical importance to me that our staff return to their families in good health and free from harm. This is an objective that is common with Aurizon and my fellow directors and I believe in the value of shared experience in this regard.



I'm a serving Member of the Aurizon Remuneration Committee and I sit also on the Network's Board. I believe this is an exciting time for Aurizon. And while there are many challenges, there are also many opportunities. I carefully considered the appointment before accepting the role and believe I have sufficient time and energy to fully perform my duties. I would be delighted to be elected by shareholders today.

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**Tim Poole - Aurizon - Chairman**

Thank you, Kate. The Board, with Ms. Vidgen abstaining, recommends that shareholders vote in favor of the election of Kate Vidgen as a Director of the Company. The resolution before the meeting is that Kate Vidgen, who was appointed to the Board and being eligible, be elected as a Director of the Company. Is there anyone who would like to ask a question in relation to this motion?

If there are no questions, I will now put the resolution to the meeting. Once again, the slides on the screens behind me are details of the proxies received in relation to the election of Ms. Vidgen.

Again, as this item will be determined by poll, if you have not already done so, you should mark the reverse side of your voting card in relation to Item 2(c).

Moving on to Item 3. Item 3 relates to the adoption of the Company's remuneration report for the financial year ended June 30, 2016 and is set out on pages 23 to 36 of the 2016 annual report. The remuneration report sets out the Board's remuneration policy for its executives, employees and directors. The Company strives to ensure that its remuneration report is clear, transparent and demonstrates your Board's objective of ensuring the alignment of executive reward with the creation of shareholder value. And the current market practices have been duly considered in terms of both quantum and structure of the Company's remuneration framework.

The resolution before the meeting is that the remuneration report for the financial year ended June 30, 2016 be adopted. The Board unanimously recommends that shareholders vote in favor of adopting the remuneration report.

#### QUESTION AND ANSWER

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**Tim Poole - Aurizon - Chairman**

Is there anyone who would like to ask a question in relation to this motion? Michael.

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**Unidentified Audience Member**

Thank you, Mr. Chairman. First of all, really a number of comments around the details of the remuneration report that I want to make some comments on. People might not be fully aware, but it's strange. The shareholders' association have a long-term incentive aim to get it out to a five-year performance period. Now Aurizon in the past has had it as a three-year period. So I actually commend the move to a four-year period with a one-year hold back. And I think that's another reason why we're supporting it, because we're finally getting out to really reflect true long-term incentives for investments.

So the other thing that the Board has deleted from the past programs is the re-test, which is an issue that was a (inaudible) in as if they failed the performance period, you go back the next year and have a re-test on a different -- there might be a different hurdle height, but you could pass and get your reward back. From the shareholder point of view, we don't get a chance for a re-test. We either get the earnings per share or we get the share price appreciation over that period. And we either can sell our shares or continue on and collect the dividend. But if it fails, we feel the pain. And so we felt it's very important that those that are producing that result also feel the pain.

The Board has signaled to extend the period from three to four years beginning next year. And the Board has re-weighted the score cards so that the long-term aspect of it shows up. So the operational ratio has gone down to 15% of the total reward. The total shareholder return has gone up to 35%. But to me the most important piece was the last return on invested capital; it's gone to 50%. And again I commend that action. I think now we've got a long-term incentive that's almost there. It's four years plus a hold back. I'd love to see it tested over a five-year period. That really makes us have to really think about those investments and can we get a five-year result out of it. And I think that helps long-term incentive.

In terms of the short-term incentive, again I commend the Board for having the tenacity or the -- there's a lot of words you could use, but I won't -- to actually say we are not awarding any short-term incentive because the earnings per share target wasn't reached. Thank you for that. That was a discretionary decision of the Board and



we -- I don't have a problem personally with a discretionary decision of the Board as long as it's put out transparently in your report of what the grounds of that decision was.

However, I would -- we would like to see the earnings per share target for short-term to be a prerequisite of getting any other rewards. The reason being is the shareholder doesn't get any other rewards other than the results of the earnings per share and the follow through of may by dividends and so forth.

We believe that people go to work to do a good job. You don't have to give them an incentive, short-term incentive to do a good job. And so they should be paid adequately so they don't have to worry, financial concerns shouldn't worry them in the short term. The long term, fine, that's future down the road. But the short-term incentive to me, you're paid to do a good job and you should do a good job which improves the business and improves customer satisfaction, improves safety, etc.

And so I'd just like to see that discretion that the Board used this year to turn into policy that it's actually a pre-requisite to achieve the target on the financial side of things before you get the other targets of the non-financial. And thank you for the progress made to date. We support where you come from; we'd just like a few more tweaking. Thank you.

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**Tim Poole - Aurizon - Chairman**

Thanks, Michael. I appreciate your comments. And as you've highlighted, we do listen. We do listen to shareholders at this meeting. We do listen to our institutional shareholders clearly, as we spend a lot of time with them as well. So we do listen and we do genuinely listen.

We have moved, as you've highlighted, from three to four years on LTI. Whether or not we get to five years will -- remains to be seen, but it's certainly something that exercises our mind. You're quite right; we do run long-life infrastructure assets and other -- even our above-rail assets are long-life assets. So there's certainly merit in your arguments and it's why we've taken the LTI from three to four years.

In relation to one of the other comments you made at the end in terms of the -- in relation to the short-term incentive. What you're effectively saying is you'd like to see a gateway such that if we don't hit a certain financial performance, the STI opportunity doesn't open up for executives. That's an initiative that we have debated as a remuneration committee and as a Board over the last 12 months. Where we landed on that issue was the Board retains discretion in relation to STI payments. And we feel that that gives us the power that if we believe that the financial outcomes for the year or the complete outcomes for the year aren't in accordance with shareholder outcomes, then we can exercise our discretion.

So we resisted going to the formal gateway, but we retain that discretion. And we believe that gives us, as I say, the power to do as you say. And it's interesting; I was just reflecting, as you were talking about, focus on the financial outcome. And I -- it resonates with me and I absolutely understand it, because without financial performance we can't pay dividends and the share price doesn't go up. So there is absolutely a direct correlation between financial performance and shareholder outcomes.

But I was reflecting on the gentleman behind you and his question before about operating ratio and not having financial tests to the exclusion of other things. And as you will know from reading our rem report, our rem -- our STI measures for executives are not purely financial. There are other measures relating to health and safety and other very important things that we ask our executives to extend themselves to get the very best performance.

So I agree with your point, but we think we've got the right structure and the right payouts to make sure shareholder outcomes are reflected in executive remuneration. And I think this year demonstrates that.

Are there any other questions on the remuneration report? If there are no more questions, I will now put the resolution to the meeting.

**PRESENTATION**

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**Tim Poole - Aurizon - Chairman**

Once again, the slides on the screen behind me are the details of the proxies received in relation to Item 3. Importantly, the Company will disregard any votes cast on Item 3 by all the key management personnel and their closely related parties, except where that vote is cast by them as a proxy for a person who is entitled to vote and in accordance with the directions on the voting card.



As this item will also be determined by poll, if you have not already done so, you should mark the reverse side of your voting card in relation to item 3.

Ladies and gentlemen, this completes discussion of all the resolutions contained in the Notice of Meeting. Could all shareholders please complete and sign their voting cards as required and ensure they place their completed voting cards into the ballot boxes held by Computershare attendants as you leave the meeting. If you require assistance, please raise your hand and a representative from Computershare will come and assist you.

#### QUESTION AND ANSWER

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#### Unidentified Audience Member

Can I bring up a question? My name is [Gil]. I'm a shareholder with you guys. Last week I was listening to a ABC radio report about you guys having a train coming from out west, from Toowoomba into the docks of Brisbane. And they were saying about how coal is not covered and also a spray that goes over the coal that keeps the dust down. Now I think you guys are doing a pretty good job. But a lot of residents were saying there was a lot of dust which a lot of people were saying that it could have been from infrastructure.

Now, what came to my attention was a -- when the reporter was talking to one of the residents, they were finding a lot of coal along the railway tracks. Now, I'm just wondering, do you just have measurements of what you dig out and transport on to the docks and how much quality or amount of coal do you lose along the way?

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#### Tim Poole - Aurizon - Chairman

In relation to the first part of your question, as I said earlier, we do veneer the top, the top surface. So that does limit most of the dust coming off, which is very important; something we're not necessarily required to do but something we do to ensure dust is minimized.

Lance, have you got any comment in relation to actual measurement?

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#### Lance Hockridge - Aurizon - CEO and Managing Director

The measurement, Chairman, that is in our view more useful and relevant, is to measure what's actually alongside the railway line, which is done by the Queensland authorities, and continues to demonstrate that the proportion of coal dust in the make-up of what is regarded or typically referred to as dust is a very small proportion. There is much more, very much more, for example, which is brake dust or dust from passenger trains rather than coal dust, which goes to reinforce, Chairman, the message that you're making about the efficacy of both profiling, in other words making sure we've got the right shape of coal --

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#### Tim Poole - Aurizon - Chairman

Yes, yes.

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#### Lance Hockridge - Aurizon - CEO and Managing Director

-- in the wagons, and then veneering. It works and it works well.

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#### Unidentified Audience Member

Yes, that's fine. And I understand that question that you just gave me. But the question I'm referring to is there's a lot of droppings from coal actually along the train lines. And it is a profit for you guys losing along those because each train line has a lot of bumps and moving around. And I'm just wondering have you got a measurement of that price of what you guys are losing from transport from out west Toowoomba to the docks itself?

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#### Lance Hockridge - Aurizon - CEO and Managing Director





We don't as a matter of formality, but all of the evidence is that it's insignificant in the scheme of things. And you can imagine that if this were a matter of any significance, our customers would be very keen such a measure. My point, probably not expressed as well as might before, is that all of the evidence says that as a result of the profiling and the veneering, the amount of coal lost on route is frankly insignificant.

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**Tim Poole - Aurizon - Chairman**

Thank you for your question.

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**Unidentified Audience Member**

Hang on. Yes -- no, that's cool. And one of the residents asked can you just cover the top like a mesh over the carriages for that sort of thing. So I'm just questioning that as well for ABC radio and for people concerned for that sort of thing. Thank you.

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**Tim Poole - Aurizon - Chairman**

Thank you. As I said before, we don't believe that's required. We don't think that's necessary. But that's something we will look to continue to monitor, as we have been doing so. But thank you again for your question.

Does anyone need any further time to complete the voting card? If not, then I'll close the poll. And I note that the results of the voting will be notified to the ASX in accordance with the Corporations Act and will also be placed on the Company's website as soon as the results become available.

As there is no further business, I declare the meeting closed and invite you all to join the Board outside for refreshments. Thank you.

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