



## Proposed Changes to the Constitution - the Plain English Explanation

First, you should read the Notice of Extraordinary General Meeting, including the Information Statement, carefully and in full.

In summary, the Board believes that the Constitution needs to be changed in two major areas:

### Nature of the Resolutions

- **Selection criteria and process** – Resolution 1 seeks to:
  - expand the eligibility for Non-Member Directorship
  - enable postal ballots for Member Directors outside the usual annual schedule
  - permit Member Directors elected by postal ballot to take office earlier than the next annual general meeting
  - permit directors to appoint additional directors up to the maximum permitted as required or to fill casual vacancies, and allow the appointees to take office immediately
- **Number of directors – makeup of the Board** – Resolution 2 seeks to:
  - specify that the number of directors must be seven, made up of four Member Directors (shareholders) and three Non-Member Directors.

### Further details

#### ***Selection criteria and process (Resolution 1)***

The first change drops the need for an independent director to have a tertiary qualification and not less than 10 years' experience in an appropriate profession. The Board believes that these two requirements are unnecessarily restrictive and exclude applicants with skills and attributes that may be an asset to the Board and the Company.

The second change removes the requirement that nominations of candidates for election as Member Directors be received by a specific date in September, and instead gives the Board the flexibility to call for nominations of Member Directors by a date specified by the Company. For example, this change would allow the holding of the Member Director elections scheduled for next month.

The third change permits Member Directors elected by postal ballot (e.g. the next postal ballot in May) to take office after the next meeting of the Board which is held after the postal ballot, instead of waiting for the next Annual General Meeting in November.

The fourth change is about enabling the Board to keep its directors at the maximum number allowed under the Constitution. For example, currently there is only one Non-Member Director in office. Although the current Constitution allows for up to three Non-Member Directors to be appointed, the current Constitution would only allow appointments of further Non-Member Directors to take effect from the 2018 AGM (subject to confirmation by the Company at that AGM). The proposed change to the Constitution would allow further Non-Member Directors (and also further Member Directors, if that were required) to be appointed immediately, although such appointments would still be subject to confirmation by the Company at the next AGM.

#### ***Makeup of the Board (Resolution 2)***

You are being asked to vote that the total number of directors on the Board should be seven, comprising four Member Directors (shareholders like you) and three Non-Member Directors.