



DIRECTOR TENURE BY- LAWS

(Ref: RACT Constitution - Clause 9.5(b))

Purpose

The Constitution of The Royal Automobile Club of Tasmania Limited states that retiring Member Elected Directors shall be eligible for re-election subject to any By-law to the contrary. These Director Tenure By-laws set out the restrictions of directors eligibility for re-election or re-appointment.

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, or as a Board Appointed Director, the Director will retire on a date up to a maximum of 12 years after their appointment.

Where a Director was initially elected at an AGM they will cease to be eligible for re-election following the 11th AGM during which they have been a Director of the company.

In the circumstances that an individual has been a Director on more than one occasion these restrictions will apply across the total duration of the Directors terms such that they will not be eligible for re-election at any Board election where their terms would collectively go beyond 12 years of acting as 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 company 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 company.

Exceptions

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 following the 14th AGM during which they have been a Director of the company 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 company 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.

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.