

# Constitution

of

## INSURANCE AUSTRALIA GROUP LIMITED

a company limited by shares

ACN 090 739 923

## 1 Preliminary

---

### Definitions

- 1.1 The following words have these meanings in this Constitution unless the contrary intention appears.

**Alternate Director** means a person appointed as an alternate director under Article 14.6.

**Article** means an Article of this Constitution.

**ASX** means Australian Stock Exchange Limited.

**ASIC** means the Australian Securities & Investments Commission.

**Auditor** means the appointed auditor of the Company.

**CHESS** means Clearing House Electronic Subregister System.

**CHESS Approved Securities** means securities of the Company which are approved by SCH in accordance with the SCH Business Rules.

**Company** means Insurance Australia Group Limited.

**Constitution** means this Constitution as amended from time to time, and a reference to an Article has a corresponding meaning.

**Corporate Records** means:

- (a) all written communication to the Directors from the Company and any subsidiary including, but not limited to, monthly management reports, board papers, submissions, minutes, letters, memoranda, board sub-committee papers and other documents made available to the Directors or referred to in any of the above documents;
  - (b) periodic and management accounts, forecasts and budgets;
  - (c) corporate and tax returns, statutory registers and records,
- of the Company and any subsidiary.

**Corporations Act** means the Corporations Act 2001 (Cwlth).

**Director** means a person holding office as a director of the Company, and where appropriate includes an Alternate Director.

**Directors** means all or some of the Directors acting as a board.

**Direct Vote** means a notice of a Member's voting intention in accordance with the form or instrument specified by the Directors and delivered to the company by post, fax or other electronic means approved by the Directors.

Formatted: Font: Times New Roman, Bold

Formatted: Font: Times New Roman

Formatted: Font: (Default) Times New Roman

**Executive Director** means a person appointed as an executive director under Article 14.27.

**Listing Date** means the day on which shares in the Company were first quoted by ASX.

**Listing Rules** means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**Managing Director** means a person appointed as a managing director under Article 14.27.

**Member** means a person entered in the Register as a member of the Company.

**Operating Rules** means the operating rules of the Prescribed CS Facility, within the meaning of the Corporations Act.

**Prescribed CS Facility** has the same meaning as in the Corporations Act.

**Prescribed Interest Rate** means the rate determined by the Directors for the purpose of this Constitution, and in the absence of a determination means 10% per annum.

**Register** means the register of members of the Company under the Corporations Act and if appropriate includes a branch register.

**Registered Office** means the registered office of the Company.

**Representative** means a person appointed to represent a corporate Member at a general meeting of the Company in accordance with the Corporations Act.

**Restriction Agreement** means a restriction agreement within the meaning and for the purposes of the Listing Rules.

**SCH** means ASX Settlement and Transfer Corporation Pty Limited.

**SCH Business Rules** means the Business Rules made by SCH, and in Articles 2.11, 5.2 and 5.4, the Operating Rules of any other Prescribed CS Facility to the extent they are applicable.

**Secretary** means a person appointed under Article 15.1 as secretary of the Company, and where appropriate includes an acting secretary and a

person appointed by the Directors to perform all or any of the duties of a secretary of the Company.

**Section** means a section of the Corporations Act.

**State** means the State or Territory in which the Company is for the time being registered.

**Validly Received in the context of a general meeting means:**

Formatted: Font: Bold

- (a) received at the Registered Office or such other place as is specified for that purpose in the notice of meeting; or
- (b) transmitted to a facsimile number at the Registered Office or a facsimile number or electronic address specified for that purpose in the notice of meeting.

## Interpretation

- 1.2 In this Constitution unless the contrary intention appears:
- (a) words importing any gender include all other genders;
  - (b) the word person includes a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association or an authority;
  - (c) the singular includes the plural and vice versa;
  - (d) a reference to a law includes regulations and instruments made under the law;
  - (e) a reference to a law or a provision of a law includes amendments, re-enactments or replacements of that law or the provision, whether by the State or the Commonwealth of Australia or otherwise;
  - (f) a power, an authority or a discretion reposed in a Director, the Directors, the Company in general meeting or a Member may be exercised at any time and from time to time;
  - (g) a reference to an amount paid on a share includes an amount credited as paid on that share;
  - (h) where, by a provision of this Constitution, a document including a notice is required to be sent or signed, that requirement may be satisfied in relation to an electronic communication of the document in any manner permitted by law or by any State or Commonwealth law relating to electronic transmissions or in any other manner approved by the Directors; and
  - (i) “writing” and “written” includes printing, typing and other modes of reproducing words in a visible form including, without limitation, any representation of words in a physical document or in an electronic communication or form or otherwise.

- 
- 1.3 Unless the contrary intention appears in this Constitution, an expression has, in a provision of this Constitution that deals with a matter dealt with by a particular provision of the Corporations Act, the same meaning as in that provision of the Corporations Act.
- 1.4
- (a) Headings are inserted for convenience and are not to affect the interpretation of this Constitution.
  - (b) This Constitution is divided into Parts.

**Replaceable rules not to apply**

- 1.5 The provisions of the Corporations Act that apply as replaceable rules are displaced by this Constitution and accordingly do not apply to the Company.

**Currency<sup>i</sup>**

- 1.6 The Directors may:
- (a) differentiate between Members as to the currency in which any amount payable to a Member is paid (whether by way of or on account of dividends, repayment of capital, participation in surplus property of the Company or otherwise);
  - (b) determine to pay a distribution in a currency other than Australian dollars and the amount payable may be converted from an amount in Australian dollars or to an amount in Australian dollars in any manner, at any time and at any exchange rate as the Directors think fit; and
  - (c) in deciding the currency in which a payment is to be made to a Member, have regard to the registered address of the Member, the register on which a Member's Shares are registered and any other matters as the Directors consider appropriate.
- 1.7 Notwithstanding Article 1.6, where an amount is payable by the Company to the holder of a preference share in a currency other than Australian dollars, and the amount is not paid when due or the Company has commenced winding up, the holder may give notice to the Company requiring payment of an amount in Australian dollars equal to the foreign currency amount calculated by applying the reference rate for the sale of the foreign currency. Reference rate means the rate applicable in the market at the time set by the Directors under the terms of issue of the preference shares.

**Listing Rules<sup>ii</sup>**

- 1.8 If, and for so long as, the Company is admitted to the Official List of ASX, the following clauses apply:
- (a) notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
  - (b) nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done;

- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (e) if the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and
- (f) if any provision of this Constitution is or becomes inconsistent with the Listing Rules, this constitution is deemed not to contain that provision to the extent of the inconsistency.

## 2 Share capital and variation of rights

### Directors to issue shares

- 2.1 Subject to the Corporations Act, the Listing Rules, this Constitution and any special rights conferred on the holders of any shares or class of shares:
- (a) the issue of shares in the Company is under the control of the Directors and the Directors may issue or dispose of shares to such persons at such times and on such terms and conditions and having attached to them such preferred, deferred or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise as the Directors think fit;
  - (b) the Directors may grant to any person an option over shares or pre-emptive rights during such time and for such consideration as they think fit; and
  - (c) the Directors have the right to settle the manner in which fractions of a share, however arising, are to be dealt with.

### Preference shares<sup>iii</sup>

- 2.2
- (a) The Company may issue preference shares and issued shares may be converted into preference shares provided that the rights of the holders of the preference shares with respect to the repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividends in relation to other shares or other classes of preference shares are:
    - (i) set out in schedule 1; or
    - (ii) approved by a resolution of the Company in accordance with the Corporations Act.
  - (b) The rights of holders of preference shares issued by the Company otherwise than pursuant to schedule 1, but in accordance with the Corporations Act, are determined by the

terms of issue of the preference shares and the relevant resolution of the Company, and are not determined by or affected by the rights set out in schedule 1.

- (c) Subject to the Corporations Act and the Listing Rules, the Company may issue preference shares which are, or are at the option of the Company to be liable, to be redeemed or to be converted into other shares on such conditions and in such a manner as the Directors decide under the terms of issue of the preference shares.
- (d) Subject to the Corporations Act and the Listing Rules, the Company may issue any combination of fully paid, partly paid or unpaid preference shares.
- (e) Notwithstanding this Article 2.2 and schedule 1, the Company may not issue a preference share that confers on the holder rights that are inconsistent with those specified in the Listing Rules, except to the extent of any waiver or modification of the Listing Rules by ASX.

### **Variation of rights**

- 2.3 If the share capital is divided into different classes of shares, the rights attached to a class, unless otherwise provided by the terms of issue of the shares of that class, may be varied or cancelled in any way with:
  - (a) the consent in writing of the holders of at least three-quarters of the issued shares of that class; or
  - (b) the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- 2.4 The rights conferred on the holders of the shares of any class are not to be taken as varied by the issue of further shares ranking equally with the first-mentioned shares unless otherwise:
  - (a) expressly provided by the terms of issue of the first-mentioned shares; or
  - (b) required by the Corporations Act or the Listing Rules.
- 2.5 The provisions of this Constitution relating to general meetings apply so far as they are capable of application and with any necessary changes to every separate meeting of the holders of a class of shares except that:
  - (a) a quorum is constituted by at least 2 persons who, between them, hold or represent one-third of the issued shares of the class (unless only one person holds all of the shares of the class, in which case that person constitutes a quorum); and
  - (b) any holder of shares of the class, present in person or by proxy, or attorney or Representative, may demand a poll.

**Recognition of interests**

- 2.6 The Company is not required to recognise a person as holding a share on any trust, whether or not it has notice of the trust, except as required by law.
- 2.7 The Company is not required to recognise any equitable, contingent, future or partial interest in any share or unit of a share or any other right in respect of a share except an absolute right of ownership in the registered holder, whether or not it has notice of the interest or right concerned, except as required by law.

**Joint holders of shares**

- 2.8 Where 2 or more persons are registered as the joint holders of shares then they are deemed to hold the shares as joint tenants with rights of survivorship.
- 2.9 The Company is not bound:
- (a) to register more than 3 persons as joint holders of a share; or
  - (b) to issue more than 1 certificate or holding statement in respect of shares jointly held.

The Company must, however, include the names of all joint holders on all certificates, holding statements and mailings of or by the Company.

**Confirmation of holdings**

- 2.10 Any certificate for shares must be issued and despatched in accordance with the Corporations Act and the Listing Rules.
- 2.11 Subject to the Listing Rules and SCH Business Rules the Company may elect that all shares or any class of shares may only be held as uncertificated holdings.
- 2.12 Subject to the Corporations Act:
- (a) the Directors may in their absolute discretion decide whether to issue a certificate or holding statement to a Member for shares registered in the Member's name; and
  - (b) no Member is entitled to receive a certificate or holding statement for shares.
- 2.13 Without limiting Article 2.12, all shares issued prior to the Listing Date are issued on the condition that the Directors are not required to issue certificates or holding statements in respect of those shares unless and until the Directors consider it necessary or convenient to do so in connection with listing on ASX or quotation of shares.

**3 Lien****Lien on share**

- 3.1 The Company has a first and paramount lien on every share for:
- (a) all due and unpaid calls and instalments in respect of that share;

- 
- (b) all money which the Company has been called on by law to pay, and has paid, in respect of that share;
  - (c) interest at the Prescribed Interest Rate on the amount due from the date it becomes due until payment; and
  - (d) reasonable expenses of the Company in respect of the default on payment.
- 3.2 The Company also has a first and paramount lien on each share registered in the name of the Member for all money payable to the Company by a Member under loans made under an employee incentive scheme and the lien extends to all dividends from time to time declared, paid or made in respect of that share.
- 3.3 A lien under Article 3.1 or 3.2 extends to all dividends from time to time declared, paid or made in respect of that share.
- 3.4 Nothing in this Constitution prejudices or affects any right or remedy which any law may confer on the Company and as between the Company and every Member, Member's executors, administrators and estate wherever constituted or situated any right or remedy which any law confers on the Company is enforceable by the Company.
- 3.5 The Directors may at any time exempt a share wholly or in part from the provisions of Articles 3.1, 3.2 and 3.3.
- 3.6 The Company's lien on a share is extinguished if a transfer of the share is registered without the Company giving notice of the lien to the transferee.

#### **Sale under lien**

- 3.7 Subject to Article 3.8, the Company may sell, in any manner the Directors think fit, any share on which the Company has a lien.
- 3.8 A share on which the Company has a lien may not be sold by the Company unless:
- (a) a sum in respect of which the lien exists is presently payable; and
  - (b) the Company has, not less than 14 days before the date of sale, given to the registered holder of the share or the person entitled to the share by reason of the death or bankruptcy of the registered holder, a notice in writing setting out, and demanding payment of, such part of the amount in respect of which the lien exists as is presently payable.

#### **Transfer on sale under lien**

- 3.9 For the purpose of giving effect to a sale under Article 3.7, the Company may receive the consideration, if any, given for the share so sold and may execute a transfer of the share sold in favour of the purchaser of the share, or do all such other things as may be necessary or appropriate for it to do to effect the transfer.

- 
- 3.10 The Company must register the purchaser as the holder of the share comprised in any such transfer and the purchaser is not bound to see to the application of the purchase money.
- 3.11 The title of the purchaser to the share is not affected by any irregularity or invalidity in connection with the sale of the share.

**Proceeds of sale**

- 3.12 The proceeds of a sale under Article 3.7 must be applied by the Company in payment of the amount in respect of which the lien exists as is presently payable, and the residue, if any, must be paid to the person entitled to the share immediately before the sale.

**Company's right to recover payments<sup>iv</sup>**

- 3.13 A Member must reimburse the Company on demand in writing for all payments the Company makes to a government or taxing authority in respect of the Member, the death of a Member or the Member's shares or any distributions on the Member's shares, including dividends, where the Company is either:
- (a) obliged by law to make the relevant payment; or
  - (b) advised by a lawyer qualified to practice in the jurisdiction of the relevant government or taxing authority that the Company is obliged by law to make the relevant payment.

The Company is not obliged to advise the Member in advance of its intention to make the payment.

## 4 Calls on shares

---

**Directors to make calls**

- 4.1 The Directors may make calls on a Member in respect of any money unpaid on the shares of that Member, if the money is not by the terms of issue of those shares made payable at fixed times.
- 4.2 A call may be made payable by instalments.
- 4.3 The Directors may revoke or postpone a call.

**Time of call**

- 4.4 A call is to be deemed to be made at the time when the resolution of the Directors authorising the call is passed.

**Members' liability**

- 4.5 Each Member must upon receiving not less than 30 business days notice specifying the time or times and place of payment, pay to the Company at the time or times and place so specified the amount called on that Member's shares.
- 4.6 The joint holders of a share are jointly and severally liable to pay all calls in respect of the share.
- 4.7 The non-receipt of a notice of any call by, or the accidental omission to give notice of a call to, a Member does not invalidate the call.

**Interest on default**

- 4.8 If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due must pay interest on the sum to the time of actual payment at the Prescribed Interest Rate. The Directors may waive payment of that interest wholly or in part.

**Fixed instalments deemed calls**

- 4.9 Subject to any notice requirements under the Listing Rules, any sum that, by the terms of issue of a share, becomes payable on allotment or at a fixed date, is deemed for the purposes of this Constitution to be a call duly made and payable on the date on which by the terms of issue the sum becomes payable, and, in case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise apply as if the sum had become payable by virtue of a call duly made and notified.

**Differentiation between shareholders as to calls**

- 4.10 The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

**Prepayment of calls**

- 4.11 The Directors may accept from a Member the whole or a part of the amount unpaid on a share although no part of that amount has been called.
- 4.12 The Directors may authorise payment by the Company of interest on the whole or any part of an amount so accepted, until the amount becomes payable, at such rate, not exceeding the Prescribed Interest Rate, as is agreed on between the Directors and the Member paying the sum.

**5 Transfer of shares****Forms of instrument of transfer**

- 5.1 Subject to the Listing Rules and to this Constitution, shares in the Company are freely transferable and a Member may transfer all or any of the Member's shares:
- (a) by instrument in writing in any usual or common form or in any other form that the Directors approve;
  - (b) in accordance with Article 5.2; or
  - (c) by any other method of transfer approved by the Directors.

**Registration procedure<sup>v</sup>**

- 5.2
- (a) The Company may participate in any computerised or electronic share registration and transfer system in accordance with the Corporations Act, the Listing Rules and the SCH Business Rules, or the corresponding laws and rules of a foreign jurisdiction, to the extent they are applicable.

- (b) If the Company participates in systems of the kind described in Article 5.2(a), shares may be transferred in accordance with the rules and procedures of the applicable system.
- 5.3 If an instrument of transfer is to be used to transfer a share in accordance with Article 5.1(a):
- (a) the instrument of transfer must be executed by or on behalf of both the transferor and the transferee unless it is a sufficient transfer of marketable securities within the meaning of the Corporations Act; and
- (b) the instrument of transfer must be left for registration at the share registry of the Company, accompanied by the information the Directors properly require (if any) to show the right of the transferor to make the transfer,
- and in that event the Company must, subject to the powers vested in the Directors by this Constitution, register the transferee as a holder of the share.
- 5.4 Except as provided by the Corporations Act, the Listing Rules and the SCH Business Rules or the rules of any other applicable system of the kind referred to in Article 5.2(a), a transferor of a share remains the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the Register in respect of the share and a transfer of a share does not pass the right to any dividends declared on the share until registration.
- 5.5 The Company must register all registrable transfer forms, split certificates, renunciations and transfers, issue certificates and transmission receipts and mark or note transfer forms without charge except where the issue of a certificate is to replace a lost or destroyed certificate.

**Directors' powers to apply a holding lock and to decline to register<sup>vi</sup>**

- 5.8 If permitted to do so by the Listing Rules the Directors may:
- (a) request SCH to apply a holding lock to prevent a transfer of CHES Approved Securities registered on the CHES subregister; or
- (b) decline to register a transfer of shares in the Company to which paragraph (a) does not apply.
- 5.9 The Directors must:
- (a) request SCH to apply a holding lock to prevent transfer of CHES Approved Securities registered on the CHES subregister; or
- (b) decline to register any transfer of shares in the Company to which paragraph (a) does not apply;
- if:
- (c) the Listing Rules require the Company to do so; or

- 
- (d) the transfer is in breach of the Listing Rules or a Restriction Agreement.

- 5.10 If in the exercise of their rights under Articles 5.8 and 5.9 the Directors request application of a holding lock to prevent a transfer of CHES Approved Securities or refuse to register a transfer of a security they must give written notice to the holder of the security of the refusal to the transferee and the broker lodging the transfer, if any. Failure to give such notice does not invalidate the decision of the Directors.

## 7 Transmission of shares<sup>vi</sup>

---

### Transmission of shares on death of holder

- 7.1 In the case of the death of a Member:
  - (a) the survivor or survivors where the deceased was a joint holder; and
  - (b) the legal personal representatives of the deceased where the deceased was a sole holder,

are the only persons recognised by the Company as having any title to the deceased's interest in shares held by that Member. Nothing in this Article 7.1 releases the estate of a deceased joint holder from any liability in respect of a share held jointly by the deceased with other persons.

### Right to registration on death, bankruptcy or mental incapacity

- 7.2 Subject to any applicable legislation, a person becoming entitled to a share in consequence of the death, bankruptcy or mental incapacity of a Member may, on such information being produced as is properly required by the Directors, either elect to be registered as holder of the share or nominate another person to be registered as the transferee of the share. Where the surviving joint holder becomes entitled to a share in consequence of the death of a Member the Directors must, on satisfactory evidence of that death being produced to them, direct the Register to be altered accordingly.
- 7.3 If the person becoming entitled elects to be registered as holder of the share under Article 7.2, the person must deliver or send to the Company a notice in writing signed by the person, in such form as the Directors approve, stating that the person so elects.
- 7.4 If the person becoming entitled nominates another person to be registered as the transferee of the share under Article 7.2, the person must execute a transfer of the share to the other person.
- 7.5 All the limitations, restrictions and provisions of this Constitution relating to the right to transfer, and the registration of transfer of, shares are applicable to any such notice or transfer as if the death, bankruptcy or mental incapacity of the Member had not occurred and the notice or transfer was a transfer signed by that Member.

**Effect of transmission**

- 7.6 If the registered holder of a share dies, or becomes bankrupt or mentally incapacitated, the personal representative or the trustee of the estate of the registered holder, as the case may be, is, on the production of such information as is properly required by the Directors, entitled to the same dividends, distributions and other advantages, and to the same rights, whether in relation to meetings of the Company, or to voting or otherwise, as the registered holder would have been entitled to if the registered holder had not died, or become bankrupt or mentally incapacitated.
- 7.7 If 2 or more persons are jointly entitled to any share in consequence of the death of the registered holder, they are, for the purpose of this Constitution, deemed to be joint holders of the share.

**8 Forfeiture of shares****Notice requiring payment of call**

- 8.1 If a Member fails to pay a call or instalment of a call on the day appointed for payment of the call or instalment, the Directors may, at any time afterwards during such time as any part of the call or instalment remains unpaid, serve a notice on the Member requiring payment of so much of the call or instalment as is unpaid, together with any interest that has accrued and all costs and expenses that may have been incurred by the Company by reason of that non-payment.
- 8.2 The notice must name a further day, not earlier than the expiration of 14 days from the date of service of the notice, on or before which the payment required by the notice is to be made and must state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

**Forfeiture for failure to comply with notice**

- 8.3 A share in respect of which the notice under Article 8.1 has not been complied with may at any time, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
- 8.4 A forfeiture under Article 8.3 includes all dividends and other distributions declared or to be made in respect of the forfeited shares and not actually paid or distributed before the forfeiture.
- 8.5 Subject to the Corporations Act a share forfeited under Article 8.3 may be sold, re-issued or otherwise disposed of to whom and on such terms as the Directors think fit.
- 8.6 If any share is forfeited under Article 8.3 notice of the forfeiture must be given to the Member holding the share immediately prior to the forfeiture and an entry of the forfeiture and its date must be made in the Register.
- 8.7 The Directors may accept the surrender of any share which they are entitled to forfeit on such terms as they think fit and any share so surrendered is deemed to be a forfeited share.

**Cancellation of forfeiture**

- 8.8 At any time before a sale or disposition of a share, the forfeiture of that share may be cancelled on such terms as the Directors think fit.

**Effect of forfeiture on former holder's liability**

- 8.9 A person whose shares have been forfeited:
- (a) ceases to be a Member in respect of the forfeited shares and loses all entitlement to dividends and other distributions or entitlements on the shares; and
  - (b) remains liable to pay the Company all money that, at the date of forfeiture, was payable by that person to the Company in respect of the shares, plus interest at the Prescribed Interest Rate from the date of forfeiture and also reasonable expenses of sale.

**Evidence of forfeiture**

- 8.10 A statement in writing declaring that the person making the statement is a Director or a Secretary of the Company, and that a share in the Company has been forfeited in accordance with this Constitution on the date stated in the statement, is prima facie evidence of the facts stated in the statement as against all persons claiming to be entitled to the share.

**Transfer of forfeited share**

- 8.11 The Company may receive the consideration (if any) given for a forfeited share on any sale or disposition of the share and may execute or effect a transfer of the share in favour of the person to whom the share is sold or disposed of.
- 8.12 On the execution of the transfer, the transferee must be registered as the holder of the share and is not bound to see to the application of any money paid as consideration.
- 8.13 The title of the transferee to the share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the share.

**Forfeiture applies to non-payment of instalment**

- 8.14 The provisions of this Constitution as to forfeiture apply in the case of non-payment of any sum that, by the terms of issue of a share, becomes payable at a fixed time, as if that sum had been payable by virtue of a call duly made and notified.

**10 General meetings<sup>m</sup>****Annual general meeting**

- 10.1 Annual general meetings of the Company are to be held in accordance with the Corporations Act.

**Convening general meeting**

- 10.2 The Directors may convene a general meeting of the Company whenever they think fit.

- 10.3 The Directors must convene and arrange to hold a general meeting if required by Members to do so under the Corporations Act.

**Notice of general meeting**

- 10.4 Notice of a meeting of Members must be given in accordance with the Corporations Act.

- 10.5 In computing the period of notice under Article 10.4, both the day on which the notice is given or taken to be given and the day of the meeting convened by it are to be disregarded.

- 10.6 A notice of a general meeting:

- (a) must set out the place, date and time of meeting, and state the general nature of the business to be dealt with at the meeting and, if the meeting is to be held in 2 or more places, the technology that will be used to facilitate the holding of the meeting in that manner;
- (b) must state that:
  - (i) a Member who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy;
  - (ii) a proxy need not be a Member; and
  - (iii) a Member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes which each proxy is appointed to exercise;
- (c) must specify a place and a fax number for the purposes of receipt of proxy appointments; and
- (d) may specify an electronic address for the purposes of receipt of proxy appointments.

10.6A The Directors may:

- (a) determine that at any general meeting a member who is entitled to attend and vote on a resolution at that meeting is entitled to a Direct Vote in respect of that resolution.
- (b) prescribe regulations, rules and procedures in relation to direct voting, including specifying the form, method and timing of giving a Direct Vote at a meeting in order for the vote to be valid.
- (c) If the Directors determine that a member is entitled to a Direct Vote, the Directors must specify the form, method and timing of giving a Direct Vote in the notice of meeting in order for the vote to be valid.

- 10.7 If a special resolution is to be proposed, the notice of meeting must set out an intention to propose the special resolution and state the resolution.

Formatted: Indent 2, Indent: Left: 99.25 pt

Formatted: Font: (Default) TimesNewRoman

- 
- 10.8 The non-receipt of notice of a general meeting by, or the accidental omission to give notice of a general meeting to, a person entitled to receive notice does not invalidate any resolution passed at the general meeting.

**Postponement or cancellation of meeting**

- 10.9 Where a meeting of Members (including an annual general meeting) is convened by the Directors they may, whenever they think fit, cancel the meeting or postpone the holding of the meeting to a date and time determined by them.
- 10.10 Notice of cancellation or postponement of a general meeting must:
- (a) be given to each Member individually and to each other person entitled to be given notice of that meeting under the Corporations Act or this Constitution ; and
  - (b) state the reason for cancellation or postponement.
- 10.11 Notice of postponement of the holding of a general meeting must specify:
- (a) the postponed date and time for the holding of the meeting;
  - (b) a place for the holding of the meeting which may be either the same as or different from the place specified in the notice convening the meeting; and
  - (c) if the meeting is to be held in 2 or more places, the technology that will be used to facilitate the holding of the meeting in that manner.
- 10.12 The number of clear days from the giving of a notice postponing the holding of a general meeting to the date specified in that notice for the holding of the postponed meeting must not be less than the number of clear days notice required to be given by this Constitution or the Corporations Act of the general meeting.
- 10.13 The only business that may be transacted at a general meeting the holding of which is postponed is the business specified in the notice convening the meeting.
- 10.14 The accidental omission to give notice of the cancellation or postponement of a meeting to, or the non-receipt of any such notice by, a Member or person entitled to notice does not invalidate that cancellation or postponement or any resolution passed at a postponed meeting.
- 10.15 Where:
- (a) by the terms of an instrument appointing a proxy or attorney or of an appointment of a Representative, a proxy or an attorney or a Representative is authorised to attend and vote at a general meeting to be held on a specified date or at a general meeting or general meetings to be held on or before a specified date; and

- (b) the holding of the meeting is postponed to a date later than the date specified in the instrument of proxy, power of attorney or appointment of Representative,

then, by force of this Article, that later date is substituted for and applies to the exclusion of the date specified in the instrument of proxy, power of attorney or appointment of representative unless the Member appointing the proxy, attorney or representative gives to the Company at its registered office notice in writing to the contrary not less than 48 hours before the time to which the holding of the meeting has been postponed.

10.16 Articles 10.9 to 10.15 (both inclusive) do not apply to a general meeting convened in accordance with the Corporations Act:

- (a) by a single Director;
- (b) by the Directors on the request of Members;
- (c) by Members; or
- (d) by a court.

## 11 Proceedings at general meetings

### Membership at a specified time

11.1 The Directors may determine, for the purposes of a particular general meeting, that all the shares that are quoted on ASX at a specified time before the meeting are taken to be held at the time of the meeting by the persons who hold them at the specified time. The determination must be made and published in accordance with the Corporations Act.

### Representation of Member

11.2 A Member may:

- (a) be present and vote in person; or
- (b) ~~may~~ be represented at any meeting of the Company by:
- ~~(a)(i)~~ proxy;
- ~~(b)(ii)~~ attorney; or
- (iii) in the case of a body corporate which is a Member, a Representative, or
- (c) vote at any general meeting of the Company by Direct Vote.

- 11.2A (a) A Member may only vote by one of the permitted methods in Article 11.2 in respect of a share. If a Member casts a Direct Vote on a particular resolution they are taken to have revoked the authority of a previously authorised proxy to vote on their behalf on that resolution.
- (b) If a Member attempts to cast more than one vote on a particular resolution in respect of the same share, only the last

Formatted: Heading 3

Formatted: Bullets and Numbering

Formatted: Heading 4

Formatted: Underline

Formatted: Underline

Formatted: Indent 2, Indent: Left: 99.25 pt, Hanging: 75.75 pt

vote received by the returning officer is to be taken to have been cast, irrespective of whether the vote is by way of Direct Vote or proxy.

11.2B A person who has cast a Direct Vote is entitled to attend the meeting. The Member's attendance cancels the direct vote, unless the Member instructs the Company or at its instruction the Company's share registry otherwise.

Formatted: Font: 11 pt

11.3 Unless the contrary intention appears, a reference to a Member in Article 11 means a person who is a Member, a proxy or attorney of that Member or a Representative of that Member.

## Quorum

11.4 Subject to Article 11.7, 25 Members present in person or by proxy, attorney or Representative are a quorum at a general meeting.

11.5 An item of business may not be transacted at a general meeting unless a quorum is present when the meeting proceeds to consider it. If a quorum is present at the beginning of a meeting it is to be deemed present throughout the meeting unless the chair of the meeting on the chair's own motion or at the request of a Member, proxy, attorney or Representative who is present declares otherwise.

11.6 If within 15 minutes after the time appointed for a meeting a quorum is not present, the meeting:

- (a) if convened by a Director, or by, or at the request of, Members, is dissolved; and
- (b) in any other case stands adjourned to the same day in the next week and the same time and place, or to such other day, time and place as the Directors appoint by notice to the Members and others entitled to notice of the meeting.

11.7 At a meeting adjourned under Article 11.6(b), 2 persons each being a Member, proxy, attorney or Representative present at the meeting are a quorum and, if a quorum is not present within 15 minutes after the time appointed for the adjourned meeting, the meeting is dissolved.

## Appointment and powers of chair of general meeting

11.8 If the Directors have elected 1 of their number as chair of their meetings, that person is entitled to preside as chair at a general meeting.

11.9 If a general meeting is held and:

- (a) a chair has not been elected by the Directors; or
- (b) the elected chair is not present within 15 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

the following may preside as chair of the meeting (in order of precedence): the Deputy Chair (if any); a Director chosen by a majority of the Directors present; the only Director present; a Member

---

chosen by a majority of the Members present in person or by proxy, attorney or Representative.

**Conduct of general meetings**

11.10 The chair of a general meeting:

- (a) has charge of the general conduct of the meeting and of the procedures to be adopted at the meeting;
- (b) may require the adoption of any procedure which is in the chair's opinion necessary or desirable for proper and orderly debate or discussion and the proper and orderly casting or recording of votes at the general meeting; and
- (c) may, having regard where necessary to the Corporations Act, terminate discussion or debate on any matter whenever the chair considers it necessary or desirable for the proper conduct of the meeting,

and a decision by the chair under this Article is final.

**Adjournment of general meeting**

11.11 The chair of a general meeting may at any time during the course of the meeting adjourn from time to time and place to place the meeting or any business, motion, question or resolution being considered or remaining to be considered by the meeting or any debate or discussion and may adjourn any business, motion, question, resolution, debate or discussion either to a later time at the same meeting or to an adjourned meeting. In exercising the discretion conferred by this Article, the chair may, but need not, seek the approval of the Members present; but unless otherwise required by the chair, no vote may be taken or demanded by the Members present in respect of any adjournment. No business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 When a meeting is adjourned for 1 month or more, notice of the adjourned meeting must be given as in the case of an original meeting.

11.13 Except as provided by Article 11.12, it is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

11.14 A demand for a poll does not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

11.15 A resolution passed at a meeting resumed after an adjournment is passed on the day it was passed.

**Voting on a resolution**

11.16 At any general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is demanded in accordance with the Corporations Act.

11.16A (a) If the Directors determine that a Member who is entitled to attend a general meeting is entitled to a Direct Vote, then a Member is entitled to cast a Direct Vote prior to the relevant general meeting.

Formatted: Font: (Default) TimesNewRoman

Formatted: Indent 2, Indent: Left: 99.25 pt, Hanging: 75.75 pt

(b) If a vote is taken at a meeting on a resolution on which a Direct Vote was cast, the Chairman of the meeting must:

(i) on a vote by show of hands, exclude each Member who has submitted a Direct Vote for or against the resolution; and

Formatted: Indent: Left: 172.95 pt

(ii) on a poll, count the votes cast by each Member who has submitted a Direct Vote directly for or against the resolution, by the number of shares held by each Member.

11.17 Unless a poll is properly demanded and the demand is not withdrawn, a declaration by the chair that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact. Neither the chair nor the minutes need state and it is not necessary to prove the number or proportion of the votes recorded in favour of or against the resolution.

#### **Questions decided by majority**

11.18 Subject to the requirements of the Corporations Act, a resolution is taken to be carried if a simple majority of the votes cast on the resolution are in favour of it.

#### **Poll**

11.19 If a poll is properly demanded, it must be taken in the manner and at the date and time directed by the chair and the result of the poll is the resolution of the meeting at which the poll was demanded.

11.20 A poll demanded on the election of a chair or on a question of adjournment must be taken immediately.

11.21 A demand for a poll may be withdrawn.

#### **Equality of votes - chair has no casting vote**

11.22 If there is an equality of votes, either on a show of hands or on a poll, the chair of the meeting is not entitled to a casting vote in addition to any votes to which the chair is entitled as a Member or proxy or attorney or Representative.

#### **Entitlement to vote**

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

(a) on a show of hands, each Member present in person and each other person present as a proxy, attorney or Representative of a Member (or in more than 1 of those capacities) has 1 vote; and

- (b) on a poll every person present who is a Member or proxy, attorney or Representative has:
- (i) for each fully paid share that the person holds or represents - 1 vote; and
  - (ii) for each share other than a fully paid share that the person holds or represents - that proportion of 1 vote that the amount paid (not credited) on the share bears to the total amounts paid and payable on the share (excluding amounts credited),

but a person is not entitled to vote at a general meeting in respect of shares which are the subject of a current Restriction Agreement for so long as any breach of that agreement subsists.

#### Payments on shares

11.24 For the purposes of Article 11.23:

- (a) a share is taken to be a fully paid share only if all amounts paid and payable on the share have been paid or credited as paid; and
- (b) any amount paid or credited as paid on a share in advance of a call is not to be taken as paid or credited as paid on the share.

#### Joint shareholders' vote

11.25 If 2 or more joint holders of a share in the Company purport to vote in respect of that share on a resolution, the vote of those joint holders will only be valid for the relevant resolution in respect of that share if the joint holders vote in the same way.

#### Vote of shareholder of unsound mind

11.26 If a Member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health then the Member's committee or trustee or such other person as properly has the management of the Member's estate may exercise any rights of the Member in relation to a general meeting as if the committee, trustee or other person were the Member.

11.26A A vote cast in accordance with a Direct Vote is valid even if before the vote was cast the Member:

- (a) died;
- (b) became of unsound mind; or
- (c) wishes to change their vote.

Unless written notification of the relevant event is received at the Office before the meeting, adjourned meeting or the taking of the poll in respect of which the Direct Vote was to have been cast.

Formatted: Indent: Left: 136.1 pt

Formatted: Indent: Left: 136.1 pt, First line: 0 pt

#### Effect of unpaid call

11.27 A Member is not entitled to cast a vote at a general meeting attached to a share on which a call is due and payable and has not been paid.

**Objection to voting qualification**

- 11.28 An objection may not be raised to the right of a person to attend or vote at the meeting or adjourned meeting except at that meeting or adjourned meeting. Any such objection must be referred to the chair of the meeting, whose decision is final. A vote not disallowed under such an objection is valid for all purposes.

**Appointment of proxy**

- 11.29 An appointment of a proxy is valid even if it does not contain the Company's name.

**Direct voting instrument**

11.29A (a) If sent by post or fax, the Direct Vote must be signed by the Member or, if the Member is a corporation, either under seal or by a duly authorised officer, attorney or representative.

Formatted: Indent 2, Indent: Left: 99.25 pt, Hanging: 73.7 pt

(b) If sent by electronic transmission the Direct Vote is to be taken to have been signed if it has been signed or authorised by the Member in the manner approved by the Directors or specified in the notice of meeting.

A Direct Vote includes any form of vote that the Directors may prescribe or accept including by any electronic means.

(c) At least 48 hours before the time for holding the relevant general meeting, an adjourned meeting or a poll at which a person proposes to cast a notice of their voting intention, the following must be Validly Received:

(i) a Direct Vote, and

(ii) any authority or power under which the Direct Vote was signed or a certified copy of that power or authority.

(d) A notice of a voting intention is valid if it contains the following information:

(i) the Member's name and address or any applicable identifying notations such as the holder identification number or similar approved by the Directors or specified in the notice of meeting, and

(ii) the Member's voting intention or any or all of the resolutions to be put before the meeting.

(e) The Chairman's decision as to whether a Direct Vote is valid is conclusive.

Formatted

**Director entitled to speak at meeting**

- 11.30 A Director is entitled to speak at all general meetings and all separate general meetings of the holders of any class of shares in the capital of the Company.

## 12 The Directors

### Number of Directors

- 12.1 The number of Directors is to be not less than 3 nor more than:
- (a) 12; or
  - (b) any lesser number than 12 as is determined by the Directors from time to time, but the number so determined at a particular time must not be less than the number of Directors when the determination takes effect.

The Directors in office at the time of adoption of this Constitution continue in office subject to this Constitution.

- 12.2 The Company in general meeting may by resolution increase or reduce the number of Directors, and may also determine the rotation in which the increased or reduced number is to retire from office.

### Rotation of Directors<sup>ix</sup>

- 12.3 At each annual general meeting one-third of the Directors for the time being, or, if their number is not 3 nor a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more, must retire from office. In determining the number of Directors to retire, no account is to be taken of a Director who only holds office until the conclusion of the meeting in accordance with Article 12.10 or the Managing Director who is exempted from retirement by rotation in accordance with Article 14.28.
- 12.4 A retiring Director holds office until the conclusion of the meeting at which that Director retires but is eligible for re-election.
- 12.5 The Directors to retire at any annual general meeting are those who have been longest in office since their last election, but, as between persons who were last elected as Directors on the same day, those to retire must be determined by lot, unless they otherwise agree between themselves.
- 12.6 The Company may, at an annual general meeting at which a Director retires, by resolution fill the vacated office by electing a person to that office.
- 12.7 A person, other than a person declared eligible by Article 12.4 or 12.10, is not eligible for election as a Director at a general meeting of the Company unless a nomination signed by the nominee has been lodged at the Registered Office at least 55 business days before the general meeting or such shorter period as the Director determine.

### Share qualification of Directors

- 12.8 A Director is not required to hold a share in the Company.

### Casual vacancy

- 12.9 The Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing

---

Directors, provided the total number of Directors does not exceed the number determined in accordance with Articles 12.1 and 12.2.

- 12.10 A Director appointed under Article 12.9 holds office until the conclusion of the next annual general meeting of the Company but is eligible for election.

#### **Removal of Director**

- 12.11 The Company in general meeting may, in accordance with the requirements of the Corporations Act, remove a Director from office as a Director.

#### **Remuneration of Directors**

- 12.12 The Directors are entitled to be paid out of the funds of the Company as remuneration for their services as Directors such sum accruing from day to day as the Company in general meeting determines. Until so determined, their aggregate remuneration is to be not more than \$1.5m per annum, to be divided among them in such proportion and manner as they agree or, in default of agreement, equally. This Article does not apply to the remuneration of a Managing Director or an Executive Director in either capacity.
- 12.13 Subject to the Listing Rules, if the number of Directors in office is greater than the number in office when the Directors' remuneration was last determined (whether at a general meeting or by Article 12.12) each additional Director is entitled, until the remuneration of the Directors is next determined at a general meeting, to be paid as remuneration for services as a Director an amount per annum obtained by dividing the aggregate amount paid to the other Directors as remuneration for their services as Directors by the number of the other Directors.
- 12.14 If a Director at the request of the Directors performs additional or special duties for the Company, the Company may remunerate that Director by payment of a fixed sum or salary to be determined by the Directors and that remuneration may be either in addition to or in substitution for that Director's remuneration under the preceding Articles.
- 12.15 Subject to the Listing Rules, the Company may pay a former Director, or the estate of a Director who dies in office, a retirement benefit in recognition of past services in the amount determined by the Directors, but not exceeding the amount permitted to be paid by the Corporations Act. The Company may also enter into a contract with a Director providing for payment of a retiring benefit. A retirement benefit paid under this Article is not remuneration to which Article 12.12 applies.
- 12.16 A Director is also entitled to be reimbursed out of the funds of the Company such reasonable travelling, accommodation and other expenses as the Director may incur when travelling to or from meetings of the Directors or a Committee or when otherwise engaged on the business of the Company.

#### **Director's interests**

- 12.17 A Director is not disqualified by the Director's office and the fiduciary relationship established by it, from holding any office or place of

---

profit, other than that of Auditor, under the Company or a related body corporate. A Director may, subject to the Corporations Act:

- (a) be or become a Director of or otherwise hold office or a place of profit in any other company promoted by the Company or in which the Company may be interested as vendor, shareholder or otherwise;
- (b) contract or make any arrangement with the Company or any related body corporate whether as vendor, purchaser, broker, solicitor or accountant or other professional person or otherwise and any contract or arrangement entered or to be entered into by or on behalf of the Company or any related body corporate in which any Director is in any way interested is not avoided for that reason; and
- (c) participate in any association, institution, fund, trust or scheme for past or present employees or Directors of the Company or any related body corporate, a related body corporate or any of their respective predecessors in business or their dependants or persons connected with them.

12.18 A Director who:

- (a) holds any office or place of profit under the Company;
- (b) holds any office or place of profit referred to in Article 12.17(a);
- (c) is involved in a contract or arrangement referred to in Article 12.17(b); or
- (d) participates in an association or otherwise under Article 12.17(c),

is not by reason only of that fact or any interest resulting from it or the fiduciary relationship established by it liable to account to the Company for any remuneration or other benefits accruing from it.

12.19 A Director or a firm of which the Director is a partner or employee may act in a professional capacity, other than as Auditor, for the Company or any related body corporate and a Director or a Director's firm is entitled to remuneration for professional services as if the relevant Director was not a Director.

12.20 Each Director must disclose that Director's interests to the Company in accordance with the Corporations Act.

12.21 A Director who has a material personal interest in a matter that is being considered at a meeting of the Directors may:

- (a) participate in the meeting and vote on any matter, resolution or decision; and
- (b) be present while any matter, resolution or decision is being considered at the meeting,

---

subject to the Corporations Act having been complied with regarding disclosure of and voting on matters involving material personal interests. Except as provided by the Corporations Act, a Director is not disqualified from voting on account of interest on a matter, resolution or decision as contemplated by paragraph (a) or from being present at a meeting as contemplated by paragraph (b).

- 12.22 The Director may be counted in the quorum present at any Directors' meeting at which the contract, proposed contract or arrangement or other matter is considered if the Director is permitted by the Corporations Act to be present during the consideration.
- 12.23 For the purposes of Article 12.21, a Director does not have an interest in a matter relating to an existing or proposed contract of insurance merely because the contract insures, or would insure, the Director against a liability incurred by the Director as an officer of the Company or of a related body corporate. This Article does not apply if the Company is the insurer.
- 12.24 The restrictions contained in Article 12.21 may at any time or times be suspended or relaxed to any extent and either prospectively or retrospectively by resolution of the Company in general meeting, if that is permitted by the Corporations Act.
- 12.25 A Director may, notwithstanding the Director's interest, and whether or not the Director is entitled to vote, or does vote, participate in the execution of any instrument by or on behalf of the Company and whether through signing or sealing the same or otherwise.

#### **Vacation of office of Director**

- 12.26 In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act, the office of a Director becomes vacant if the Director:
- (a) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
  - (b) resigns from the office by notice in writing to the Company;
  - (c) is removed from the office under Article 12.11; or
  - (d) is not present personally or by an Alternate Director or by a proxy at meetings of the Directors for a continuous period of 3 months without leave of absence from the Directors.

## **13 Powers and duties of Directors**

---

### **Directors to manage Company**

- 13.1 The business of the Company is to be managed by the Directors, who may exercise all such powers of the Company as are not, by the Corporations Act or by this Constitution, required to be exercised by the Company in general meeting.
- 13.2 Without limiting the generality of Article 13.1, the Directors may exercise all the powers of the Company to borrow or raise money, to

---

charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

**Appointment of attorney**

- 13.3 The Directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for the purposes and with the powers, authorities and discretions vested in or exercisable by the Directors for such period and subject to such conditions as they think fit.
- 13.4 Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities and discretions vested in the attorney.

**Minutes**

- 13.5 The Directors must cause minutes of meetings to be made and kept in accordance with the Corporations Act.

**Execution of Company cheques, etc**

- 13.6 Cheques, promissory notes, bankers' drafts, bills of exchange and other negotiable instruments, and receipts for money paid to the Company, must be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner and by such persons as the Directors determine from time to time.

## 14 Proceedings of Directors

---

**Directors' meetings**

- 14.1 The Directors may meet together for the despatch of business and adjourn and otherwise regulate their meetings as they think fit.
- 14.2 A Director may at any time, and the Secretary must on the written request of a Director, convene a meeting of the Directors.

**Questions decided by majority**

- 14.3 Questions arising at a meeting of Directors are to be decided by a majority of votes of Directors present and entitled to vote and any such decision is for all purposes to be deemed a decision of the Directors.
- 14.4 A person who is present at a meeting of Directors as an Alternate Director or as a proxy for another Director has 1 vote for each absent Director who would be entitled to vote if present at the meeting and for whom that person is an Alternate Director or proxy; and if that person is also a Director has 1 vote as a Director in that capacity.

**Chair's casting vote**

- 14.5 The chair of the meeting does not have a casting vote.

**Alternate Directors and proxies**

- 14.6 Subject to the Corporations Act, a Director may, appoint a person, approved by a majority of the other Directors to be an Alternate Director in the Director's place during such period as the Director thinks fit.

- 
- 14.7 An Alternate Director is entitled to notice of all meetings of the Directors and, if the appointor does not attend a meeting, is entitled to attend and vote in the appointor's stead.
- 14.8 An Alternate Director may exercise all the powers except the power to appoint an Alternate Director and, subject to the Corporations Act, may perform all the duties of the appointor insofar as the appointor has not exercised or performed them.
- 14.9 Whilst acting as a Director, an Alternate Director is responsible to the Company for the Alternate Director's own acts and defaults and the appointor is not responsible for them.
- 14.10 An Alternate Director is not entitled to receive from the Company any remuneration or benefit under Article 12.12 or 12.15.
- 14.11 The appointment of an Alternate Director may be terminated at any time by the appointor notwithstanding that the period of the appointment of the Alternate Director has not expired, and terminates in any event if the appointor ceases to be a Director.
- 14.12 An appointment, or the termination of an appointment, of an Alternate Director must be effected by a notice in writing signed by the Director who makes or made the appointment and delivered to the Company.
- 14.13 An Alternate Director is not to be taken into account separately from the appointor in determining the number of Directors.
- 14.14 A Director may attend and vote by proxy at a meeting of the Directors if the proxy:
- (a) is another Director; and
  - (b) has been appointed in writing under the signature of the appointor,

and such an appointment may be general or for 1 or more particular meetings. A Director present as a proxy for another Director who would be entitled to vote if present at the meeting has 1 vote for that other Director and 1 vote as a Director in that capacity.

**Quorum for Directors' meeting**

- 14.15 At a meeting of Directors, the number of Directors whose presence in person or by proxy is necessary to constitute a quorum is 3 or any greater number determined by the Directors from time to time. For the purposes of this Article, a quorum is present at a meeting of the Directors during the consideration of a matter only if at least 2 Directors entitled to vote on any motion that may be moved at the meeting in relation to that matter are present.

**Remaining Directors may act**

- 14.16 The continuing Directors may act notwithstanding a vacancy in their number but, if and so long as their number is reduced below the minimum fixed by Article 12.1, the continuing Directors may, except in an emergency, act only for the purpose of filling vacancies to the

extent necessary to bring their number up to that minimum or of convening a general meeting.

#### **Chair of Directors**

- 14.17 The Directors may elect 1 of their number as chair of their meetings and may also determine the period for which the person elected as chair is to hold office.
- 14.18 If a Directors' meeting is held and:
- (a) a chair has not been elected as provided by Article 14.17; or
  - (b) the chair is not present within 10 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,
- the Directors present must elect 1 of their number to be a chair of the meeting.

#### **Directors' committees**

- 14.19 The Directors may delegate any of their powers, other than powers required by law to be dealt with by Directors as a board, to a committee or committees consisting of at least 1 of their number and such other persons as they think fit.
- 14.20 A committee to which any powers have been delegated under Article 14.19 must exercise the powers delegated in accordance with any directions of the Directors and a power so exercised is deemed to have been exercised by the Directors.
- 14.21 The members of a committee may elect 1 of their number as chair of their meetings. If a meeting of a committee is held and:
- (a) a chair has not been elected; or
  - (b) the chair is not present within 10 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,
- the members involved may elect 1 of their number to be chair of the meeting.
- 14.22 A committee may meet and adjourn as it thinks proper.
- 14.23 Questions arising at a meeting of a committee are to be determined by a majority of votes of the members involved and voting. The chair of the meeting does not have a casting vote.

#### **Written resolution by Directors**

- 14.24 A resolution in writing signed by all the Directors who are then in Australia and are eligible to vote on the resolution (being at least a quorum) is as valid and effectual as if it had been passed at a meeting of the Directors held at the time when the written resolution was last signed by an eligible Director. A written resolution may consist of several documents in like form, each signed by 1 or more Directors.

**Use of technology**

- 14.25 A Directors' meeting may be called or held using any technology consented to by each Director. The consent may be a standing one. A Director may only withdraw consent within a reasonable period before the meeting.

**Validity of acts of Directors**

- 14.26 All acts of the Directors, a committee or a person acting as a Director or committee or member of a committee are valid notwithstanding that it is afterwards discovered that there was a defect in the appointment election or qualification of them or any of them or that they or any of them were disqualified or had vacated office.

**Appointment of Managing and Executive Directors**

- 14.27 The Directors may appoint 1 or more of their number to the office of Managing Director or as an Executive Director or to any other office, except auditor, of employment under the Company for the period and on the terms they think fit. The Directors may, subject to the terms of any contract between the relevant Director and the Company, at any time remove or dismiss any Managing Director or Executive Director from that office and may appoint another Director in their place. A Managing Director or Executive Director automatically ceases to be a Managing Director or Executive Director on ceasing to be a Director.

- 14.28 1 Managing Director, nominated by the Directors, is exempt from retirement by rotation and is not counted under Article 12.3 for determining the rotation of retirement of the other Directors.

**Remuneration of Managing and Executive Directors**

- 14.29 The remuneration of a Managing Director or an Executive Director may be fixed by the Directors and may be by way of salary or commission or participation in profits or by all or any of those modes, but may not be by a commission or percentage of operating revenue.

**Powers of Managing and Executive Directors**

- 14.30 The Directors may confer on a Managing Director or an Executive Director such of the powers exercisable by them, on such terms and conditions and with such restrictions, as they think fit. The Directors may withdraw or vary any of the powers conferred on a Managing Director or an Executive Director.

**15 Secretary****Appointment of Secretary**

- 15.1 There must be at least 1 Secretary of the Company who is to be appointed by the Directors.

**Suspension and removal of Secretary**

- 15.2 The Directors may suspend or remove a Secretary from that office.

**Powers, duties and authorities of Secretary**

- 15.3 The Directors may vest in a Secretary such powers, duties and authorities as they may from time to time determine and the Secretary must exercise all such powers and authorities subject at all times to the control of the Directors.

## 16 Seals

---

### Common and duplicate common seal

- 16.1 The Company may have:
- (a) a common seal; and
  - (b) a duplicate common seal, which must be a copy of the common seal with the words “duplicate seal”, “share seal” or “certificate seal” added.
- 16.2 The Directors must provide for the safe custody of each seal of the Company.

### Use of common seal

- 16.3 The common seal may be used only by the authority of the Directors, or of a committee of the Directors authorised by the Directors to authorise the use of the common seal. Every document to which the common seal is affixed must be signed by a Director and be countersigned by another Director, a Secretary or another person appointed by the Directors to countersign that document or a class of documents in which that document is included.

## 17 Inspection of records

---

### Inspection by Members

- 17.1 Subject to the Corporations Act, the Directors may determine whether and to what extent, and at what time and places and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of Members (other than Directors), and a Member (other than a Director) does not have the right to inspect any document of the Company except as provided by law or authorised by the Directors or by the Company in general meeting.

### Access by Directors<sup>x</sup>

- 17.2 The Company must keep each document comprising the Corporate Records or copies of them, and will procure that all subsidiaries keep each document comprising their Corporate Records, for a period of at least 7 years (“**Retention Period**”) from the date that the relevant document was created, or where relevant, provided to a Director.
- 17.3 Without limiting the rights of inspection available to the Directors at the general law and the Corporations Act, the Company must, during the Retention Period, give access to, and will procure that all subsidiaries will give access to, a Director or former Director, to inspect and copy (at no cost to the Director or former Director) such of the Corporate Records as relate to the Director’s period of office.
- 17.4 Subject to the Corporations Act:
- (a) without limiting the Company’s power to enter into agreements, the Company may enter into an agreement (“**Agreement**”) with a person referred to in Articles 17.2

or 17.3 (“**Person**”) with respect to the matters covered by those Articles; and

- (b) to the extent that a matter dealt with in the Agreement is less favourable to the Person than the matter as dealt with in Articles 17.2 or 17.3, the terms of the Agreement prevail over Articles 17.2 and 17.3 with respect to that matter.

## 18 Dividends and reserves

### Payment of dividend

- 18.1 Subject to the Corporations Act, this Constitution and the rights of persons (if any) entitled to shares with special rights to dividend, the Directors may determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Member entitled thereto of that dividend.

### No interest on dividends

- 18.2 Interest is not payable by the Company on a dividend.

### Reserves and profits carried forward

- 18.3 The Directors may, before paying any dividend, set aside out of the profits of the Company such sums as they think proper as reserves, to be applied, at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.
- 18.4 Pending any such application, the reserves may, at the discretion of the Directors, be used in the business of the Company or be invested in such investments as the Directors think fit.
- 18.5 The Directors may carry forward so much of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to a reserve.

### Calculation and apportionment of dividends

- 18.6 Subject to the rights of persons (if any) entitled to shares with special rights as to dividend and to the terms of any issue of shares to the contrary all dividends are to be paid:
- (a) in the case of fully paid shares, to their holders in proportion to the numbers of shares held by them respectively; or
- (b) in the case of shares which are not fully paid shares, to their holders according to the amounts paid or credited as paid on those shares, apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 18.7 An amount:
- (a) paid or credited as paid on a share in advance of a call; or

- (b) credited as paid on a share to the extent (if any) that it exceeds the value of the consideration received for the issue of that share,

is not to be taken as paid or credited as paid on the share for the purposes of Article 18.6.

#### **Deductions from dividends**

- 18.8 The Directors may deduct from any dividend payable to, or at the direction of, a Member all sums of money (if any) presently payable by that Member to the Company on account of calls or otherwise in relation to shares in the Company.

#### **Distribution of specific assets**

- 18.9 When resolving to pay a dividend, the Directors may:

- (a) resolve that the dividend be satisfied either wholly or partly by the distribution of specific assets to some or all of the persons entitled to the dividend, including fully paid shares in or debentures of the Company or fully paid shares in or debentures of any other body corporate; and
- (b) direct that the dividend payable in respect of any particular shares be satisfied wholly or partly by such a distribution and that the dividend payable in respect of other shares be paid in cash.

- 18.10 If a difficulty arises in regard to a distribution under Article 18.9, the Directors may:

- (a) settle the matter as they consider expedient;
- (b) fix the value for distribution of the specific assets or any part of those assets;
- (c) determine that cash payments will be made to, or at the direction of, any Members on the basis of the value so fixed in order to adjust the rights of all parties; and
- (d) vest any such specific assets in trustees as the Directors consider expedient.

If a distribution of specific assets to, or at the direction of, a particular Member or Members is illegal or, in the Directors' opinion, impracticable the Directors may make a cash payment to the Member or Members on the basis of the cash amount of the dividend instead of the distribution of specific assets.

#### **Payment by cheque and receipts from joint holders**

- 18.11 A dividend, interest or other money payable in cash in respect of shares may be paid:

- (a) by cheque sent through the post directed to the address of the holder as shown in the Register or, in the case of joint holders, to the address notified to the Company for receipt of such moneys (and in default of notification, to the address shown in

---

the Register as the address of the joint holder first named in that Register);

- (b) by cheque sent through the post directed to such other address as the holder or joint holders in writing direct; or
- (c) by some other method of direct credit determined by the Directors to the holder or holders shown on the Register or to such person or place directed by them.

18.12 Any 1 of 2 or more joint holders may give an effectual receipt for any dividend, interest or other money payable in respect of the shares held by them as joint holders.

#### **Election to reinvest dividend**

18.13 Subject to the Listing Rules, the Directors may grant to Members or any class of Members the right to elect to reinvest cash dividends paid by the Company by subscribing for shares in the Company on such terms and conditions as the Directors think fit.

#### **Election to accept shares in lieu of dividend**

18.14 Subject to the Listing Rules, the Directors may determine in respect of any dividend which it has proposed to pay on any shares of the Company, that holders of the shares may elect:

- (a) to forego the right to share in the proposed dividend or part of such proposed dividend; and
- (b) to receive instead an issue of shares credited as fully paid on such terms as the Directors think fit.

#### **Unclaimed dividends**

18.15 Unclaimed dividends may be invested by the Directors as they think fit for the benefit of the Company until claimed or until required to be dealt with in accordance with any law relating to unclaimed moneys.

## **19 Capitalisation of profits**

---

### **Capitalisation of reserves and profits**

19.1 The Directors:

- (a) may resolve to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any reserve account or the profit and loss account or otherwise available for distribution to Members; and
- (b) may but need not resolve to apply the sum in any of the ways mentioned in Article 19.2, for the benefit of Members in the proportions to which those Members would have been entitled in a distribution of that sum by way of dividend.

19.2 The ways in which a sum may be applied for the benefit of Members under Article 19.1 are:

- (a) in paying up any amounts unpaid on shares held by Members;

- 
- (b) in paying up in full unissued shares or debentures to be issued to Members as fully paid; or
  - (c) partly as mentioned in paragraph (a) and partly as mentioned in paragraph (b).
- 19.3 The Directors may do all things necessary to give effect to the resolution and, in particular, to the extent necessary to adjust the rights of the Members among themselves, may:
- (a) make cash payments in cases where shares or debentures become issuable in fractions; and
  - (b) authorise any person to make, on behalf of all or any of the Members entitled to any further shares or debentures on the capitalisation, an agreement with the Company providing for:
    - (i) the issue to them, credited as fully paid up, of any such further shares or debentures; or
    - (ii) the payment up by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised,and any such agreement is effective and binding on all the Members concerned.

## 20 Service of documents

---

- 20.1 The Company may give a document to a Member:
- (a) personally;
  - (b) by sending it by post to the address for the Member in the Register of Members or an alternative address nominated by the Member; or
  - (c) by sending it to a fax number or electronic address nominated by the Member.
- 20.2 If a document is sent by post, delivery of the document is to be deemed to be effected by properly addressing, prepaying and posting a letter containing the document, and the document is to be deemed to have been delivered on the day after the date of its posting.
- 20.3 If a document is sent by facsimile or electronic transmission, delivery of the document is to be deemed:
- (a) to be effected by properly addressing and transmitting the facsimile or electronic transmission; and
  - (b) to have been delivered on the day following its despatch.

- 
- 20.4 All documents sent outside Australia must be sent by pre-paid airmail post, facsimile or electronic transmission.
- 20.5 A document may be given by the Company to the joint holders of a share by giving it to any one of those joint holders. However, all mailings to joint holders must include the name of all joint holders on the envelope or other addressing means.
- 20.6 A person who by operation of law, transfer or other means whatsoever becomes entitled to any share is absolutely bound by every document given in accordance with this Article to the person from whom that person derives title prior to registration of that person's title in the Register.

## 21 Winding up

---

### Distribution of assets

- 21.1 If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Members in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Members or different classes of Members.
- 21.2 The liquidator may, with the sanction of a special resolution of the Company, vest the whole or any part of any such property in trustees on such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member is compelled to accept any shares or other securities in respect of which there is any liability.
- 21.3 Articles 21.1 and 21.2 do not prejudice or affect the rights of Members holding shares issued on special terms and conditions.

## 22 Indemnity and Insurance

---

### Indemnity of officers

- 22.1 The Company indemnifies and will keep indemnified every person who is or has been:
- (a) a director of the Company or of a subsidiary of the Company;
  - (b) a secretary of the Company or of a subsidiary of the Company;  
or
  - (c) a person making, or participating in making, decisions that affect the whole, or a substantial part, of the business of the Company or of a subsidiary of the Company; or
  - (d) a person having the capacity to affect significantly the financial standing of the Company or of a subsidiary of the Company,
- against:

- 
- (e) every liability incurred by the person in that capacity (except a liability for legal costs); and
  - (f) all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity,
    - unless:
  - (g) the Company is forbidden by statute to indemnify the person against the liability or legal costs; or
  - (h) an indemnity by the Company of the person against the liability or legal costs would, if given, be made void by statute.

### Insurance

- 22.2 The Company may pay or agree to pay, whether directly or through an interposed entity, a premium for a contract insuring a person who has or has had a capacity mentioned in Article 22.1(a), (b), (c) or (d), or who otherwise is or has been an executive officer of the Company or a subsidiary of the Company, against liability incurred by the person in that capacity, including a liability for legal costs, unless
  - (a) the Company is forbidden by statute to pay or agree to pay the premium; or
  - (b) the contract would, if the Company paid the premium, be made void by statute.

### Contract<sup>xi</sup>

- 22.3 Subject to the Corporations Act:
  - (a) without limiting the Company's power to enter into agreements, the Company may enter into an agreement ("**Agreement**") with a person referred to in Articles 22.1 or 22.2 ("**Person**") with respect to the matters covered by those Articles; and
  - (b) to the extent that a matter dealt with in the Agreement is less favourable to the Person than the matter as dealt with in Articles 22.1 or 22.2, the terms of the Agreement prevail over Articles 22.1 and 22.2 with respect to that matter.

## 23 Restricted securities

---

### Disposal during escrow period

- 23.1 Restricted securities cannot be disposed of during the escrow period except as permitted by the Listing Rules or ASX.
- 23.2 The Company must not acknowledge a disposal (including by registering a transfer) of restricted securities during the escrow period except as permitted by the Listing Rules or ASX.

---

**Breach of Restriction Agreement or Listing Rules**

- 23.3 During a breach of the Listing Rules relating to restricted securities, or a breach of a Restriction Agreement, the holder of the restricted securities is not entitled to any dividend or distribution, or voting rights, in respect of the restricted securities.

**Interpretation**

- 23.4 In this Part, the expressions “disposed of”, “disposed” “escrow period” and “restricted securities” have the same meaning as in the Listing Rules.

## 24 Small Holdings<sup>a</sup>

---

**Divestment Notice**

- 24.1 If the Directors determine that a Member is a Small Holder or a New Small Holder the Company may give the Member a Divestment Notice to notify the Member:
- (a) that the Member is a Small Holder or a New Small Holder, the number of shares making up the Small Holding or New Small Holding, and the Market Value of the Small Holding or New Small Holding and the date on which the Market Value was determined;
  - (b) that the Company intends to sell the Relevant Shares in accordance with this Article after the end of the Relevant Period specified in the Divestment Notice;
  - (c) if the Member is a Small Holder, that the Member may at any time before the end of the Relevant Period notify the Company in writing that the Member desires to retain the Relevant Shares and that if the Member does so the Company will not be entitled to sell the Relevant Shares under that Divestment Notice; and
  - (d) after the end of the Relevant Period the Company may for the purpose of selling the Relevant Shares that are in a CHESS Holding initiate a Holding Adjustment to move those Relevant Shares from that CHESS Holding to an Issuer Sponsored Holding or Certificated Holding.

If the SCH Business Rules apply to the Relevant Shares, the Divestment Notice must comply with the SCH Business Rules.

**Relevant Period**

- 24.2 The Relevant Period must be at least six weeks from the date the Divestment Notice was given.

**Company can sell Relevant Shares**

- 24.3 At the end of the Relevant Period the Company is entitled to sell on-market or in any other way determined by the Directors:
- (a) the Relevant Shares of a Member who is a Small Holder, unless that Member has notified the Company in writing before the end of the Relevant Period that the Member desires to retain the Relevant Shares, in which event the Company

---

must not sell those Relevant Shares under that Divestment Notice; and

- (b) the Relevant Shares of a Member who is a New Small Holder.

**No obligation to sell**

- 24.4 The Company is not bound to sell any Relevant Shares which it is entitled to sell under this Part 24 but unless the Relevant Shares are sold within six weeks after the end of the Relevant Period the Company's right to sell the Relevant Shares under the Divestment Notice relating to those Relevant Shares lapses and it must notify the Member to whom the Divestment Notice was given accordingly.

**Company as Member's attorney**

- 24.5 To effect the sale and transfer by the Company of Relevant Shares of a Member, the Member appoints the Company and each Director and Secretary jointly and severally as the Member's attorney in the Member's name and on the Member's behalf to do all acts and things which the Company considers necessary or appropriate to effect the sale or transfer of the Relevant Shares and, in particular:
- (a) to initiate a Holding Adjustment to move the Relevant Shares from a CHESS Holding to an Issuer Sponsored Holding or a Certificated Holding; and
- (b) to execute on behalf of the Member all deeds instruments or other documents necessary to transfer the Relevant Shares and to deliver any such deeds, instruments or other documents to the purchaser.

**Conclusive evidence**

- 24.6 A statement in writing by or on behalf of the Company under this Part 24 is (in the absence of manifest error) binding on and conclusive against a Member. In particular, a statement that the Relevant Shares specified in the statement have been sold in accordance with this Part is conclusive against all persons claiming to be entitled to the Relevant Shares and discharges the purchaser from all liability in respect of the Relevant Shares.

**Registering the purchaser**

- 24.7 The Company must register the purchaser of Relevant Shares as the holder of the Relevant Shares transferred to the purchaser under this Article. The purchaser is not bound to see to the application of any money paid as consideration. The title of the purchaser to the Relevant Shares transferred to the purchaser is not affected by any irregularity or invalidity in connection with the actions of the Company under this Part.

**Payment of proceeds**

- 24.8 Subject to Article 24.9, where:
- (a) Relevant Shares of a Member are sold by the Company on behalf of the Member under this Article; and
- (b) the certificate for the Relevant Shares (unless the Company is satisfied that the certificate has been lost or destroyed or the

Relevant Shares are Uncertificated Securities) has been received by the Company,

the Company must, within 60 days of the completion of the sale, send the proceeds of sale to the Member entitled to those proceeds by sending a cheque payable to the Member through the post to the address of the Member shown in the Register, or in the case of joint holders, to the address shown in the Register as the address of the Member whose name first appears in the Register. Payment of any money under this Article is at the risk of the Member to whom it is sent.

#### **Costs**

- 24.9 In the case of a sale of the Relevant Shares of a New Small Holder in accordance with this Part, the Company is entitled to deduct and retain from the proceeds of sale, the costs of the sale as determined by the Company. In any other case, the Company or a purchaser must bear the costs of sale of the Relevant Shares. The costs of sale include all stamp duty, brokerage and government taxes and charges (except for tax on income or capital gains of the Member) payable by the Company in connection with the sale and transfer of the Relevant Shares.

#### **Remedy limited to damages**

- 24.10 The remedy of a Member to whom this Article applies, in respect of the sale of the Relevant Shares of that Member is expressly limited to a right of action in damages against the Company to the exclusion of any other right, remedy or relief against any other person.

#### **Dividends and voting suspended**

- 24.11 Unless the Directors determine otherwise, where a Divestment Notice is given to a New Small Holder in accordance with this Part, then despite any other provision in this Constitution, the rights to receive payment of dividends and to vote attached to the Relevant Shares of that Member are suspended until the Relevant Shares are transferred to a new holder or that Member ceases to be a New Small Holder. Any dividends that would, but for this Article, have been paid to that Member must be held by the Company and paid to that Member within 60 days after the earlier of:
- (a) the date the Relevant Shares of that Member are transferred; and
  - (b) the date that the Relevant Shares of that Member cease to be subject to a Divestment Notice.

#### **Twelve month limit**

- 24.12 If it is a requirement of the Listing Rules, the Company must not give a Small Holder more than one Divestment Notice in any 12 month period (except as contemplated by Article 24.13).

#### **Effect of takeover bid**

- 24.13 From the date of the announcement of a takeover bid for the shares in the Company until the close of the offers made under the takeover bid, the Company's powers under this Part to sell Relevant Shares of a Member cease. After the close of the offers under the takeover bid, the

---

Company may give a Divestment Notice to a Member who is a Small Holder or a New Small Holder, despite Article 24.12 and the fact that it may be less than 12 months since the Company gave a Divestment Notice to that Member.

## Definitions

24.14 In this Part:

**Divestment Notice** means a notice given under Article 24.1 to a Small Holder or a New Small Holder;

**Market Value** in relation to a share means the closing price on SEATS of the share;

**New Small Holder** means a Member who is the holder or a joint holder of a New Small Holding;

**New Small Holding** means a holding of shares created after the date on which this Part 24 came into effect by the transfer of a parcel of shares the aggregate Market Value of which at the time a proper SCH transfer was initiated or a paper based transfer was lodged, was less than a marketable parcel of shares as provided under the Listing Rules;

**Relevant Period** means the period specified in Article 24.2;

**Relevant Shares** are the shares specified in a Divestment Notice;

**Small Holder** means a Member who is the holder or a joint holder of a Small Holding; and

**Small Holding** means a holding of shares the aggregate Market Value of which at the relevant date is less than a marketable parcel of shares as provided under the Listing Rules.

24.15 In this Part, the expressions:

- (a) “Certificated Holding”, “CHESS Holding”, “Holding Adjustment” and “Issue Sponsored Holding” have the same meanings as in the SCH Business Rules; and
- (b) “closing price on SEATS”, “takeover bid” and “Uncertificated Securities” have the same meaning as in the Listing Rules.

## Schedule 1 Preference Shares<sup>sm</sup>

### Dividend rights and priority of payment

- 1.1 Each preference share confers on the holder a right to receive a dividend (“**Dividend**”) at the rate or in the amount and on the conditions decided by the Directors under the terms of issue unless, and to the extent that, the Directors decide under the terms of issue that there is no right to receive a Dividend.
- 1.2 Without limiting the conditions which, under the terms of issue, the Directors may impose upon the right (if any) to receive a Dividend, the Directors may under the terms of issue, impose conditions upon the right to receive a Dividend which may be changed or reset at certain times or upon certain events and in the manner and to the extent the Directors decide under the terms of issue.
- 1.3 The Dividend (if any):
  - (a) is non-cumulative unless, and to the extent that, the Directors decide otherwise under the terms of issue; and
  - (b) will rank for payment:
    - (i) in priority to ordinary shares unless, and to the extent that, the Directors decide otherwise under the terms of issue;
    - (ii) in priority to shares in any other class of shares or class of preference shares expressed under the terms of issue to rank behind for the payment of dividends;
    - (iii) equally with shares in any other class of shares or class of preference shares expressed under the terms of issue to rank equally for the payment of dividends; and
    - (iv) behind shares in any other class of shares or class of preference shares expressed under the terms of issue to rank in priority for the payment of dividends.
- 1.4 If, and to the extent that, the Directors decide under the terms of issue, each preference share may, in addition to the rights (if any) to receive a Dividend, participate equally with the ordinary shares in the distribution of profits available for dividends.
- 1.5 Each preference share confers on its holder:
  - (a) if, and to the extent that the Dividend is cumulative, the right in a winding up or on redemption to payment of the amount of any Dividend accrued but unpaid on the share at the commencement of the winding up or the date of redemption, whether earned or determined or not;
  - (b) if, and to the extent that the Dividend is non-cumulative, and if, and to the extent that, the Directors decide under the terms of issue, the right in a winding up or on redemption to payment of the amount of any Dividend accrued but unpaid for the period commencing on the dividend payment date which has

then most recently occurred and ending on the commencement of the winding up or the date of redemption, whether earned or determined or not,

with the same priority in relation to each other class of shares as the priority that applies in relation to the payment of the Dividend.

#### **Entitlement to payment of capital sum in a winding up**

1.6 Each preference share confers on its holder the right in a winding up or on a redemption to payment of:

- (a) any amount paid on the share, or any amount fixed by the Directors under the terms of issue or capable of determination pursuant to a mechanism adopted by the Directors under the terms of issue; and
- (b) a further amount out of the surplus assets and profits of the Company on the conditions decided by the Directors under the terms of issue unless, and to the extent that, the Directors decide under the terms of issue that there is no right to any payment of a further amount out of the surplus assets and profits of the Company,

in priority to ordinary shares and, unless the Directors decide otherwise under the terms of issue, in priority to shares in any other class of shares or class of preference shares expressed to rank behind on a winding up, equally with shares in any other class of shares or class of preference shares expressed to rank equally on a winding up, and behind shares in any other class of shares or class of preference shares expressed to rank in priority on a winding up.

1.7 Unless otherwise decided by the Directors under the terms of issue, a preference share does not confer on its holder any right to participate in the profits or property of the Company except as set out in this schedule 1.

#### **Bonus issues and capitalisation of profits**

1.8 If, and to the extent that the Directors decide under the terms of issue, a preference share may confer a right to a bonus issue or capitalisation of profits in favour of holders of those shares only.

#### **Voting rights**

1.9 A preference share does not entitle its holder to vote at any general meeting of the Company except on the questions, proposals or resolutions or during periods of time or in circumstances identified by the Directors in the terms of issue, which, unless the Directors decide otherwise under the terms of issue, are as follows:

- (a) a proposal:
  - (i) to reduce the share capital of the Company;
  - (ii) that affects rights attached to the share;
  - (iii) to wind up the Company; or

- 
- (iv) for the disposal of the whole of the property, business and undertaking of the Company;
  - (b) a resolution to approve the terms of a buy-back agreement;
  - (c) during a period in which a Dividend or part of a Dividend on the share is in arrears;
  - (d) during the winding up of the Company.
- 1.10 Each holder of a preference share who has a right to vote on a resolution is entitled to the number of votes specified in Article 11.23 of the Constitution.

### **Meetings**

- 1.11 Each preference share confers on its holder the same rights as those conferred by the Constitution upon the holders of ordinary shares in relation to receiving notices (including notices of general meetings), reports, balance sheets and audited accounts and of attending and being heard at all general meetings of the Company.

### **Conversion to ordinary shares**

- 1.12 A preference share which, in accordance with its terms of issue, may be converted into an ordinary share will, at the time of conversion and without any further act, have the same rights as a fully paid ordinary share and rank equally with other fully paid ordinary shares on issue. This is subject to the terms of issue of the preference share determined by the Directors in relation to entitlement to ordinary dividends paid after conversion. In addition, the terms of issue of the preference share may provide for the issue of additional ordinary shares on conversion as determined by the Directors.

**INSURANCE AUSTRALIA GROUP LIMITED**

**Index of Company Constitution**

	<b>Page</b>
<b>1 Preliminary</b>	<b>1</b>
Definitions	1
Interpretation	3
Replaceable rules not to apply	4
Currency	4
Listing Rules	4
<b>2 Share capital and variation of rights</b>	<b>5</b>
Directors to issue shares	5
Preference shares	5
Variation of rights	6
Recognition of interests	7
Joint holders of shares	7
Confirmation of holdings	7
<b>3 Lien</b>	<b>7</b>
Lien on share	7
Sale under lien	8
Transfer on sale under lien	8
Proceeds of sale	9
Company's right to recover payments	9
<b>4 Calls on shares</b>	<b>9</b>
Directors to make calls	9
Time of call	9
Members' liability	9
Interest on default	10
Fixed instalments deemed calls	10
Differentiation between shareholders as to calls	10
Prepayment of calls	10
<b>5 Transfer of shares</b>	<b>10</b>
Forms of instrument of transfer	10
Registration procedure	10
Directors' powers to apply a holding lock and to decline to register	11
<b>7 Transmission of shares</b>	<b>12</b>
Transmission of shares on death of holder	12
Right to registration on death, bankruptcy or mental incapacity	12
Effect of transmission	13
<b>8 Forfeiture of shares</b>	<b>13</b>
Notice requiring payment of call	13
Forfeiture for failure to comply with notice	13
Cancellation of forfeiture	14
Effect of forfeiture on former holder's liability	14

	Evidence of forfeiture	14
	Transfer of forfeited share	14
	Forfeiture applies to non-payment of instalment	14
<b>10</b>	<b>General meetings</b>	<b>14</b>
	Annual general meeting	14
	Convening general meeting	<del>14</del> <sup>15</sup>
	Notice of general meeting	15
	Postponement or cancellation of meeting	16
<b>11</b>	<b>Proceedings at general meetings</b>	<b>17</b>
	Membership at a specified time	17
	Representation of Member	17
	Quorum	18
	Appointment and powers of chair of general meeting	18
	Conduct of general meetings	19
	Adjournment of general meeting	19
	Voting on a resolution	<del>19</del> <sup>20</sup>
	Questions decided by majority	20
	Poll	20
	Equality of votes - chair has no casting vote	20
	Entitlement to vote	20
	Payments on shares	21
	Joint shareholders' vote	21
	Vote of shareholder of unsound mind	21
	Effect of unpaid call	<del>21</del> <sup>22</sup>
	Objection to voting qualification	22
	Appointment of proxy	22
	Direct voting instrument	22
	Director entitled to speak at meeting	<del>22</del> <sup>23</sup>
<b>12</b>	<b>The Directors</b>	<b>23</b>
	Number of Directors	23
	Rotation of Directors	23
	Share qualification of Directors	<del>23</del> <sup>24</sup>
	Casual vacancy	<del>23</del> <sup>24</sup>
	Removal of Director	24
	Remuneration of Directors	24
	Director's interests	<del>24</del> <sup>25</sup>
	Vacation of office of Director	26
<b>13</b>	<b>Powers and duties of Directors</b>	<b><del>26</del><sup>27</sup></b>
	Directors to manage Company	<del>26</del> <sup>27</sup>
	Appointment of attorney	27
	Minutes	27
	Execution of Company cheques, etc	27
<b>14</b>	<b>Proceedings of Directors</b>	<b>27</b>
	Directors' meetings	27
	Questions decided by majority	27
	Chair's casting vote	<del>27</del> <sup>28</sup>
	Alternate Directors and proxies	<del>27</del> <sup>28</sup>
	Quorum for Directors' meeting	28
	Remaining Directors may act	<del>28</del> <sup>29</sup>
	Chair of Directors	29
	Directors' committees	29

	Written resolution by Directors	<del>29</del> <u>30</u>
	Use of technology	30
	Validity of acts of Directors	30
	Appointment of Managing and Executive Directors	30
	Remuneration of Managing and Executive Directors	30
	Powers of Managing and Executive Directors	30
<b>15</b>	<b>Secretary</b>	<del>30</del> <u>31</u>
	Appointment of Secretary	<del>30</del> <u>31</u>
	Suspension and removal of Secretary	<del>30</del> <u>31</u>
	Powers, duties and authorities of Secretary	<del>30</del> <u>31</u>
<b>16</b>	<b>Seals</b>	<b>31</b>
	Common and duplicate common seal	31
	Use of common seal	31
<b>17</b>	<b>Inspection of records</b>	<b>31</b>
	Inspection by Members	31
	Access by Directors	31
<b>18</b>	<b>Dividends and reserves</b>	<b>32</b>
	Payment of dividend	32
	No interest on dividends	32
	Reserves and profits carried forward	32
	Calculation and apportionment of dividends	32
	Deductions from dividends	33
	Distribution of specific assets	33
	Payment by cheque and receipts from joint holders	<del>33</del> <u>34</u>
	Election to reinvest dividend	34
	Election to accept shares in lieu of dividend	34
	Unclaimed dividends	34
<b>19</b>	<b>Capitalisation of profits</b>	<b>34</b>
	Capitalisation of reserves and profits	34
<b>20</b>	<b>Service of documents</b>	<b>35</b>
<b>21</b>	<b>Winding up</b>	<b>36</b>
	Distribution of assets	36
<b>22</b>	<b>Indemnity and Insurance</b>	<b>36</b>
	Indemnity of officers	36
	Insurance	37
	Contract	37
<b>23</b>	<b>Restricted securities</b>	<del>37</del> <u>38</u>
	Disposal during escrow period	<del>37</del> <u>38</u>
	Breach of Restriction Agreement or Listing Rules	38
	Interpretation	38
<b>24</b>	<b>Small Holdings</b>	<b>38</b>
	Divestment Notice	38
	Relevant Period	<del>38</del> <u>39</u>
	Company can sell Relevant Shares	<del>38</del> <u>39</u>
	No obligation to sell	39
	Company as Member's attorney	39

---

Conclusive evidence	39
Registering the purchaser	<del>3940</del>
Payment of proceeds	<del>3940</del>
Costs	40
Remedy limited to damages	40
Dividends and voting suspended	40
Twelve month limit	<del>4041</del>
Effect of takeover bid	<del>4041</del>
Definitions	41
Dividend rights and priority of payment	<del>4243</del>
Entitlement to payment of capital sum in a winding up	<del>4344</del>
Bonus issues and capitalisation of profits	<del>4344</del>
Voting rights	<del>4344</del>
Meetings	<del>4445</del>
Conversion to ordinary shares	<del>4445</del>

Corporations Act 2001 (Cwlth)

**Insurance Australia Group Limited**  
ACN 090 739 923

**CONSTITUTION**

**Mallesons Stephen Jaques  
Solicitors  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Phone: (61 2) 9296 2000  
Fax: (61 2) 9296 3999  
Ref: SMF:DLF**

# **Insurance Australia Group Limited**

## **CONSTITUTION**

**Mallesons Stephen Jaques  
Solicitors  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Phone: (61 2) 9296 2000  
Fax: (61 2) 9296 3999  
Ref: SMF:DLF**

## DRAFT

---

### HISTORICAL NOTES\*

<sup>i</sup> Old Article 1.6 (“Currency”) was deleted, and new Articles 1.6 and 1.7 (“Currency”) was inserted by special by special resolution of the Company [passed on 12 November 2003]

<sup>ii</sup> New Article 1.8 (“Listing Rules”) was inserted by special resolution of the Company [passed on 12 November 2003]

<sup>iii</sup> Old Article 2.2 (“Capital raisings before listing”) was deleted by special resolution of the Company [passed on 12 November 2003].

New Article 2.2 (“Preference shares”) was inserted by special resolution of the Company [passed on 12 November 2003]

<sup>iv</sup> New Article 3.13 (“Company’s right to recover payments) was inserted by special resolution of the Company [passed on 12 November 2003]

<sup>v</sup> Old Article 5.2 (“Registration”) was deleted and new Article 5.2 (“Registration”) was inserted by special resolution of the Company [passed on 12 November 2003]

<sup>vi</sup> Article 5.8 was amended by special resolution of the Company passed on 13 November 2002. Articles 5.6 and 5.7 (“Restrictions on transfer before listing”) were deleted by special resolution of the Company [passed on 12 November 2003]

<sup>vii</sup> Article 6 (“Unacceptable Ownership Situation”) was deleted by special resolution of the Company passed on 13 November 2002

<sup>viii</sup> Article 9 (“Listing”) was deleted by special resolution of the Company [passed on 12 November 2003]

<sup>ix</sup> [Old Article 12.7 \(“Rotation of Directors”\) was deleted by special resolution of the Company \[passed on 9 November 2005\].](#) [New Article 12.7 \(“Rotation of Directors”\) was inserted by special resolution of the Company \[passed on 9 November 2005\].](#)

<sup>x</sup> New Article 17.4 (“Access by Directors”) was inserted by special resolution of the Company [passed on 12 November 2003]

<sup>xi</sup> Old Article 22.3 (“Insurance”) was deleted and new Article 22.3 (“Contract”) was inserted by special resolution of the Company [passed on 12 November 2003]

<sup>xii</sup> New Part 24 (“Small Holdings”) was inserted by special resolution of the Company [passed on 12 November 2003]

<sup>xiii</sup> New Schedule 1 (“Preference Shares”) was inserted by special resolution of the Company [passed on 12 November 2003]

Parts 1 to 3, 5, 7 to 8, 10 to 15, 17 to 18, 20, and 22 to 23 otherwise were amended by special resolution of the Company [passed on 12 November 2003]

\*These historical notes do not form part of this Constitution.