

# EXTRACT FROM THE CONSTITUTION OF ADIPS LIMITED

## 11. BOARD OF DIRECTORS

### 11.1 Number of Directors

- (a) The number of Directors of the Company (together called the **Board**), shall be not less than three (3) and not more than nine (9), not more than three of whom are resident in the same State or Territory and not more than two of the same Department or Unit.
- (b) The Initial Directors of the Company are the persons as nominated in Schedule 2.
- (c) The Company must have at least three (3) Directors, two (2) of whom ordinarily reside in Australia.
- (d) The Company may, by ordinary resolution of its Members, increase or decrease the minimum or maximum number of Directors (provided that the minimum must not fall below three as required by the Act) and may also determine in what rotation the Directors, appointed as the result of any such alteration, are to go out of office.

### 11.2 Eligibility for Election as Director

- (a) The Company in General Meeting shall confirm the election of a Financial Member as a Director as announced by the Returning Officer at such General Meeting.
- (b) The Board shall elect from its Directors such office bearers as it considers necessary.
- (c) The Auditor is ineligible to be elected or appointed as a Director.
- (d) The election of Directors shall take place by ballot prior to each second AGM and shall be held in accordance with clause 11.6.

### 11.3 First Annual General Meeting

- (a) At the first AGM of the Company, all the Initial Directors will be the persons named in Schedule 2.
- (b) The Initial Directors shall retire from office at a General Meeting to be held no later than six (6) months after the first AGM of the Company and shall be eligible to be elected as an Elected Director.

### 11.4 Rotation and Retirement of Elected Directors

- (a) At every second AGM of the Company three (3) Elected Directors will retire from office.

- (b) Where three (3) Directors do not voluntarily retire, those three (3) Directors who have been Directors for the longest period of time will retire. If three (3) or more of the longest serving Directors have been in office for the same period of time, the person or persons to retire will, in default of agreement, be determined by lot.
- (c) The vacancies on the Board created by the retirement of Directors pursuant to clause 11.4(a) will be filled by persons elected by members with the right to vote, subject to the provisions of clause 11.1(a).
- (d) Retiring Directors are eligible for re-election provided that they have not served as a Director for six (6) consecutive years.

#### **11.5 Nomination for election**

- (a) Each candidate for election as a Director must be proposed by a member and be seconded by another member.
- (b) A nomination of a candidate for election must be completed and returned to the Company in the form and within the time periods prescribed by the Board.

#### **11.6 Election procedure for Directors**

- (a) The Board may, subject to compliance with the Act, prescribe electronic or web-based voting in lieu of or in addition to, voting by ballot paper, in which case, any reference to:
  - (i) an address may be a reference to an electronic or web address as appropriate; and
  - (ii) a voting paper may be a reference to an electronic voting paper.
- (b) In employing an electronic or web-based voting system, the Board must ensure a secure method of identifying a Member by reference to a personal identification code allocated to the Member or any other manner approved by the Board.
- (c) If the number of nominated Directors is less than nine (9) then the Board will circulate a request for new nominations to Board. If there remains less than nine (9) total nominees then the Board may co-opt new Directors from amongst the Company membership.

#### **11.7 Time appointment or retirement takes effect**

Subject to the election result being declared by the chairman of the AGM, the elected Directors will take office and the retiring Directors will retire at the conclusion of that meeting. Elected Directors may attend the Board meeting immediately prior to the AGM but may not vote at that Board meeting.