



## Constitution

**Police Financial Services Limited**  
**ACN 087 651 661**

Incorporated in Victoria under the *Corporations Act 2001* (Cth).

As approved by the membership at the Annual General Meeting on 12 November 2024.

## Table of contents

<b>1.</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions	1
1.2	Interpretation	3
1.3	Business Day	4
1.4	Replaceable Rules do not apply	5
1.5	Not intended to effect de-mutualisation	5
1.6	MCI mutual entity	5
<b>2.</b>	<b>Objects and limits on power</b>	<b>5</b>
2.1	Objects	5
2.2	Borrowers must be Members	6
2.3	Services to Members	6
2.4	Stakeholder consideration	6
2.5	Delegation	7
<b>3.</b>	<b>Membership</b>	<b>7</b>
3.1	Eligibility	7
3.2	Admission to membership	7
3.3	Absolute discretion	7
3.4	Issue of Shares	7
3.5	Recognition of third party interests	8
3.6	Joint holders	8
3.7	Minors	8
<b>4.</b>	<b>Termination of membership</b>	<b>9</b>
4.1	Removal of a Member	9
4.2	Cancellation of Shares	9
4.3	Expulsion	9
4.4	Dormant account	10
<b>5.</b>	<b>Shares</b>	<b>10</b>
5.1	Classes of shares	10
5.2	Directors power to issue shares	11

5.3	Share certificate	11
<b>6.</b>	<b>Member Shares</b>	<b>11</b>
6.1	Issue price	11
6.2	Rights, obligations and restrictions	11
6.3	Participation and voting rights	12
6.4	Dividends	12
6.5	Redemption of a Member Share	12
6.6	Transfer of a Member Share	12
<b>7.</b>	<b>MCIs</b>	<b>13</b>
7.1	Issue of an MCI	13
7.2	Rights, obligations and restrictions	13
7.3	Participation and voting rights	13
7.4	Dividends	14
7.5	Automatic cancellation	14
7.6	MCI cancellation or variation	14
7.7	Transfer of MCIs	14
<b>8.</b>	<b>Transmission of MCIs</b>	<b>15</b>
8.1	Transmission on death	15
8.2	Transmission on bankruptcy	16
8.3	Transmission on mental incapacity	16
8.4	Transmission by operation of law	17
<b>9.</b>	<b>Alteration of capital</b>	<b>17</b>
<b>10.</b>	<b>General meetings</b>	<b>17</b>
10.1	Annual general meeting	17
10.2	Calling meetings of Members	17
10.3	Notice of general meetings	17
10.4	Postponement or cancellation	18
10.5	Fresh notice	18
10.6	Notice to joint holders of Shares	18
10.7	Technology	18
10.8	Virtual meetings	18
10.9	Rules relating to virtual meetings	19

<b>11.</b>	<b>Proceedings at meetings of Members</b>	<b>19</b>
<hr/>		
11.1	Quorum	19
11.2	Conduct of meetings	19
11.3	Adjournments	20
<b>12.</b>	<b>Voting and proxies</b>	<b>21</b>
<hr/>		
12.1	Voting at general meetings	21
12.2	When a poll is effectively demanded	21
12.3	Procedure for polls	21
12.4	Direct voting	22
12.5	Chair has casting vote	22
12.6	Representation and voting of Members	22
12.7	Restriction on voting rights	23
12.8	Form of proxy	23
12.9	Number of votes exercised under proxy	24
12.10	Validity of proxies	24
12.11	Special meetings	25
12.12	Consideration of resolution to alter mutual structure	25
<b>13.</b>	<b>Directors</b>	<b>25</b>
<hr/>		
13.1	Number of Directors	25
13.2	Eligibility to become a Director	25
13.3	Independent Directors	26
13.4	Appointment of Additional or Casual Director	26
13.5	Election of a Director	27
13.6	Removal of a Director	27
13.7	Cessation of Directorship	27
13.8	Rotation of Directors	28
13.9	Resignation of Directors	28
13.10	Less than the minimum number of Directors	28
13.11	Remuneration of Directors	28
<b>14.</b>	<b>Powers of Directors</b>	<b>29</b>
<hr/>		
14.1	Powers of Directors	29
<b>15.</b>	<b>Proceedings of Directors</b>	<b>29</b>
<hr/>		

15.1	Meetings	29
15.2	Meetings by technology	30
15.3	Chair of Directors	31
15.4	Directors' voting rights and exercise of powers	31
15.5	Committees	31
15.6	Circulating resolutions	32
15.7	Defects in appointments	32
<b>16.</b>	<b>Material personal interests</b>	<b>32</b>
16.1	Declaration of interest	32
16.2	Voting by interested Directors	33
<b>17.</b>	<b>Secretaries and other officers</b>	<b>33</b>
17.1	Secretaries	33
17.2	Other officers	33
<b>18.</b>	<b>Execution of documents</b>	<b>34</b>
18.1	Execution	34
18.2	Directors' interests	34
<b>19.</b>	<b>Financial reports and audit</b>	<b>34</b>
19.1	Company must keep financial records	34
19.2	Financial reporting	34
19.3	Audit	34
19.4	Conclusive reports	35
<b>20.</b>	<b>Inspection of records</b>	<b>35</b>
20.1	Inspection by Members	35
20.2	Right of a Member to inspect	35
<b>21.</b>	<b>Dividends</b>	<b>35</b>
21.1	Payment of Dividends	35
21.2	Differential Dividends	35
21.3	Interest on Dividends	36
21.4	Dividends are non-cumulative	36
21.5	Deduction of unpaid amounts	36
<b>22.</b>	<b>Notices</b>	<b>36</b>

22.1	Notices by Company	36
22.2	When Notices considered given and received	36
<b>23.</b>	<b>Indemnity of officers, insurance and access</b>	<b>37</b>
<hr/>		
<b>24.</b>	<b>Winding up</b>	<b>38</b>
<hr/>		
<b>25.</b>	<b>Modification or repeal of this Constitution</b>	<b>39</b>
<hr/>		
<b>Annexure A</b>	<b>Election of Directors</b>	<b>40</b>
<hr/>		
<b>Annexure B</b>	<b>Demutualisation Resolutions</b>	<b>45</b>
<hr/>		

Constitution  
of  
Police Financial Services Limited  
ACN 087 651 661

1. Definitions and interpretation

---

1.1 Definitions

In this Constitution:

<b>ADI</b>	means an authorised deposit-taking institution.
<b>APRA</b>	means the Australian Prudential Regulation Authority.
<b>Auditor</b>	means the person appointed for the time being as an auditor of the Company.
<b>Banking Act</b>	means the <i>Banking Act 1959</i> (Cth) and any regulations made under it.
<b>Board</b>	means the Directors present at a meeting, duly convened as a meeting of Directors, at which a quorum is present.
<b>Business Day</b>	means a day on which banks are open for business in Melbourne, Victoria, Australia, excluding a Saturday, Sunday or public holiday in that city.
<b>Chair</b>	means the person occupying the position of Chair in accordance with clause 15.3 or otherwise acting as Chair in accordance with this Constitution.
<b>Company</b>	means Police Financial Services Limited ACN 087 651 661.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) and the <i>Corporations Regulations 2001</i> (Cth).
<b>Director</b>	means a director of the Company and (where appropriate) includes any Independent Director or Additional or Casual Director.
<b>Dividend</b>	means any distribution (including an interim dividend) made, or any amount credited, by the Company to MCI Holders.

<b>Financial Accommodation</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) an advance;</li> <li>(b) money paid for, on behalf of or at the request of a person (other than by drawing on the person's deposit account with the Company);</li> <li>(c) a forbearance to require payment of money owing on any account; or</li> <li>(d) a transaction that, in substance, effects a loan or is regarded by the parties to the transaction as a loan,</li> </ul> <p>that the Company provides or enters into in the ordinary course of its banking business.</p>
<b>Independent Director</b>	means a person appointed as an independent director of the Company under clause 13.3.
<b>Issue Price</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) in relation to a Member Share, the amount payable by a person on issue of that Member Share (or upon turning 18 in the case of a Minor); or</li> <li>(b) in relation to an MCI, the amount payable by a person on issue of that MCI or, if the MCI was created on conversion of a capital instrument in accordance with any Prudential Standard, the nominal dollar value of that capital instrument prior to conversion into the MCI.</li> </ul>
<b>MCI</b>	means a Share issued pursuant to clause 7 and stands for 'mutual capital instrument'.
<b>MCI Holder</b>	means the holder of an MCI.
<b>MCI Issue Terms</b>	means the terms on which an MCI is issued by the Company.
<b>Member</b>	means a Member Share Holder or an MCI Holder whose name the Company has entered into the Register of Members for the time being.
<b>Member Share</b>	means a Share issued pursuant to clause 6.
<b>Member Share Holder</b>	means the holder of a Member Share.
<b>Minor</b>	means a person who has not attained the age of 18 years.
<b>Prudential Standard</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) any prudential standard that APRA determines under the Banking Act; and</li> <li>(b) any prudential regulation made under the Banking Act.</li> </ul>



<b>Register of Members</b>	means the register of the Members of the Company.
<b>Replaceable Rules</b>	means the replaceable rules applicable to a public company limited by shares referred to in Part 2B.4 and section 141 of the Corporations Act.
<b>Secretary</b>	means a person appointed by the Directors to perform the duties of secretary of the Company.
<b>Share</b>	means a share in the capital of the Company, being either a Member Share or an MCI.
<b>Voting Member</b>	means: <ul style="list-style-type: none"> <li>(a) a Member Share Holder; and</li> <li>(b) an MCI Holder where the MCI Issue Terms applying to MCIs held by that MCI Holder confer voting rights on the MCI Holder.</li> </ul>

## 1.2 Interpretation

In this Constitution, unless a contrary intention is expressed:

- (a) headings and italicised, highlighted or bold type do not affect the interpretation of this Constitution;
- (b) the singular includes the plural and the plural includes the singular;
- (c) a gender includes all other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Constitution have a corresponding meaning;
- (e) a reference to a 'person' includes any individual, firm, company, partnership, joint venture, an unincorporated body or association, trust, corporation or other body corporate (whether or not having a separate legal personality);
- (f) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation;
- (g) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Constitution and a reference to this Constitution includes any clause, annexure, exhibit and schedule;
- (h) a reference to a document (including this Constitution) includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether

or not in writing and includes all amendments or supplements to, or replacements or novations of, that document;

- (i) a reference to a party to any document includes that party's successors and permitted assigns;
- (j) a reference to time is to Melbourne, Victoria, Australia time;
- (k) a reference to any legislation includes all delegated legislation made under it and includes all amendments, consolidations, replacements or re-enactments of any of them, from time to time;
- (l) a reference to an agreement includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (m) a reference to a body, other than a party to this Constitution (including an institute, association or authority), whether statutory or not, which ceases to exist or whose powers or functions are transferred to another body, is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (n) the words 'include', 'including', 'for example', 'such as' or any form of those words or similar expressions in this Constitution do not limit what else is included and must be construed as if they are followed by the words 'without limitation', unless there is express wording to the contrary;
- (o) a reference to a day is to the period of time commencing at midnight and ending 24 hours later;
- (p) a reference to a month is a reference to a calendar month;
- (q) if a period of time is specified and dates from a day or the day of an act, event or circumstance, that period is to be determined exclusive of that day;
- (r) if an act or event must occur or be performed on or by a specified day and occurs or is performed after 5.00 pm on that day, it is taken to have occurred or been done on the next day;
- (s) a reference to '\$', 'A\$', 'dollars' or 'Dollars' is a reference to the lawful currency of the Commonwealth of Australia; and
- (t) an expression which is not defined in this Constitution has the same meaning as given under the Corporations Act.

### 1.3 **Business Day**

If anything under this Constitution is required to be done on or by a day that is not a Business Day that thing must be done on or by the next Business Day.

#### 1.4 **Replaceable Rules do not apply**

The Replaceable Rules are displaced by and do not apply to this Constitution except to the extent that this Constitution provides otherwise.

#### 1.5 **Not intended to effect de-mutualisation**

The adoption of this Constitution is not intended to have any of the effects contemplated in clause 29(1) of Schedule 4 of the Corporations Act. The occurrence of any of those events is referred to as a 'demutualisation'. If the adoption of any provision of this Constitution results in a demutualisation, then that provision is severed from this Constitution and, to the extent permitted by law, is replaced by such of provisions of the repealed constitution which was in force immediately before the adoption of this Constitution as is necessary or required so that the adoption of this Constitution does not cause or result in any demutualisation.

#### 1.6 **MCI mutual entity**

The Company is intended to be an MCI mutual entity for the purposes of the Corporations Act.

## 2. **Objects and limits on power**

---

### 2.1 **Objects**

The company's purpose is to have an overall positive impact on society and the environment whilst pursuing the following objects:

- (a) to raise funds from Members by subscription, deposit or otherwise, as authorised by the Corporations Act and the Banking Act;
- (b) to apply the funds in providing Financial Accommodation to Member Share Holders, subject to the Corporations Act and the Banking Act;
- (c) to encourage savings amongst Member Share Holders;
- (d) to promote co-operative enterprise;
- (e) to provide programs and services to Member Share Holders to assist them to meet their financial, economic and social needs;
- (f) to promote, encourage and bring about human and social development among individual Member Share Holders and within the larger community within which Member Share Holders work and reside; and
- (g) to further the interests of Member Share Holders and the communities within which they work and live through co-operation with:
  - (i) other mutual organisations; and

- (ii) associations of mutual organisations.

## 2.2 Borrowers must be Members

- (a) Subject to clause 2.2(b), the Company may only provide Financial Accommodation to its Members.
- (b) Clause 2.2(a) does not apply to the following non-Members:
  - (i) bodies that do not have the power to acquire, or that the law prohibits from acquiring, the Company's Shares;
  - (ii) ADIs; or
  - (iii) any person or class of persons as determined by the Board from time to time in its absolute discretion.
- (c) This clause 2.2 does not limit the powers of the Company to invest funds, subject to any applicable laws and Prudential Standards, other than by way of providing Financial Accommodation to its Members.

## 2.3 Services to Members

The Board may withdraw or refuse the Company's provision of Financial Accommodation for any period of time where it has reasonable grounds to believe that a Member Share Holder has:

- (a) failed to discharge its obligations to the Company;
- (b) used, allowed the use of, or aided and abetted in the use of the Company's or another ADI's services to commit, or attempt to commit, an action that may constitute a fraud or other indictable offence;
- (c) engaged in conduct detrimental to the Company or its Members or officers; or
- (d) obtained its status as a Member by misrepresentation or mistake.

## 2.4 Stakeholder consideration

In discharging their duties under this Constitution, the Corporations Act and the general law, the Directors or other officers of the Company:

- (a) will include in their consideration the following factors:
  - (i) the likely consequences of any decision or act of the Company in the long term;
  - (ii) the interests of the Company's employees;
  - (iii) the need to foster the Company's business relationships with suppliers, customers and others;

- (iv) the impact of the Company's operations on the community and the environment;
  - (v) the desirability of the Company maintaining a reputation for high standards of business conduct;
  - (vi) the interests of the Members of the Company;
  - (vii) the ability of the Company to create an overall positive impact on society and the environment; and
- (b) need not give priority to a particular factor referred to in clause 2.4(a) over any other factor (either included in clause 2.4(a) or otherwise).

## 2.5 Delegation

The Directors may delegate any powers conferred to them under this Constitution to other officers of the Company.

# 3. Membership

---

## 3.1 Eligibility

A person is only eligible to become a Member of the Company in accordance with this Constitution.

## 3.2 Admission to membership

The Company may admit a person as a Member if:

- (a) the person makes a written application to become a Member in the form the Company requires;
- (b) the person subscribes for 10 Member Shares or for one or more MCIs; and
- (c) the person pays the Issue Price for those Shares.

## 3.3 Absolute discretion

The Board has an absolute discretion in exercising its power to admit Members and has no obligation to provide any reason for admitting or not admitting a person as a Member.

## 3.4 Issue of Shares

Upon admitting a person as a Member, the Company must:

- (a) issue and allot the Shares referred to in clause 3.2(b);

- (b) enter the person's details into the Register of Members; and
- (c) give the person written notification that the Company has admitted that person as a Member.

### 3.5 Recognition of third party interests

Whether or not it has notice of the rights or interests concerned, the Company is not bound to recognise:

- (a) any equitable, contingent, future or partial claim to, or interest in, any Share or unit of a Share; or
- (b) any other right in respect of a Share,

except an absolute right of ownership of the Member or as otherwise provided by this Constitution or by law.

### 3.6 Joint holders

Where two or more persons are registered as the holders of a Share, they are considered to hold the Share as joint tenants with benefits of survivorship subject to the following provisions:

- (a) the Company is not bound to register more than three persons as the holders of a Share (except in the case of personal representatives of a deceased Member);
- (b) the joint holders of the Share are liable severally as well as jointly in respect of all payments which ought to be made in respect of the Share;
- (c) any one of the joint holders may give a receipt for any Dividend, bonus or return of capital payable to the joint holders in respect of the Share (where applicable);
- (d) only the person whose name appears first in the Register of Members as one of the joint holders of the Share is entitled, if the Company determines to issue a certificate for the Share, to delivery of the certificate relating to the Share or to receive notices from the Company and any notice given to that person is considered notice to all the joint holders; and
- (e) any one of the joint holders may vote at any meeting of the Company either personally, via direct vote, or by properly authorised representative, proxy or attorney, in respect of the Share as if that joint holder was solely entitled to the Share. If more than one of the joint holders are present personally or by properly authorised representative, proxy or attorney, only the vote of the joint holder whose name appears first in the Register of Members counts.

### 3.7 Minors

The Board may admit a Minor as a Member of the Company.

## 4. Termination of membership

---

### 4.1 Removal of a Member

A person ceases to be a Member when:

- (a) In the case of a Member who holds only Member Shares:
  - (i) the Member is expelled by the Company in accordance with clause 4.3;
  - (ii) the Member's deposit account is deemed a dormant account by the Company in accordance with clause 4.4;
  - (iii) the Member redeems its Member Shares in accordance with clause 6.5;
  - (iv) the Member, being a body corporate, is wound up; or
  - (v) the Member, being an individual, dies.
- (b) In the case of a Member who holds only MCIs, the Member cancels or transfers its MCIs in accordance with clauses 7.6 and 7.7.
- (c) In the case of a Member who holds both Member Shares and MCIs:
  - (i) any one of the events listed in clause 4.1(a) occur; and
  - (ii) the event listed in clause 4.1(b) occurs.

### 4.2 Cancellation of Shares

The Shares of a person who ceases to be a Member are cancelled immediately on that person ceasing to be a Member.

### 4.3 Expulsion

- (a) The Board may expel any Member Share Holder who has:
  - (i) failed to discharge its obligations to the Company;
  - (ii) used, allowed the use of, or aided and abetted in the use of the Company's or another ADI's services to commit, or attempt to commit, an action that may constitute a fraud or other indictable offence;
  - (iii) engaged in conduct detrimental to the Company or its Members or officers; or
  - (iv) obtained its status as a Member by misrepresentation or mistake.
- (b) Before proceeding to expel a Member Share Holder in accordance with clause 4.3(a), the Board must provide the Member with a written notice which must:

- (i) identify the Member's conduct which has led to consideration of their expulsion;
  - (ii) require the Member to demonstrate why they should not be expelled;
  - (iii) notify the Member that they have an opportunity to be heard on the matter of expulsion either in person or in writing within 15 Business Days following service of the notice; and
  - (iv) notify the Member of the date set for them to be heard or upon which a written submission provided by that Member will be considered.
- (c) Following the Board's compliance with clause 4.3(b), including consideration of any oral or written submission tendered by the Member, the Board, if satisfied that the expulsion is justified, may expel the Member by ordinary resolution.
- (d) The Company must pay an expelled Member Share Holder the amount paid up on its Member Shares after satisfaction of all liabilities and obligations.

#### 4.4 **Dormant account**

- (a) The Company may cancel the membership of any Member Share Holder where that Member's deposit account with the Company is a dormant account as classified by the Company.
- (b) The Company may only classify a Member Share Holder's deposit account as a dormant account if:
- (i) there have been no transactions in the account for at least 1 year;
  - (ii) the Company has written to the Member Share Holder to advise that, unless the Member Share Holder gives the company a written notice within 1 month stating that it wishes for the account to remain open, the Company intends to close the account; and
  - (iii) the Company does not receive a written notice from the Member Share Holder in accordance with clause 4.4(b)(ii).
- (c) The Company may transfer any amounts held in dormant accounts to a suspense account.

## 5. **Shares**

---

### 5.1 **Classes of shares**

The Company may only issue:

- (a) Member Shares in accordance with clause 6; and
- (b) MCIs in accordance with clause 7.



## 5.2 Directors power to issue shares

The Directors may exercise the Company's power to issue shares.

## 5.3 Share certificate

- (a) The Company will issue a share certificate in respect of an MCI.
- (b) Where an MCI is held by joint holders:
  - (i) the Company is not bound to issue more than one share certificate; and
  - (ii) delivery of a share certificate to one of the joint holders in accordance with clause 3.6(d) is sufficient delivery to all joint holders.
- (c) Unless required by law to do so, the Company will not issue a share certificate in respect of any Member Share.
- (d) Subject to the requirements of the Corporations Act, the Directors may:
  - (i) issue replacement share certificates;
  - (ii) cancel share certificates on issue; or
  - (iii) replace lost, destroyed or defaced certificates on issue,on the basis and in the form they decide from time to time.

## 6. Member Shares

---

### 6.1 Issue price

The Issue Price for a Member Share is \$1 per share.

### 6.2 Rights, obligations and restrictions

- (a) The following rights attach to each Member Share:
  - (i) the right to vote on the terms set out in clause 10;
  - (ii) the right to participate in the distribution of profits or assets on a winding up of the Company on the terms set out in clause 24; and
  - (iii) the right to redeem the Member Share on the terms set out in clause 6.5.
- (b) The Company may issue more Member Shares at any time. The issue of more Member Shares does not vary the rights attached to any Member Share that the Company has already issued.

### 6.3 Participation and voting rights

- (a) Subject to clause 10, a Member Share Holder may participate and vote:
  - (i) at a Members' meeting; and
  - (ii) in a ballot to appoint Directors by election.
- (b) At a Members' meeting, whether on a poll, a show of hands or via direct vote:
  - (i) each Member Share Holder has 1 vote regardless of the number of Shares held;
  - (ii) a Member Share Holder who is a Minor has no vote; and
  - (iii) despite clause 6.3(b)(i), a representative of a body corporate that holds a Member Share can vote as both a Member Share Holder and as a representative of the body corporate.

### 6.4 Dividends

No Dividend is payable in respect of any Member Share.

### 6.5 Redemption of a Member Share

- (a) The Company may redeem a Member Share if:
  - (i) The Member Share Holder has given the Company notice requesting termination of its membership with the Company;
  - (ii) The Directors have resolved to terminate the membership of the Member Share Holder with the Company under clause 4.3; or
  - (iii) The Directors have determined that the deposit account of the Member Share Holder with the Company is dormant under clause 4.4.
- (b) Where a Member Share is redeemed under clause 6.5(a), that Member Share is cancelled and the Company must pay the Member Share Holder an amount equal to the Issue Price paid for the Member Share.
- (c) This clause 6.5 does not affect the terms on which a Member Share may be cancelled under a reduction of capital or a share buy-back in accordance with Part 2J.1 of the Corporations Act.

### 6.6 Transfer of a Member Share

- (a) Subject to clause 6.6(b), a Member Share Holder may not transfer a Member Share.
- (b) A trustee for an unincorporated association or trust may transfer a Member Share that they hold as trustee for the unincorporated association or trust to

another person who is to act as trustee for the unincorporated association or trust.

## 7. MCIs

---

### 7.1 Issue of an MCI

- (a) The Company may issue one or more classes of MCI.
- (b) The Board will determine the MCI Issue Terms that apply to each MCI and will include such terms as they consider necessary or desirable.
- (c) The Board will set the Issue Price for each MCI in the MCI Issue Terms and there is no requirement that each MCI be issued at a common price.
- (d) An MCI can only be issued on a fully paid basis.
- (e) Where separate classes of MCIs are issued, the rights of any class may not be cancelled or varied except through the process outlined in clause 7.6.

### 7.2 Rights, obligations and restrictions

- (a) The following rights attach to each MCI:
  - (i) Subject to the MCI Issue Terms, the right to vote on the terms set out in clause 10;
  - (ii) Subject to the MCI Issue Terms, the right to participate in Dividends on the terms set out in clause 21;
  - (iii) Subject to the MCI Issue Terms, the right to participate in the distribution of profits or assets on a winding up of the Company on the terms set out in clause 24; and
  - (iv) the right to cancel or vary the MCI on the terms set out in clause 7.6.
- (b) The Company may issue more MCIs at any time. The issue of more MCIs does not vary the rights attached to any MCI that the Company has already issued.

### 7.3 Participation and voting rights

- (a) Subject to clause 10, an MCI Holder may participate at a Members' meeting or at a meeting of the class of holders of MCIs. An MCI Holder may also cast a vote at a Members' meeting or at a meeting of the class of holders of MCIs if the MCI Issue Terms confer voting rights on that MCI Holder.
- (b) If an MCI Holder is entitled to vote in accordance with clause 7.3(a), at a Members' meeting or a meeting of the class of holders of MCIs, and whether on a poll, a show of hands or via direct vote:

- (i) each MCI Holder has 1 vote regardless of the number of Shares held; and
- (ii) despite clause 7.3(b)(i), a representative of a body corporate that holds MCIs can vote as both an MCI Holder and as a representative of the body corporate.

#### 7.4 Dividends

An MCI Holder will be entitled to receive a Dividend in accordance with the MCI Issue Terms of each MCI. Where a Dividend is payable in respect of an MCI, it will be payable in accordance with clause 21 of this Constitution.

#### 7.5 Automatic cancellation

It is a condition of issue of each MCI that the MCI must be cancelled before anything occurs which would disentitle the Company from being an MCI mutual entity as described in the Corporations Act.

#### 7.6 MCI cancellation or variation

- (a) Unless otherwise provided by the MCI Issue Terms, the rights attached to each class of MCI may only be varied or cancelled (whether or not the Company is being wound up) by:
  - (i) a special resolution of the Company; and
  - (ii) either of the following:
    - (A) a special resolution passed at a separate meeting of MCI Holders that hold MCIs in the class which is intended to be varied or cancelled; or
    - (B) with the written consent of MCI Holders that hold MCIs in the class which is intended to be varied or cancelled with at least 75 per cent of the votes in that class.
- (b) The provisions of this Constitution relating to general meetings will apply to every such separate meeting held under clause 7.6(a) with such changes as are necessary to constitute a quorum or to enable the relevant MCI Holders to demand a poll.

#### 7.7 Transfer of MCIs

- (a) No transfer of an MCI may be registered unless a proper instrument of transfer, in writing in the usual or common form or in any form the Directors may prescribe or in a particular case accept, signed by the transferor and the transferee and properly stamped (if necessary) is delivered to the Company (but the Directors may dispense with the execution of the instrument by the transferee if the Directors think fit).

- (b) The transferor is considered to remain the holder of the MCIs transferred until the name of the transferee is entered on the Register of Members.
- (c) Every transfer must be left for registration at the registered office of the Company or any other place the Directors determine. Unless the Directors otherwise determine either generally or in a particular case, the transfer is to be accompanied by the certificate for the MCIs to be transferred. In addition, any fee payable on registration of the transfer must be paid, and the transfer is to be accompanied by any other evidence which the Directors may require to prove the title of the transferor, the transferor's right to transfer the Shares, execution of the transfer form or compliance with the provisions of any law relating to stamp duty.
- (d) Subject to clause 7.7(c), on each application to register the transfer of any MCIs or to register any person as the holder in respect of any MCIs transmitted to that person by operation of law or otherwise, the certificate specifying the MCIs in respect of which registration is required must be delivered to the Company for cancellation and on registration the certificate is considered to have been cancelled.
- (e) Each transfer which is registered may be retained by the Company for any period determined by the Directors after which the Company may destroy it.
- (f) The Board may refuse to register a transfer of an MCI if:
  - (i) a proper instrument of transfer and any certificate or other title document (if any) has not been lodged;
  - (ii) any fee payable on the registration of the transfer is not paid;
  - (iii) the Board has not been given any additional document or information that it reasonably requires to establish the right of the Member transferring the Share to make the transfer;
  - (iv) the MCI is not fully-paid; or
  - (v) the Company has a lien over the MCI.
- (g) Notice must be given to the transferee within two months after the date on which the transfer was lodged if the Board refuses to register a transfer of any MCI.

## 8. Transmission of MCIs

---

### 8.1 Transmission on death

- (a) Where an MCI Holder who is a natural person dies:
  - (i) the legal personal representatives of the deceased, where the MCI Holder was a sole holder or a joint holder; and

- (ii) the survivor or survivors, where the MCI Holder was a joint holder, are the only persons recognised by the Company as having any title to the deceased MCI Holder's MCIs.
- (b) Subject to the Corporations Act, the Directors may require evidence of an MCI Holder's death as they determine.
- (c) This clause does not release the estate of a deceased joint holder from any liability in respect of any MCI that has been jointly held by the MCI Holder with other persons.

## 8.2 Transmission on bankruptcy

- (a) If a person entitled to an MCI as a result of the bankruptcy of an MCI Holder gives the Directors the information they reasonably require to establish the person's entitlement to be registered as the holder of an MCI then, the person may:
  - (i) by giving written and signed notice to the Company, elect to be registered as the holder of an MCI; or
  - (ii) by giving a completed transfer form to the Company, transfer the MCI to another person.
- (b) The person is entitled, whether or not registered as the holder of a MCI, to the same rights as the MCI Holder.
- (c) On receiving an election under clause 8.2(a), the Company must register the person as the holder of the MCI.
- (d) This clause 8.2 has effect subject to the *Bankruptcy Act 1966* (Cth).

## 8.3 Transmission on mental incapacity

- (a) If a person entitled to an MCI as a result of the mental incapacity of an MCI Holder gives the Directors the information they reasonably require to establish the person's entitlement to be registered as the holder of the MCI, the person may:
  - (i) by giving a written and signed notice to the Company, elect to be registered as the holder of the MCI; or
  - (ii) by giving a completed transfer form to the Company, transfer the MCI to another person.
- (b) The person is entitled, whether or not registered as the holder of the MCI, to the same rights as the MCI Holder.
- (c) On receiving an election under clause 8.3(a)(i) the Company must register the person as the holder of the MCI.

#### 8.4 **Transmission by operation of law**

A person (**Transmittee**) who establishes to the satisfaction of the Directors that the right to any MCI has devolved on the Transmittee by will or by operation of law may be registered as a holder of the MCI or may (subject to the provisions in this Constitution relating to transfers) transfer the Share. The Directors have the same right to refuse to register the Transmittee as if the Transmittee was the transferee named in a transfer presented for registration.

### 9. **Alteration of capital**

---

The Company may reduce or alter its Share capital in any manner provided for by the Corporations Act. The Directors may do anything which is required to give effect to any resolution authorising the reduction or alteration of the Share capital of the Company, including:

- (a) distributing to Members Shares of any other body corporate and, on behalf of the Members, consenting to each Member becoming a member of that body corporate and agreeing to be bound by the constitution of that body corporate; and
- (b) making provision for the issue of fractional certificates or sale of fractions of Shares and the distribution of net proceeds as they think fit.

### 10. **General meetings**

---

#### 10.1 **Annual general meeting**

The Company must hold an annual general meeting as required by section 250N of the Corporations Act.

#### 10.2 **Calling meetings of Members**

A meeting of Members:

- (a) may be convened at any time by the Board; and
- (b) must be convened by the Board when required by section 249D or 250N of the Corporations Act or by an order made under section 249G of the Corporations Act.

#### 10.3 **Notice of general meetings**

- (a) Subject to clauses 10.5 and 10.6, at least 21 days' written notice of a meeting of Members must be given individually to each Member (whether or not the Member is entitled to vote at the meeting), each Director and the Auditor.

- (b) The notice of meeting must comply with section 249L of the Corporations Act and may be given in any manner permitted by section 249J of the Corporations Act.

#### 10.4 **Postponement or cancellation**

Subject to sections 249D(5) and 250N of the Corporations Act (when applicable), the Board may:

- (a) postpone a meeting of Members;
- (b) cancel a meeting of Members; or
- (c) change the place for a general meeting,

by written notice to the Members.

#### 10.5 **Fresh notice**

If a meeting of Members is postponed or adjourned for one month or more, the Company must give new notice of the resumed meeting.

#### 10.6 **Notice to joint holders of Shares**

If a Share is held jointly, the Company need only give notice of a meeting of Members (or of its cancellation or postponement) to the joint holder who is named first in the Register of Members.

#### 10.7 **Technology**

The Company may hold a meeting of Members at two or more venues using any technology that gives the Members as a whole a reasonable opportunity to participate.

#### 10.8 **Virtual meetings**

Subject to clause 10.9, the following provisions apply to meetings held virtually:

- (a) a general meeting may be held using one or more technologies that give all Members entitled to attend a reasonable opportunity to participate without being physically present in the same place, and clauses 10.8(b) to 10.8(e) apply if the meeting is held in that way;
- (b) all persons participating in the general meeting are taken for all purposes (for example, a quorum requirement) to be present at the general meeting while participating;
- (c) a vote taken at the general meeting must be taken on a poll, and not on a show of hands, by using one or more technologies to give each Voting Member the opportunity to participate in the vote in real time and, where practicable, by recording their vote in advance of the general meeting;



- (d) a requirement to allow an opportunity for Members attending the general meeting to speak (for example, by asking questions) may be complied with by using one or more technologies that allow that opportunity;
- (e) a proxy may be appointed using one or more technologies specified in the notice of the meeting;
- (f) notice of a meeting may be given, and any other information to be provided with notice of a meeting, or at or in relation to a meeting, may be provided, using one or more technologies to communicate to those entitled to receive notice of the meeting:
  - (i) the contents of the notice and the other information; or
  - (ii) details of an online location where the contents of the notice and the other information can be viewed or from where they can be downloaded.

## 10.9 Rules relating to virtual meetings

The obligations set out in clause 10.8 are not intended to impose more onerous procedures on the Company than would otherwise be required at law, and will not apply to the Company to the extent that they do so.

## 11. Proceedings at meetings of Members

---

### 11.1 Quorum

- (a) A quorum of Members is fifteen Voting Members.
- (b) No business may be transacted at any meeting of the Members, other than the election of the Chair of the meeting if required pursuant to clause 11.2, unless a quorum of Members is present at the beginning of the business of the meeting and during the whole of the meeting.
- (c) If there is not a quorum at a meeting of the Members within 30 minutes after the time appointed for the meeting, the meeting is dissolved unless the Chair or the Directors adjourn the meeting to a date, time and place of their choosing. If there is not a quorum at any adjourned meeting within 30 minutes after the time appointed for the meeting, the meeting is dissolved.

### 11.2 Conduct of meetings

- (a) Subject to clause 11.2(b), the Chair elected by the Directors under clause 15.3(a) is entitled to preside at every meeting of the Members.
- (b) Where a meeting of the Members is convened and:
  - (i) there is no Chair; or

- (ii) the Chair is not present within 30 minutes after the time appointed for the meeting or does not wish to act as Chair,

the Directors present may choose one of their number to act as Chair, or in the absence of all Directors or if none of the Directors present wish to act, the Voting Members may elect one of their number to be Chair.

- (c) If no Chair has been appointed within 60 minutes after the time appointed for the meeting, the meeting is dissolved.
- (d) The Chair must adjourn a meeting of the Members if the Voting Members with the majority of votes at the meeting agree or direct the Chair to do so.
- (e) The general conduct of each meeting of the Members and the procedures to be adopted at the meeting are as determined at, during (by the Chair), or prior to the meeting.
- (f) The Chair may make rulings without putting the question (or any question) to the vote if the Chair considers such action is required to ensure the orderly conduct of the meeting.
- (g) If at any time the Chair considers it necessary or desirable for the proper and orderly conduct of the meeting, the Chair may demand the cessation of debate or discussion on any business, question, motion or resolution being considered by the meeting and require the business, question, motion or resolution to be put to a vote of the Voting Members.
- (h) Any determination by the Chair in relation to matters of procedure (including any procedural motions moved at, or put to, any meeting) or any other matter arising directly or indirectly from the business of the meeting is final. Any challenge to:
  - (i) a right to vote; or
  - (ii) a determination to allow or disregard a vote,

may only be made at the meeting and must be determined by the Chair, whose decision is final.

### 11.3 **Adjournments**

- (a) Subject to clause 10.5, the Chair of a meeting of Members at which a quorum is present may adjourn the meeting or any business, motion, question, resolution, debate or discussion to another time and place.
- (b) The Chair has sole discretion to decide whether to seek the approval of the Voting Members to an adjournment and, unless the Chair exercises that discretion, no vote may be taken by the Voting Members in respect of the adjournment.
- (c) No business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

## 12. Voting and proxies

---

### 12.1 Voting at general meetings

- (a) Each question submitted to a general meeting is to be decided by:
  - (i) in the case of a meeting where virtual technology is used, a poll; and
  - (ii) in all other cases, a show of hands of the Voting Members, unless a poll is demanded.
- (b) Before a vote is taken, the Chair must inform the meeting whether any proxy votes or direct votes have been received and how the proxy votes or direct votes are to be cast.
- (c) Where voting proceeds by way of a show of hands, a declaration by the Chair following a vote on a show of hands that a resolution has been passed or lost is conclusive.

### 12.2 When a poll is effectively demanded

- (a) A poll may be demanded in accordance with clause 12.1(a)(ii) by:
  - (i) at least five Voting Members;
  - (ii) Voting Members with at least five per cent of the votes that may be cast on the resolution; or
  - (iii) the Chair.
- (b) The poll may be demanded before a vote is taken, before the voting results on a show of hands are declared or immediately after the voting results on a show of hands are declared.

### 12.3 Procedure for polls

- (a) Where voting is to proceed by way of poll, a poll may be taken in the manner and at the time the Chair directs.
- (b) The result of a poll may be announced in the manner and at the time (whether during the relevant meeting or afterwards) that the Chair considers appropriate.
- (c) Where clause 12.1(a)(ii) applies, the demand for a poll does not prevent a meeting from continuing in relation to any transaction or any business other than that on which a poll has been demanded. A poll demanded on the election of a Chair or on the question of an adjournment must be taken immediately.

## 12.4 Direct voting

- (a) The Directors may decide that, at any general meeting or class meeting, a Voting Member is entitled to vote by direct vote in respect of a resolution. A direct vote includes a vote delivered to the Company by post or other electronic means approved by the Directors. The Directors may prescribe regulations, rules and procedures in relation to direct voting, including but not limited to, specifying the form, method and timing of giving a direct vote at a meeting in order for the vote to be valid.
- (b) A direct vote on a resolution at a meeting in respect of a Share cast in accordance with clause 12.4(a) is of no effect and will be disregarded:
  - (i) if, at the time of the resolution, the person who cast the direct vote:
    - (A) was not entitled to vote on the resolution in respect of the Share; or
    - (B) would not be entitled to vote on the resolution in respect of the Share if the person were present at the meeting at which the resolution was considered;
  - (ii) if, had the vote been cast in person at the meeting at which the resolution was considered:
    - (A) the vote would not be valid; or
    - (B) the Company would be obliged to disregard the vote;
  - (iii) subject to any rules prescribed by the Directors, if the person who cast the direct vote is present in person at the meeting at the time the resolution is considered; and
  - (iv) if the direct vote was cast otherwise than in accordance with any regulations, rules and procedures prescribed by the Directors under clause 12.4(a).

## 12.5 Chair has casting vote

In the event of an equality of votes on a show of hands or on a poll, the Chair has a casting vote in addition to any vote which the Chair may be entitled to as a Member or as a proxy, attorney or properly appointed representative of a Member.

## 12.6 Representation and voting of Members

Subject to this Constitution and any rights or restrictions for the time being attached to any class or classes of Shares:

- (a) at meetings of Members or classes of Members, each Member may attend in person or by proxy, attorney or representative and each Voting Member may attend and vote in person or by proxy, attorney or representative;

- (b) on a show of hands:
  - (i) subject to clauses 12.6(b)(ii) and 12.6(b)(iii), each Voting Member has one vote;
  - (ii) where a Voting Member has appointed more than one person as its representative, proxy or attorney, only the first of those representatives, proxies or attorneys is entitled to vote; and
  - (iii) where a person is entitled to vote because of clause 12.6(b)(ii) in more than one capacity, that person is entitled only to one vote.
- (c) on a poll, each Voting Member has one vote.

## 12.7 Restriction on voting rights

- (a) A Member is not entitled to attend or vote at a general meeting unless all calls (if any) and other sums presently payable by the Member in respect of its Shares have been paid.
- (b) A Member is not entitled to vote at a general meeting unless that Member has held their shares:
  - (i) in relation to an annual general meeting, for at least 12 months before the day that precedes the close of nominations for election of Directors; and
  - (ii) in relation to all other general meetings, for at least 12 months before the day on which notice of the general meeting is given.
- (c) A Member is not entitled to vote at a general meeting if that Member is a Minor.

## 12.8 Form of proxy

- (a) A Member who is entitled to attend a meeting of the Company may appoint an individual or body corporate as a proxy to attend for the Member in accordance with the Corporations Act.
- (b) A Voting Member who is entitled to attend and vote at a meeting of the Company may appoint an individual or body corporate as a proxy to attend and vote for the Member in accordance with the Corporations Act.
- (c) The instrument appointing a proxy:
  - (i) must be in writing (in the common or usual form);
  - (ii) is deemed to confer authority to demand or join in demanding a poll;
  - (iii) must be in accordance with the Corporations Act; and
  - (iv) may be in any form (including an electronic form) that the Directors prescribe or approve.
- (d) The instrument of proxy must be received by the Company at least 48 hours before the meeting.

- (e) Any appointment of proxy under this clause 12.8 which is incomplete may be completed by the Secretary on the authority of the Directors and the Directors may authorise completion of the proxy by the insertion of the name of any Director as the person in whose favour the proxy is given.
- (f) Where a notice of meeting provides for electronic lodgement of proxies, a proxy lodged at the electronic address specified in the notice is taken to have been received at the registered office and validated by the Member if there is compliance with the requirements set out in the notice.

#### 12.9 Number of votes exercised under proxy

- (a) A Member may appoint not more than two proxies. If the Member appoints two proxies and the appointment does not specify the proportion or the number of votes each proxy may exercise, each proxy may exercise half the votes.
- (b) A proxy need not be a Member.

#### 12.10 Validity of proxies

- (a) A vote exercised in accordance with the terms of an instrument of proxy, a power of attorney or other relevant instrument of appointment is valid despite:
  - (i) the previous death or unsoundness of mind of the principal;
  - (ii) the revocation of the instrument (or of the authority under which the instrument was executed) or the power; or
  - (iii) the transfer of the Share in respect of which the instrument or power is given,if no notice in writing of the death, unsoundness of mind, revocation or transfer (as the case may be) has been received by the Company at its registered office before the commencement of the meeting, or adjourned meeting at which the instrument is used or the power is exercised.
- (b) A proxy is not revoked by reason of the principal attending and taking part in the meeting unless the principal actually votes at the meeting on a resolution for which the proxy is proposed to be used.
- (c) Voting instructions given by a Member to a Director or employee of the Company who is appointed as proxy (**Company Proxy**) are valid only if:
  - (i) the voting instructions are contained in the document form of appointment of the Company Proxy; or
  - (ii) in the case of new instructions or variations to earlier instructions, the new instructions or variations to earlier instructions are either:
    - (A) received at the registered office of the Company before the meeting or adjourned meeting by a notice in writing signed by the Member; or

- (B) otherwise validated by the Member in a manner acceptable to the Directors in their discretion prior to the commencement of the meeting.

### 12.11 Special meetings

All the provisions of this Constitution as to general meetings apply to any special meeting of any class of Members which may be held pursuant to this Constitution or the Corporations Act.

### 12.12 Consideration of resolution to alter mutual structure

Annexure B applies to any Demutualisation Resolution (as that term is defined in Annexure B) to be submitted to Members.

## 13. Directors

---

### 13.1 Number of Directors

- (a) There must be no less than seven Directors and no more than nine Directors of the Company at any given time.
- (b) The number of Directors specified in clause 13.1(a) includes any Independent Directors (subject to the limit set out in clause 13.3(b)) and any Additional or Casual Directors.
- (c) The Members may, by ordinary resolution passed at a general meeting, alter the minimum or maximum number of Directors required under clause 13.1(a).
- (d) The Directors may determine the number of Directors of the Company at any given time within the limits set by clause 13.1(a) (or by the Members in accordance with clause 13.1(c)).
- (e) The maximum tenure of any Director of the Company may not exceed a total aggregate of 9 years.

### 13.2 Eligibility to become a Director

A person is only eligible to be a Director if that person has been:

- (a) a Member of the Company for a period of 24 months before being nominated as a candidate in accordance with Annexure A; and
- (b) recommended by the Directors as a fit and proper person to be a Director of the Company in accordance with the requirements of APRA,

and is not:

- (c) the sole representative of a Member of the Company;
- (d) a Minor;
- (e) an employee of the Company;



- (f) bankrupt;
- (g) disqualified from being a director under the Corporations Act; or
- (h) a person who has been convicted in the last ten years of an indictable offence in relation to the promotion, formation or management of a body corporate or an offence involving fraud or dishonesty.

### 13.3 Independent Directors

- (a) Subject to clauses 13.1(a) and 13.3(b), the Directors may appoint an Independent Director from time to time. An Independent Director is not required to be a Member of the Company, but must meet the eligibility requirements set out in clauses 13.2(c) - (h).
- (b) There may be no more than:
  - (i) three Independent Directors if there are seven Directors;
  - (ii) three Independent Directors if there are eight Directors; and
  - (iii) four Independent Directors if there are nine Directors.
- (c) The appointment of an Independent Director is not subject to an election by the Members on the terms set out in Annexure A.
- (d) An Independent Director is subject to the same duties and obligations as any other Director under this Constitution, but (subject to anything to the contrary in their terms of appointment) may be removed by resolution of the Directors.
- (e) The term of appointment of an Independent Director will be specified in the document appointing that Independent Director, but will not exceed three years.

### 13.4 Appointment of Additional or Casual Director

- (a) The Directors may appoint any person to be a Director to fill a vacancy, or subject to clause 13.1, as an addition to the existing Directors. An Additional or Casual Director is not required to be a Member of the Company, but must meet the eligibility requirements set out in clauses 13.2(c) - (h).
- (b) The appointment of an Additional or Casual Director is not subject to an election by the Members on the terms set out in Annexure A.
- (c) An Additional or Casual Director is subject to the same duties and obligations as any other Director under this Constitution, but (subject to anything to the contrary in their terms of appointment) may be removed by resolution of the Directors.
- (d) The term of appointment of an Additional or Casual Director will be specified in the document appointing that Additional or Casual Director, but will not exceed three years.

### 13.5 Election of a Director

The clauses in Annexure A apply to the election of Directors by the Members of the Company (but, for the avoidance of doubt, do not apply to Independent Directors or Additional or Casual Directors).

### 13.6 Removal of a Director

- (a) The Company may remove a Director by resolution at a general meeting.
- (b) At least two months' notice must be given to the Company of the intention to move a resolution to remove a Director at a general meeting.
- (c) If notice of intention to move a resolution to remove a Director at a general meeting is received by the Company, the Director must be given a copy of the notice as soon as practicable.
- (d) The Director must be informed that the Director:
  - (i) may submit a written statement to the Company for circulation to the Members before the meeting at which the resolution is put to a vote; and
  - (ii) may speak to the motion to remove the Director at the general meeting at which the resolution is to be put to vote.
- (e) At least 21 days' notice must be given to the Members of a general meeting at which the resolution for the removal of a Director is proposed. The notice must set out the proposed resolution, the grounds for the proposed resolution, and may include any written statement prepared by the Director in accordance with clause 13.6(d)(i).

### 13.7 Cessation of Directorship

A person ceases to be a Director and the office of Director is vacated if the person:

- (a) is removed from office as a Director by a resolution of the Company at a general meeting;
- (b) resigns as a Director in accordance with clause 13.9;
- (c) is subject to assessment or treatment under any mental health law and the Board resolves that the person should cease to be a Director;
- (d) dies;
- (e) is disqualified from acting as a Director under the Corporations Act; or
- (f) is absent from Board meetings for a continuous period of 12 months without leave of absence from the Board and the Board resolves that the Director's office should be vacated.

### 13.8 Rotation of Directors

- (a) A Director must not hold office (without re-election) past the third annual general meeting following that Director's appointment or three years, whichever is longer.
- (b) A Director's retirement under clause 13.8(a) takes effect at the end of the relevant annual general meeting unless the Director is re-elected at that meeting.
- (c) A retiring Director is eligible for re-appointment subject to clause 13.1(e).

### 13.9 Resignation of Directors

A Director may resign from the office of Director by giving notice of resignation to the Company at its registered office.

### 13.10 Less than the minimum number of Directors

If the number of Directors is reduced below the minimum required by clause 13.1(a), the continuing Directors may act as the Board only:

- (a) to appoint Directors up to that minimum number;
- (b) to convene a meeting of Members; and
- (c) in emergencies.

### 13.11 Remuneration of Directors

- (a) A Director may be remunerated for their services to the Company.
- (b) As remuneration for their services, each Director is to be paid out of the funds of the Company a sum per annum (accruing from day-to-day) determined by the Company in a general meeting. The Directors may determine to suspend, reduce or postpone payment of any remuneration if they think fit. The expression **remuneration** in this clause does not include any amount which may be paid by the Company under clauses 13.11(d), 13.11(e) and 23.
- (c) The remuneration to be paid or provided under clause 13.11(a) is to be divided among the Directors in the proportions as they may agree or, if they cannot agree, equally among them.
- (d) The Directors are also entitled to be paid or reimbursed for all travel expenses and other expenses properly incurred by them in attending and returning from any meeting of the Directors, committee of the Directors, general meeting of the Company or otherwise in connection with the Company's business.
- (e) If any Director performs extra services or makes special exertions for the benefit of the Company (with the approval of the Board), that Director may be entitled to special and additional remuneration as determined by the Board, having

regard to the value to the Company of the extra services or special exertions. Any special or additional remuneration must not include a commission on or percentage of profits, operating revenue or turnover.

- (f) A Director may be engaged by the Company in any other capacity (aside from an Auditor), appointed on terms of remuneration, tenure and otherwise as agreed by the Board.
- (g) The Company may pay a premium in respect of a contract insuring a person who is or has been a Director against liability incurred by that person as a Director, except in circumstances prohibited by the Corporations Act.

## 14. Powers of Directors

---

### 14.1 Powers of Directors

- (a) The business of the Company is managed by the Directors, who may exercise all powers of the Company which are not, by the law or this Constitution, required to be exercised by the Company in general meeting.
- (b) Any two Directors of the Company (or if the Company has only one Director, that Director), may sign, draw, accept, endorse or otherwise execute a negotiable instrument. The Directors may determine that a negotiable instrument may be signed, drawn, accepted, endorsed or otherwise executed in a different way.
- (c) The Directors may, on the terms and conditions and with any restrictions as they determine, delegate to an officer of the Company any of the powers exercisable by them and may at any time withdraw, suspend or vary all or any of those powers. Any powers which are delegated may be concurrent with or to the exclusion of their own powers. The delegation must be recorded in the Company's minute book in accordance with section 251A of the Corporations Act.

## 15. Proceedings of Directors

---

### 15.1 Meetings

- (a) The Directors may meet for the dispatch of business and adjourn and otherwise regulate their meetings as they determine.
- (b) A Directors' meeting may be called by a Director giving no less than 48 hours' notice to every other Director unless this requirement is waived by all Directors.
- (c) A notice may be given by mail (electronic or otherwise) or personal delivery to the usual place of business or residence of the Director or at any other address

given to the Secretary by the Director or by any technology agreed by all the Directors.

- (d) A notice of the meeting is to be sent to all Directors which sets out:
  - (i) the date, time and place of the meeting; and
  - (ii) the items that are to be included on the agenda.
- (e) In the notice of meeting all the non-routine items that are to be discussed at the meeting must be listed in the agenda as no other non-routine business shall be discussed other than those items listed in the agenda. Directors may also request for an item to be placed on the agenda.
- (f) Unless otherwise determined by the Directors, half of the number of Directors (or where there is an odd number of directors, half of the number rounded up to the next whole number) form a quorum and the quorum must be present at all times during the meeting.

## 15.2 Meetings by technology

- (a) For the purposes of the Corporations Act, each Director, by consenting to be a Director (or by reason of the adoption of this Constitution), consents to the use of each of the following technologies for holding a Directors' meeting:
  - (i) video conferencing;
  - (ii) telephone;
  - (iii) any other technology which permits each Director to communicate with every other Director; or
  - (iv) any combination of these technologies.

A Director may withdraw the consent given under this clause in accordance with the Corporations Act.
- (b) Where the Directors are not all in attendance at one place and are holding a meeting using technology and each Director can communicate with the other Directors:
  - (i) the participating Directors are, for the purposes of every provision of this Constitution concerning meetings of the Directors, taken to be assembled together at a meeting and to be present at that meeting; and
  - (ii) all proceedings of those Directors conducted in that manner are as valid and effective as if conducted at a meeting at which all of them were physically present in the one location.

### 15.3 Chair of Directors

- (a) The Directors may elect one of their number as their Chair and may decide the period for which the Chair is to hold office.
- (b) Where a meeting of Directors is held and:
  - (i) a Chair has not been elected as provided by clause 15.3(a); or
  - (ii) the Chair is not present within 30 minutes of the time appointed for the holding of the meeting or does not wish to chair the meeting,

the Directors present may elect one of their number to be Chair of the meeting.

### 15.4 Directors' voting rights and exercise of powers

- (a) Subject to this Constitution, any question that arises at a meeting of the Directors is to be decided by a majority vote of the Directors.
- (b) In the case of an equality of votes, the Chair of the meeting has a casting vote in addition to any vote they have in their capacity as a Director.
- (c) Subject to clause 16 and the Corporations Act, a Director:
  - (i) who has an interest in a matter may vote in respect of that matter if it comes before the Directors and may be counted as part of the quorum;
  - (ii) may enter into contracts with, or otherwise have dealings with, the Company; and
  - (iii) may hold other offices in the Company.
- (d) A Director is not liable to account to the Company for any profit realised by any contract or arrangement, by reason only of holding the office of Director or of the fiduciary relationship established by the office.
- (e) Subject to the Corporations Act, a Director or any person who is an associate of a Director may participate in any issue by the Company of financial products.
- (f) Despite having an interest in any contract or arrangement, a Director may participate in the execution of any document evidencing or connected with the contract or arrangement, whether by signing, sealing or otherwise.

### 15.5 Committees

- (a) The Directors may delegate any of their powers to committees consisting of any one or more Directors or any other person or persons as the Directors think fit. In the exercise of delegated power, any committee formed or person or persons appointed to the committee must conform to any regulations that may be imposed by the Directors. A delegate of the Directors may not sub-delegate any of the powers for the time being vested in the delegate.

- (b) The meetings and proceedings of any committee are to be governed by the provisions of this Constitution for regulating the meetings and proceedings of the Directors so far as they are applicable and are not in conflict with or superseded by, any regulations made by the Directors under clause 15.5(a).
- (c) Nothing in this clause 15.5 limits the power of the Directors to delegate.

## 15.6 Circulating resolutions

A resolution in writing, signed by all of the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Separate copies of a document may be used for signing by Directors if the wording of the resolution is identical in each copy. The resolution is passed when the last Director signs (whether virtually or otherwise).

## 15.7 Defects in appointments

All actions at any meeting of the Directors or by a committee or by any person acting as a Director are, despite the fact that it is afterwards discovered that there was some defect in the appointment of any of the Directors or the committee or the person acting as a Director or that any of them were disqualified, as valid as if every person had been properly appointed and was qualified and continued to be a Director or a member of the committee.

# 16. Material personal interests

---

## 16.1 Declaration of interest

- (a) Any Director who has a material personal interest in any matter that relates to the affairs of the Company (including in a contract, proposed contract, office or property of the Company) such that the Director might have duties or interests which conflict or may conflict either directly or indirectly with the Director's duties or interests as a Director, must give the Board notice of the interest at a Board meeting unless section 191(2) of the Corporations act applies.
- (b) A notice of a material personal interest must set out:
  - (i) the nature and extent of the interest; and
  - (ii) the relation of the interest to the affairs of the Company.
- (c) The notice must be provided to the Board at a Board meeting as soon as practicable.

## 16.2 Voting by interested Directors

A Director who has a material personal interest in a matter that is being considered at a Board meeting must not:

- (a) be present while the matter is being considered at the meeting; or
- (b) vote on the matter,

unless:

- (c) sections 191(2) or (3) of the Corporations Act allow the Director to be present; or
- (d) the interest does not need to be disclosed under section 191 of the Corporations Act.

## 17. Secretaries and other officers

---

### 17.1 Secretaries

- (a) The Company must have at least one Secretary. Subject to any contrary provisions of the Corporations Act, the Company may appoint a Secretary and acting or assistant Secretaries.
- (b) At least one Secretary must ordinarily reside in Australia.
- (c) A Secretary holds office on the terms and conditions, as to remuneration and otherwise, as the Directors decide.
- (d) The Directors may at any time terminate the appointment of a Secretary.

### 17.2 Other officers

- (a) The Directors may from time to time:
  - (i) create any other position or positions in the Company with the powers and responsibilities as the Directors may from time to time confer; and
  - (ii) appoint any person, whether or not a Director, to any position or positions created under clause 17.2(a)(i).
- (b) The Directors may at any time terminate the appointment of a person holding a position created under clause 17.2(a)(i) and may abolish the position.



## 18. Execution of documents

---

### 18.1 Execution

The Company may execute a document by arranging for the document to be signed by:

- (a) two Directors of the Company;
- (b) a Director and a Secretary; or
- (c) any person duly authorised to sign on behalf of the Company, whether under authority of a power of attorney or otherwise.

### 18.2 Directors' interests

A Director may sign a document notwithstanding that the Director is interested in the contract or arrangement to which the document relates.

## 19. Financial reports and audit

---

### 19.1 Company must keep financial records

The Board must cause the Company to keep written financial records that:

- (a) correctly record and explain its transactions (including transactions undertaken as trustee) and financial position and performance; and
- (b) would enable true and fair financial statements to be prepared and audited,

and must allow a Director and the Auditor to inspect those records at all reasonable times.

### 19.2 Financial reporting

The Board must cause the Company to prepare a financial report and a directors' report that complies with Part 2M.3 of the Corporations Act and must report to Members in accordance with section 314 of the Corporations Act no later than the deadline set by section 315 of the Corporations Act.

### 19.3 Audit

The Board must cause the Company's financial report for each financial year to be audited and obtain an Auditor's report. The eligibility, appointment, removal, remuneration, rights and duties of the Auditor are regulated by sections 324 to 331 and 1280 and 1289 of the Corporations Act.

## 19.4 **Conclusive reports**

Audited financial reports laid before the Company in general meeting are conclusive except as regards errors notified to the Company within three months after the relevant general meeting. If the Company receives notice of an error within that period, it must immediately correct the report and the report as corrected is then conclusive.

## 20. **Inspection of records**

---

### 20.1 **Inspection by Members**

The Directors may determine whether and at what time and place and under what conditions the accounting records and other documents of the Company will be open to inspection by the Members (other than the Directors).

### 20.2 **Right of a Member to inspect**

A Member does not have the right to inspect any document of the Company except as provided by law or as authorised by the Directors or by the Company in a general meeting.

## 21. **Dividends**

---

### 21.1 **Payment of Dividends**

Subject to the MCI Issue Terms of an MCI, the Board may determine that the Company pay a Dividend in respect of an MCI to which a right to participate in a Dividend attaches, and may determine:

- (a) the amount of the Dividend;
- (b) the time for payment of the Dividend; and
- (c) the method of payment of the Dividend.

The method of payment may include the payment of cash, the issue of MCIs and the transfer of assets. Where the Company pays the Dividend other than in cash, the Board may fix the value of any MCIs issued or asset transferred.

### 21.2 **Differential Dividends**

Subject to the MCI Issue Terms of an MCI, the Board may determine Dividends to separate MCI Holders in a class that differ in amount and in the method of payment.

### 21.3 Interest on Dividends

Interest is not payable on a Dividend.

### 21.4 Dividends are non-cumulative

Dividends payable in respect of an MCI are non-cumulative.

### 21.5 Deduction of unpaid amounts

The Directors may apply any part of any Dividend otherwise payable to an MCI Holder towards satisfaction of all sums of money presently payable by the MCI Holder to the Company on account of calls or otherwise in relation to MCIs in the Company.

## 22. Notices

---

### 22.1 Notices by Company

A notice is properly given by the Company to a person if it is:

- (a) in writing signed on behalf of the Company (by original or printed signature);
- (b) addressed to the person to whom it is to be given; and
- (c) either:
  - (i) delivered personally;
  - (ii) sent by regular post (or by airmail, if the addressee is overseas) to that person's address; or
  - (iii) sent by electronic message to the electronic address (if any) nominated by that person.

### 22.2 When Notices considered given and received

- (a) A notice to a person by the Company is regarded as given and received:
  - (i) if it is delivered personally or sent by electronic message:
    - (A) by 5.00 pm (local time in the place of receipt) on a Business Day, on that day; or
    - (B) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day, on the next Business Day; and
  - (ii) if it is sent by regular post, on the tenth Business Day after posting, and if it is sent by airmail, on the sixteenth Business Day after posting.

- (b) A certificate in writing signed by a Director or Secretary stating that a notice was sent is conclusive evidence of service.

## 23. Indemnity of officers, insurance and access

---

- (a) The Company is to indemnify each officer of the Company out of the assets of the Company to the extent permitted at law against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer for the period ending seven years after the date the officer ceases to be an officer of the Company, except for fraud and wilful misconduct or any liability arising out of conduct involving lack of good faith.
- (b) Subject to this clause 23, where the Directors consider it appropriate, the Company may execute an indemnity document in any form in favour of any officer of the Company or a subsidiary.
- (c) Where the Directors consider it appropriate, the Company may to the relevant extent:
  - (i) make payments by way of premium in respect of any contract effecting insurance on behalf or in respect of an officer of the Company or a subsidiary against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer; and
  - (ii) bind itself in any contract or deed with any officer of the Company to make the payments.
- (d) Where the Directors consider it appropriate, the Company may:
  - (i) give a former Director access to certain papers, including documents provided or available to the Directors and other papers referred to in those documents; and
  - (ii) bind itself in any contract with a Director or former Director to give the access.
- (e) In this clause 23:
  - (i) **officer** means:
    - (A) a Director or Secretary or executive officer; or
    - (B) a person appointed as a trustee by, or acting as a trustee at the request of, the Company,and includes a former officer;

- (ii) **duties of the officer** includes, in any particular case where the Directors consider it appropriate, duties arising by reason of the appointment, nomination or secondment in any capacity of an officer by the Company or, where applicable, the subsidiary of the Company to any other corporation;
- (iii) **to the relevant extent** means:
  - (A) to the extent the Company is not precluded by law from doing so;
  - (B) to the extent and for the amount that the officer is not otherwise entitled to be indemnified and is not actually indemnified by another person (including a subsidiary or an insurer under any insurance policy); and
  - (C) where the liability is incurred in or arising out of the conduct of the business of another corporation or in the discharge of the duties of the officer in relation to another corporation, to the extent and for the amount that the officer is not entitled to be indemnified and is not actually indemnified out of the assets of that corporation; and
- (iv) **liability** means all costs, charges, losses, damages, expenses, penalties and liabilities of any kind including, in particular, legal costs incurred in defending any proceedings (whether criminal, civil, administrative or judicial) or appearing before any court, tribunal, government authority or other body.

## 24. Winding up

---

- (a) If the Company is wound up, whether voluntarily or otherwise, each Member is entitled:
  - (i) to payment of the Issue Price for each Share held by that Member at the price the Member paid when they subscribed for that Share; and
  - (ii) if any assets remain after the payments in clause 24(a)(i) are satisfied:
    - (A) and the Member is a Member Share Holder, to any surplus assets of the Company in accordance with clause 24(b);
    - (B) and the Member is an MCI Holder, to any surplus assets of the Company that the MCI Holder is entitled to under the MCI Issue Terms of each MCI and in accordance with clause 24(c).
- (b) Each Member Share Holder has a right to participate in any surplus assets of the Company equally with every other Member Share Holder upon winding up.

- (c) Subject to the MCI Issue Terms of each MCI, each MCI Holder has a right to participate in any surplus assets of the Company equally with every other Member upon winding up.
- (d) The Company may offset any amount payable under clause 24(a) against:
  - (i) any amount unpaid on a Share; and
  - (ii) any other amount payable by the Member to the Company.

## 25. Modification or repeal of this Constitution

---

This Constitution and any of its provisions may be modified, repealed or replaced by special resolution of the Members.

## Annexure A Election of Directors

### 1. Nominations

- (a) The Directors may call for nominations for an Election of Directors in any year prior to 30 April of that year (**Call for Nominations**). Where there is a Call for Nominations in a year, the nominations will close at 12 noon on the last business day in June of that year.
- (b) To be eligible for nomination, a candidate must:
  - (i) be eligible for election as a Director under clause 13.2;
  - (ii) be nominated by two Members who are themselves eligible for election as a Director under clause 13.2; and
  - (iii) consent to the nomination.
- (c) A retiring Director may stand for re-election without nomination but must be eligible for election as a Director under clause 13.2.
- (d) For the purposes of providing a recommendation for a candidate in accordance with clause 13.2(b), the Directors may require a person to provide such information as is reasonably necessary to demonstrate the candidate's fitness and propriety to become a Director of the Company.
- (e) The Directors must, as soon as practicable, notify the Returning Officer and the relevant candidate of any decision made as to the fitness and propriety of a candidate.
- (f) Where the Directors do not recommend a candidate as a fit and proper person to be a Director of the Company in accordance with clause 13.2(b), the candidate will be notified in writing of this decision within 7 days of it being made, including the reasons for the decision. The candidate is entitled, within 14 days of this notice, to make a further written submission to the Directors appealing the decision. In considering this written submission of appeal, the Directors decision is final.

### 2. Holding of election

An election of the Directors of the Company is to be held via postal ballot or any other electronic means approved by the directors (**Virtual Ballot**), or a combination of both, except where the nominations are equal or less than the number of positions to be filled. If a postal ballot or Virtual Ballot does not occur, Directors may be elected by separate resolutions for each candidate.

### 3. Appointment of Returning Officer

For the purposes of holding an election, the Directors must appoint a returning officer (**Returning Officer**). The Returning Officer cannot be a Director, an employee of the

Company or a person who intends to accept a nomination for the office of Director. The Returning Officer may appoint one or more assistant Returning Officers.

#### **4. Voting list**

The Secretary must prepare and give the Returning Officer a list of Members eligible to vote on the election of Directors, made up to the date before the last business day of August that year.

#### **5. Candidates' statement**

- (a) A candidate may, prior to the closure of nominations, submit to the Returning Officer for circulation to Members a statement not exceeding 100 words in support of their candidacy.
- (b) Any statement submitted by a candidate for election must not:
  - (i) reflect adversely on the prudential standing of the Company;
  - (ii) contain any matter or thing that is likely to mislead or deceive a Member in relation to the casting of their vote;
  - (iii) make any personal criticism of another candidate or a Director; or
  - (iv) offer to act as an advocate for any class of Members.
- (c) The Returning Officer may, after consulting with the Secretary:
  - (i) approve a candidate's statement;
  - (ii) refuse a candidate's statement if it exceeds 100 words or does not comply with clause 5(b) of this Annexure; or
  - (iii) request a variation to the candidate's statement.
- (d) The Returning Officer must issue all approved candidate's statements (if any) to the Members along with the ballot paper for each candidate's election.
- (e) If the Returning Officer refuses a candidate's statement, it must provide the Company with a written statement setting out the reasons for this refusal.

#### **6. Declaration by candidate**

Each candidate must provide to the Returning Officer a declaration in such form as the Directors may require which sets out their eligibility for election in accordance with clause 13.2. This declaration must also specify whether the candidate has any interest in a contract or proposed contract with the Company or whether the candidate holds any office or has an interest in any property which could result in a direct or indirect conflict of interest with a Director's duties to the Company.

#### **7. Rejection of nomination**



The Returning Officer must scrutinise nominations immediately upon receipt and must reject a nomination where it appears to the Returning Officer that the candidate is not eligible under clause 13.2, or where the candidate has not provided a declaration in accordance with clause 6 of this Annexure, and must notify the candidate, the candidate's proposers, and the Directors of this decision.

**8. Ballot papers**

Once nominations have closed in accordance with this Annexure, the Returning Officer must prepare the ballot papers (either for a postal ballot or Virtual Ballot) for the election. The order in which the candidates appear on the ballot paper is to be determined by lot.

**9. Postal ballot**

If the election is to proceed by way of postal ballot, the Returning Officer must send to each Voting Member at their registered address:

- (a) a ballot paper; and
- (b) a reply paid postal envelope addressed to the Returning Officer.

A Voting Member who receives a postal ballot must complete the ballot and return it to the Returning Officer by noon on the day that the ballot closes. Any ballot paper not received by the Returning Officer at the time the ballot closes is excluded from the ballot.

**10. Virtual Ballot**

The Directors may direct that the election is to proceed by way of Virtual Ballot. If the election is to proceed by way of Virtual Ballot, the Directors and the Returning Officer will determine the way the Virtual Ballot will be conducted (including the rules and instructions for the Virtual Ballot, the way Members will be identified, the manner of delivery and any other matters necessary to facilitate the Virtual Ballot).

**11. Closure of the ballot**

The ballot closes at noon on the last business day of September each year.

**12. Procedure for postal ballot**

- (a) As soon as practicable after a ballot is received, the Returning Officer must deal with the ballots as follows:
  - (i) for each envelope, mark the Member's name as shown on the envelope off the Register;
  - (ii) where a duplicate ballot paper has been issued and the original reply paid envelope received, mark the original envelope 'rejected'; and
  - (iii) if the reply paid envelope has insufficient detail to identify the Member, mark the envelope 'rejected'.

- (b) As soon as practicable after the ballot closes, the Returning Officer must deal with the ballot papers as follows:
  - (i) when all the reply paid envelopes have been dealt with, cause all the envelopes which have not been rejected to be opened and the ballot papers to be taken out;
  - (ii) review the ballot papers and reject any that are considered 'informal' under clause 12(c) of this Annexure;
  - (iii) count the votes;
  - (iv) prepare and sign a declaration of the ballot including the:
    - (A) number of ballot papers lodged;
    - (B) number of formal votes;
    - (C) number of informal votes;
    - (D) number of votes cast for each candidate;
    - (E) names of those persons elected, and
  - (v) deliver the statement to the Secretary.
- (c) A ballot paper is informal if it has no vote indicated on it to show the Member's selection of a candidate, or where more candidates than there are vacancies have had a tick, cross or other mark inserted next to or in relation to them such that the Returning Officer is unable to readily and fairly determine the voter's intention.
- (d) The Returning Officer must, within 7 days of the annual general meeting:
  - (i) provide the Chair with any declarations provided by a candidate pursuant to clause 6 of this Annexure where that candidate is elected as a Director; and
  - (ii) destroy any declarations provided by a candidate pursuant to clause 6 of this Annexure where that candidate is not elected as a Director.
- (e) Upon obtaining the approval of the Members by resolution at a general meeting, the Returning Officer must destroy the ballot papers within 30 days after the date of the general meeting.
- (f) No election shall be voided on account of any error or omission of the Returning Officer which did not affect the results of the election.

### **13. Procedure for Virtual Ballot**

Where the ballot papers are lodged electronically, the Returning Officer will deal with those ballot papers in the manner determined in accordance with clause 10 of this Annexure.

**14. Voting System**

- (a) The candidates with the highest number of votes are elected as Directors up to the number of vacancies.
- (b) If two or more candidates have the same number of votes, the first candidate elected as a Director is determined by lot.

**15. Appointment of Scrutineer**

- (a) A candidate may appoint a scrutineer and the Directors may appoint a maximum of three scrutineers, none of whom may be a candidate or an employee of the Company.
- (b) The duties and responsibilities of scrutineers are to:
  - (i) observe the sorting, counting and recording of ballot papers;
  - (ii) ensure that the votes of formal ballot papers are correctly credited to the appropriate candidates; and
  - (iii) raise any query with the Returning Officer regarding any of the ballot papers.

## Annexure B Demutualisation Resolutions

### 1. Interpretation

In this Annexure:

**'Additional Costs'** means all costs reasonably incurred by the Company additional to those prescribed by the Corporations Act that the Company must pay in complying with its obligations under clause 6 of this Annexure.

**'Additional Information'** means:

- (a) an explanation as to how the Demutualisation Resolution will affect Members' rights as the holders of Shares in the Company;
- (b) an explanation as to the effect of the Demutualisation Resolution on the Company and the Members with respect to:
  - (i) the rights of Members to vote and to participate in the distribution of profits and reserves of the Company; and
  - (ii) the effect on the business, operations, employees, products, services, pricing and distribution network of the Company;
- (c) an explanation of the mutuality benefits to Members that will be lost if the Demutualisation Resolution is passed; and
- (d) an explanation of the availability and effect of other alternatives to the Demutualisation Resolution.

**'Ballot Closing Date'** means the date upon which a Direct Ballot closes, being a date fixed by the Returning Officer under clause 4(d) of this Annexure and specified in the notice referred to in sub-clause 4(e)(v) of this Annexure.

**'Demutualisation Resolution'** means a proposed resolution, or combination of proposed resolutions:

- (a) which, if passed, will or may result in:
  - (i) the Company ceasing to be an ADI pursuant to the Banking Act;
  - (ii) a voluntary transfer of the Company's business, pursuant to the *Financial Sector (Business Transfer and Group Restructure) Act 1999*, to an Entity that is not an ADI pursuant to the Banking Act; or
  - (iii) Member Shares becoming transferable or capable of sale or assignment.
- (b) in relation to which the consent of the Treasurer is required pursuant to either section 63 of the Banking Act or section 11 of the *Financial Sector (Shareholdings) Act 1998*, unless the consent is required for the purposes of a

voluntary transfer of the Company's business, pursuant to the *Financial Sector (Business Transfer and Group Restructure) Act 1999*, to an Entity that is an ADI pursuant to the Banking Act;

- (c) subject to clause 8 of this Annexure, the effect of which would be to modify or repeal any clause in this Annexure; or
- (d) subject to clause 8 of this Annexure, the effect of which would be to modify or repeal the Constitution where the effect of the modification or repeal is to modify, exclude or restrict the operation of the clauses in this Annexure.

**'Direct Ballot'** means a ballot of Members in respect of a Demutualisation Resolution that is conducted in accordance with clause 4 of this Annexure.

**'Directors' Statement'** means a statement by the Directors containing:

- (a) the recommendation of each Director as to whether the Demutualisation Resolution should be passed and their reasons for making that recommendation; and
- (b) details of any benefit to be received by the Directors if the Demutualisation Resolution is passed.

**'Entity'** includes any:

- (a) incorporated or unincorporated bodies;
- (b) trust or trustee;
- (c) partnership or partner; or
- (d) natural person.

**'Information'** means:

- (a) a disclosure statement that:
  - (i) contains all the information that Members would reasonably require and expect to be given to make an informed decision about the Demutualisation Resolution, including but not limited to the Additional Information;
  - (ii) states that the Demutualisation Resolution may alter the Company's mutual structure and outlines the impact that the Demutualisation Resolution, if passed, may have on:
    - (A) the future of the Company;
    - (B) Members' interests;
    - (C) the Directors; and

- (iii) explains the effect that the passing of the Demutualisation Resolution is likely to have on the business, operations, employees, products, services, pricing and distribution network of the Company;
- (b) an estimate of the financial benefits (if any) the Members, the Directors and/or other officers of the Company will be offered if the Demutualisation Resolution is passed; or
- (c) a report by an expert that:
  - (i) states whether, in the expert's opinion:
    - (A) the Demutualisation Resolution is in the best interests of the Members of the Company as a whole; and
    - (B) the Demutualisation Resolution is fair and reasonable to Members, having regard to any change of voting rights or in the right to participate in profits and reserves;
  - (ii) sets out the expert's opinions in relation to the Additional Information;
  - (iii) gives the expert's reasons for forming the opinions set out in the report;
  - (iv) complies with the requirements of clause 33 of Schedule 4 of the Corporations Act; and
  - (v) contains any additional information required to be provided under the Corporations Act.

**'Requisitionists'** means the Members who request the convening of a general meeting of the Company in accordance with the Company's constitution and the Corporations Act.

**'Reserves'** means the retained profits of the Company at the Ballot Closing Date.

**'Returning Officer'** means a person appointed by the Directors as a Returning Officer under sub-clause 4(a) of this Annexure.

**'Qualifying Member'** means a Voting Member who has been a Member of the Company for not less than 12 months from the date on which this Annexure B takes effect.

## 2. Application

Notwithstanding any provision of the Constitution, this Annexure will apply to any meeting of the Company that is convened at which a Demutualisation Resolution will be considered.

## 3. Requirement for General Meeting and Direct Ballot

If a general meeting of the Company is convened, or is to be convened, at which a Demutualisation Resolution will be considered:

- (a) The general meeting must be convened and conducted in accordance with this Constitution to consider the Demutualisation Resolution as a special resolution;
- (b) The information required by clause 5 of this Annexure must be provided to the Qualifying Members;
- (c) The Demutualisation Resolution will only be passed at the general meeting if at least 75% of the votes cast by Voting Members approve the Demutualisation Resolution;
- (d) The Demutualisation Resolution, if passed at the general meeting, will not have any effect unless and until:
  - (i) a Direct Ballot is held within 4 months of the date of the general meeting to consider whether the adoption of the Demutualisation Resolution should be approved;
  - (ii) by the Ballot Closing Date the Company has received votes from at least 25% of the Qualifying Members; and
  - (iii) of the votes received by the Ballot Closing Date from Qualifying Members, at least 75% of the votes are in favour of approving the adoption of the Demutualisation Resolution.

#### 4. Conduct of Direct Ballot

- (a) Within 10 Business Days of a Demutualisation Resolution being passed, the Directors must appoint a returning officer (**Returning Officer**) to conduct the Direct Ballot. The Returning Officer must not be a Director or officer of the Company.
- (b) The Returning Officer must prepare a roll of the full names and addresses of the Qualifying Members of the Company as recorded in the Register of Members. Only the Qualifying Members that appear on the roll are entitled to vote in the Direct Ballot.
- (c) The Returning Officer must cause ballot papers to be prepared for the Direct Ballot. Each ballot paper must be initialled or marked by the Returning Officer or an appointed assistant.
- (d) The Returning Officer must fix a Ballot Closing Date, which must be a date not more than 4 months after the date of the general meeting at which the Demutualisation Resolution was passed.
- (e) The Returning Officer must, at least 30 days prior to the Ballot Closing Date, send by post or otherwise deliver to every Qualifying Member:
  - (i) one ballot paper;
  - (ii) an envelope (in this Annexure referred to as the outer envelope) addressed to the Returning Officer;

- (iii) a smaller envelope (in this Annexure referred to as the middle envelope), the reverse side of which contains provision for the name, membership number and signature of the Member;
  - (iv) a small envelope marked "Ballot Paper" (in this Annexure referred to as the inner envelope);
  - (v) a notice which sets out:
    - (A) details of the Demutualisation Resolution upon which the decision of the Qualifying Member is sought;
    - (B) details of the number of Members who were eligible to vote at the general meeting at which the Demutualisation Resolution was passed and the number of those Members who voted;
    - (C) the Ballot Closing Date;
    - (D) instructions for voting; and
    - (E) such further information, if any, as the Directors consider appropriate; and
  - (vi) the Information supplied to the Company and the Directors' Statement.
- (f) The Returning Officer may send a duplicate ballot paper to any Qualifying Member if the Returning Officer is satisfied:
- (i) that the Qualifying Member has not received a ballot paper; or
  - (ii) that the ballot paper received by the Qualifying Member has been lost, spoilt or destroyed and the Qualifying Member has not already voted.
- (g) A Qualifying Member casts a vote in the Direct Ballot by:
- (i) completing the ballot paper according to the instructions on the ballot paper;
  - (ii) placing the completed ballot paper in the inner envelope;
  - (iii) completing the details on the reverse side of the middle envelope and signing the middle envelope;
  - (iv) placing the middle envelope in the outer envelope; and
  - (v) sending the outer envelope to the Returning Officer so that it is received by noon on the Ballot Closing Date.
- (h) The Returning Officer must:
- (i) provide an empty ballot box or boxes which must be locked immediately before the ballot papers are delivered to Qualifying Members and must remain locked until noon on the Ballot Closing Date; and



- (ii) place all outer envelopes received from Qualifying Members in the ballot box or boxes as they are received.
- (i) The counting of votes received by Direct Ballot shall be supervised by the Returning Officer.
- (j) The Returning Officer may be assisted in the performance of their duties by any person (who would be eligible to be a Returning Officer) appointed by the Returning Officer.
- (k) Ballot papers received after noon on the Ballot Closing Date are informal and must not be taken into account in the Direct Ballot.
- (l) As soon as practicable after noon on the Ballot Closing Date, the Returning Officer must open the ballot box or boxes and, in the following order:
  - (i) remove the middle envelope from the outer envelope;
  - (ii) if a duplicate outer envelope has been issued pursuant to sub-clause 4(f) of this Annexure and the original outer envelope is received, reject the original envelope and mark it "Rejected"; and
  - (iii) according to the information on the middle envelope, for each ballot paper returned, mark the Qualifying Member's name on the roll;
  - (iv) if a Qualifying Member's name has already been marked on the roll, reject the vote and mark it "Rejected"; and
  - (v) if the middle envelope has not been signed, or if the details shown on the envelope are not sufficient to disclose by whom the vote is being exercised, reject the envelope and mark it "Rejected"; and
  - (vi) extract the inner envelopes containing the ballot papers from all un-rejected middle envelopes, separating the contents from the middle envelopes in such a way that no inner envelope could subsequently be identified with any particular Member; and
  - (vii) when all the middle envelopes have been dealt with in the above manner, open all un-rejected inner envelopes and take the ballot papers from them.
- (m) The ballot papers must be scrutinised by the Returning Officer who must reject as informal any ballot paper that:
  - (i) is not duly initialled or marked by the Returning Officer; or
  - (ii) is such that the voting intention of the Qualifying Member cannot be reasonably ascertained by the Returning Officer; or
  - (iii) has any mark or writing not authorised by this Annexure which, in the opinion of a Returning Officer, enables the Qualifying Member to reasonably be identified; or

- (iv) has not been completed as prescribed on the ballot paper itself.
- (n) No meeting of Members is required to be held for the counting of the votes received by the Company by Direct Ballot.
- (o) The Returning Officer must count all votes cast and make out and sign a statement of:
  - (i) the number of formal votes in favour of approving the adoption of the Demutualisation Resolution;
  - (ii) the number of formal votes against approving the adoption of the Demutualisation Resolution;
  - (iii) the number of informal votes;
  - (iv) the number of middle envelopes marked "Rejected"; and
  - (v) the proportion of the formal votes that were in favour of approving the adoption of the Demutualisation Resolution.
- (p) The Returning Officer must send a copy of the statement to the Chairperson of the Company.
- (q) Following the counting of votes in the Direct Ballot, the Company will:
  - (i) display the result of the Direct Ballot on a notice board at its Registered Office and on the Company's website;
  - (ii) notify Members of the result of the Direct Ballot within 21 days; and
  - (iii) retain the Direct Ballot votes in the possession of the Company for a period of 3 months, at the end of which period they will be destroyed.

## **5. Disclosure Requirements**

- (a) Where a meeting of the Company is convened by the Requisitionists to consider a Demutualisation Resolution:
  - (i) the Requisitionists shall, at the time of requesting the convening of the meeting, provide the Information to the Company and the Members; and
  - (ii) the Company shall, at the time of convening the meeting, provide the Members with:
    - (A) notice of the Demutualisation Resolution and of the intention to consider the Demutualisation Resolution as a special resolution;
    - (B) the Information supplied to the Company;
    - (C) the Directors' Statement; and

- (D) such further information, if any, as the Directors consider appropriate.

## **6. Costs**

- (a) If a meeting of the Company at which a Demutualisation Resolution will be considered is convened by the Directors at the request of Members made in accordance with sections 249E or 249F of the Corporations Act, then the Requisitionists will, at the time of making the request or convening the meeting:
  - (i) provide to the Company an indemnity in respect of the liability that the Requisitionists may incur to the Company for Additional Costs in a form satisfactory to the Directors; and
  - (ii) if so requested by the Company, deposit with the Company an amount of money which shall correspond with the liability that the Requisitionists may reasonably incur to the Company for Additional Costs, which sum the Company may set off against the Requisitionists' liability to the Company for Additional Costs if and when the Requisitionists become liable to pay the Additional Costs to the Company; and
  - (iii) if the Demutualisation Resolution is not passed at a general meeting, or if the Demutualisation Resolution is passed at a general meeting but its adoption is not approved by a Direct Ballot, the Requisitionists will be jointly and severally liable to the Company for the Additional Costs and will pay the Additional Costs to the Company within 7 days of the Company making a written demand for payment.
- (b) The Company will refund to the Requisitionists:
  - (i) if the Demutualisation Resolution is passed at a general meeting and its adoption is approved by a Direct Ballot, the whole of any amount deposited with the Company pursuant to sub-clause 6(a)(ii) of this Annexure;
  - (ii) if the Demutualisation Resolution is not passed at a general meeting, or if the Demutualisation Resolution is passed at a general meeting but its adoption is not approved by a Direct Ballot, any amount by which the amount deposited with the Company pursuant to sub-clause 6(a)(ii) of this Annexure exceeds the Additional Costs.

## **7. Entitlement to Reserves**

If the Demutualisation Resolution is passed at a general meeting and its adoption is approved by a Direct Ballot, only a Qualifying Member is entitled to participate in the surplus and profits of the Company.

## **8. Termination of this Annexure**

This Annexure will cease to have effect if the Australian Securities and Investments Commission or its successor publish a notice to that effect and give a copy of that notice to the Company.