



Notice of Annual General Meeting and Explanatory Memorandum

Silver Chef Limited ACN 011 045 828

Definitions

A number of capitalised terms are used throughout this Notice of Annual General Meeting and Explanatory Memorandum. Except to the extent the context otherwise requires:

Term	Definition
Annual General Meeting or Meeting	means the annual general meeting convened by this Notice.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of Directors of the Company.
Chairman or Chair	means the chairman of the Company.
Company or Silver Chef	means Silver Chef Limited ACN 011 045 828.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Directors	means the directors of the Company.
Existing Constitution	means the current constitution of the Company as adopted on 11 December 2004.
Explanatory Memorandum	means the explanatory memorandum accompanying the Notice.
KMP	means key management personnel as defined in the Corporations Act.
Listing Rules	means the listing rules of ASX.
New Constitution	means the constitution that is proposed to be adopted as the new constitution of the Company pursuant to Resolution 7 as detailed in the Explanatory Memorandum.
Notice or Notice of Annual General Meeting	means this notice of Annual General Meeting.
Shareholders	means shareholders of the Company.

Notice of Annual General Meeting

Silver Chef Limited ACN 011 045 828

Notice is given that the Annual General Meeting of Silver Chef Limited ACN 011 045 828 (**Company**) will be held at:

Location	McCullough Robertson Lawyers, Level 11, Central Plaza Two, 66 Eagle Street, Brisbane
Date	Thursday, 24 October 2013
Time	2.00pm (Brisbane time)

Ordinary business

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the Directors and the auditor for the financial year ended 30 June 2013.

Resolution 1 – Adoption of remuneration report

To consider and, if in favour, to pass the following resolution:

'That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report of the Directors for the financial year ended 30 June 2013 be adopted.'

Notes

This resolution will be decided as if it were an ordinary resolution but under section 250R(3) of the Corporations Act the vote on this resolution is advisory only and does not bind the Directors or the Company.

Votes must not be cast on this resolution (in any capacity) by or on behalf of members of key management personnel (**KMP**) details of whose remuneration are included in the remuneration report or their closely related parties. Refer to note 6 below for further information.

Resolution 2 – Re-election of Mr Andrew Kemp

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

'That, for the purposes of rule 16.1 of the Existing Constitution and for all other purposes, Mr Andrew Kemp, who retires by rotation, and being eligible, be re-elected as a Director of the Company.'

Resolution 3 – Re-election of Ms Karen Penrose

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

'That, for the purposes of rule 16.1 of the Existing Constitution and for all other purposes, Ms Karen Penrose, who retires by rotation, and being eligible, be re-elected as a Director of the Company.'

Special business

Resolution 4 – Ratification and approval of previous issue of shares under Placement

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

*‘That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 961,538 fully paid ordinary shares to institutional investors by way of a placement on 18 March 2013 (**Placement**) as detailed in the Explanatory Memorandum.’*

Voting exclusion statement

Under Listing Rule 14.11, the Company will disregard any votes cast on this resolution by any person who participated in the Placement or their associate.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, under the directions on the proxy voting form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, under a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Ratification and approval of previous issue of shares under DRP Placement

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

*‘That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 432,744 fully paid ordinary shares to institutional investors by way of a placement of the shortfall under the Company’s Dividend Reinvestment Plan on 25 September 2013 (**DRP Placement**) as detailed in the Explanatory Memorandum.’*

Voting exclusion statement

Under Listing Rule 14.11, the Company will disregard any votes cast on this resolution by any person who participated in the DRP Placement or their associate.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, under the directions on the proxy voting form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, under a direction on the proxy form to vote as the proxy decides.

Resolution 6 – Increase in remuneration for non-executive Directors

To consider and, if in favour, pass the following resolution as an ordinary resolution:

'That, for the purposes of rule 13.3 of the Existing Constitution and Listing Rule 10.17 and for all other purposes, the maximum aggregate remuneration pool payable to non-executive Directors for their services to the Company be increased from \$250,000 per annum to \$310,000 per annum.'

Voting exclusion statement

Under Listing Rule 14.11, the Company will disregard any votes cast on this resolution by a Director or their associate.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, under the directions on the proxy voting form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, under a direction on the proxy form to vote as the proxy decides.

Resolution 7 – Adoption of New Constitution

To consider and, if in favour, pass the following resolution as a special resolution:

'That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Existing Constitution be repealed and the New Constitution adopted as the constitution of the Company, with immediate effect.'

General business

To consider any other business as may be lawfully put forward in accordance with the Existing Constitution.

Further information relating to the resolutions is set out in the Explanatory Memorandum.

Dated 23rd September 2013

By order of the Board



Don Mackenzie
Company Secretary

Notes

Voting

- 1 The Company has determined, that Shareholders who are on the Company's register at 7:00pm (AEST) on Tuesday, 22 October 2013 will be taken, for the purposes of the Annual General Meeting, to be entitled to attend and vote at the Meeting.

Proxies

- 2 A Shareholder who is entitled to vote at the Meeting may appoint:
 - (a) one proxy if the member is only entitled to one vote; or
 - (b) one or two proxies if the member is entitled to more than one vote.
- 3 Where a Shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.
- 4 If you require an additional proxy form, the Company will supply it on request.
- 5 A proxy need not be a Shareholder of the Company.
- 6 KMP or their closely related parties appointed as a proxy must not vote on a resolution connected directly or indirectly with the remuneration of KMP if the proxy is undirected unless:
 - (a) the proxy is the person chairing the Meeting; and
 - (b) the proxy appointment expressly authorises the person chairing the Meeting to vote undirected proxies on that resolution.
- 7 The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company, no later than 2:00pm (AEST) on Tuesday, 22 October 2013, either:
 - (a) in person at BoardRoom Pty Limited, Level 7, 207 Kent Street, Sydney, New South Wales;
 - (b) by mail to BoardRoom Pty Limited, GPO Box 3993, Sydney, New South Wales 2001; or
 - (c) by fax on +61 2 9290 9655.

Proxy form

- 8 A proxy form is enclosed with this Notice. The proxy form is an integral part of this Notice and both documents should be read together.

Body corporate representative

- 9 A corporation that is a Shareholder may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act. In such case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.

Explanatory Memorandum

Silver Chef Limited ACN 011 045 828

Introduction

This Explanatory Memorandum has been prepared for the Shareholders in conjunction with the Notice of Annual General Meeting of the Company to be held at the offices of McCullough Robertson Lawyers, Level 11, Central Plaza Two, 66 Eagle Street, Brisbane on Thursday, 24 October 2013 at 2:00pm (Brisbane time).

Ordinary business

Financial statements and reports

The Corporations Act requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting. In addition, the Existing Constitution provides for these reports to be received and considered at the Meeting.

Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Existing Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports. However Shareholders will be given reasonable opportunity at the Meeting to raise questions with respect to these reports.

Shareholders may also submit written questions to the Company's auditor if the question is relevant to the content of the audit report or the conduct of its audit of Silver Chef's annual report for the year ended 30 June 2013.

Any written questions must be submitted to the Company Secretary or the Company's share registry before Thursday, 17 October 2013 using the form attached to this Notice. Please send any written questions to:

Email: dmackenzie@silverchefgroup.com.au

Fax: +61 7 3335 3399 or +61 2 9290 9655

Post: The Company Secretary or BoardRoom Pty Limited
PO Box 1760 GPO Box 3993
Milton BC 4064 Sydney NSW 2001

Copies of the questions received, and any written answers that have been prepared, will be available at the Meeting.

Resolution 1 – Adoption of remuneration report

Remuneration report

Section 250R(2) of the Corporations Act requires that the section of the Directors' report dealing with the remuneration of each member of the KMP of the consolidated entity be put to Shareholders for adoption.

The resolution of Shareholders is advisory only and **not binding** on the Directors or the Company.

The remuneration report is set out on pages 13 to 19 of the 2013 annual report, which is available on the Silver Chef website at www.silverchefgroup.com.au. The report:

- (a) sets out and explains the nature and level of remuneration paid to Directors and senior executives who comprise the KMP of the consolidated entity for the year ended 30 June 2013;
- (b) discusses the link between the Board's policies and Silver Chef's performance; and
- (c) makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives.

The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the remuneration report.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

Resolution 2 – Re-election of Mr Andrew Kemp

Background

Rule 16.1 of the Existing Constitution requires that at every annual general meeting, one-third of the Directors (other than the managing Director) must retire from office.

The Board has undertaken a review of the performance of Andrew Kemp and the contribution he has made to the Board together with the skills and expertise which he provides to the Board and the Company.

Having retired by rotation in accordance with rule 16.1 of the Company's Constitution, and being eligible, Andrew Kemp offers himself for re-election.

Andrew Kemp was appointed a Director and Chairman of Silver Chef in February 2005 and resigned as Chairman on 30 June 2010. He heads Huntington Group Pty Limited, a Brisbane-based corporate advisory company and has had experience in chartered accounting with KPMG and Littlewoods, merchant banking and corporate advisory services with AIFC (an affiliate of ANZ Banking Group) and since 1987 with Huntington Group.

He is currently a director of the following ASX listed companies: PTB Group Limited (appointed August 2006) and G8 Education Limited (appointed March 2011). Andrew was formerly a director of Eureka Group Holdings Limited from March 2004 until February 2011 and Trojan Equity Limited from March 2005 until March 2013. Andrew is currently an independent non-executive director, chairman of the Finance Committee and Remuneration Committee and a member of the Audit and Risk Management Committee.

Recommendation

The Directors (other than Andrew Kemp who does not make a recommendation) unanimously recommend that Shareholders vote in favour of this resolution.

Resolution 3 – Re-election of Ms Karen Penrose

Background

Rule 16.1 of the Existing Constitution requires that at every annual general meeting, one-third of the Directors (other than the managing Director) must retire from office.

The Board has undertaken a review of the performance of Karen Penrose and the contribution she has made to the Board together with the skills and expertise which she provides to the Board and the Company.

Having retired by rotation in accordance with rule 16.1 of the Company's Constitution, and being eligible, Karen Penrose offers herself for re-election.

Karen was appointed an independent Director in September 2011 and Deputy Chair in March 2013. Karen's career spans 20 years in banking and the most recent seven years in ASX listed companies in CFO and COO roles. Karen is currently with Wilson HTM Investment Group Ltd. Prior to that, her banking experience has been with Commonwealth Bank and HSBC and her corporate roles have been with Keybridge Capital Limited, Leighton Holdings Limited and Esso Australia Limited. Karen is currently chairman of the Audit and Risk Management Committee and a member of the Finance and Remuneration Committees. Karen was appointed non-executive director of AWE Limited on 28 August 2013.

Recommendation

The Directors (other than Karen Penrose who does not make a recommendation) unanimously recommend that Shareholders vote in favour of this resolution.

Special business

Resolutions 4 and 5 – Ratification and approval of previous issues of shares

Background

As announced on 25 February 2013, the Company completed a \$5 million placement to institutional investors through the issue of 961,538 fully paid ordinary shares at an issue price of \$5.20 per share (**Placement**). The shares were issued under the Placement on 18 March 2013.

As announced on 18 September 2013, the Company also completed a \$3.54 million placement to institutional investors of the shortfall under the Company's Dividend Reinvestment Plan through the issue of 432,744 fully paid ordinary shares at an issue price of \$8.18 per share (**DRP Placement**). As at the date of this Notice, the shares have not yet been issued under the DRP Placement but will be issued on 25 September 2013, which is before the date of the Annual General Meeting.

The purpose of Resolutions 4 and 5 is for Shareholders to ratify and approve the issue of shares pursuant to the Placement and DRP Placement under Listing Rule 7.4.

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.

The issues of shares pursuant to the Placement and DRP Placement did not exceed the 15% limit. However, Listing Rule 7.4 provides that where shareholders subsequently ratify an issue of securities, the issue is treated as having been made with approval for the purposes of Listing Rule 7.1, thereby replenishing the entity's 15% capacity and enabling it to issue further securities up to that limit.

Effect of the resolutions

If Resolutions 4 and 5 are approved, the Company will not have to count the shares issued under the Placement and the DRP Placement towards the 15% of additional securities that may be issued by the Company in any 12 month period under Listing Rule 7.1.

Accordingly, if these resolutions are passed, the Company's capacity to issue shares within the 15% limit under Listing Rule 7.1 (in respect of 961,538 shares for the Placement and 432,744 shares for the DRP Placement) will be refreshed. The Directors consider it prudent to maintain such funding flexibility as part of the Company's capital management strategy.

Information required under Listing Rule 7.5

In accordance with the requirements of Listing Rule 7.5, the Company provides the following information in relation to the issues of shares under the Placement and DRP Placement:

Issue	Number of shares issued	Issue price per share	Terms of shares issued	Persons to whom shares were issued	Basis for determining allottees and use of funds raised by the issue
Placement	961,538	\$5.20	Shares issued under the Placement were not entitled to the interim FY 2013 dividend of \$0.14 per share but otherwise rank equally with the Company's existing fully paid ordinary shares.	Institutional investors	Shares issued to institutional investors classified as 'professional' or 'sophisticated' by way of a private placement jointly managed by RBS Morgans and Wilson HTM. The Company has used or intends to use funds raised by the Placement to fund acquisitions of rental assets.
DRP Placement	432,744	\$8.18	Rank equally with the Company's existing fully paid ordinary shares.	Institutional investors	Shares issued to institutional investors classified as 'professional' or 'sophisticated' by way of a private placement jointly managed by RBS Morgans and Wilson HTM. The Company has used or intends to use funds raised by the DRP Placement to fund acquisitions of rental assets.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 4 and 5.

Resolution 6 – Increase in remuneration for non-executive Directors

Background

The Company proposes to increase the maximum amount that may be paid to non-executive Directors for their services (as a group) by \$60,000 per annum from \$250,000 per annum to \$310,000 per annum. Under rule 13.3 of the Existing Constitution and Listing Rule 10.17, the approval of the Company's Shareholders in general meeting is required for this increase.

The reasons for requesting the increase to the maximum aggregate remuneration for non-executive Directors are as follows:

- (a) the current limit of \$250,000 was approved by Shareholders on 18 November 2010;

- (b) the Board currently consists of five non-executive Directors and no executive Directors;
- (c) the Board is of the view that the proposed increase to non-executive Directors' aggregated remuneration is commensurate with market remuneration paid to non-executive directors at equivalent ASX listed companies in terms of growth and market capitalisation and is necessary to retain and attract appropriately qualified non-executive directors to the Company;
- (d) the increase reflects the more onerous corporate governance environment and the commensurate increase in time and responsibility of non-executive Directors; and
- (e) the proposed increase has been calculated to allow for growth over time of the remuneration of non-executive Directors.

Don Mackenzie (who is an alternate Director) does not receive remuneration for services rendered as an alternate Director. Rather, Mr Mackenzie receives remuneration for services rendered as Company Secretary. This remuneration does not form part of the pool available for the remuneration of non-executive Directors. Notwithstanding this, neither Mr Mackenzie nor any of his associates will vote on this resolution.

Details of the Directors' remuneration to the period ended 30 June 2013 are contained in the remuneration report.

Recommendation

The Directors abstain from making a recommendation on this resolution.

Resolution 7 – Adoption of New Constitution

Background

The Company proposes to put to Shareholders a resolution to repeal and replace the Company's Existing Constitution. The New Constitution proposed to be adopted pursuant to this resolution is available on the Company's website, www.silverchefgroup.com.au.

The Existing Constitution has been in place since 11 December 2004. The New Constitution is a standard form constitution appropriate for a public company which reflects amendments to the Corporations Act and Listing Rules since the Existing Constitution was adopted, as well as current market practice.

Under the Corporations Act, a company may elect to either amend parts of its constitution or replace the entire document. As there have been a number of changes to the Corporations Act and Listing Rules since the adoption of the Existing Constitution, the Directors consider that it is preferable in the circumstances to repeal the existing document and replace it with a new constitution rather than to amend and insert specific updates.

The proposed New Constitution is broadly consistent with the provisions of the Existing Constitution. A number of amendments are also proposed in the New Constitution to ensure it is as clear and concise as possible. There have been no fundamental changes to Shareholders' rights, such as the right to vote, to participate in dividends or in the event of a winding up.

Shareholders will have an opportunity to ask questions about the New Constitution at the Annual General Meeting or by contacting the Company Secretary in advance of the Annual General Meeting.

If this resolution is passed, the Existing Constitution will be repealed in its entirety and replaced with the New Constitution.

Special resolution

In accordance with section 136(2) of the Corporations Act, this resolution must be passed as a special resolution, which is a resolution that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

Summary of material differences

A summary of the material differences between the Existing Constitution and the New Constitution is set out in the table below.

Subject	Summary of amendment	Old rule	New rule
Exercising powers	A new rule has been included in the New Constitution which states that the Company may exercise any power, take any action or engage in any conduct permitted under the Corporations Act. The Existing Constitution does not contain a similar provision.	No similar provision	1.4
Preference share rights	<p>The New Constitution sets out the specific rights attaching to any preference shares issued by the Company. The Company does not currently have any preference shares on issue.</p> <p>If the Company does issue preference shares in the future, the New Constitution states that they will confer on the holder rights including the right to:</p> <ul style="list-style-type: none"> (a) receive a preferential dividend and any additional amount specified in the terms of issue; (b) participate with the ordinary shares in profits and assets of the Company, including on a winding up; (c) vote at any general meeting of the company, but only in limited circumstances. <p>The Existing Constitution simply states that preference shares may be liable to be redeemed but will otherwise be issued on such terms as the Board determines.</p>	3.8 and 3.10	2.2
Alteration of share capital	The New Constitution expressly permits the Company to resolve to convert or reclassify shares from one class to another subject to the Corporations Act. The Existing Constitution does not contain a similar provision.	No similar provision	2.3
Calls on shares	<p>The New Constitution contains provisions relating to calls on partly paid shares which are broadly similar to the Existing Constitution. The Company does not currently have any partly paid shares on issue.</p> <p>However, new rules have been included which specify:</p> <ul style="list-style-type: none"> (a) that the Company must give at least 30 business days notice of a call on a partly paid share; and (b) that in a proceeding to recover a call, it will be conclusive evidence of the debt if the Company establishes that: <ul style="list-style-type: none"> (i) the name of the defendant is entered in the register of members as the holder of the relevant share; (ii) the resolution making the call is recorded in the minute book; and (iii) notice of the call was given to the defendant. 	5	5

Subject	Summary of amendment	Old rule	New rule
Forfeiture and lien	The New Constitution contains provisions relating to forfeiture and lien which are broadly similar to the Existing Constitution. However, a new rule has been included which provides that the Company must give the holder of a share at least 14 days notice of a requirement to make payment before the share is forfeited. The Existing Constitution does not specify a minimum notice period.	6	6 and 7
Sale, reissue or other disposal of shares by the Company	The New Constitution contains provisions relating to the sale, reissue or other disposal of a share in connection with a forfeiture or lien which are broadly similar to the Existing Constitution. However, the provisions of the New Constitution extend to the Company's dealings with unmarketable parcels of shares.	6.5, 6.9 and 6.10	9
Interest and costs payable	The New Constitution provides that if an amount called or otherwise payable for a share is not paid, the person who owes that money must pay: (a) interest on the unpaid amount at a rate fixed by the directors or if no rate is fixed, at a rate per annum 2% higher than the rate prescribed for unpaid judgments in the Supreme Court of Queensland; and (b) all costs the Company incurs due to the failure to pay or the late payment. Interest accrues daily and costs may be capitalised monthly or at any other intervals the Directors decide. The Existing Constitution contains similar requirements to pay interest and costs but does not specify the default rate of interest or the intervals at which interest and costs accrue.	5.4, 6.1, 7.2	10
Transfer and transmission of shares	The New Constitution contains provisions relating to transfer and transmission of shares which are broadly similar to the Existing Constitution, except that the Company will be permitted to charge a fee for registering a transfer of shares subject to the Listing Rules. The Company will still be precluded from charging a fee in most circumstances, although the Listing Rules do allow an entity to charge a reasonable fee in certain limited circumstances (e.g. where the Company issues a special transaction statement).	8	12, 14
Unmarketable parcel	The New Constitution permits the Company to sell a share that is part of an 'unmarketable parcel' (i.e. a parcel of shares with a value of less than \$500). The Existing Constitution does not contain a similar provision. The purpose of the new provisions is to facilitate the management of the Company's share register and give Shareholders with unmarketable parcels the ability to dispose of their shares efficiently. Under the new provisions: (a) once in every 12 month period, the Directors may give written notice to a holder of an unmarketable parcel stating that the Company intends to sell the parcel; (b) the Company must not sell an unmarketable parcel if the holder gives notice that it wishes to retain it; (c) the Company must pay the costs of the sale but otherwise the Directors may decide the manner, time and terms of the sale; (d) the Company must hold the proceeds of any sale on trust for the previous holder; and (e) the Company's power to sell lapses following the announcement of a takeover (as defined in the Listing Rules).	No similar provision	13

Subject	Summary of amendment	Old rule	New rule
Proportional takeover bids	<p>The New Constitution permits the Company to prohibit registration of transfers relating to an offer made under a proportional takeover bid unless a resolution has been passed approving the bid.</p> <p>The New Constitution is broadly similar the Existing Constitution in this respect, although it does not regulate the withdrawal of offers and rescission of contracts where shareholders have rejected a resolution. The Directors consider that these matters are adequately regulated by the Corporations Act.</p> <p>As under the Existing Constitution, the rules in the New Constitution relating to proportional takeover bids will lapse unless they are renewed by special resolution in each three year period.</p>	27	15
Direct voting	<p>The New Constitution gives the Board the power to permit members to vote 'directly' on resolutions determined by poll.</p> <p>This is an alternative to members having to appoint proxies or representatives to vote on their behalf as permitted by the Existing Constitution.</p>	No similar provision	18
Executive officers	The New Constitution provides for the appointment of executive directors and secretaries whereas the Existing Constitution only provides for the appointment of a managing director.	17	23
Indemnity and insurance	<p>The New Constitution contains simplified rules relating to the indemnity and insurance provided to Directors and officers. The exceptions to these provisions will now be as per the Corporations Act, rather than being set out specifically in the Existing Constitution.</p> <p>The New Constitution also permits the Company to extend the indemnity to any auditor or former auditor of the Company or a related body corporate.</p>	26	24
Dividends	<p>The provisions in relation to dividends have been updated to reflect the current state of the law. Under the Existing Constitution, dividends are to be paid out of the Company's profits. From 28 June 2010, changes to the Corporations Act prohibit a Company paying a dividend unless:</p> <ul style="list-style-type: none"> (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors. <p>In order to reflect these changes, the New Constitution provides that the Directors may:</p> <ul style="list-style-type: none"> (a) pay any interim and final dividends that, in their judgment, the financial position of the company justifies; (b) rescind a decision to pay a dividend if they decide, before the payment date, that the company's financial position no longer justifies the payment; and (c) pay any dividend required to be paid under the terms of issue of a share. <p>The New Constitution also provides that dividends may be paid by cash, electronic transfer or any other method as the Board determines and will be paid proportionate to the amount paid up on each share.</p>	23	25
Winding up	The winding up provisions of the New Constitution have been expanded to provide greater detail on distributing surplus assets and dividing property in accordance with the Corporations Act.	25	27

Subject	Summary of amendment	Old rule	New rule
Inspection of records	The New Constitution includes an express power to grant a Director or former Director continuing access to materials which relate to the period during which the Director or former Director was a Director of the Company. The Existing Constitution does not contain a similar provision.	No similar provision	28
Notices	Under the New Constitution a notice from the Company properly addressed and posted is taken to be given and received on the day after its posting (as opposed to 48 hours under the Existing Constitution).	24	30

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

