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Hamilton James & Bruce Group Limited (ASX: HJB)

ACN 091 302 975

CHAIRMAN'S ADDRESS

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

LEVEL 12, EXCHANGE CENTRE, 20 BRIDGE STREET, SYDNEY, NSW 2000

10:30 AM, 1 JULY 2010

Ladies and Gentlemen

Welcome to this extraordinary general meeting of shareholders of Hamilton James & Bruce Group Limited.

The purpose of this meeting is to consider an employee share plan that the Board has recommended be implemented, and if approved, the issue of shares and conditional shares to senior executives, so as to align the interests of senior executives with those of shareholders. There is also a proposal that shares be issued to the independent directors for cash.

The Board is committed to returning the performance of the Company to monthly profitability and to long term financial health so as to restore value in the Company's shares.

The first step in this process was the underwritten rights issue made in February this year. The successful capital raising of over \$2.6 million achieved a strengthening of the Company's balance sheet that has enabled it to move forward to consider investment strategies that will enhance its competitive position in the market.

The Board firmly believes that this process will be assisted if senior executives are also shareholders in the Company and that their medium to long-term performance goals are tied to shareholder value.

The tax regime for employee share plans has been complex and somewhat confused recently. The Board has, therefore, recommended quite a simple plan that involves the allotment of a fixed number of shares at a predetermined value, with the majority of those shares being subject to the conditions of the plan being satisfied. No options will be issued. It was felt that the uncertainty regarding the tax implications of options mitigated against using that method as an incentive to senior management.

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