



NOTICE OF ANNUAL GENERAL MEETING AUSTRALIAN UNITY LIMITED

ABN 23 087 648 888

Notice is hereby given that the Annual General Meeting ("AGM") of Australian Unity Limited ("Company") will be held at the ANZ Pavilion, The Arts Centre, Level 8, 100 St Kilda Rd, Melbourne, Victoria, 3004 on Monday 27 October 2014 at 2:00 pm to conduct the following business:

1. **Financial statements and reports**—To consider and note the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2014.
2. **Remuneration report**—To consider and, if thought fit, pass the following resolution as an ordinary resolution:
"That the Remuneration report for the financial year ended 30 June 2014 be adopted."
Please note that, in accordance with the *Corporations Act 2001* ("Corporations Act"), the vote on this resolution will be advisory only and will not bind the directors or the Company.
3. **Election of directors**—To elect two directors of the Company in accordance with the Company's constitution:
 - a) Ms Eve Crestani will retire as director and, being eligible, offers herself for re-election.
 - b) Ms Melinda Cilento was appointed to the Board on 1 May 2014 and, being eligible, offers herself for election.As the only nominations were that of Ms Crestani and Ms Cilento, in accordance with Rule 6.6(a) of the Company's constitution, they shall be deemed to be elected.
4. **Amendment of the Company's constitution**—To consider and, if thought fit, pass the following resolution as a special resolution:
"That, with effect from the conclusion of the 2014 AGM of the Company, the constitution of the Company is to be amended by deleting Rule 6.6 in its entirety."
NOTE: Information about this proposed special resolution appears in Item 4 of the Explanatory Notes to this Notice of Meeting.
5. **Non-executive director remuneration cap**—To consider and, if thought fit, pass the following resolution as an ordinary resolution:
"That, with effect from the conclusion of the 2014 AGM of the Company, the aggregate amount of remuneration payable by the Company to the non-executive directors in any financial year for their services as non-executive directors shall total no more than \$1,300,000 per financial year (inclusive of any superannuation contributions payable by the Company on behalf of non-executive directors), divided between the non-executive directors in such appropriate manner as is determined by the directors."
NOTE: The directors wish to note that this is the first proposed change to the limit on non-executive directors' remuneration since the 2007 AGM of the Company, when an overall limit of \$1,200,000 per year was approved by members. Please see Item 5 of the Explanatory Notes for further details.

By order of the Board.

VD Fehlberg, Company Secretary
23 September 2014

Information for Members:

1. Registration—Registration for the meeting will commence from 1:00 pm. Please note that proof of identity may be required in order to establish current membership.
2. Voting Rights—Each member of the Company is entitled to one vote provided they are “financial” as at the close of business on 19 September 2014. Members are “financial” only if they have paid in full all contributions due on or before the due date, if any are payable.
3. Proxies—A member has a right to appoint a proxy, who does not need to be a member of the Company. A member cannot appoint more than one proxy. If a member appoints the Chairman or Company Secretary as proxy and does not specify how they are to vote on an item of business, they will vote (if permitted under the proxy form), as a proxy in favour of the resolutions. A proxy form accompanies this notice, together with a reply-paid envelope. To be valid, the form must be received together with, if applicable, any power of attorney or other authority under which the form is signed, or a notarially certified copy of that power or authority, at least 48 hours before the time for holding the meeting, namely no later than 2:00 pm on 25 October 2014. Alternatively, proxy forms (accompanied by any applicable power or authority) may be:
 - a) Delivered in person to the Australian Unity Limited Registry:
C/-Link Market Services Limited, Level 12,
680 George Street, Sydney NSW 2000;
 - b) Sent by facsimile to (02) 9287 0309; or
 - c) Lodged online in accordance with the notes on the proxy form, before 2:00 pm on 25 October 2014.
4. Documents—The Annual Report of the Company, including the Financial Report, Directors’ Report and the Auditor’s Report for the year ended 30 June 2014, will be available at the AGM, and at the registered office of the Company. Copies will be forwarded to members by post upon request.

Explanatory Notes:

Item 1—Financial statements and reports

As required by section 317 of the Corporations Act, the Financial Report, Directors’ Report and Auditor’s Report

of the Company for the financial year ended 30 June 2014 will be laid before the meeting.

These reports are approved by the Board, and accordingly there is no requirement for members to approve these reports. However, members are invited to consider and note the reports, and will be given a reasonable opportunity to ask questions and make comments on the reports at the meeting.

Item 2—Remuneration report

The Remuneration report for the financial year ended 30 June 2014 is set out in the Directors’ Report in the Annual Report 2014 which is available on the Company’s website, australianunity.com.au

The Remuneration report includes:

- an explanation of the Company’s policy for determining the remuneration of directors and executives;
- a discussion of the relationship between that policy and the Company’s performance; and
- details of the performance conditions associated with the remuneration of directors and executives.

As provided for by the Corporations Act, the vote on the proposed resolution in this Item 2 is advisory and will not bind the directors or the Company. However, members will be given a reasonable opportunity to ask questions and make comments on the report at the meeting, and the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Directors’ Recommendation

The directors unanimously recommend that members vote in favour of the resolution on Item 2.

Item 3—Election of directors

Rule 4.3(a) of the Company’s constitution provides that directors are elected for a term of three years. Ms Crestani, having served as a director for the past three years without re-election, will retire at the end of the meeting.

Being eligible, she offers herself for re-election. Her profile is set out on page 4.

Rule 4.5(b) of the Company’s constitution provides that directors appointed as additional directors to the Board hold office until the next AGM of the Company and, at that time, will be eligible for election for a term of 3 years. Ms Cilento was appointed to the Board on 1 May 2014. As an additional director, she must be elected to the Board at this AGM.

Being eligible, Ms Cilento offers herself for election for a term of 3 years. Her profile is set out on page 4.

As the only nominations to the Board were that of Ms Crestani and Ms Cilento, in accordance with Rule 6.6(a) of the Company's constitution, they shall be deemed to be elected.

Note: If the resolution set out in Item 4 is passed by members, in future years, nominees for election or re-election will no longer be deemed to be elected in this manner. Please see Item 4 in these Explanatory Notes for more detail.

Directors' Recommendation

The directors, other than the directors who are the subject of this item, support the election of each of the directors offering themselves for election or re-election (as applicable) at this AGM.

Item 4 – Amendment of the Company's constitution

The Board periodically reviews the Company's constitution to consider whether any of the constitution's Rules need updating. The current version of the Company's constitution was adopted at the 2009 AGM, and it has not been updated since that AGM.

Under this Item 4, the Board proposes removing Rule 6.6 of the constitution in its entirety, with effect from the conclusion of this AGM.

Currently, Rule 6.6 operates such that each year the directors who are eligible for election to the Board are automatically deemed to be elected without member approval, if the number of nominations received is fewer than or equal to the number of vacancies on the Board.

The practical impact of deleting Rule 6.6 is that all future nominees to the Board and any current directors seeking re-election to the Board will need to have their election to the Board voted on by members. In order to be elected or re-elected, the relevant nominee or Director will generally need a majority of the votes cast on the resolution to be in favour of their election or re-election to the Board.

The deletion of Rule 6.6 is proposed by the Board in the interests of modernising the constitution. Deleting Rule 6.6 would bring the Company's practices for electing directors into line with the contemporary practice of other public companies and ASX-listed companies.

Item 4, if passed by members, will take effect from the conclusion of the 2014 AGM and apply to the election of directors at all future general meetings of the Company, including future AGMs.

A copy of the Company's current constitution is available on the Company's website at australianunity.com.au/NoM

Note: This resolution is proposed as a 'special resolution' and, in accordance with the Corporations Act, for the resolution to be passed at least 75% of votes cast on the resolution must be in favour of it.

Directors' Recommendation

The directors unanimously recommend that members vote in favour of the resolution on Item 4.

Item 5 – Non-executive director remuneration cap

At the 2007 AGM of the Company, the Company's members approved a resolution setting an aggregate limit of non-executive director remuneration at \$1,200,000 per financial year, regardless of the number of directors, with the Board as a whole to decide how that aggregate remuneration is apportioned between non-executive directors. The resolution also clarified that directors' superannuation contributions were to be included in that aggregate limit.

Since the approval of the resolution at the 2007 AGM of the Company, the total annual remuneration paid to non-executive directors has remained within the \$1,200,000 aggregate limit.

In the 7 years since the 2007 resolution, the Company has continued to grow and develop significantly. In that time regulatory and legislative demands on directors have increased materially. The Board is mindful of market realities, and the need to have the ability to continue to attract and retain suitably skilled officers. The Board has recently engaged an external remuneration expert to comment on the Company's remuneration practices with respect to non-executive directors; and received a report that those practices are conservative in all of the circumstances. The Board therefore wishes to seek the approval of members to a modest increase in the aggregate limit.

Under Rule 4.15(a) of the Company's constitution, this aggregate limit may only be raised with the approval of members at a general meeting.

Note: This resolution must be passed as an 'ordinary resolution' to be successful, requiring at least 50% of votes cast on the resolution being in favour of it.

Directors' Recommendation

The directors unanimously recommend that members vote in favour of the resolution on Item 5.

Directors' Profiles



Ms Eve Crestani

Dip Law (BAB), FAICD

Ms Crestani was appointed to the board of Australian Unity Limited in 1996. She is a director of a number of Australian Unity Limited subsidiaries, and chairman of the Risk Committee and Human Resources, Remuneration and Nominations Committee. She is also chairman of Mercer Superannuation Australia Limited, a director of Mercer Outsourcing (Australia) Pty Limited, a director of Seres Capital Management Limited (Hong Kong) and a director of Zurich Australia Limited. Ms Crestani is qualified in law and management, and is a member of the ASX Appeal Tribunal. She consults in finance, strategic planning, marketing and management. She is a founding fellow of the Australian Institute of Company Directors. Ms Crestani was previously a director of SFG Platform Services Limited. She has not held any directorships of listed entities in addition to those set out above during the last three years.



Ms Melinda Cilento

BA, BEc (Hons), MEc

Ms Cilento was appointed to the board of Australian Unity Limited on 1 May 2014. She is a director of a number of Australian Unity Limited subsidiaries and a member of the Human Resources, Remuneration and Nominations Committee, Investment Committee and Audit and Compliance Committee. She is also a director of Woodside Petroleum and Co-Chair of Reconciliation Australia. In addition to her directorships, Melinda is a Councillor with the Victorian Division of the Australian Institute of Company Directors, a member of ASIC's External Advisory Panel, the NAB Advisory Council of Corporate Responsibility, and the advisory councils of the Global Foundation and Australian Scholarship Foundation. Melinda worked for eight years with Australia's leading CEOs at the Business Council of Australia, including four years as Deputy Chief Executive. Prior to joining the Business Council she was Head of Economics at Invesco Australia. Melinda has also worked with the Federal Treasury and International Monetary Fund in Washington D.C. Ms Cilento was a director of Wesfarmers General Insurance until June 2014. Ms Cilento has not held any directorships of listed entities in addition to those set out above during the last three years.

Venue details

The ANZ Pavilion is located on Level 8 of the Theatres Building of the Arts Centre at 100 St Kilda Rd, Melbourne.

The ANZ Pavilion is wheelchair accessible.



Attendees may park in the Arts Centre Car Park, located on the corner of Sturt and Kavanagh Streets. Entry to the Theatres Building from the Car Park is through undercover walkways. The Car Park is wheelchair accessible.

The nearest train station is Flinders Street Station and the nearest Tram Stop is Stop 14 on St Kilda Road, which are both wheelchair accessible.

 **By mail:**
Australian Unity Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **By fax:** +61 2 9287 0309

PROXY FORM

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.

 **All enquiries to: Telephone: 13 29 39**



X99999999999

MEMBER VOTING FORM

I/We being a member(s) of Australian Unity Limited (Company) and entitled to attend and vote hereby appoint the person named/nominated in Step 1 below as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **2:00pm on Monday, 27 October 2014 at the ANZ Pavilion, The Arts Centre, Level 8, 100 St Kilda Road, Melbourne, Victoria, 3004**, and at any adjournment or postponement of that meeting (Annual General Meeting).

STEP 1

APPOINT A PROXY

The Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is nominated above, the Chairman of the Meeting is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting. In doing so, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business, including Item 2 - Remuneration Report.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Noting of the Company's financial statements and reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 4 Amendment of the Company's constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Adoption of Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Non-executive director remuneration cap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3(a) Election of Ms Eve Crestani as a Director	No vote required						
Resolution 3(b) Election of Ms Melinda Cilento as a Director	No vote required						

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF MEMBERS - THIS MUST BE COMPLETED

Member 1 (Individual)

Sole Director and Sole Company Secretary

Joint Member 2 (Individual)

Director/Company Secretary (Delete one)

Joint Member 3 (Individual)

Director

This form should be signed by the member. If a joint holding, either member may sign. If signed by the member's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the member register of Australian Unity Limited. If this information is incorrect, please make the correction on the form.

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the member must sign.

Joint Membership: where the holding is in more than one name, either member may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm on Saturday, 25 October 2014**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE  www.investorcentre.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, members will need their "Holder Identifier" (Member Reference Number as shown on the front of the proxy form).



by mail:

Australian Unity Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**