

## Adoption of new Constitution

The Company's existing constitution was originally adopted on incorporation in 2012. There have been a number of significant developments in law (both the Corporations Act and the ASX Listing Rules), corporate governance principles and general corporate and commercial practice for ASX listed companies since that time. Accordingly, the Company's constitution required a comprehensive review or update prior to the proposed Listing on the ASX or an alternative exchange. In light of the number of changes required to various parts of the constitution, and the fact that some of the amendments are of a non-substantive nature, the Board has decided that it is more appropriate to adopt a new constitution suitable for a listed company, to reflect these changes.

The Board have ensured that the new constitution include a clause to require a third of all Non-Executive Director to retire by rotation and subject to being eligible be re-elected put themselves up for re-election at each AGM, as required by the ASX Listing Rules.

**A summary of the more significant aspects of the new constitution is set out below.**

This summary is not exhaustive and does not constitute a definitive statement of the differences between the current constitution and proposed new constitution.

### **Voting**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of members, every member present in person or by proxy, attorney or body corporate representative has one vote on a show of hands, and one vote per Share on a poll. In the case of a vote on a poll, persons who hold a Share which is not fully paid shall be entitled to a fraction of a vote equal to the proportion of a vote that the amount paid on the relevant Share bears to the total issue price of the share.

### **Dividends**

The Directors may from time to time resolve to pay dividends to Shareholders and fix the amount, the timing and method of payment of that dividend in accordance with the Corporations Act. Following recent amendments to the Corporations Act, companies are no longer restricted to paying dividends out of profits. The new constitution will give the Directors the flexibility to resolve to pay a dividend out of any available source permitted by law.

### **Future Issues**

Subject to the Company's new constitution, the Corporations Act and Listing Rules, Directors may, on behalf of the Company, issue, grant options over, or otherwise dispose of Shares on terms determined by the Directors. The Directors may issue shares in the Company with any preferential, deferred or special rights, privileges or conditions, or with any restrictions (whether in regard to dividend, voting, return of share capital or otherwise) as they determine.

### **Transfer of Shares**

A Shareholder may transfer Shares by a proper ASX Settlement registered transfer (subject to the Company listing on the ASX) or an instrument in writing in any usual form, or in any form approved by the Directors.

The Directors may refuse to register any transfer of Shares only if that refusal would not contravene the Listing Rules or the ASX Settlement Operating Rules. The Directors must not register a transfer if the Corporations Act, Listing Rules or ASX Settlement Operating Rules forbid registration. The Company must not refuse to register, give effect to, delay or in any way interfere with a proper ASX Settlement transfer of other securities.



## **Meetings and Notices**

Each Shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act or Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act and under the new constitution.

## **Winding Up**

Subject to the new constitution and the rights and liabilities attaching to Shares, Shareholders will be entitled in a winding up to any surplus assets of the Company in proportion to the number of Shares held by them, less any amounts which remain unpaid on the Shares at the time of distribution. However, if this deduction results in the distribution to the Shareholder being a negative amount, the Shareholder must contribute that amount to the Company.

If the Company is wound up the liquidator may, with the sanction of a special resolution of the shareholders:

- divide among the Shareholders the whole or any part of the assets of the Company; and
- determine how the division is to be carried out as between the shareholders or different classes of Shareholders, with the approval of separate general meetings of the members of each of the several classes (if applicable).

Any such division may not be otherwise than in accordance with the legal rights of the Shareholders and, in particular, any class may be given preferential or special rights or excluded altogether or in part. Where a division is otherwise than in accordance with the legal rights of the Shareholders, a Shareholder is entitled to dissent and to exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under Section 507 of the Corporations Act.

## **Alteration to the Constitution**

The new constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given. Please refer to AGM Notice issued on 23 October 2015 for further details.

## **ASX Listing Rules**

If the Company is admitted to the Official List of the ASX, then despite anything in the new constitution, if the ASX Listing Rules prohibit an act being done, that act must not be done. Nothing in the new constitution prevents an act being done that the ASX Listing Rules requires to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the ASX Listing Rules require the new constitution to contain a provision or not to contain a provision, the new constitution is deemed to contain that provision or not to contain that provision (as the case may be). If any provision of the new constitution is or becomes inconsistent with the Listing Rules, the new constitution is deemed not to contain that provision to the extent of the inconsistency.

## **Director's Recommendation for the 2015 AGM**

The Board considers the changes to be significant for Shareholders and recommends that they review the proposed new constitution in its entirety. A copy of the proposed new constitution can be obtained prior to the meeting from the Company's website ([www.arlimited.com.au](http://www.arlimited.com.au)) or by contacting Victoria Allinson on +61 8 8423 0170 or email [vicky.allinson@arlimited.com.au](mailto:vicky.allinson@arlimited.com.au). A copy of the new constitution will also be available for inspection at the AGM.

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of this Resolution 5 at the 2015 AGM.