



ABN 62 009 475 861

DIRECTOR TENURE BY-LAWS

(Ref: RACT Constitution - Clauses 12.6 and 14.1(g))

At the 2017 Annual General Meeting (AGM) of The Royal Automobile Club of Tasmania Limited the restrictions on director tenure then in place within the Constitution were removed and the Club's Members were advised that it was intended that Director Tenure By-Laws would be put in place such that eligibility to stand for re-election to the Board would be based on duration of tenure.

Restrictions:

Duration of Tenure:

Subject to the exceptions detailed below the tenure of Directors will be restricted as follows:

Where a Director was initially appointed as a casual vacancy the Director will retire on a date up to a maximum of 12 years after their appointment. On retirement they shall not be eligible for re-election at any Board election where the term would go beyond 12 years of acting as a Director.

Where a Director was initially elected at an AGM they will cease to be eligible for re-election at the 11th AGM during which they have been a Director of the Club and if they have not retired beforehand shall retire prior to the date on which nominations for Board election close for such AGM that they become ineligible for re-election.

For the avoidance of doubt the limit to the tenure of Directors shall be 12 years in aggregate regardless of any period of time that may pass between occasions where an individual is a Director.

Performance during tenure:

A retiring Director will cease to be eligible for re-election where at least two thirds of the remaining directors move a motion of no confidence in the performance of the Director at a Board meeting of the Club prior to the date on which nominations for the Board Election of that year, at which time they shall be deemed to have immediately retired as a Director of the Club.

Exceptions:

Succession

Where a motion has been passed at a Board meeting of the Club that it is intended for a Director to hold the office of President, or President immediately after the expiration of the current President's

maximum term (or beforehand should they fail to be elected for their maximum term) in line with appropriate Board succession planning, the duration of tenure of such a Director will be restricted as follows:

Where a Director was initially appointed as a casual vacancy the Director will retire either on the anniversary of their appointment following their cessation as President of the Club or of the failure to implement the Board succession plan to appoint them as President.

Where a Director was initially elected at an AGM they will retire prior to the date on which nominations for the Board election close for the AGM either immediately after they cease to act as President of the Club or immediately after the failure to implement the Board succession plan to appoint them as President.

Appropriate Alternatives Unavailable

Where having taken all reasonable steps to identify a replacement candidate in the 12 months prior to the expiry of a Director's maximum tenure, including the external advertisement of the role, no appropriately qualified candidate, in the view of at least two thirds of the Directors (excluding the Director due to retire) has been found the duration of tenure of such a Director will be restricted as follows:

Where a Director was initially appointed as a casual vacancy the Director will retire up to a maximum of 15 years after their appointment.

Where a Director was initially elected at an AGM they will cease to be eligible for re-election at the 14th AGM during which they have been a Director of the Club and if they have not retired beforehand shall retire prior to the date on which nominations for Board election close for such AGM that they are ineligible for re-election.

Exceptional Performance

Where the Board resolves that in the opinion of all the Directors (excluding the Director due to retire) the performance of the Director due to retire has been such that the Board believes it is in the best interests of the Board and Club that the Director remain in their appointments, their eligibility for re-election and/or maximum duration of tenure will be extended to allow for a further term of three years from the resolution to approve the extended tenure.

Transition

The restrictions to tenure above will not apply to the Directors who made up the Club Board at the 2017 AGM ('the Exempt Directors') on the basis that the restrictions were not in place when they were initially appointed.

The Exempt Directors have however committed to ensuring that there is regular and orderly refreshment of the Club Board until these By-laws can take full effect over each of the Directors of the Club. It is envisaged that the Board succession plan will ordinarily require one Exempt Director to resign from the Club Board each year until such time as no Exempt Director has been a Director of the Club for more than 12 years.

Transparency

The application of any exception under this By-law will be explained in any applicable RACT Board Election material and within RACT's Annual Report each year.