

Notice to company pursuant to s.249N and s.249P of the Corporations Act 2001 (CA)

We, Sustainable Investment Exchange Pty Ltd, of 4-12 Buckland Street, Chippendale NSW 2008, identified by the Holder Identification Number (HIN) 0125200125;

in respect of any holding of the shareholder's G8 Education Limited ('G8' or 'the company') ordinary fully paid shares;

hereby give notice to the company (in accordance with sections 249N and 249P of the CA) of the following resolutions (1: Amend the company's constitution, 2: Paid parental leave) the shareholder proposes to move at a general meeting of the company; and request (in accordance with section 249P) that the company give to all members each of the supporting statements following the resolutions.

SIGNED

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Adam Verwey Director	Sophie Hall Director
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Word count: 690

Resolution 1 - Amend the company's constitution

To insert into our company's constitution the following new clause 37.1:

Member resolutions at general meeting

"The shareholders in general meeting may by ordinary resolution express an opinion, ask for information, or make a request, about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material relevance to the company or the company's business as identified by the company, and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company."

Supporting statement to Resolution 1

Shareholder participation in the affairs of a company is a part of healthy corporate governance. Despite this practice being common in many countries, filing shareholder resolutions at listed Australian company Annual General Meetings is uncommon due to procedural and legal barriers.¹

Australian legislation and its interpretation in case law means that Australian shareholders are unable to directly propose an ordinary resolution. As a result, shareholders must propose multiple resolutions, the first being a 'special resolution' to amend the company's constitution to allow ordinary resolutions to be placed on the agenda at a company's annual meeting. This limits a key mechanism for investors to influence the direction of companies, particularly their management of ESG risks.² For comparison, 610 shareholder resolutions were filed in the United States for the year ending June 2024, compared to a total of 8 in Australia through the entirety of 2024.³

Contrary to criticism, jurisdictions with lower requirements for shareholder resolutions have not received a flood of time-consuming, distracting shareholder resolutions but greater engagement between investors and companies over material ESG issues. Often these have led to improved corporate governance.⁴

Moreover, existing shareholder rights to pose questions to the Board at AGMs, or vote on the appointment or removal of directors, or remuneration, may not be the best way to express an opinion on ESG related matters.

¹<https://acsi.org.au/wp-content/uploads/2020/02/Shareholder-resolutions-in-Australia.Oct17.pdf>

² <https://www.unpri.org/download?ac=18754>

³ <https://corpgov.law.harvard.edu/2024/11/18/u-s-shareholder-proposals-a-decade-in-motion/>

⁴ <https://corpgov.law.harvard.edu/2024/11/18/u-s-shareholder-proposals-a-decade-in-motion/>

Allowing ordinary resolutions from shareholders at annual meetings is in the long-term interests of the company, shareholders and stakeholders.

Resolution 2 - Paid parental leave

Shareholders request that the Board of Directors implement an employer-funded paid parental leave policy for the companies which it has a controlling interest in. The policy should be determined by the Board and informed by the WGEA Leading Practice Parental Leave Policy Guide.⁵

Supporting statement

The Australian Government currently provides 22 weeks of paid parental leave (PPL) at the national minimum wage.⁶ It is now common for employers to make payments to workers in addition to government funding in recognition it is insufficient. 75% of all Australian private sector employers with over 100 staff provide employer-funded PPL. This is particularly true of the ASX100 where 92 companies fund a median 16 weeks of primary carer PPL.⁷

G8 Education employs over 10,000 people to run its over 430 child care centres and is one of the largest ASX-listed companies that doesn't offer employer-funded paid parental leave (PPL).⁸ 51% of childcare companies surveyed by the Workplace Gender Equality Agency (WGEA) offer employer-funded PPL.⁹ 75% of companies in female dominated industries (like childcare) provide employer-funded PPL, as do 85% of employers with more than 5000 staff offer employer funded PPL¹⁰. This makes G8 a laggard relative to its size and industry.

According to WGEA, the majority of employers provide employer-funded PPL of between 7-12 weeks, with the average being 10.8 weeks.

G8 is a female-dominated company with 96% of its employees identified as women and its branding targets women. Therefore the company's performance is more exposed to additional risks, and opportunities, based on its gender equality performance and its reputation as an employer. G8 faces reputational risks from being seen as not supportive of women and mothers, which is who it targets with its services and branding.

⁵<https://www.wgea.gov.au/sites/default/files/documents/WGEA-Leading-Practice-Parental-Leave-Policy-Guide.pdf>

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<https://www.servicesaustralia.gov.au/how-much-parental-leave-pay-you-can-get-for-child-born-or-adopted-from-1-july-2023?context=64479>

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⁷ Internal analysis using WGEA data

⁸ Based on internal analysis of Workplace Gender Equality Agency (WGEA) data and public company reports and documents, <https://www.wgea.gov.au/data-statistics/data-explorer>

⁹ <https://www.wgea.gov.au/data-statistics/data-explorer>

¹⁰ <https://www.wgea.gov.au/newsroom/parental-leave-scorecard>

Offering no PPL creates additional risk and therefore costs of increased staff turnover when employees exit the workforce following time off for caring duties. The company may find additional costs in its ability to attract and retain top talent in a market where PPL is the norm. Only 3 of the biggest 10 Australian childcare companies don't offer employer-funded PPL. Costs include offboarding, replacement, training and loss of productivity and knowledge. The total cost of losing an employee can range from tens of thousands of dollars to 1.5-2X annual salary.¹¹

We estimate the cost to G8 of introducing 8 weeks of employer-funded PPL (including super) to be negligible. By following WGEA's recommended process, it should be possible for G8 to create a PPL policy where the financial benefits outweigh the financial costs. The minimum requirement under WGEA's Employer of Choice for Gender Equality citation is 8 weeks.

However, the resolution does not seek to specify an amount of employer-funded PPL, but for the company to be informed by the WGEA Leading Practice Parental Leave Policy Guide in formulating an employer-funded PPL policy.

The proposal balances the need for the company to remain competitive in a market where paid parental leave is increasingly the norm with the flexibility to offer an amount of PPL that the Board determines.

¹¹ <https://www.randstad.com.au/hr-news/attracting-recruiting-talent/focusing-high-cost-employee-turnover/>