

Dear Shareholder

Please find enclosed Notice of Auswide Bank Ltd's Annual General Meeting to be held in Bundaberg on Wednesday 27 November 2019 at 11:00am (Queensland time).

Full details of our 2018-2019 financial results are contained in our 2019 Financial Statements which have been lodged with the Australian Securities Exchange.

Our full 2019 Annual Report, including the Chairman's Report, has also been lodged with the Australian Securities Exchange and is now available on our website <http://www.auswidebankltd.com.au> under Shareholders – Annual Reports.

Printed copies of the 2019 Annual Report will be sent to Shareholders who have requested a printed copy in the near future.

Should you have any queries in respect of the Annual General Meeting or information contained in the Annual Report, please contact our Company Secretary, Bill Schafer on 07 4150 4075.

Yours faithfully



MJ BARRETT  
Managing Director

Enc.

*Small things. Big difference.*



## Need assistance?

 **Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

ABA

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.00am (Queensland time) on Monday, 25 November 2019.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each Item of Business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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## Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Auswide Bank Ltd ("Company") hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Auswide Bank Ltd to be held at **Auswide Bank Ltd, Level 3, 16 - 20 Barolin St, Bundaberg, Queensland 4670** on Wednesday, 27 November 2019 at 11.00am (Queensland time) ("Meeting") and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 1** (except where I/we have indicated a different voting intention in Step 2) even though **Item 1** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 1** by marking the appropriate box in Step 2.

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director (Professor J S Humphrey)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director (Mr B Dangerfield)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SPECIAL BUSINESS				
Resolution 4	Amendments to the Constitution of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to **vote** undirected proxies in favour of each Item of Business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare



Notice is hereby given that the **Annual General Meeting (“Meeting”)** of Auswide Bank Ltd ABN 40 087 652 060 (“**Company**”) will be held at 11.00am (Queensland time) on Wednesday, 27 November 2019 at Auswide Bank Ltd, Level 3, 16 – 20 Barolin St, Bundaberg, Queensland 4670.

**ORDINARY BUSINESS:**

**Financial Statements and Reports**

To receive and consider the financial statements and reports of the Directors and Auditor for the financial year ended 30 June 2019.

*There is no requirement for shareholders to approve these reports or statements. Accordingly, there will be no vote on this item of business.*

**Resolution 1 – Remuneration Report**

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That the Remuneration Report for the financial year ended 30 June 2019, as set out in the Company’s 2019 Annual Report, be adopted.”

*The vote on this resolution is advisory only and does not bind the Directors of the Company or the Company.*

*A voting exclusion applies to this resolution. Please refer to the accompanying Explanatory Memorandum for more information.*

**Resolution 2 – Re-election of Director (Professor J S Humphrey)**

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Professor J S Humphrey, who retires by rotation in accordance with rule 13.6 of the Company’s Constitution and being eligible, be re-elected as a Director of the Company.”

*Information about the candidate appears in the accompanying Explanatory Memorandum.*

**Resolution 3 – Re-election of Director (Mr B Dangerfield)**

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Mr B Dangerfield, who retires by rotation in accordance with rule 13.6 of the Company’s Constitution and being eligible, be re-elected as a Director of the Company.”

*Information about the candidate appears in the accompanying Explanatory Memorandum.*

**SPECIAL BUSINESS:**

**Resolution 4 – Amendments to the Constitution of the Company**

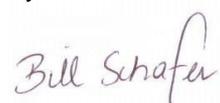
To consider and, if thought fit, to pass the following as a special resolution:

“That, in accordance with section 136(2) of the Corporations Act, the Company’s Constitution be modified by making the amendments contained in the document tabled at the Meeting and signed by the Chairperson for the purposes of identification.”

*Further information about the amendments to the Constitution of the Company is provided in the accompanying Explanatory Memorandum.*

**Dated 25 October 2019**

By order of the Board



William R. Schafer  
Company Secretary

## ENTITLEMENT TO VOTE

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) and ASX Settlement Operating Rule 5.6.1, the Company has determined that for the purposes of the Meeting, all ordinary shares in the Company shall be taken to be held by the persons who are registered as shareholders of the Company as at 7.00pm (Sydney time) on Monday, 25 November 2019 (“**Entitlement Time**”).

All holders of ordinary shares in the Company as at the Entitlement Time are entitled to attend and vote at the Meeting. Alternatively, holders of ordinary shares may appoint a proxy or proxies to attend and vote on their behalf (for further information see “Voting by Proxy”, below).

## ADMISSION TO THE MEETING

Shareholders who will be attending the Meeting and who will not be appointing a proxy are asked to bring the proxy form enclosed with this Notice of Meeting to the Meeting to help with registration.

## VOTES OF ELIGIBLE SHAREHOLDERS

Subject to the Company’s Constitution and to any rights or restrictions attaching to any class of shares:

- a) every person who is registered as a shareholder of the Company as at the Entitlement Time (“**Eligible Shareholder**”) may vote;
- b) on a show of hands every Eligible Shareholder has one vote; and
- c) on a poll every Eligible Shareholder has for each fully paid share in the Company held by the Eligible Shareholder, one vote.

## VOTING BY PROXY

An Eligible Shareholder who is entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on its behalf at the Meeting. A proxy need not be a shareholder of the Company.

An Eligible Shareholder who appoints two proxies must specify the proportion or number of votes each proxy is appointed to exercise. If an Eligible Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Eligible Shareholder’s votes each proxy may exercise, then each proxy may exercise half of the votes.

Shareholders should be aware that if one proxy is appointed to attend the Meeting and vote on behalf of the Eligible Shareholder that proxy may vote on a show of hands, but if two proxies are appointed, neither proxy may vote on a show of hands.

A proxy form, which includes further instructions, is enclosed with this Notice of Meeting. To be valid, the completed proxy form (together with the original or a certified copy of any Power of Attorney under which the proxy form is signed, if applicable) must be received by the Company’s share registry at the following address:

- Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne Victoria 3001  
Australia
- Or by fax:  
Within Australia: 1800 783 447  
Outside Australia: +61 3 9473 2555

Alternatively, you may lodge a proxy electronically, at [www.investorvote.com.au](http://www.investorvote.com.au).

To be effective, a completed proxy form must be received by the Company’s share registry by 11.00am (Queensland time) on Monday, 25 November 2019, being 48 hours before the commencement of the Meeting.

## CHANGE OF ELECTION FOR SHAREHOLDER COMMUNICATIONS & ANNUAL REPORT

The Company’s Annual Reports and Financial Statements are made available on-line at <http://www.auswidebankltd.com.au/> under Shareholders – Annual Reports. Please note that the default option for receiving your 2019 Annual Report is via our website. You have the choice of receiving an email when the Company’s 2019 Annual Report becomes available online or electing to receive a printed copy of the Company’s 2019 Annual Report. To change your current Annual Report election, please update your details online by visiting <http://www.computershare.com.au/easyupdate/aba>. If you do not have internet access please call 1300 308 185 and follow the voice instructions.

## **Explanatory Memorandum**

This Explanatory Memorandum has been prepared to assist shareholders and provides additional information on the resolutions to be considered at the Annual General Meeting (“**Meeting**”) of Auswide Bank Ltd ABN 40 087 652 060 (“**Company**”) to be held at 11.00am (Queensland time) on Wednesday, 27 November 2019 at Auswide Bank Ltd, Level 3, 16 – 20 Barolin St, Bundaberg, Queensland 4670, and forms part of the Notice of Meeting.

### **Ordinary Business:**

#### **Financial Statements and Reports**

The *Corporations Act 2001* (Cth) (“**Corporations Act**”) requires that the Directors’ Report, the Auditor’s Report and the Financial Statements of the Company for the financial year ended 30 June 2019 be laid before the Meeting. In addition, the Company’s Constitution provides for these Reports and Financial Statements to be received and considered at the Meeting. Apart from the matters involving the remuneration of members of the Company’s Key Management Personnel (“**KMP**”) which are required to be voted upon, neither the Corporations Act nor the Company’s Constitution require a vote of shareholders at the Meeting on such Reports or Financial Statements.

However, shareholders will be given a reasonable opportunity to ask the Company’s Auditor questions about the conduct of the audit and the preparation and content of the Auditor’s Report, the accounting policies adopted by the Company in its preparation of the Financial Statements and the independence of the Auditor in relation to the conduct of the audit, at the Meeting.

The Chairperson of the Meeting will also give shareholders a reasonable opportunity to ask questions about, or comment on, the management of the Company. In addition to taking questions at the Meeting, written questions to the Chairperson of the Meeting about the management of the Company may be submitted to:

The Company Secretary  
Auswide Bank Ltd  
Level 3, 16-20 Barolin Street  
Bundaberg QLD 4670  
Facsimile: +61 7 4152 3566  
Email: auswide@auswidebank.com.au

and must be received by **5.00pm (Queensland time) on, Wednesday, 20 November 2019.**

*There is no requirement for shareholders to approve these Reports or Financial Statements. Accordingly, there will be no vote on this item of business.*

#### **Resolution 1 – Remuneration Report**

Shareholders are asked to adopt the Remuneration Report. The Remuneration Report is set out on pages 37 to 45 of the Company’s 2019 Annual Report. The Chairperson of the Meeting will give shareholders a reasonable opportunity to ask questions about, and comment on, the Remuneration Report at the Meeting.

The vote on this resolution is advisory only and does not bind the Directors of the Company or the Company. The Directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report when reviewing the Company’s remuneration policies.

While the resolution is not binding on the Company, under the Corporations Act, if the resolution on the Company’s remuneration report receives votes against of 25% or more at two consecutive Annual General Meetings, a resolution must then be put to shareholders at the second Annual General Meeting as to whether another meeting should be held within 90 days at which all Directors of the Company (other than a Managing Director) who were in office at the date of approval of the applicable directors’ report must stand for re-election.

#### **Voting Exclusion Statement:**

In accordance with section 250R(4) of the Corporations Act, a vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either a member of the KMP of the Company (which includes the Directors of the Company) whose remuneration details are included in the Remuneration Report, or a closely related party (such as close family members and any entities the KMP controls) of such a person, unless:

- (a) it is cast by the person who is appointed in writing as a proxy for a shareholder who is entitled to vote, and the proxy form specifies the way the proxy is to vote on the resolution; or
- (b) it is cast by the Chairperson of the Meeting as proxy for a shareholder who is entitled to vote, and the proxy form does not specify the way the proxy is to vote on the resolution and expressly authorises the Chairperson of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

If the Chairperson of the Meeting is your proxy, and you fail to provide a voting direction in respect of Resolution 1 on the proxy form (which you may do by marking the 'For', 'Against' or 'Abstain' box opposite Resolution 1 on the proxy form), you are expressly authorising the Chairperson of the Meeting to vote in favour of Resolution 1 even if that resolution is connected directly or indirectly with the remuneration of Directors or members of the KMP of the Company. Subject to any applicable laws or voting exclusions, the Chairperson of the Meeting intends to vote all available proxies in favour of the resolutions in this Notice of Meeting (including Resolution 1).

*Noting that each Director has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Board of the Company recommends that shareholders vote in favour of Resolution 1.*

### **Resolution 2 – Re-election of Director (Professor J S Humphrey)**

#### **Professor John S Humphrey LLB**

Professor Humphrey was appointed to the Board on 19 February 2008, and was appointed Chairperson following the 2009 Annual General Meeting. He is a Senior Consultant in the Brisbane office of international law firm, King & Wood Mallesons, where he specialises in commercial law, corporate mergers and acquisitions. He served as Executive Dean of the Faculty of Law at Queensland University of Technology (until June 2019). He was a Non-Executive Director of Downer-EDI Limited (until November 2016) and Horizon Oil Limited (until November 2018), and is currently a Non-Executive Director of Spotless Group Holdings Ltd and Lynas Corporation Limited.

Professor Humphrey serves as Chairperson of the Board and is a member of the Audit Committee.

The Board of the Company considers that Professor Humphrey, if re-elected, will qualify as an independent Director of the Company.

*The Board of the Company (with Professor Humphrey abstaining) recommends that shareholders vote in favour of Resolution 2.*

### **Resolution 3 – Re-election of Director (Mr B Dangerfield)**

#### **Mr Barry Dangerfield**

Mr Dangerfield was appointed to the Board on 22 November 2011. Mr Dangerfield has had a successful 39 year banking career with Westpac Banking Corporation having held positions across Queensland and the Northern Territory of Regional Manager Business Banking, Head of Commercial and Agribusiness and Regional General Manager Retail Banking. Mr Dangerfield is currently a Director of the Bundaberg Friendly Society Medical Institute which operates the Friendly Society Private Hospital and Pharmacies in Bundaberg and he is Chairman of the Institutes Audit and Risk Committee and Chairman of the Institutes Remuneration Committee.

Mr Dangerfield serves as Chairperson of the Group Board Remuneration Committee, is a member of the Audit Committee and is a member of the Risk Committee.

The Board of the Company considers that Mr Dangerfield, if re-elected, will qualify as an independent Director of the Company.

*The Board of the Company (with Mr Dangerfield abstaining) recommends that shareholders vote in favour of Resolution 3.*

### **SPECIAL BUSINESS:**

#### **Resolution 4 – Amendments to the Constitution of the Company**

##### **Background and reasons for the proposal**

The constitution of the Company was originally adopted on 9 May 2000 and was most recently amended on 18 November 2015 in order to reflect certain changes to the Corporations Act, Listing Rules of the Australian Securities Exchange ("ASX") ("Listing Rules") and Australian Prudential Regulation Authority requirements ("Constitution"). A number of ancillary amendments were also made to the Constitution on 18 November 2015 to reflect the Company's current status, practices and ownership structure.

The Company has recently reviewed the Constitution and proposes to amend the Constitution in order to allow the Company to sell, or buy-back, small holdings in the Company which are less than a 'marketable parcel' (ie less than \$500), in accordance with the Listing Rules. The proposed new provisions are consistent with the constitutions of many listed companies, including many of those in the banking industry.

Several additional amendments are also proposed which update certain legacy provisions, outdated terminology, and reflect changes in law or market practice. These are detailed in the table below.

Under section 136 of the Corporations Act, amendments to the Constitution may only be made by a special resolution of shareholders.

##### **Overview of proposed amendments to the Constitution**

If requested, a copy of the proposed amended Constitution will be sent to shareholders (at no cost) by mail or electronically. A copy of the amended Constitution will also be available for inspection at the Meeting.

The following table summarises the proposed amendments to the Constitution. Unless otherwise stated, references to rule numbers below are references to the current rule in the Constitution (ie prior to the proposed amendments taking effect).

Article(s) affected	Summary of proposed amendment(s)
<p><b>Rule 3.1</b> (“Classes of Shares”)</p>	<p>It is proposed that rule 3.1 be amended to remove ‘Redeemable Preference Shares’ as an existing share class. Currently, the Company only has ordinary shares on issue.</p> <p>The ‘Redeemable Preference Shares’ previously on issue were cancelled in 2006. Accordingly, the proposed amendment results in rule 3.1 more accurately reflecting the current share structure of the Company.</p>
<p><b>Rule 12.1</b> (“Entitlement to vote”)</p>	<p>It is proposed that rule 12.1 be amended to clarify that a shareholder’s entitlement to vote under the Constitution is not only subject to the Constitution, but also to the Corporations Act and the Listing Rules.</p> <p>Currently, rule 12.1 provides that each shareholder may vote at a general meeting of shareholders, subject to the Constitution and to any rights or restrictions attaching to any class of shares. However, under the Corporations Act and the Listing Rules, certain individuals are prohibited from voting on, or in favour of, specific resolutions (eg KMP and their closely related parties are not permitted to vote on resolutions relating to remuneration). Accordingly, it is proposed that rule 12.1 be made expressly conditional upon the Corporations Act and the Listing Rules (as is the practice of the Company in any event).</p>
<p><b>Rule 12.6</b> (“Form and Execution of Instrument of Proxy”)</p>	<p>It is proposed that new rule 12.6(c) be inserted, and consequential amendments be made to rule 12.6(b), to detail the specific options available to the Company where a proxy or instrument is received and it is not properly executed or authenticated, or is incomplete or unclear. Under section 250A(2) of the Corporations Act, proxy forms which are missing certain details may still be accepted by the Company, provided the Constitution has an express provision addressing this.</p> <p>Accordingly, the proposed amendments clarify the following processes in respect of proxy appointments:</p> <ul style="list-style-type: none"> <li>(a) if a name, or the name of the office, of the proxy is not filled in or is unclear, then the proxy of that member will be the person specified by the Company in the instrument or form, or if no person is specified, the Chairperson of the meeting;</li> <li>(b) where a form or instrument has not been duly signed or authenticated, the Company may return the form or instrument to the appointing member and request the member sign or authenticate it and return it to the Company within a period determined by the Directors (which may be later than the time specified in the notice of meeting for the receipt of proxy appointments); and</li> <li>(c) where a form or instrument is incomplete or unclear, the Company is able to communicate with the member to clarify the appointment, and complete or amend an instrument or form to reflect instructions received from the member (which may occur later than the time specified in the notice of meeting for the receipt of proxy appointments).</li> </ul>
<p><b>Rule 12.7 (new)</b> (“Proxy or attorney at postponed meeting”)</p>	<p>It is proposed that new rule 12.7 be inserted to clarify that, where a general meeting is postponed, an appointment of a proxy or attorney remains valid unless the appointing member gives the Company written notice to the contrary at least 48 hours prior to the postponed meeting.</p> <p>This amendment has been proposed because the Constitution currently allows any general meeting to be postponed by the Directors, and the validity of proxies for postponed meetings is not otherwise dealt with in the Corporations Act.</p>
<p><b>Rule 13.6</b> (“Retirement by rotation”), <b>Rule 13.4</b> (“Additional and casual Directors”) and <b>Rule 17.1(g)</b></p>	<p>The Constitution currently provides that:</p> <ul style="list-style-type: none"> <li>(a) one third of the Directors (other than the Managing Director) must retire from office and seek election at each annual general meeting (“<b>One Third Retirement Requirement</b>”);</li> <li>(b) the Directors to retire by rotation at an annual general meeting are those who have been longest in office since their last election or appointment;</li> <li>(c) Directors appointed or elected on the same day may agree among themselves or determine by lot which of them must retire; and</li> <li>(d) a Director must retire from office at the conclusion of the third annual general meeting after the Director was last elected, even if his or her retirement results in more than one-third of all Directors retiring from office.</li> </ul> <p>The One Third Retirement Requirement is no longer required by law. Listing Rule 14.4 only requires that a director must not hold office without re-election past the third annual general</p>

	<p>meeting following the director's appointment (currently reflected in rule 13.6(d)), or three years (whichever is longer).</p> <p>It is proposed that the One Third Retirement Requirement, which reflects previous legislation regulating listed public companies, be removed. It is also proposed that minor consequential amendments to rules 13.4, 13.6 and 17.1(g) to reflect the removal of the One Third Retirement Requirement and current Listing Rules (as applicable), be made.</p> <p>In accordance with Listing Rule 14.5, there will still need to be an election of directors held at each annual general meeting and in the event that none of the Directors have reached their third term and there are no Directors who have been appointed to fill a casual vacancy and need to seek election, then the Director longest serving will be required to seek re-election.</p>
<b>Rule 13.7</b> ("Nomination of Director")	<p>The Constitution currently provides that, a notice for the nomination of a Director (other than a Director retiring by rotation or seeking re-election) must be delivered to the Company's registered office not less than 30 business days prior to a general meeting, unless the candidate was recommended for election by the Directors, in which case the notice must be left at the registered office no less than 28 days before the relevant general meeting.</p> <p>It is proposed that rule 13.7 be amended to extend the minimum time period for delivering the relevant notice of nomination to not less than 35 business days, and 30 business days (in the case of a candidate recommended for election by the Directors) respectively, in order to better align the Constitution with Listing Rule 14.3 and to facilitate adequate time for the Company to print and distribute the relevant materials to shareholders after a nomination is received.</p>
<b>Rule 16.9 (new)</b> ("Delegation of Directors' powers")	<p>It is proposed that new rule 16.9 be inserted to give the Directors the power to delegate any of their powers to any persons they select for any period, to be exercised for any objects and purposes on any terms and subject to any conditions and restrictions as they think fit, to the exclusion of the existing delegation power under section 198D of the Corporations Act.</p> <p>The reason for the proposed insertion of rule 16.9 is, if the Directors' delegate a power under section 198D of the Corporations Act, each of them is responsible under section 190(1) of the Corporations Act for the exercise of the power by the delegate as if the power has been exercised by the Directors themselves, unless the relevant Director discharges the onus of establishing the defence provided by section 190(2) of the Corporations Act.</p> <p>Under the general law, in contrast, a Director is liable for the wrongful or negligent act or omission of the delegate only if it is proved that the Director has also acted wrongfully or negligently. Accordingly, it is prudent from the perspective of the Company to avoid use of the power under section 198D of the Corporations Act and rely instead on the powers of delegation conferred by the proposed amendments to the Constitution.</p>
<b>Rule 21.2</b> ("Amend resolution to pay Dividend")	<p>It is proposed that rule 21.2 be amended such that the time period in which the Directors may amend or revoke a resolution to pay a dividend is increased. As currently drafted, the Constitution requires that, if the Directors decide to amend or revoke a resolution to pay a dividend, the decision must be made 9 business days prior to the record date. There is no legal requirement which prescribes this.</p> <p>Accordingly, to give the Company more flexibility in its decision to pay a dividend, it is proposed to amend the Constitution to enable the Directors to amend or revoke a resolution to pay a dividend at any time before the record date which has been notified to ASX for determining entitlements to that dividend.</p>
<b>Rule 21.9</b> ("Payment")	<p>It is proposed that rule 21.9 be updated to clarify that payments by the Company of a dividend or other money:</p> <ul style="list-style-type: none"> <li>(a) by cheque, are at the risk of the member and any cheque not presented for payment within 3 months may be cancelled by the Company; or</li> <li>(b) by direct credit, if the direct credit is unsuccessful as a result of incorrect payment details being provided by or on behalf of a member, the monies will be taken to be an unclaimed dividend and dealt with in accordance with rule 22.12.</li> </ul>
<b>Rule 21.10</b> ("Election to reinvest dividend") and <b>Rule 21.11</b> ("Election to accept Shares in lieu of dividend")	<p>It is proposed that the requirement that the approval by resolution of the Company in a general meeting be obtained in order for the Directors of the Company to establish, operate, rescind, vary or suspend a dividend reinvestment plan ("<b>DRP</b>") be removed.</p> <p>The DRP was initially introduced prior to 2000. The proposed amendment in effect removes a 'legacy' provision in the Constitution which does not reflect current law or practice. The DRP, and its operation, will remain subject to the Corporations Act, Listing Rules and the DRP rules.</p>
<b>Rule 23.1</b> ("Service of notices")	<p>It is proposed that the methods of service of notices by the Company be expanded to include that the Company may give a document by notifying the relevant person (by electronic means)</p>

	<p>that the document is available and how and where the document may be accessed, and by any other means permitted by law.</p> <p>This amendment will enable the Company to realise efficiency gains and cost savings in the distribution of notices, and will increase flexibility for members and other persons in the way they receive communications from the Company.</p>
<p><b>Rule 26</b> (“Indemnity”)</p>	<p>The term “executive officer” used in rule 26 is no longer in the Corporations Act and has been replaced with “senior manager”. “Senior manager” is a sub-class of, and is narrower than, “officer”.</p> <p>Accordingly, it is proposed that rule 26 be amended to replace references to “executive officer” with “senior manager”.</p>
<p><b>Rule 28 (new)</b>  (“Small Holdings”)</p>	<p>It is proposed that a new provision, rule 28, is inserted to allow the Company to sell, or buy-back, small holdings in the Company which are less than a “marketable parcel” (ie less than \$500) (“<b>Small Holding</b>”), in accordance with the Listing Rules.</p> <p>The proposed amendments will enable to Company to sell or buy-back these Small Holdings, and assist in reducing the administrative costs associated with the maintenance and management of that shareholder base.</p> <p>Under the proposed amendments regarding Small Holdings:</p> <ul style="list-style-type: none"> <li>(a) the Company may undertake a programme of selling or buying Small Holdings once in a 12 month period and will notify relevant members before doing so;</li> <li>(b) a member may, within a specified period, inform the Company that they wish to retain their Small Holding; and</li> <li>(c) under this programme, the Company (or the purchaser) will bear the costs of the sale or buy-back and the proceeds will be sent to the former members promptly after the sale or buy-back.</li> </ul> <p>Accordingly, this programme provides a cost effective means by which members can dispose of their Small Holdings.</p> <p>The proposed amendments also address new small holdings which are created by the transfer of a Small Holding after the date the new rule 28 comes into effect (“<b>New Small Holding</b>”), as follows:</p> <ul style="list-style-type: none"> <li>(a) the Company may sell or buy-back such New Small Holdings at any time (and more than once in a 12 month period, if the Company requires) and will notify relevant members before doing so; and</li> <li>(b) the proceeds of the sale or buy-back of New Small Holdings, less the costs of their sale, will be sent to the former members promptly after the sale or buy-back.</li> </ul>

*The Board of the Company recommends that shareholders vote in favour of Resolution 4.*