Notice of Annual General Meeting

Notice is given that the 118th Annual General Meeting (**AGM**) of The Royal Automobile Club of Queensland Limited (**RACQ**) will be held as follows:

Date	Monday, 23 October 2023
Time	10am (Brisbane time)
Location	RACQ's Offices, 2649 Logan Road, Eight Mile Plains, QLD 4113
Online platform available at	**racq.com/liveAGM**

The Meeting Information and Explanatory Memorandum accompanying this Notice of Meeting provides additional information on the matters to be considered at the AGM and forms part of the Notice of Meeting.

The AGM will be held in-person and online. For members who wish to attend online, you can join through an online platform where you will be able to watch, listen, vote and submit written questions. Members will also be able to ask questions via telephone.

Instructions for attending the AGM via the online platform are contained in the Meeting Information accompanying this Notice of Meeting.

We also encourage members to monitor **racq.com/AGMplatform** for any updates following the issuing of this Notice.

Business of the meeting

Consideration of Reports

To receive and consider RACQ's Financial Report and the reports of the directors and the auditor for the financial year ended 30 June 2023.

All members can view the Annual Statutory Report which contains the Financial Report for the year ended 30 June 2023 on RACQ's website at **racq.com/annualreports.**

Items for approval

Resolution 1. Regional Queensland Elected Director Election

As recommended by the board, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That pursuant to rule 9.12 of the Constitution, John Minz, who is retiring from office by rotation, and being eligible for re-election, is re-elected as a director of RACQ."

Resolution 2. South East Queensland Elected Director Election

As recommended by the board, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That pursuant to rule 9.12 of the Constitution, Sarah Pearson, who is retiring from office by rotation, and being eligible for re-election, is re-elected as a director of RACQ."

Resolution 3. Amendment of Constitution - General

Member approval is sought for changes to the Constitution including to allow for a change in board composition. RACQ is seeking to bring greater flexibility to its board composition and to align with the most up-to-date governance practices adopted by large companies and organisations in the mutual sector. The proposed changes will provide the board with the ability to appoint any person with appropriate qualifications, skills and experience to an Executive Director position (or a Managing Director) within RACQ.

Further information about the proposed amendments to the RACQ Constitution is set out in the Explanatory Memorandum. A copy of the amended Constitution is available on RACQ's AGM website at **racq.com/AGM** with this resolution applicable to all amendments except for the amendments highlighted in rules 1.1 and 9.14 (which form resolution 5 below).

To consider and, if thought fit, pass the following resolution as a special resolution:

"That, with effect from the close of the AGM, the Constitution be modified by making the amendments as detailed in the Explanatory Memorandum, but excluding those amendments highlighted in rules 1.1 (Definitions) and 9.14 (Remuneration) of the amended Constitution."

Resolution 4. Annual Maximum Aggregate Remuneration (the 'Cap') for Directors

The board recommends combining the existing pay structures for RACQ Limited, RACQ Insurance and RACQ Bank into one overall pay framework. This will result in one pool from which individual directors will receive one pay for their roles on all three boards and board committees.

Members currently vote on the pay cap for the RACQ Limited board. However, if passed, this change will give members the opportunity to have their say on the total annual pay available to directors for their roles across all three boards. It also supports the board's continued focus on simplifying processes and aligns with industry best practice.

Combining the three current pay structures gives members the opportunity to have their say on the total pay available for directors. To do this, the maximum limit for the board's total annual pay cap needs to increase. Further details are outlined in the Explanatory Memorandum. Importantly, this will not result in an increase in fees. In fact, because of these changes, fees paid will decrease by around $500,000 in FY24.

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That pursuant to rule 9.16 of RACQ's Constitution, the total annual maximum aggregate remuneration of the directors of the board as a whole be increased to a maximum limit of $1,950,000."

Resolution 5. Amendment of Constitution – Director Remuneration Cap Indexation

Member approval is sought to allow for the maximum total pay of non-executive directors ('Director Remuneration Cap') to be automatically indexed annually on 1 July. This would not trigger an automatic increase to individual director pays.

The calculation for the adjustment would be detemined by the RACQ Limited board and would be on the most relevant index and reference period published by the Australian Bureau of Statistics. Any subsequent annual increase paid to directors will not exceed the average annual pay increase for RACQ employees.

To enable this change, the below special resolution is proposed and recommended by the board. Further information about this proposed amendment to the RACQ Constitution is set out in the Explanatory Memorandum. A copy of the amended Constitution is available on RACQ's AGM website at **racq.com/AGM.**

To consider and, if thought fit, pass the following resolution as a special resolution:

"That, with effect from the close of the AGM, the Constitution be modified by making the amendments as set out in the highlighted provisions of rules 1.1 (Definitions) and 9.14 (Remuneration) of the amended Constitution and as detailed in the Explanatory Memorandum."

RACQ will disregard any votes on resolutions 4 and 5 by certain 'key management personnel' (KMP), or a 'closely related party' of a member of those KMP as defined by the *Corporations Act 2001* (Cth) (Corporations Act), where voting by way of an undirected proxy. However, this voting exclusion does not apply to the Chair of the AGM acting as proxy if their appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP of RACQ.

Dated: 18 August 2023
By order of the Board

Brad Bowes
Group Company Secretary

Notes

(a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy. The proxy need not be a member of RACQ.

(b) A member who is entitled to cast a vote at the meeting is entitled to lodge a direct vote using the attached Voting Form or online at **racq.com/AGMplatform.**

(c) To attend the AGM, a corporation must appoint a representative in accordance with the Corporations Act in which case RACQ will require written proof of the representative's appointment to be lodged with or presented to RACQ before the meeting.

Meeting information

Attending the AGM

The AGM will be held as both an in-person (RACQ's Offices, 2649 Logan Road, Eight Mile Plains, QLD 4113), and online (**racq.com/liveAGM**) meeting. We encourage members and proxyholders to participate in the AGM virtually via the online platform. RACQ has health and safety protocols in place for attending the meeting in person at RACQ's offices with information available at **racq.com/AGMplatform**.

Corporate representative

A corporation that is a member may appoint a representative to attend the AGM in accordance with the Corporations Act. Evidence of the representative's appointment must be provided by no later than 10am, Saturday, 21 October 2023 using the details set out under **Further Information** below. The representative should also bring evidence of his or her appointment to the AGM if they attend in person.

Voting

Voting on all resolutions will be by poll.

Eligible members can vote in the following ways:

- Direct vote prior to the AGM by submitting a completed Voting Form or via the online platform by 10am, Saturday, 21 October 2023. If you lodge a direct vote, you are voting directly and not appointing a third party, such as a proxy, to act on your behalf.
- Direct vote during the AGM either in person or via the online platform **racq.com/liveAGM**. There is more information on this below.
- Appointment of an individual or body corporate proxy if you are entitled to attend and vote. A proxy need not be a member of RACQ. If you appoint a proxy, you may either direct your proxy how to vote or give your proxy discretion to vote as they see fit. If you appoint the Chair of the Meeting as your proxy, and you do not direct your proxy on how to vote on a particular resolution, then by submitting the proxy appointment you will be expressly authorising the Chair to exercise your proxy on that resolution. The Chair intends to vote undirected proxies on, and in favour of, the proposed resolutions. Proxy appointments must be received by 10am, Saturday, 21 October 2023.
- Appointment of an attorney via a relevant power of attorney (or certified copy) provided to RACQ by no later than 10am, Saturday, 21 October 2023 in accordance with lodgement details set out in the Voting Form.

More information on the lodgement of direct votes or the appointment of a proxy prior to the AGM is provided in the Voting Form and at **racq.com/AGMplatform**.

In accordance with rule 8.1 of RACQ's Constitution, the directors have determined that at the AGM a member who is entitled to attend and vote on a resolution at the AGM is entitled to a direct vote in respect of that resolution and have approved the use of the online platform as means by which members may deliver their direct vote.

More information regarding online participation at the AGM (including how to vote and ask questions) is available in the Online Platform Guide available from **racq.com/AGMplatform**.

Note: In accordance with RACQ's Constitution, a new member must have been approved as a member for more than 3 months before they are entitled to vote at the AGM. In addition, a member is not entitled to vote at the AGM if a member has fees unpaid that are overdue.

Questions from members

The Chair of the meeting will allow a reasonable opportunity at the AGM for members to ask questions or make comments about the management of RACQ (including an opportunity to ask questions of the auditor).

Members may submit written questions no later than 10am, Saturday, 21 October 2023 before the meeting online at **racq.com/AGMplatform** or by using the contact details set out under Further Information below.

If you have queries in relation to individual or personal matters, please contact us at racq.com or by calling 13 19 05. These questions will not be put to the meeting.

Further information

No recording and broadcasting devices (including voice recorders, still cameras and video cameras) are permitted at the AGM unless authorised by the Chair.

Please use the contact details below if you need any further information about the AGM:

RACQ

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

Telephone 1800 250 297
Email racq@linkmarketservices.com.au

Explanatory Memorandum

This Explanatory Memorandum has been prepared for RACQ members in relation to the business to be conducted at the AGM. The Chair intends to vote undirected proxies on, and in favour of the proposed resolutions.

Resolutions 1, 2 and 4 require ordinary resolutions, which means that, to be passed, the resolution needs the approval of a simple majority of the votes cast by members entitled to vote on the resolution.

Resolutions 3 and 5 require special resolutions. At least 75% of the votes cast by members entitled to vote on these resolutions must be in favour of the resolutions for them to pass.

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 members at the AGM.

Neither the Corporations Act nor the Constitution requires a vote of members at the AGM on the financial statements and reports. However, members will be given reasonable opportunity at the AGM to raise questions with respect to these reports.

RACQ's auditor, EY, will be present at the AGM and members will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, RACQ's accounting policies, and the independence of the auditor.

The report of the directors, the auditor's report and the Financial Report are available at the RACQ website **racq.com/annualreports**.

Resolution 1 - Regional Queensland Elected Director Election

Members are asked to consider re-electing John Minz as an Elected Director of RACQ for Regional Queensland.

Pursuant to RACQ's Constitution, John Minz retires from office at the conclusion of the AGM in 2023. John is eligible for and has given notice of his intention to stand for re-election. As the only eligible candidate standing for the available position of Elected Director for Regional Queensland, John will be re-elected by an ordinary resolution of the members. If the resolution is not passed, then a casual vacancy is taken to exist in respect of that position and may be filled by the board.

The board (with John Minz abstaining) recommends you vote in favour of Resolution 1.

John's profile is available at the RACQ website **racq.com.au/about-us/corporate/board-of-directors** with his submission for election below.

Submission for election - John Minz

It has been John's absolute pleasure to represent Regional Queensland as a director of RACQ Limited (initially representing the South West region of RACQ) since August 2016.

John has represented members as a director of RACQ Limited, RACQ Insurance and RACQ Bank (November 2016). His connection with member-owned organisations started in 1993 when he joined the member-owned Heritage Building Society. John was the CEO of Heritage Bank for 12 years. Throughout his career, including that at RACQ, he has understood the need to place members at the centre of all decisions.

John's skills and experience in strategy, culture and risk management are aligned to the crucial governance roles of ensuring member trust and the quality of service to members. He has served on the boards and relevant committees during recent transformational times and believes this experience places him in a good position to govern the transformation to come. John has been Chair of the Audit Committees of the RACQ Group and has also served on the board's Risk and Compliance Committees.

When John was Chair of the RACQ Bank board, he oversaw the integration of Queensland Teachers Mutual Bank into the RACQ Group, as well as growth in the banking services that are provided to members.

The board operates as a cohesive governance team where we all bring skills and experience critical to governing the effective performance of the RACQ Group. Should John be successful, he commits to representing all members to the best of his capabilities.

Resolution 2 - South East Queensland Elected Director Election

Members are asked to consider re-electing Sarah Pearson as an Elected Director of RACQ for South East Queensland.

Pursuant to RACQ's Constitution, Sarah Pearson retires from office at the conclusion of the AGM in 2023. Sarah is eligible for and has given notice of her intention to stand for election. As the only eligible candidate standing for the available position of Elected Director for South East Queensland, Sarah will be re-elected by an ordinary resolution of the members. If the resolution is not passed, then a casual vacancy is taken to exist in respect of that position and may be filled by the board.

The board (with Sarah Pearson abstaining) recommends you vote in favour of Resolution 2.

Sarah's profile is available at the RACQ website **racq.com.au/about-us/corporate/board-of-directors** with her submission for election below.

Submission for election - Sarah Pearson

Sarah is an experienced non-executive director, investor and innovation advisor with global executive leadership expertise spanning FTSE 100 multinationals, technology companies, the Federal Government, universities, venture capital and startups. She has worked for well-known brands such as Cadbury, McKinsey and ANU, and for the past 15 years has been involved in C-suite roles driving innovation and entrepreneurship in Australia and internationally.

An expert in science, innovation, and emerging technology, Sarah has represented Australia globally as Chief Scientist & Chief Innovation Officer at the Commonwealth Department of Foreign Affairs and Trade (DFAT), was Australia's Innovation Champion in the MIKTA group (Mexico, Indonesia, South Korea, Turkey, Australia), and has helped build innovation communities driving economic diversification across Australia.

Sarah's current portfolio of roles includes director at RACQ, director at the Royal Flying Doctor Service (QLD Section), ministerially appointed member of the ANU Council and Adjunct Professor at UQ. She sits on investment committees and boards responsible for ~$1Bn of Venture Capital globally, investing in emerging technology and women-led businesses.

Her passion is to leverage emerging technology and innovation to help organisations change and grow, disrupt disadvantage, address global challenges, and leave no one behind. At RACQ, Sarah is Chair of the Strategy & Innovation Committee that helps RACQ look to the future and how we can help our members in the rapidly changing world of technology.

Based on her lived experience as a physicist, Sarah has spent decades encouraging young women into studying science and continues to champion women in science and innovation.

Resolution 3 - Amendment of Constitution - General

Background

This Resolution 3 supports the ongoing modernisation and simplification of RACQ's governance processes that commenced in 2021.

An overview of the key proposed amendments is outlined below with further detail on our website. This information can be accessed at **racq.com/AGM.**

The board recommends you vote in favour of Resolution 3.

Overview of proposed amendments

1. Board composition

The Constitution currently specifies that the RACQ board is comprised of two categories of director. Subject to certain eligibility criteria being met, there are those that are elected through a member nomination process (Elected Directors) and those that are appointed by the RACQ board (**Appointed Directors**).

RACQ is seeking to bring greater flexibility to its board composition and to align with the most up-to-date governance practices adopted by large companies and organisations in the mutual sector. The proposed changes will provide the board with the ability to appoint any person with appropriate qualifications, skills and experience to an Executive Director position (or a Managing Director) within RACQ.

This would provide the ability for an employee to be appointed to the board or a director, with the right skills and expertise, to be available to work operationally within the business, if circumstances required. The term of appointment would be determined by the board. The proposed amendments to the Constitution provides flexibility, while at the same time, ensuring that non-executive directors continue to constitute the majority of the board, and as such, members retain an appropriate level of influence over board composition for good corporate governance.

2. Other changes

There are minor changes to correct typographical errors, remove unnecessary words and simplify processes outlined in the Constitution. There are also changes in relation to transitional rules in the Constitution that are no longer current.

Resolution 4 - Annual Maximum Aggegrate Remuneration (the 'Cap') for Directors

The board is seeking to change the way directors are paid for their roles on the RACQ Limited board, and the boards of RACQ Bank and RACQ Insurance.

Currently, directors are paid through three different pay structures which makes it inefficient, overly complex and does not enable members to vote on the total fees paid to directors as currently you can only vote on the cap for one board, the RACQ Limited board.

As part of RACQ's normal practice, an independent external advisor was engaged to make recommendations about the board's pay arrangements in comparison to other companies of a similar size, nature, and complexity.

As a result, the board is looking to move to a member-approved funding pool to cover directors' fees across all three boards and committees.

To enable this change, the board is proposing to:

- provide members with the voting rights for the total pay available to directors to cover all three boards, to a limit of $1,950,000.
- change the cap from $1,450,000 for 1 board, to $1,950,000 for all 3 boards. This cap increase does not mean more pay for directors. In fact, for FY24, total directors' pay is forecast to decrease to $1,659,057 representing a reduction of approximately $500,000 compared to the previous year. Simply, the increased cap gives you, as a member, the opportunity to have a say in total fees paid and gives the board flexibility to appoint additional directors if particular skills and expertise are required.

To enable you to have a say on the total remuneration for RACQ's directors, the board recommends you vote in favour of Resolution 4.

Resolution 5 - Amendment of Constitution - Director Remuneration Cap Indexation

This amendment to the Constitution will allow for the maximum total pay of non-executive directors ('Director Remuneration Cap') to be automatically indexed annually on 1 July in line with industry best practice.

The calculation for the adjustment would be determined by the RACQ Limited board and would be based on the most relevant index and reference period published by the Australian Bureau of Statistics.

This would not trigger an automatic change to individual director pays and any annual increase in directors' pays will not exceed the average annual pay increase for RACQ employees.

These changes support transparency, accountability and strengthen our governance processes, while aligning the interests of directors and members.

The board recommends you vote in favour of Resolution 5.

Members are encouraged to review the proposed amended Constitution, along with a table summarising material amendments, on RACQ's AGM website for further detail: **racq.com/AGM**.

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