

2017 Elders Annual General Meeting



Notice is hereby given that the 63rd Annual General Meeting of Shareholders of Elders Limited (Company) will be held in the City Room, Adelaide Convention Centre, North Terrace, Adelaide, South Australia 5000 on Thursday, 14 December 2017 commencing at 10.00am (Adelaide time).





Notice of Annual General Meeting 2017

Agenda

1. Financial Statements and Reports

To receive and consider the Financial Statements and the Reports of the Directors and the Auditor for the 12 month period ended 30 September 2017.

No vote is held in connection with this item.

2. Remuneration Report

To consider, and if thought fit, to pass the following resolution:

“That the Remuneration Report (which forms part of the Directors’ Report) for the 12 month period ended 30 September 2017 be adopted.”

Note that the vote on this item is advisory only and does not bind the Directors or the Company.

3. Election of Ms Diana Eilert

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

“That Ms Diana Eilert, having been appointed by the Board since the last Annual General Meeting, who retires in accordance with Rule 8.1.5(a) of the Constitution of the Company, and being eligible, is elected as a director of the Company.”

4. Approval of issue of securities under Long Term Incentive Plan — exception to ASX Listing Rule 7.1

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

“That for the purposes of ASX Listing Rule 7.2, Exception 9 and for all other purposes, the issue of securities under the Long Term Incentive Plan, as described in the accompanying Explanatory Notes, be approved.”

5. Managing Director’s Long Term Incentive

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant of 200,000 performance rights to the Managing Director & Chief Executive Officer, Mr M C Allison, on the terms specified in the accompanying Explanatory Notes be approved.”

6. Reinstatement of Proportional Takeover Approval Rule in the Constitution

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

“That Rule 6 of the Company’s Constitution last approved by shareholders on 18 December 2014 be reinstated in the Constitution for a period of three years from the date of the meeting.”

Please refer to the accompanying Explanatory Notes, which form part of this Notice of Meeting, for more information on the proposed resolutions.

By Order of the Board



Peter Hastings
Company Secretary
13 November 2017

Explanatory Notes

The following notes have been prepared to assist shareholders to better understand the business to be considered by shareholders at the 2017 Annual General Meeting. The directors recommend that shareholders read the explanatory notes before determining whether or not to support the resolutions.

Item 1 — To Receive and Consider the Financial Statements and Reports of the Directors and Auditor

In accordance with the requirements of the *Corporations Act 2001 (Cth)* (*Corporations Act*) and the Constitution of the Company, the Financial Statements and Reports of the Directors and the Auditor for the 12 month period ended 30 September 2017 will be laid before the meeting.

Shareholders will be given a reasonable opportunity at the meeting to ask questions, or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Auditor or its representatives questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

A copy of the 2017 Annual Report (which includes the Reports of the Directors and the Auditor) will be mailed to all shareholders who have elected to receive a printed copy of the Report. The 2017 Annual Report is located on the Company's website at: investors.elderslimited.com/investor-centre/?page=annual-reports.

The Corporations Act and the Constitution of the Company do not require shareholder approval of these Statements and Reports. Accordingly, no vote is held in connection with this item.

Item 2 — To Adopt the Remuneration Report

The Corporations Act requires the Company to propose a resolution to shareholders that the Remuneration Report be adopted. The Remuneration Report, which forms part of the Directors' Report, can be found in the Company's 2017 Annual Report.

The Remuneration Report includes:

1. an explanation of the Company's policy for determining the nature and amount of remuneration of Key Management Personnel (KMP);
2. a discussion of the relationship between the remuneration policy and the Company's performance; and
3. a detailed summary of remuneration components for KMP including relevant performance conditions.

The vote on this resolution is advisory only and does not bind the Company or its Directors. However, the Board will take the outcome of the vote and the views of shareholders into consideration when reviewing remuneration policies and practices.

Voting Exclusion Statement

The Company will disregard any votes cast on Item 2:

- by or on behalf of a member of the KMP whose remuneration details are included in the Remuneration Report (and their closely related parties) regardless of the capacity in which the vote is cast; or
- by a member of the KMP (and their closely related parties) at the date of the meeting acting as proxy,

unless the vote is cast as proxy for a person entitled to vote on Item 2:

- in accordance with a direction on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit.

The term 'closely related party' is defined in the Corporations Act and includes the KMP's spouse, dependents and certain other close family members, as well as any companies controlled by the KMP.

Board Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

Item 3—Election of Ms Diana Eilert

Ms Diana Eilert was appointed to the Board on 14 November 2017. Ms Eilert will stand for election at the AGM in accordance with Rule 8.1.5(a) of the Company’s Constitution. Her profile is set out below. The Board considers that Ms Eilert will, if elected, be an independent director.

Ms Diana Eilert

BSc (Syd), MCom (UNSW), GAICD, member of Chief Executive Women

Age 58 — Non-executive director of the Board since November 2017. Ms Eilert’s senior executive career includes roles as Group Executive for Suncorp’s entire insurance business and subsequently Group Executive for Technology, People and Marketing. In her 10 years with Citibank, Diana’s roles included Head of Credit Risk Policy, running the Mortgage business, and also Lending Operations for Australia and New Zealand. She was also a Partner with IBM.

Diana is currently a non-executive director of ASX listed companies Super Retail Group Limited and Navitas Limited, and has previously been a director of realestate.com.au (REA Group), Veda (data and analytics) and digital start-ups “onthehouse” and “OurDeal”. Building on her strategy and technology experience, Diana developed a deep understanding of digital trends, disruption and alternate strategies for a large traditional business in her final executive role as Head of Strategy and Corporate Development for News Limited. Ms Eilert is a resident of New South Wales, sharing her time between Sydney and the family cattle farm on the NSW South Coast.

Board Recommendation

The Board (other than Ms Eilert) unanimously recommends the election of Ms Eilert as a director.

Item 4 — Approval of issue of securities under Long Term Incentive Plan

The Company’s Long Term Incentive Plan was adopted by the Board on 18 December 2014. Shareholder approval for the issue of any securities under the Plan is being sought so that the securities granted or issued by the Company under the Plan do not count towards the Company’s 15% annual limit on issuing securities without shareholder approval.

ASX Listing Rule 7.1 prohibits an entity from issuing more than 15% of its securities in any 12 month period, without obtaining shareholder approval (unless an exception applies).

ASX Listing Rule 7.2, Exception 9, provides that an issue of securities under an employee incentive scheme will not count towards the 15% placement capacity if, within 3 years before the date of the issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

Following is a summary of the terms and conditions of the Long Term Incentive Plan:

Offers under the Plan and eligibility

The Board may invite Eligible Employees to participate in a grant of Incentive Securities, which may comprise restricted shares, options and/or performance rights. Offers will be made on the terms set out in the Plan and on any additional terms determined by the Board. Offers made in the year ending 30 September 2018 will be made on the same terms as those described for Mr Allison in agenda item 5.

An Eligible Employee is an employee of the Elders Group, including a director employed in an executive capacity, or any other person who is declared by the Board to be eligible to receive a grant of Incentive Securities under the Plan. It is anticipated that 665,000 performance rights (including those issued to Mr Allison, see agenda item 5) will be issued under the Plan in connection with the Long Term Incentive Plan component of the remuneration packages of Eligible Employees for the year ending 30 September 2018.

Vesting and exercise

Restricted shares, options and/or performance rights granted under the Plan will only vest, and in the case of options, become exercisable, where any performance condition and any other relevant conditions advised to the participant by the Board have been satisfied.

On vesting of a performance right or following the exercise of an option (as the case may be), the Board will allocate the number of shares in respect of the performance rights vested or the options exercised. Any shares issued under the Plan will rank equally in all respects with other shares on issue at that time (except as regards any rights attaching to such shares by reference to a record date prior to the date of their issue).

Cessation of employment

If a participant ceases to be an employee of Elders, that participant's Incentive Securities will continue to be held by the participant and continue to be subject to the Plan Rules and the relevant conditions advised to the participant by the Board. However, the Board may determine (in its absolute discretion) that some or all of a participant's Incentive Securities lapse, vest, are exercisable for a prescribed period (if applicable), or are no longer subject to some of the restrictions that previously applied.

Alternatively, the Board may specify in any offer how the participant's Incentive Securities are to be treated on cessation of employment.

Change of control

In the event of a transaction, event or state of affairs that, in the Board's opinion, is likely to result in a change of control of the Company, the Board may, in its absolute discretion, determine that all or a specified number of a participant's unvested performance rights and/or options vest or cease to be subject to restrictions.

Corporate actions/reconstructions

Prior to the allocation of shares to a participant upon vesting of performance rights or exercise of options (as the case may be), the Board may make any adjustments it considers appropriate to the terms of a performance right and/or option granted to a participant in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action or capital reconstruction.

Dealings in Incentive Securities

Subject to the Company's Securities Dealing Policy, any dealing in respect of an Incentive Security is prohibited unless the Board determines otherwise or the dealing is required by law.

Clawback

If, in the opinion of the Board, a participant's Incentive Securities vest or may vest as a result of certain activities such as fraud, dishonesty, gross misconduct by the participant or breach of duties or obligations of any other person, the Board may determine that Incentive Securities held on behalf of the participant will lapse or be forfeited, and/or that the participant must pay or repay as a debt proceeds from shares allocated to the participant under the Plan.

Other Information

On 16 December 2016 at the Company's Annual General Meeting, shareholders approved a grant of 280,000 performance rights to Mr Allison under the Plan.

In addition, a total of 615,000 performance rights were granted under the Plan to members of management in December 2016 as the long term incentive portion of their remuneration arrangements.

Voting Exclusion Statement

The Company will disregard any votes cast on the proposed resolution in Item 4:

- by or on behalf of an Eligible Employee who has accepted an offer to participate under the Plan; and
- an associate of the Eligible Employee regardless of the capacity in which the vote is cast.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Board Recommendation

The Board unanimously recommends that shareholders approve the issue of securities under the Long Term Incentive Plan.

Item 5 — Managing Director's Long Term Incentive

The Board considers, in accordance with generally accepted remuneration practices in Australia, that an equity-based long-term incentive is integral to linking the CEO and Managing Director's remuneration with long-term returns for shareholders.

As previously advised to the ASX, Elders had in place a three year strategic plan (known as the Eight Point Plan) for implementation until 30 September 2017. The long-term incentive for Mr Mark Allison, the CEO and Managing Director of the Company, approved by shareholders at the 2014 AGM provided an incentive for the period of this plan. The financial results for the last year of that plan appear in the Company's 2017 Annual Report and will be tabled at the 2017 Annual General Meeting.

The Board now considers it necessary to incentivise Mr Allison to continue the Company's growth, whilst remaining focused on shareholder return, for a further three years, in line with the new strategic plan of the Company.

Approval is being sought in accordance with ASX Listing Rule 10.14 for the proposed grant of performance rights to Mr Allison, pursuant to the Company's Long Term Incentive Plan on the terms set out below.

Overview of the proposed grant																	
Maximum number of performance rights	The proposed grant is for 200,000 performance rights. The grant represents the LTI component of the CEO's remuneration package for the financial year ending 30 September 2018. The maximum number of performance rights is calculated using a blend of face value and fair value, a 90% chance of vesting and the 5 trading day VWAP for the end of the 2017 performance year (\$4.8286).																
Price payable on grant or vesting	No amount will be payable in respect of the grant of the performance rights as they form part of Mr Allison's remuneration package. No loan has been made in relation to the grant. In addition, no amount is payable on vesting of a performance right.																
Rights attaching to performance rights	Upon vesting of the performance rights, Mr Allison will acquire fully paid ordinary shares in the Company that carry the same rights as other ordinary shares in the Company. One fully paid ordinary share in the Company will be allocated for each vested performance right.																
Date of grant	If shareholder approval is obtained, the performance rights will be granted to Mr Allison shortly after the AGM and, in any event, no later than 12 months after the AGM.																
Performance period	The performance period for the performance rights will be 1 October 2017 to 30 September 2020																
Performance conditions	The performance rights will be split into three tranches, each carrying a different performance condition, as follows: <table border="1" data-bbox="678 1720 1359 1951"> <thead> <tr> <th>Tranche</th> <th>Performance condition</th> <th>No. of performance rights</th> <th>% of total grant</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Absolute Total Shareholder Return (TSR)</td> <td>100,000</td> <td>50%</td> </tr> <tr> <td>2</td> <td>Earnings Per Share (EPS) growth</td> <td>50,000</td> <td>25%</td> </tr> <tr> <td>3</td> <td>Return on Capital (ROC)</td> <td>50,000</td> <td>25%</td> </tr> </tbody> </table>	Tranche	Performance condition	No. of performance rights	% of total grant	1	Absolute Total Shareholder Return (TSR)	100,000	50%	2	Earnings Per Share (EPS) growth	50,000	25%	3	Return on Capital (ROC)	50,000	25%
Tranche	Performance condition	No. of performance rights	% of total grant														
1	Absolute Total Shareholder Return (TSR)	100,000	50%														
2	Earnings Per Share (EPS) growth	50,000	25%														
3	Return on Capital (ROC)	50,000	25%														

Overview of the proposed grant

Performance measures and vesting	<p>Tranche 1 Performance Rights — Absolute TSR</p> <p><i>Target measure:</i> 12% Compound Annual Growth Rate (CAGR)</p> <p><i>Stretch measure:</i> 15% CAGR</p> <p>TSR is the Board's measurement of the full return a shareholder would obtain from holding one ordinary Elders share over the performance period, taking into account the changes in the share's market value, any dividends paid and any capital adjustments, including declared dividends and franking credits.</p> <p>For the purpose of this calculation the opening value has been set at \$4.8286, being the 5 trading day VWAP up to and including 30 September 2017. The end value will be based on the 5 trading day VWAP up to and including the last day of the performance period, 30 September 2020.</p> <p>Rights in the Absolute TSR tranche will vest in accordance with the following schedule:</p> <table border="1"> <thead> <tr> <th>Absolute TSR over the performance period</th> <th>% of Rights that vest</th> </tr> </thead> <tbody> <tr> <td>Less than Target</td> <td>Nil</td> </tr> <tr> <td>Target</td> <td>50%</td> </tr> <tr> <td>Between Target and Stretch</td> <td>50-100%, on a straight line sliding scale</td> </tr> <tr> <td>Stretch</td> <td>100%</td> </tr> </tbody> </table> <p>Tranche 2 Performance Rights — EPS Growth</p> <p><i>Target measure:</i> Tranche 2 will vest <i>in full</i> if the EPS CAGR performance is greater than or equal to 10%.</p> <p>No vesting of Tranche 2 will occur if EPS CAGR is less than 10% for the performance period.</p> <p>NPAT used in determining EPS will be Underlying NPAT as presented in the Company's Annual Reports.</p> <p>Tranche 3 Performance Rights — ROC</p> <p><i>Target measure:</i> Tranche 3 will vest <i>in full</i> if ROC is greater than or equal to 20% for the financial year ending 30 September 2020.</p> <p>No vesting of Tranche 3 will occur if ROC is less than 20% for the financial year ending 30 September 2020.</p> <p>ROC is defined as Underlying EBIT divided by average capital employed. Underlying EBIT and average capital employed will both be calculated for the financial year ending 30 September 2020.</p> <p>Underlying EBIT will be as presented in the Company's 2020 Annual Report.</p> <p>Average capital employed includes working capital, intangibles (excluding brand name), investments, property plant and equipment and provisions.</p>	Absolute TSR over the performance period	% of Rights that vest	Less than Target	Nil	Target	50%	Between Target and Stretch	50-100%, on a straight line sliding scale	Stretch	100%
Absolute TSR over the performance period	% of Rights that vest										
Less than Target	Nil										
Target	50%										
Between Target and Stretch	50-100%, on a straight line sliding scale										
Stretch	100%										
Performance testing	<p>Testing of the performance conditions will occur once the results for the financial year ended 30 September 2020 have been approved by the Board.</p> <p>There will be no re-testing of performance.</p>										
Additional vesting condition	<p>In addition to the performance conditions described above, performance rights will only vest if the share price on the vesting date is greater than or equal to the 5 trading day VWAP up to and including 30 September 2017 (i.e. \$4.8286).</p>										

Overview of the proposed grant	
Dividend adjustment	For each fully paid ordinary share allocated on vesting, Mr Allison will receive additional ordinary shares equivalent to the value of the dividends paid (but not received by Mr Allison) over the performance period. The number of additional ordinary shares allocated for this dividend adjustment will be determined using the 5 trading day VWAP at 30 September 2020.
Trading restrictions	Mr Allison must not sell, transfer, encumber, hedge or otherwise deal with unvested performance rights. Mr Allison will be free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of the Company's Securities Dealing Policy.
Other	Other terms of the grant, including: <ul style="list-style-type: none"> — cessation of employment; — change of control; — other adjustments at Board discretion; and — clawback, are summarised in the overview of the Company's Long Term Incentive Plan Rules provided in the explanatory notes to Item 4.
Additional information for ASX Listing Rules	Mr Allison is the only director currently entitled to participate in the Company's Long Term Incentive Plan. The performance rights, and any shares received upon vesting, will be granted under the Company's Long Term Incentive Plan Rules, a summary of which is provided in the explanatory notes to Item 4. 600,000 options, and 260,000 and 280,000 performance rights were granted to Mr Allison under the Plan for nil consideration in accordance with approvals given by members at the Company's 2014, 2015 and 2016 AGM respectively. No other person named in ASX Listing Rule 10.14 has received securities under the Plan since the last approval. Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% available under that rule. However, if approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the performance rights granted to Mr Allison and any shares issued pursuant to this approval will not use up any part of the 15% available under ASX Listing Rule 7.1.

Voting Exclusion Statement

The Company will disregard any votes cast on the proposed resolution in Item 5:

- by or on behalf of Mr Allison; and
- an associate of Mr Allison regardless of the capacity in which the vote is cast.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Board Recommendation

The Board (with Mr Allison abstaining) unanimously recommends passing the resolution.

Item 6 — Reinstatement of Proportional Takeover Approval Rule in the Constitution

Rule 6 of the Constitution provides that the Company is prohibited from registering a transfer of shares resulting from a proportional takeover scheme unless and until shareholders in general meeting approve the offer. This Rule is designed to assist shareholders to receive proper value for their shares if a proportional takeover scheme bid is made for the Company. In accordance with the Corporations Act, this Rule ceases to have effect at the end of the third anniversary of its adoption. As Rule 6 was last approved by shareholders in a general meeting on 18 December 2014 it will automatically cease to have effect on 18 December 2017. The Directors consider that it is in the best interests of the Company's shareholders to have a proportional takeover rule in the Constitution and shareholders are asked to consider a resolution to reinstate the previous Rule 6 on identical terms. If the proposed resolution is approved by shareholders, Rule 6 will be renewed and have effect on identical terms as the existing Rule 6 until 14 December 2020.

Rule 6 is reproduced at the end of the Explanatory Note to this resolution.

The Corporations Act requires that the following information be provided to shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

What is a proportional takeover scheme?

A proportional takeover scheme is a takeover bid where an offer is made to each shareholder of a company to acquire a specified proportion only of that shareholder's shares (that is, less than 100%). The specified proportion must be the same in the case of all shareholders.

The Corporations Act allows a company to provide in its constitution that if a proportional takeover bid is made, shareholders must vote on whether to accept or reject the proportional takeover bid and that decision will be binding on all shareholders. The provision allows shareholders to decide collectively whether a proportional takeover bid is acceptable in principle.

Effect of a Proposed Proportional Takeover Approval Rule

Rule 6 requires that, if a proportional takeover scheme bid is received, the Directors are to convene a meeting of shareholders to vote on a resolution to approve the proportional takeover scheme. The meeting must be held, and the resolution voted upon, at least 15 days before the close of the offer. Rule 6 provides that for a resolution to be approved, it must be passed by a majority at the meeting, excluding votes by the offeror and its associates. If a meeting is not held to vote on the approving resolution, the Directors will breach the Corporations Act. However, in these circumstances a resolution approving the proportional offer will be deemed to have been passed. In effect, shareholders may only prohibit a proportional takeover scheme by passing a resolution rejecting the proportional takeover scheme.

If a resolution is rejected by shareholders, the registration of any transfer of shares resulting from the proportional offer will be prohibited and the offer deemed withdrawn. If approved, the relevant transfers of shares to the offeror will be registered, provided they comply with the other provisions of the Constitution.

This Rule does not apply to full takeover bids and, if renewed, will cease to have effect at the end of the third anniversary of its adoption, that is, 14 December 2020, unless again renewed by a special resolution of shareholders.

Reasons for Proposing the Resolution

The Corporations Act permits the inclusion and renewal of takeover approval provisions in the Company's Constitution. The Directors consider that shareholders should have the opportunity to vote on a proposed proportional takeover scheme bid. Without Rule 6, a proportional takeover scheme bid for the Company may enable control of the Company to be acquired by a party holding less than a majority interest and without shareholders having the opportunity to dispose of all their shares to the offeror. This could result in control of the Company passing to the offeror without the payment of an adequate control premium with shareholders being left as part of a minority interest in the Company. Rule 6 prevents this situation arising without shareholder approval. The Directors consider that it is appropriate for shareholders to have the right contained in Rule 6.

No Present Acquisition Proposals

As at the date of this notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company. This circumstance has had no impact on the Board's decision to propose this resolution.

Advantages and Disadvantages of proportional takeover approval provisions

The Corporations Act requires this explanatory note to retrospectively review the advantages and disadvantages, for Directors and shareholders, of the proportional takeover scheme provisions proposed to be reinstated during the period which the provisions have been in effect.

During the period that the Company's proportional takeover scheme provisions have been in effect, there have been no takeover offers for the Company, either proportional or otherwise. Therefore, there are no historical or present circumstances against which the advantages or disadvantages of the current proportional takeover scheme provisions (Rule 6) for Directors and shareholders can be reviewed. The Directors are not aware of any potential takeover offer that was discouraged by Rule 6.

The Corporations Act also requires this explanatory note to discuss the potential future advantages and potential disadvantages, for Directors and shareholders, of the proportional takeover scheme provisions that are proposed to be reinstated.

The potential advantages of the reinstatement of Rule 6 for shareholders are:

- the provisions give all shareholders (other than the offeror and its associates) an opportunity to study the terms of a proportional takeover proposal to determine whether it is in their best interests that it proceed and, on that basis, enables shareholders to decide whether or not to accept the offer;
- the provisions may discourage the making of a proportional takeover bid which may be considered to be opportunistic and may prevent control of the Company passing without the payment of an appropriate control premium;
- the provisions may assist shareholders in not being locked in to a minority interest in the Company;
- the provisions may increase shareholders' bargaining power and may assist in ensuring that any future proportional takeover offer is structured so as to be attractive to a majority of independent shareholders; and
- knowing the view of the majority of shareholders may assist each individual shareholder in assessing the likely outcome of the proportional takeover scheme bid and whether to approve or reject that bid.

Some potential disadvantages of the reinstatement of Rule 6 for shareholders are:

- the provisions may reduce the possibility of a successful proportional takeover bid and, as a result, proportional takeover offers for the Company may be discouraged;
- any speculative element in the market price of the Company's shares arising from the possibility of a takeover bid being made may be reduced;
- there may be a reduction in the opportunities which shareholders may have to sell some of their shares at an attractive price which includes a premium for control; and
- the provisions may impose an additional and unwarranted restriction on the ability of individual shareholders to freely deal in their shares.

The reinstatement of Rule 6 will allow the Directors to ascertain shareholders' views on a proportional takeover scheme bid. Otherwise, the Directors consider that there are no potential advantages or disadvantages for the Directors which may result from Rule 6 being reinstated (other than in their capacity as shareholders), as they retain the ability to make a recommendation to shareholders on whether a proportional takeover offer should be approved or rejected.

Board Recommendation

The Board consider that the potential advantages of reinstating Rule 6 for a further 3 years on its current terms outweigh the potential disadvantages to shareholders. The Board unanimously recommends that shareholders vote in favour of item 6.

Rule 6 of the Company's Constitution

6. Plebiscite to Approve Proportional Takeover Schemes

6.1 Definitions

In this rule 6:

"prescribed resolution", in relation to a proportional takeover scheme, means a resolution to approve the proportional takeover scheme passed in accordance with rule 6.3;

"proportional takeover scheme" means a takeover scheme that is made or purports to be made under section 618(1)(b) of the Corporations Act in respect of shares included in a class of shares in the company;

"relevant class", in relation to a proportional takeover scheme, means the class of shares in the Company in respect of which offers are made under the proportional takeover scheme; and

"relevant day", in relation to a proportional takeover scheme, means the day that is 14 days before the end of the period during which the offers under the proportional takeover scheme remain open.

6.2 Transfers not to be registered

Subject to the Listing Rules and despite rules 5.1.5 and 5.2, a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover scheme must not be registered unless and until a prescribed resolution to approve the proportional takeover scheme has been passed or is taken to have been passed in accordance with rule 6.3.

6.3 Resolution

6.3.1

Where offers have been made under a proportional takeover scheme, the directors must:

(a) convene a meeting of the persons entitled to vote on the prescribed resolution for the purpose of considering and, if thought fit, passing a prescribed resolution to approve the proportional takeover scheme; and

(b) ensure that such a resolution is voted on in accordance with this rule 6.3,

before the relevant day in relation to that proportional takeover scheme.

6.3.2

The provisions of this constitution relating to general meetings apply, so far as they can and with such changes as are necessary, to a meeting that is convened pursuant to rule 6.3.1.

6.3.3

The offeror under a proportional takeover scheme and any associates of the offeror are not entitled to vote on the prescribed resolution relating to that proportional takeover scheme and if they do vote, their votes must not be counted.

6.3.4

Subject to rule 6.3.3, a person who, as at the end of the day on which the first offer under the proportional takeover scheme was made, held shares of the relevant class is entitled to vote on the prescribed resolution relating to the proportional takeover scheme and, for the purposes of so voting, is entitled to 1 vote for each such share held at that time.

6.3.5

A prescribed resolution is to be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one half, and otherwise is to be taken to have been rejected.

6.3.6

If a prescribed resolution to approve a proportional takeover scheme has not been voted on in accordance with this rule 6.3 before the relevant day, a prescribed resolution to approve the proportional takeover scheme will be taken to have been passed in accordance with this rule 6.3 on the relevant day.

6.4 Sunset

Rules 6.1, 6.2 and 6.3 cease to have effect at the end of 3 years beginning:

6.4.1

where those rules have not been renewed in accordance with the Corporations Act, on the date that those rules were adopted by the company; or

6.4.2

where those rules have been renewed in accordance with the Corporations Act, on the date those rules were last renewed.

Voting Information

Means of voting

All votes will proceed on a poll. No votes will be taken on a show of hands.

Entitlement to vote

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the persons eligible to vote at the AGM will be those persons who are registered shareholders at 6.30pm (Adelaide time), Tuesday, 12 December 2017. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Direct Voting

Shareholders can lodge their votes electronically at votingonline.com.au/eldersagm2017 and follow the prompts. To use this facility, you will need your postcode and Voting Access Code as shown on the proxy form. You will have taken to have signed the proxy form if you lodge it in accordance with the instructions on the website.

Proxies

Each shareholder is entitled to appoint a proxy. The proxy does not need to be a member of the Company. A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints 2 proxies, each proxy may exercise half of the shareholder's votes if no proportion or number of votes is specified. Where a shareholder appoints 2 proxies, each proxy may only exercise the voting rights the proxy represents.

A Proxy Form accompanies this Notice and to be effective must be completed and received at either the Company's registered office or its share registry, Boardroom Pty Limited.

Registered Office	Share Registry
The Company Secretary Elders Limited Level 10, 80 Grenfell Street Adelaide SA 5000	Boardroom Pty Limited Level 12, 225 George Street, Sydney NSW 2000
By Mail: Boardroom Pty Limited GPO BOX 3993 Sydney NSW 2001	By facsimile on: +61 2 9290 9655

or by electronic lodgement: votingonline.com.au/eldersagm2017

By no later than 10:00am (Adelaide time),
Tuesday, 12 December 2017.

Attorneys

A shareholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the AGM, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the addresses listed above for the receipt of proxy appointments by no later than 10.00am (Adelaide time) on Tuesday, 12 December 2017.

Corporate Representatives

Any corporate shareholder wishing to appoint a person to act as its representative at the meeting may do so by providing that person with:

- a letter or certificate, executed in accordance with the corporate shareholder's constitution, authorising that person as the corporate shareholder's representative at the meeting; or
- a copy of the resolution appointing the person as the corporate shareholder's representative at the meeting, certified by a secretary or director of the corporate shareholder.

Transfer of non-Chair proxy to Chair in certain circumstances

If:

- a member has appointed a proxy (other than the Chairman) and the appointment of the proxy specifies the way the proxy is to vote on the resolution; and
- that member's proxy is either not recorded as attending the meeting or does not vote on the resolution,

the Chairman of the meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for the member for the purposes of voting on that resolution and must vote in accordance with the written direction of that member.

Conduct of Annual General Meeting

- The Chairman and the Chief Executive Officer will generally answer relevant questions on behalf of the Board and the management team, respectively. If questions cannot be answered at the meeting, the Company will seek to provide a response to the shareholder as soon as possible after the AGM.
- At the AGM, the Company will inform shareholders of the proxy and direct voting position with respect to the resolutions to be considered by the AGM, and how the Chairman intends to vote undirected proxies. It is the Chairman's current intention to vote all available proxies in favour of each of the resolutions outlined in this Notice of Meeting.
- We ask that shareholders:
 - are courteous and respectful to all attendees at the AGM, including not photographing or recording the AGM;
 - keep their questions to a reasonable length to allow as many shareholders as possible to participate; and
 - confine their questions to matters being considered at the AGM and matters relevant to shareholders as a whole.
- Questions relating to the shareholder's personal circumstances can be raised with the Company or Boardroom representatives who will be available at the AGM.



