

# Notice of Annual General Meeting

The Annual General Meeting of GWA Group Limited ABN 15 055 964 380 will be held in The Conference Room, Emporium Hotel, 1000 Ann Street, Fortitude Valley on Friday 24 October 2014 commencing at 10:30 am (Brisbane time).

## ORDINARY BUSINESS

### Accounts

To receive and consider the Company's Financial Statements for the financial year ended 30 June 2014 together with the statement and report by the directors and the report by the auditor in relation thereto.

### Re-election of Directors

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

1. That Mr Darryl McDonough, who retires as a director of the Company in accordance with clause 10.3 of the Company's Constitution, be re-elected as a director of the Company.
2. That Mr John Mulcahy, who retires as a director of the Company in accordance with clause 10.3 of the Company's Constitution, be re-elected as a director of the Company.

## SPECIAL BUSINESS

### Adoption of Remuneration Report

To consider the Remuneration Report as it appears in the Directors' Report for the year ended 30 June 2014, and if thought fit to pass, the following non-binding advisory resolution as an ordinary resolution in accordance with section 250R of the *Corporations Act*:

3. That the Remuneration Report for the year ended 30 June 2014 be adopted.

Note: The Company will disregard any votes cast on Resolution 3:

- by or on behalf of key management personnel (including directors) whose remuneration is included in the Remuneration Report (together **KMP**) and each closely related party of such person. However, the Company need not disregard a vote if it is cast by such a person or by such a closely related party as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP; or
- by the key management personnel whose remuneration is not included in the Remuneration Report (together **KMP**) and each closely related party of a KMP as proxy. However, the Company need not disregard a vote if it is cast by such a person or by such a closely related party as proxy in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.
- if you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the *Corporations Act*.

### Approval of grant of Performance Rights to Managing Director under the Long Term Incentive Plan

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

4. That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant of up to 265,000 Performance Rights (incorporating the right to acquire shares in the Company) to the Managing Director, Mr Peter Crowley, on the terms set out in the accompanying Explanatory Memorandum and under the GWA Group Limited Long Term Incentive Plan (LTIP) which is constituted and administered in accordance with the Rules of the LTIP.

Note: The Company will disregard any votes cast on Resolution 4 by any director (except one who is ineligible to participate in any employee incentive scheme of the Company) and any associates of such a director (together **Excluded Persons**). The Company will also disregard any votes cast on Resolution 4 by any key management personnel (including directors) (together **KMP**) and each closely related party of a KMP as proxy. However, the Company need not disregard a vote if it is cast by an Excluded Person, a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the *Corporations Act*.

### Approval of grant of Performance Rights to Executive Director under the Long Term Incentive Plan

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

5. That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant of up to 55,000 Performance Rights (incorporating the right to acquire shares in the Company) to the Executive Director, Mr Richard Thornton, on the terms set out in the accompanying Explanatory Memorandum and under the GWA Group Limited Long Term Incentive Plan (**LTIP**) which is constituted and administered in accordance with the Rules of the LTIP.

Note: The Company will disregard any votes cast on Resolution 5 by any director (except one who is ineligible to participate in any employee incentive scheme of the Company) and any associates of such a director (together **Excluded Persons**). The Company will also disregard any votes cast on Resolution 5 by any key management personnel (including directors) (together **KMP**) and each closely related party of a KMP as proxy. However, the Company need not disregard a vote if it is cast by an Excluded Person, a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the *Corporations Act*.

## Notice of Annual General Meeting Cont.

### Amendments to Constitution

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

6. That the Company's Constitution be amended in the manner provided in the constitution tabled at the meeting and initialed by the Chairman for the purposes of identification, with effect from the close of this meeting.

### Explanatory Memorandum

Accompanying this notice is an Explanatory Memorandum that provides shareholders with background information and further details on the resolutions to be considered at the meeting. The information provided is intended to assist shareholders in understanding the reasons for and the effect of the resolutions, if passed. Information is also presented in accordance with the requirements of the *Corporations Act* and the Listing Rules. Terms defined in the Explanatory Memorandum and used in this notice bear the same meaning as in the Explanatory Memorandum.

### Voting Entitlements

The Board has determined that the entitlement of any person to vote at the meeting will be that person's entitlement as set out in the Company's Register of Members as at 7:00 pm (Brisbane time) on Wednesday 22 October 2014.

### Voting by Proxy

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies. A proxy need not be a member of the Company. A shareholder may appoint an individual or body corporate to act as its proxy. If a body corporate is appointed as proxy, the body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the *Corporations Act* to exercise its powers as proxy at the meeting. If two proxies are appointed, the appointment may specify the proportion or number of votes that the proxy may exercise. Otherwise, each proxy may exercise half the votes.

A proxy form accompanies this notice of meeting.

To be valid, the proxy form (together with the original or a certified copy of any power of attorney under which the proxy form is signed) must be received at:

- The Company's share registry – Computershare Investor Services Pty Limited, GPO Box 242 Melbourne Victoria 3001
- Facsimile – (Within Australia) – 1800 783 447 (Outside Australia) – +61 3 9473 2555

Alternatively, you can submit your proxy online at [www.investorvote.com.au](http://www.investorvote.com.au) quoting the 6 digit control number on the proxy form, or scan the QR code with your mobile device located on the front of the proxy form. Intermediary online subscribers (Custodians) can lodge a proxy online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

A proxy form must be received by 10:30 am (Brisbane time) on Wednesday 22 October 2014, being not less than 48 hours before the time for holding the meeting.

By Order of the Board

**R Thornton**  
**Executive Director**

8 September 2014

### EXPLANATORY MEMORANDUM

In this Explanatory Memorandum, the following terms have the following meanings:

“Company” means GWA Group Limited ABN 15 055 964 380

“director” means a director of the Company

“Constitution” means the Constitution of the Company

“*Corporations Act*” means the *Corporations Act 2001* (Cth)

“Listing Rules” means the Listing Rules of ASX Limited

### Accounts

As required by section 317 of the *Corporations Act*, the financial statements for the financial year ended 30 June 2014 together with the statement and report by the directors and the report by the auditor will be laid before the meeting. Members will be provided with the opportunity to ask questions about the reports. However, there will be no formal resolution put to the meeting.

### Ordinary Resolutions

Resolutions 1 to 5 (inclusive) are ordinary resolutions and will require the support of more than 50% of the votes cast at the meeting by members entitled to vote in order that they be passed.

### RESOLUTIONS 1 AND 2 – RE-ELECTION OF DIRECTORS

The Company's Constitution provides for the retirement of one-third of the directors from office at each Annual General Meeting. The directors who are to retire is determined according to the length of time each director has spent in office, with the director having spent the longest time in office retiring. By virtue of the Company's Constitution, Mr Darryl McDonough and Mr John Mulcahy are retiring by rotation at this Annual General Meeting and, being eligible, offer themselves for re-election as directors. Profiles of Messrs McDonough and Mulcahy are outlined below:

#### **Darryl McDonough** BBus (Acty), LLB (Hons), SJD, FCPA, FAICD **Independent Chairman and Non-Executive Director**

- Expertise: Experienced public company director and lawyer
- Special Responsibilities: Chairman of the Board and Nomination Committee and member of Remuneration and Audit and Risk Committees

Mr McDonough was appointed Deputy Chairman and Non-Executive Director of GWA Group Limited in 2009 and was appointed Chairman effective 30 October 2013. He has over 25 years of corporate experience as a director and lawyer. He has served as a director of a number of public companies in the past, including Bank of Queensland Limited and Super Retail Group Limited and is a Past-President of The Australian Institute of Company Directors, Queensland Division.

The Board considers Mr McDonough to be independent.

## Notice of Annual General Meeting Cont.

**John Mulcahy** PhD (Civil Engineering), FIE Aust  
**Independent Deputy Chairman and Non-Executive Director**

- Expertise: Civil engineer and experienced public company director
- Special Responsibilities: Member of Remuneration and Nomination Committees

Mr Mulcahy was appointed a Non-Executive Director of GWA Group Limited in 2010 and Deputy Chairman effective 30 October 2013. He is a Fellow of the Institute of Engineers and is a Non-Executive Director of Mirvac Group Limited, Coffey International Limited, ALS Limited and a Guardian of the Future Fund. He is the former Managing Director and Chief Executive Officer of Suncorp Group Limited (Suncorp). Prior to joining Suncorp, he held a number of senior executive roles at the Commonwealth Bank and Lend Lease Corporation.

The Board considers Mr Mulcahy to be independent.

### **Recommendation**

***The Board (other than Messrs McDonough and Mulcahy who are seeking re-election) recommends that you support the resolutions re-electing Messrs McDonough and Mulcahy as directors of the Company.***

### **RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT**

This resolution is a requirement of section 250R of the *Corporations Act*.

#### **Shareholders non-binding vote on the Remuneration Report**

Section 250R of the *Corporations Act* requires that the Company's members vote on whether or not the Remuneration Report should be adopted. This vote is advisory only and the outcome will not be binding on the Board.

Prior to holding this vote, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about the Remuneration Report.

#### **What is included in the Remuneration Report?**

The Remuneration Report includes information on how Company directors and certain executives are remunerated. More specifically, the report includes disclosure of all elements of the remuneration received by the Company's directors and other key management personnel.

The report also includes a discussion of the Board's policy for determining executive remuneration and the relationship between the Board's policy for determining remuneration and the Company's performance.

In respect of executives whose remuneration is linked to performance conditions, the report contains:

1. a summary of the performance conditions that attach to each element of their remuneration; and
2. an explanation of the relative proportions of those elements of their remuneration that are linked to performance conditions and those elements of their remuneration that are not.

In respect of executives who are employed under a contract, the report sets out the length of the contract, the notice period for terminating the contract and the amount of any termination payments payable under the contract.

### **Recommendation**

***The Remuneration Report forms part of the Directors' Report, adopted in accordance with a unanimous resolution of the directors. Each of the directors recommends the Remuneration Report to shareholders for adoption.***

### **RESOLUTION 4 – APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR UNDER THE LONG TERM INCENTIVE PLAN**

The Long Term Incentive Plan (**LTIP**) was approved by shareholders at the Annual General Meeting on 30 October 2008. Following shareholder feedback and advice from the Company's independent external remuneration adviser, Guerdon Associates, a number of important changes were made to the LTIP in 2014. These changes will apply to grants of Performance Rights to the Managing Director and Executive Director under the LTIP. The changes are as follows:

- Earnings Per Share (**EPS**) growth will be assessed relative to growth in dwelling completions. Growth in dwelling completions is a valid proxy for overall growth of the market for the Company's products because a strong historical correlation exists between the Company's EPS performance and dwelling completions. Assessing EPS growth against dwelling completions growth permits a fairer assessment of management performance relative to market opportunity; and
- Return on Funds Employed (**ROFE**) will replace relative Total Shareholder Return (**TSR**) as the second LTIP performance measure. As a measure of capital efficiency, the use of ROFE, together with the modified EPS growth hurdle, permits a more complete assessment of management performance.

The Board is satisfied that measuring EPS growth relative to market growth (i.e. dwelling completions) provides a more robust benchmark for assessing relative performance than the relative TSR hurdle used in previous LTIP grants. This is because relative EPS growth more directly focuses on factors management can influence, so that results will be less likely to fluctuate with general market sentiment.

The Board is seeking shareholder approval by ordinary resolution to the grant of up to 265,000 Performance Rights under the LTIP to the Managing Director, Mr Peter Crowley, in accordance with the requirements of Listing Rule 10.14.

A Performance Right is the right to receive one share in the Company, at no exercise price, if and when all applicable vesting conditions are satisfied.

Mr Crowley is eligible to receive \$626,840 in value of Performance Rights under the LTIP which is 40% of his fixed remuneration for FY15, potentially vesting over the performance period from 1 July 2014 to 30 June 2017. Performance Rights which do not vest will lapse and will not be re-tested.

## Notice of Annual General Meeting Cont.

The actual number of Performance Rights to be granted to Mr Crowley (to a maximum of 265,000 Performance Rights) will be determined based on the volume weighted average price of shares in the Company calculated over the 20 trading days after the Company's Annual General Meeting on 24 October 2014.

For example, based on a closing share price of \$2.75 as at 18 July 2014, Mr Crowley would be eligible to be granted 227,942 Performance Rights. He will receive the Performance Rights at no cost to him.

Performance Rights will vest depending upon the Company meeting or exceeding its performance hurdles during the three year performance period from 1 July 2014 to 30 June 2017. Note that the EPS growth over this period will be measured on a lag basis against Australian Bureau of Statistics (ABS) dwelling completions statistics from 1 April 2014 to 31 March 2017. Research indicates that earnings growth correlations with dwelling completions on a lag basis is a robust method for fair performance assessment.

The basis of the grant to Mr Crowley is as follows:

- 50% of the Performance Rights are subject to an EPS growth hurdle relative to dwelling completions growth; and
- 50% of the Performance Rights are subject to a ROFE hurdle.

The performance hurdles and vesting proportions for each measure that will apply to the grant of Performance Rights during FY15 are as follows:

<b>GWA Group Limited EPS compound annual growth rate (CAGR) relative to dwelling completions growth over three year performance period</b>	<b>Proportion of Performance Rights to Vest if EPS growth hurdle is met</b>
EPS CAGR less than dwelling completions CAGR	0%
EPS CAGR exceeding dwelling completions CAGR	12.5%
EPS CAGR exceeding dwelling completions CAGR up to 6%	Straight line vesting between 12.5% and 50%
EPS CAGR equal to dwelling completions CAGR plus 6% or higher	50% (i.e. 50% of total grant)

<b>GWA Group Limited ROFE over three year performance period</b>	<b>Proportion of Performance Rights to Vest if ROFE hurdle is met</b>
ROFE less than 15% per annum	0%
ROFE equal to 15% per annum	12.5%
ROFE between 15% and 18% per annum	Straight line vesting between 12.5% and 50%
ROFE equal to 18% or higher per annum	50% (i.e. 50% of total grant)

The EPS hurdle is calculated as net profit after tax as set out in the Company's audited financial statements divided by the weighted average number of ordinary shares on issue. The Board has discretion to make reasonable adjustments to the EPS figure where it is unduly distorted by significant or abnormal events. The use of any discretion and the reasons for it will be disclosed.

The base year EPS for the year ended 30 June 2014 for the purpose of the grant to Mr Crowley under the LTIP is 14.3 cents per share. The Board has exercised its discretion to adjust the EPS figure to exclude the significant items in FY14. This adjustment has the effect of increasing the base year EPS number from 6.1 cents to 14.3 cents and ensures the hurdle is reflective of underlying trading performance.

The dwelling completions number is obtained from the ABS and represents national moving annual total dwelling completions including conversions. The base year dwelling completions number for the year ended 31 March 2014 for the purposes of the grant to Mr Crowley under the LTIP is 153,011.

The ROFE hurdle is calculated as earnings before interest and tax (EBIT) divided by funds employed. Funds employed is calculated as net assets minus cash plus borrowings. The Board has discretion to make reasonable adjustments to the EBIT figure where it is unduly distorted by significant or abnormal events. The use of any discretion and the reasons for it will be disclosed.

Previously, 200,000 Performance Rights were granted to Mr Crowley on 24 February 2014 valued at \$3.12 per right, relating to the three year performance period 1 July 2013 to 30 June 2016. The grant was approved by shareholders at the Annual General Meeting on 30 October 2013. On the same date, 40,000 Performance Rights were granted to Mr Richard Thornton valued at \$3.12 per right. No amount was or is payable by Mr Crowley or Mr Thornton for these Performance Rights or for shares issued on exercise of these Performance Rights.

Mr Crowley and Mr Thornton are currently the only directors eligible under the LTIP rules to be granted Performance Rights. No person who requires approval to participate in the LTIP under Listing Rule 10.14 will be granted Performance Rights unless and until a separate shareholder approval is obtained for the purposes of Listing Rule 10.14.

No loans will be granted to Mr Crowley in relation to his participation in the LTIP.

In accordance with the rules of the LTIP, Mr Crowley is prohibited from entering into hedging transactions or arrangements which reduce or limit the economic risk of holding unvested Performance Rights.

Further, Mr Crowley will be prohibited from selling or disposing of any shares issued on vesting of the Performance Rights until the seventh anniversary of the grant date, and the shares will be subject to a holding lock upon issue. There are limited circumstances where the LTIP permits the sale or disposal of shares during the restriction period including cessation of employment with the Company or where approval is granted by the Board in its discretion.

## Notice of Annual General Meeting Cont.

Details of any Performance Rights granted under the LTIP (and shares issued upon their exercise) will be published in the Company's Annual Report relating to the period in which they have been granted, together with a note that approval of the grant was obtained under Listing Rule 10.14.

Grant of Performance Rights to Mr Crowley will be made no later than 12 months after the date of this meeting. Any issue of shares to Mr Crowley under this approval will be made no later than 3 years after the date of this meeting.

### **Recommendation**

***The Board (other than Messrs Crowley and Thornton who are not entitled to vote) recommends that you support the resolution approving the grant of up to 265,000 Performance Rights to the Managing Director, Mr Peter Crowley, under the terms of the Long Term Incentive Plan. None of the directors (other than Mr Crowley) has an interest in the outcome of Resolution 4.***

### **RESOLUTION 5 – APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR UNDER THE LONG TERM INCENTIVE PLAN**

The Board is seeking shareholder approval by ordinary resolution to the grant of up to 55,000 Performance Rights under the LTIP to the Executive Director, Mr Richard Thornton, in accordance with the requirements of Listing Rule 10.14.

Mr Thornton is eligible to receive \$122,862 in value of Performance Rights under the LTIP which is 30% of his fixed remuneration for FY15, potentially vesting over the performance period from 1 July 2014 to 30 June 2017. Performance Rights which do not vest will lapse and will not be re-tested.

The actual number of Performance Rights to be granted to Mr Thornton (to a maximum of 55,000 Performance Rights) will be determined based on the volume weighted average price of shares in the Company calculated over the 20 trading days after the Company's Annual General Meeting on 24 October 2014.

For example, based on a closing share price of \$2.75 as at 18 July 2014, Mr Thornton would be eligible to be granted 44,677 Performance Rights. He will receive the Performance Rights at no cost to him.

Performance Rights will vest depending upon the Company meeting or exceeding its performance hurdles during the specified three year performance period of 1 July 2014 to 30 June 2017. Due to the late availability of June 2014 quarter dwelling completions from the ABS, for the purposes of the EPS growth hurdle dwelling completions is measured over the performance period from 1 April 2014 to 31 March 2017.

The basis of the grant to Mr Thornton and the performance hurdles and vesting proportions for each measure are the same as outlined above for the grant of Performance Rights to Mr Crowley.

Previously, 40,000 Performance Rights were granted to Mr Thornton on 24 February 2014 valued at \$3.12 per right, relating to the three year performance period 1 July 2013 to 30 June 2016. The grant was approved by shareholders at the Annual General Meeting on 30 October 2013. On the same date, 200,000 Performance Rights were granted to Mr Peter Crowley valued at \$3.12 per right. No amount was or is payable by Mr Thornton or Mr Crowley for these Performance Rights or for shares issued on exercise of these Performance Rights.

Mr Thornton and Mr Crowley are the only directors eligible under the LTIP rules to be granted Performance Rights. No person who requires approval to participate in the LTIP under Listing Rule 10.14 will be granted Performance Rights unless and until a separate shareholder approval is obtained for the purposes of Listing Rule 10.14.

No loans will be granted to Mr Thornton in relation to his participation in the LTIP. Mr Thornton will be subject to the same restrictions on entering into hedging transactions or arrangements, and restrictions on sales or disposals of shares, as are described above in relation to Mr Crowley.

Details of any Performance Rights granted under the LTIP (and shares issued upon their exercise) will be published in the Company's Annual Report relating to the period in which they have been granted, together with a note that approval of the grant was obtained under Listing Rule 10.14.

Grant of Performance Rights to Mr Thornton will be made no later than 12 months after the date of this meeting. Any issue of shares to Mr Thornton under this approval will be made no later than 3 years after the date of this meeting.

### **Recommendation**

***The Board (other than Messrs Thornton and Crowley who are not entitled to vote) recommends that you support the resolution approving the grant of up to 55,000 Performance Rights to the Executive Director, Mr Richard Thornton, under the terms of the Long Term Incentive Plan. None of the directors (other than Mr Thornton) has an interest in the outcome of Resolution 5.***

### **SPECIAL RESOLUTION**

Resolution 6 is a special resolution and will require the support of at least 75% of the votes cast at the meeting by members entitled to vote in order that it be passed.

### **RESOLUTION 6 – AMENDMENTS TO CONSTITUTION**

The Company proposes to amend its Constitution, as summarised below. The current Constitution was adopted in 1994 and was amended in 1998, 2007 and in 2010 (the last of these amendments being solely to update the Company's name in the Constitution). The Company has reviewed its Constitution and proposes a number of amendments, including to reflect current applicable law, the practices of the Company and to correct minor errors.

In summary, the amendments are as follows:

1. the definition of "Listing Rules" has been broadened to cover any other rules of ASX which may apply to the Company (refer clause 1.1);
2. provisions regarding 'Converting Preference Shares' have been deleted (the Company does not have any such Converting Preference Shares on issue) and replaced with a power for the Company to issue preference shares with shareholder approval, or with the terms as set out in clause 2.6 (refer clauses 2.5 and 2.6);
3. amendments have been made to provisions regarding shareholder approval on a variation of class rights to provide clarification and track wording in the *Corporations Act* in relation to seeking the consent in writing of shareholders in a class (refer clause 2.7);

## Notice of Annual General Meeting Cont.

4. the requirements for a proper written instrument of transfer for shares have been amended so that the instrument of transfer must be duly stamped (if required by law), and the directors may also require evidence as to the proper execution of the instrument of transfer (refer clause 5.4);
  5. the directors may, in addition to their existing powers, refuse to register certain transfers of shares where the transfer may breach Australian law or a court order, will create a small holding of shares, does not comply with the terms of an employee incentive scheme, or pursuant to the terms of issue of the shares (refer clause 5.6);
  6. the directors may apply for a holding lock in order to prevent or refuse a transfer of shares, where permitted by applicable law (refer clause 5.8);
  7. provisions regarding the keeping of a branch register of members have been deleted as not relevant (refer deleted clause 5.12), and references to subregisters and branch registers have been deleted from the definition of "Register" in clause 1.1;
  8. provisions regarding the items of business which are considered special and ordinary business at each general meeting (including annual general meeting) have been updated including to track wording in the *Corporations Act* (refer clause 8.7);
  9. amendments have been made to provisions regarding the requisitioning of meetings by members to provide clarification and track wording in the *Corporations Act* (refer clause 8.8);
  10. provisions regarding the calling of a poll at a meeting have been amended to provide that members may only call a poll where they have a right to vote on the resolution (as required by the *Corporations Act*), and to delete a provision which enabled a poll to be called based on amounts paid up on shares (refer clause 9.14);
  11. proxy forms must be in the form required by applicable laws (and not just the ASX listing rules) (refer clause 9.31);
  12. provisions regarding voting by directors on matters in which they have an interest have been amended to track the restrictions on public companies contained in the *Corporations Act*, and to delete a provision which enabled the Company in general meeting to suspend or relax such requirements (refer clause 10.21 and deleted clause 10.22);
  13. the circumstances by which a director's office becomes vacant have been expanded to include failure to be re-elected at an annual general meeting, a managing director or executive director ceasing to be an employee, or where a director becomes insolvent. A clarification has been inserted to provide that failure to attend directors' meetings (either personally or via an alternate director) may also constitute a vacation of office (refer clause 10.24);
  14. provisions have been inserted requiring the keeping of records of written resolutions of members and directors, and requiring minutes of meeting and written resolutions to signed within a reasonable time (refer clause 11.8 and 11.9);
  15. written resolutions of directors may now be effected by way of facsimile transmission or other document produced by electronic means (refer clause 12.26);
  16. provisions regarding the appointment of associate directors have been deleted as not relevant (refer deleted clause 12.37);
  17. provisions regarding the determination and payment of dividends have been updated to provide flexibility to pay dividends in accordance with applicable laws. Subject to applicable laws, the directors may determine that a dividend (whether interim, final or special) is payable and fix the amount, time for determining entitlements, time for payment and method of payment. New provisions have been inserted enabling dividends to be paid on different classes of shares, providing that the person named in the register at the time the dividend is paid is entitled to the dividend (unless the directors fix another time), and restricting dividends in respect of restricted shares and shares on which the Company has a lien (refer clauses 16.1 to 16.6);
  18. provisions regarding the setting aside of reserves out of the profits of the Company have been amended by removing references to dividends (refer clauses 16.8 to 16.10);
  19. the power of the directors to distribute assets in making payment of a dividend has been expanded to also cover reductions of capital, buy-backs and other situations. The provision for the Company to so direct in general meeting (where recommended by the directors) has been deleted (refer clause 16.15);
  20. dividends and other amounts payable in respect of shares may, in addition to being payable by cheque through the post, be credited to a nominated account or paid in any other manner as the directors resolve (refer clause 16.17);
  21. the methods for provision of notices under the Constitution have been expanded to enable notification that a notice is available for access by electronic means, where permitted by the *Corporations Act*, and a notice given in such fashion is deemed to have been served the next day (refer clause 18.1 and 18.4);
  22. new provisions have been inserted permitting the Company, subject to applicable laws, to sell existing or new small holdings where the holding constitutes less than a marketable parcel (refer clause 22) (a marketable parcel is, in summary, \$500 or more worth of shares);
  23. each member submits to the non-exclusive jurisdiction of the courts of Queensland and the Federal Court of Australia in relation to the Constitution, and invalidity of the Constitution pursuant to the law of one jurisdiction does not affect the Constitution beyond that invalidity in that jurisdiction (refer clause 23); and
  24. minor amendments have been made in several other clauses to update and make consistent the use of terminology, to correct typos and to correct cross referencing.
- A copy of the amended Constitution, marked-up to show amendments, is available from the Company's website at [www.gwagroup.com.au](http://www.gwagroup.com.au) under Investor Relations – Annual Reports.

### **Recommendation**

**The Board recommends that you support the resolution amending the Constitution.**