

**mecu Limited**

**ACN 087 651 607**

# **Constitution**

Approved AGM November 2011

Date of Effect 8 November 2011

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# Constitution

## Foreword

mecu Limited is a company, which is regulated under the *Corporations Act*.

The Company is licensed as an Authorised Deposit Taking Institution and is required to comply with the Prudential Standards, which are issued by the Australian Prudential Regulation Authority.

As a mutual organisation the Company is committed to operating for the benefit of members.

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## Division 1. — Introductory Matters

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### 1.1 Definitions

In this Constitution, unless the context requires otherwise:

*ADI* means a body corporate that *APRA* has authorised to conduct banking business in Australia under the *Banking Act 1959* (Cth)

*APRA* means the Australian Prudential Regulation Authority

*board* means the board of *directors*

*company* means the company described in this Constitution

*deposit* means the placement of money in an account that the *company* conducts in the ordinary course of its banking business

*direct vote* means a vote at a *members' meeting* delivered to the *company* by such means as approved by the *board*

*director* means a director for the time being of the *company*

*financial accommodation* means:

- (a) an advance;
- (b) money paid for, on behalf of or at the request of a person (other than by drawing on the person's *deposit* account with the *company*);
- (c) a forbearance to require payment of money owing on any account; and
- (d) a transaction that, in substance, effects a loan or is regarded by the parties to the transaction as a loan,

that the *company* provides or enters in the ordinary course of its banking business

*fit and proper policy* means the policy adopted by the *board* in relation to the fitness and propriety of *directors*, senior managers and auditors required by *APRA prudential standard 520* or any other *prudential standard* or law applying from time to time

*general meeting* means a general meeting of the *members*

*material personal interest* has the same meaning as in Part 2D.1 of the *Corporations Act*

*member* means a person whose name the *company* has entered for the time being in the Register of Members it keeps under the *Corporations Act*

*member share* means a share as described in Appendix 1

*nominations committee* means the committee referred to in Appendix 4

*prudential standard* means:

- (a) any prudential standard that *APRA* determines under the Banking Act 1959 (Cth);
- (b) any prudential regulation made under Banking Act 1959 (Cth); and
- (c) any *APRA* transitional prudential standard applying to the *company* under the Financial Sector Reform (Amendments and Transitional Provisions) Regulations 1999 (Cth).

*secretary* means a secretary for the time being of the *company*

*subscription price* means the amount payable by a person on subscription for a *member share*

## 1.2 Interpretation

(1) In this Constitution, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) where an expression is defined in this Constitution, any other grammatical form of the expression has a corresponding meaning;
- (c) words and expressions defined in the *Corporations Act* have the same meaning in this Constitution;
- (d) headings are for purposes of convenience only and do not affect the interpretation of this Constitution;
- (e) a reference to a statute or regulation includes all amendments, consolidations or replacements of the statute or regulation;
- (f) a reference to this Constitution or another instrument includes all amendments or replacements of the Constitution or the other instrument;
- (g) a reference to a statutory or other body that ceases to exist or the powers and functions of which are transferred to another body includes a reference to the body:
  - (i) that replaces it; or
  - (ii) to which substantially all the powers and functions relevant to this Constitution are transferred;
- (h) a reference to 'in writing' is technology neutral and is a reference to any mode of representing or reproducing information in tangible and permanently visible form and includes without limitation a communication of information in the form of data, text or images by means of guided and/or unguided electromagnetic energy; and
- (i) a reference to signing or signature is a reference to any authentication mechanism used to verify, without limitation, the following:
  - (i) the identity of the person to whom the information is communicated and their approval of the information communicated; and

- (ii) where applicable that the person named in any application form or other notice consents to the requirements set out in the form or notice; and
  - (iii) where applicable, that the *member* named as appointor in a proxy under rule 9.5 is a *member* of the *company* and has approved the lodgement of the notice including any direction as to how the proxy is to vote.
- (2) The notes to this Constitution are for purposes of convenience only and do not affect the interpretation of this Constitution. The notes do not form part of this Constitution and may be removed or modified without the *company* complying with the *Corporations Act* requirements that apply to removal or modification of constitutional provisions.

### 1.3 Time

Unless expressly provided otherwise, when this Constitution, or any notice given under this Constitution, states a time or a period of time, the time stated is, or the period of time is calculated by reference to, Standard Time or Summer Time, as the case may be, at the *company's* registered office.

### 1.4 Replaceable Rules do not Apply

The replaceable rules in the *Corporations Act* do not apply.

### 1.5 Notices

- (1) This Rule applies to all notices and documents that the *Corporations Act* or this Constitution requires a party to this Constitution to send to another party to this Constitution.
- (2) In this Rule, *business day* means a day that is not:
- (a) a Saturday or Sunday; or
  - (b) a public holiday or bank holiday in the place where the notice is received.
- (3) A person sending a notice must do so in writing and must address it to the recipient at the following respective addresses:
- (a) if to the *company* — at its registered office or such other address as the *company* specifies to *members* from time-to-time; and
  - (b) if to a *member* — at the *member's* address appearing on the Register of Members from time-to-time or at any alternative address nominated by the *member*, or at any fax number or electronic address nominated by the *member*.

**Note:** Subrule 3.3(3) deals with sending notices to joint *members*.

- (4) A person may send a notice or other document to another person in any of the ways set out in column 2 of the table. The other person receives the notice at the time set out in column 3:

<i>Delivery Method</i>		<i>Time Person Receives Notice</i>
1	Hand delivering the notice personally	The other person receives the notice: (i) if hand delivered before 5:00pm on a <i>business day</i> — on that <i>business day</i> (ii) if hand delivered after 5:00pm on a <i>business day</i> — on the next <i>business day</i> (iii) if hand delivered on a day other than a <i>business day</i> — on the next <i>business day</i>
2	Sending the notice by pre-paid post	The other person receives the notice on the third <i>business day</i> after posting unless it is actually delivered earlier
3	Sending the notice by facsimile transmission	The other person receives the notice: (i) if sent before 5:00pm on a <i>business day</i> — on that <i>business day</i> (ii) if sent after 5:00pm on a <i>business day</i> — on the next <i>business day</i> (iii) if sent on a day other than a <i>business day</i> — on the next <i>business day</i>  This rule does not apply where the person sending the facsimile has evidence that the transmission was unsuccessful
4	Sending the notice by electronic means	The other person receives the notice: (i) if sent before 5:00pm on a <i>business day</i> — on that <i>business day</i> (ii) if sent after 5:00pm on a <i>business day</i> — on the next <i>business day</i> (iii) if sent on a day other than a <i>business day</i> — on the next <i>business day</i>  This rule does not apply where the person sending the notice by electronic means has evidence that the notice did not reach the other person's electronic address

- (5) If a person sends a *member* a notice in accordance with this Rule, any person to whom that *member* transfers or transmits a share is taken to receive the notice when the first person sent the *member* the notice.

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## Division 2. — Powers

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### 2.1 Customers

- (1) The *company* may only provide *financial accommodation* to:
  - (a) its *members*;
  - (b) other *ADIs* or
  - (c) any *person* or class of *persons* as determined by the *board* from time to time in its absolute discretion.
- (2) The *company* may accept *deposits* from non-members.
- (3) Notwithstanding sub-rule (1) the *company* may invest funds otherwise than by way of *financial accommodation* to its *members* or other *ADIs*.

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## Division 3. — Membership

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### 3.1 Admission to Membership

- (1) Subject to any other Rule allowing admission of *members*, the *company* may admit a person as a *member* only if:
- a. the person makes application in a form required by the *company* including without limitation by completing an application in electronic form signing and returning it to the *company*,
  - b. the person applies for a *member share*; and
  - c. the person pays the *subscription price* for the *member share*.

**Note:** The *company* may also admit a person as a *member* by registering a transmission of a *member share* to the person under Rule 7.1, Rule 7.2 or Rule 7.3.

The *board* has an absolute discretion in exercising the *company's* power to admit *members* without any obligation to give a reason for not admitting a person as a *member*.

- (2) When the *company* admits a person as a *member*, the *company* must:
- a. issue the *member share* to the person;
  - b. enter the person's particulars in the Register of Members as required by the *Corporations Act*, and
  - c. give the person notice that it has admitted the person as a *member*.

### 3.2 Delegation of Power to Admit Members

The *board* may delegate its power to admit *members* to employees of the *company*. The delegation must not include authority to further delegate the power to admit *members*.

### 3.3 Joint Members

- (1) The *company* may admit 2 or more persons eligible for admission under Subrule 3.1(1) as a joint *member* of the *company*.
- (2) The persons constituting the joint *member* may determine the order in which their names appear in the Register of Members. If the persons constituting the joint *member* do not do so, the *company* may determine the order in which their names appear in the Register of Members.
- (3) The person named first in the Register of Members is the primary joint *member*. The *company* may duly send any notice, certificate or other document to the joint *member* by sending it to the primary joint *member*. Only the primary joint *member* is entitled to vote on behalf of the joint *member*.

- (4) At any time, the joint *member* may give the *company* a notice requiring the *company* to change the primary joint *member* or otherwise change the order in which their names appear in the Register of Members. Each person constituting the joint *member* must sign the notice. The *company* must change the Register of Members as soon as practicable after receiving the notice.
- (5) Any person constituting a joint *member* may give an effective receipt for any dividend, distribution on winding-up or return of capital in relation to the joint *member's* shares.
- (6) The persons constituting a joint *member* are jointly and individually liable for any liability that the joint *member* may have in relation to the joint *member's* shares.
- (7) The *company* may accept *deposits* from, or provide *financial accommodation* to, the joint *member* or to any person constituting the joint *member*.

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## Division 4. — Termination of Membership

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### 4.1 Removal of the Member's Name from the Register of Members

The *company* must remove the *member's* name from the Register of Members if:

- (a) the *company* redeems the *member's member share* under Rule 4.2, Rule 4.3 or Rule 4.4;
- (b) if the *member* is an individual — the *member*:
  - (i) dies;
  - (ii) becomes a bankrupt and the *company* registers the *member's* trustee in bankruptcy as the holder of the *member's member share* under Rule 7.2; or
  - (iii) becomes mentally incapable and the *company* registers the *member's* trustee or guardian as the holder of the *member's member share* under Rule 7.3; or
- (c) if the *member* is a body corporate — the *member* is deregistered or dissolved.

### 4.2 Member's Request for Termination

A *member* may request termination of membership but only upon repaying all *financial accommodation* and discharging all other obligations to the *company*.

### 4.3 Termination by the Board

- (1) The *company* may redeem a *member's member share* by *board* resolution if:
  - (a) the *member* fails to discharge the *member's* obligations to the *company*;
  - (b) the *member* has engaged in conduct that the *board* reasonably considers to be detrimental to the *company*; or
  - (c) the *member* obtains membership by misrepresentation or mistake.
- (2) The *company* must give notice of the proposed resolution under Subrule (1) to the *member* at least 14 days before considering the proposed resolution.
- (3) At the time the *board* considers the proposed resolution, the *member* is entitled:
  - (a) to be present with or without the *member's* legal representative; and
  - (b) to be heard, either in person or through the *member's* legal representative.

- (4) On redeeming the *member share*, the *company* may pay the amount payable on redemption of the *member share* to the *member* by either:
- (a) sending a cheque to the *member's* address as set out in the Register of Members; or
  - (b) crediting any of the *member's* accounts with the *company*,
- at the time the *member share* is redeemed.

#### 4.4 Termination Where Accounts Dormant

- (1) This Rule does not apply to a retirement savings account to the extent that the Retirement Savings Account Act 1997 (Cth) provides otherwise.
- (2) The *company* may:
- (a) determine that the *member's deposit* accounts are dormant; and
  - (b) redeem the *member's member share*,
- by board resolution if the *member* has not initiated any transactions in relation to any *deposit* account in the 12 month period before the date of the resolution.
- (3) The *company* must send notice of the proposed resolution under Subrule (2) to the *member* at the *member's* last known address as shown on the Register of Members at least 28 days before considering the proposed resolution.
- (4) On redemption of the *member share*, the *company* must pay the amount payable on redemption of the *member share* into the *member's* account.
- (5) If the *company* redeems a person's *member share* under this Rule, the person may require the *company* to reinstate the person's *deposit* accounts at any time before the *company* pays the money in the *deposit* account in accordance with the relevant unclaimed money legislation. If the person requires the *company* to reinstate the person's *deposit* accounts:
- (a) the *company* must reinstate the person's *deposit* accounts as soon as practicable; and
  - (b) if the *company* has redeemed the *member's member share* — the *company* must issue a *member share* to the person and may debit the *member's deposit* account for the subscription amount.

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## Division 5. — Issue of Shares

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### 5.1 Classes of Shares

The *company* may only issue *member shares*.

### 5.2 Board Power to Issue Shares

The *board* may exercise the *company's* power to issue shares to the exclusion of the *general meeting*.

### 5.3 Restrictions on Issue of Member Shares

(1) The *company* must not issue:

- (a) options to subscribe for *member shares*;
- (b) *securities* that may be converted to *member shares*; or
- (c) *securities* with pre-emptive rights to *member shares*.

(2) The *company* may only issue *member shares* in accordance with Rule 3.1.

(3) The *company* may only issue 1 *member share* to any person on the basis that the person pays the full *subscription price* on issue. However, the *company* may issue to a trustee for an unincorporated association:

- (a) 1 *member share* to the trustee in the trustee's own right; and
- (b) 1 *member share* to the trustee as trustee for the unincorporated association.

**Note:** The *company* can issue a *member share* to a person who already constitutes a joint *member*. See Rule 3.3.

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## Division 6. — Dividends

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### 6.1 Payment of Dividends

- (1) The *board* may determine that the *company* pay a dividend on shares to which a right to participate in dividends attaches and may determine:
- (a) the amount of the dividend;
  - (b) the time for payment of the dividend; and
  - (c) the method of payment of the dividend.

The method of payment may include the payment of cash, the issue of securities and the transfer of assets. Where the *company* pays the dividend other than in cash, the *board* may fix the value of any securities issued or assets transferred.

- (2) If the terms of issue for a share require the *general meeting's* approval to any payment of a dividend on the share, the *board's* determination under Subrule (1) is effective only if the *general meeting* approves the dividend before the time for payment of the dividend arrives. The *general meeting* may not vary the *board's* determination.

### 6.2 Differential Dividends

Subject to the terms on which shares in a class are issued, the *board* may determine dividends to different *members* in a class that differ:

- (a) in amount; and
- (b) in the method of payment (whether cash, securities, assets or any combination of them).

### 6.3 Interest on Dividends

Interest is not payable on a dividend.

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## Division 7. — Transmission of Shares

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### 7.1 Transmission of Shares on Death

- (1) On the death of a *member*, the *company* may recognise either the personal representative of the deceased *member* or another person who appears to the *board* to be entitled to the deceased *member's* estate as being entitled to the deceased *member's* interest in the shares.
- (2) If the personal representative gives the *board* the information it reasonably requires to establish an entitlement to be registered as holder of the *member's* shares, the personal representative may elect to:
  - (a) be registered as the holder of the shares; or
  - (b) apply to terminate the membership.

### 7.2 Transmission of Shares on Bankruptcy

If the trustee of a bankrupt *member's* estate gives the *board* the information it reasonably requires to establish the trustee's entitlement to be registered as holder of the *member's* shares, the trustee may require the *company* to register the trustee as holder of the *member's* shares.

### 7.3 Transmission of Shares on Mental Incapacity

If a person entitled to shares because of a *member's* mental incapacity gives the *board* the information it reasonably requires to establish the person's entitlement to be registered as a holder of the *member's* shares:

- (a) the person may require the *company* to register the person as holder of the *member's* shares; and
- (b) whether or not registered as the holder of the shares, the person has the same rights, obligations and restrictions as the *member*.

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## Division 8. — Holding Members' Meetings

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### 8.1 Calling Meetings of Members

The *board* may call a *members'* meeting.

### 8.2 Adjourning Meetings of Members

- (1) The chair of a *members'* meeting at which a quorum is present:
  - (a) may adjourn the meeting with the consent of the meeting by ordinary resolution; and
  - (b) must adjourn the meeting if directed by ordinary resolution.
- (2) The *company* must give notice of an adjourned *members'* meeting if the adjournment is for 1 month or more.
- (3) The only business that an adjourned *members'* meeting may deal with is business unfinished at the *members'* meeting that was adjourned.

### 8.3 Proceedings at Members' Meetings

- (1) The quorum for a *members'* meeting is 25 *members* present in person.
- (2) If a quorum is not present within 30 minutes after the time for the *members'* meeting set out in the notice of meeting, the meeting is adjourned to the date, time and place the *board* specifies. If the *board* does not specify 1 or more of those things, the meeting is adjourned to:
  - (a) if the date is not specified — the same day in the next week;
  - (b) if the time is not specified — the same time; and
  - (c) if the place is not specified — the same place.

If no quorum is present at the resumed meeting within 30 minutes after the time for the meeting, the meeting is dissolved.
- (3) If after the commencement of a *members'* meeting at which a quorum is present the attention of the meeting is drawn to the absence of a quorum and a quorum is not present within 10 minutes:
  - (a) after the time appointed for consideration of an item of ordinary business the meeting is adjourned to the date, time and place the *board* specifies. If the *board* does not specify one or more of those things, the meeting is adjourned to:
    - (i) if the date is not specified – the same day in the next week;
    - (ii) if the time is not specified – the same time; and
    - (iii) if the place is not specified – the same place.

If no quorum is present at the resumed meeting within 30 minutes after the time for the meeting, the

meeting is dissolved.

(b) after the time appointed for consideration of an item of special business, the item lapses.

(4) The chair of *members'* meetings is:

(a) the chair of meetings of the *board*; or

(b) if the chair of meetings of the *board* is not present or declines to act for the meeting (or part of it) — the deputy chair of meetings of the *board*.

If the chair or deputy chair of meetings of the *board* is not available within 30 minutes of the appointed start of the meeting, or declines to act, the *members* must elect an individual present to chair the meeting.

(5) The Standing Orders in Appendix 2 apply to the conduct of debate at *members'* meetings.

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## Division 9. — Voting at Members' Meetings

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### 9.1 Voting

- (1) A resolution put to the vote at a *members'* meeting must be decided on a show of hands unless a poll is demanded.
- (2) Before a declaration of a vote on a resolution, the chair must inform the meeting:
  - (a) how many proxy documents the *company* had received that validly appointed a person present at the meeting as proxy;
  - (b) how many of these proxy documents directed the proxies how to vote on the resolution;
  - (c) how the proxies were directed to vote on the resolution; and
  - (d) if the *board* has determined that *members* can vote by *direct vote* on the resolution – the number of valid *direct votes* cast:
    - (i) on the resolution in total;
    - (ii) in favour of the resolution; and
    - (iii) against the resolution.
- (3) The *members'* meeting passes an ordinary resolution only if more than half the total number of votes cast on the resolution are in favour of it.
- (4) The chair does not have a casting vote in addition to his or her deliberative vote.

### 9.2 Voting on a Show of Hands

On a show of hands, the chair's declaration is conclusive evidence of the result, so long as the declaration reflects the show of hands. Neither the chair nor the minutes need to state the number or proportion of the votes recorded in favour or against the resolution. The minutes only need to record that the resolution was passed or not passed.

### 9.3 Voting on a Poll

- (1) A poll cannot be demanded on any resolution concerning the election of a person to chair the *members'* meeting.
- (2) A poll on the question of an adjournment must be taken immediately. The chair may direct when and the manner in which any other poll must be taken.
- (3) The *members'* meeting may conduct other business even though a poll is demanded on a resolution.

### 9.4 Body Corporate Representatives

- (1) A *member* that appoints a body corporate representative must give the *company*:
  - (a) if the *member* appointed the representative by board resolution — a certified copy of the board resolution appointing the representative; and

(b) otherwise — a copy of the instrument appointing the representative,

as soon as practicable after appointing the representative, and in any event before any *member's* meeting at which the representative may exercise the *member's* rights.

(2) In addition to the rights and powers a *member's* representative may exercise under the *Corporations Act*, the representative may exercise the *member's* right to vote in a ballot to appoint *directors* by election.

## 9.5 Proxies

(1) The *board* may determine the form of proxy document from time-to-time.

(2) An appointment of a proxy is not invalid merely because it does not contain all the information required for a valid proxy appointment, so long as it contains:

(a) the *member's* name and address;

(b) the proxy's name or the name of the office that the proxy holds; and

(c) the meeting at which the appointment may be used.

(3) A proxy does not have a right to vote on a show of hands.

(4) Unless the *company* receives written notice of the matter before the start or resumption of a meeting at which a proxy is to vote, the proxy's vote at that meeting will be valid if, before the proxy votes:

(a) the appointing *member* dies; or

(b) the *member* is mentally incapacitated;

(c) the *member* revokes the proxy's appointment;

(d) the *member* revokes the authority under which the proxy was appointed by a third party; or

(e) the *member* transfers the share in respect of which the *member* or a third party appointed the proxy.

(5) The written appointment of a proxy must be received by the *company*, not less than 48 hours (unless otherwise specified in the notice of meeting to which the proxy relates) before:

(a) the time for holding the meeting or adjourned meeting at which the appointee proposes to vote; or

(b) the taking of a poll on which the appointee proposes to vote.

(6) If the appointment purports to be executed under a Power of Attorney or other authority, then the original document, or an office copy or notarially certified copy of it, must be forwarded with the appointment.

(7) The *company* receives an appointment of a proxy and any Power of Attorney or other authority under which it was executed when they are received at:

(a) the registered office of the *company*;

(b) a facsimile number at the registered office of the *company*; or

- (c) a place, facsimile number or electronic address specified for that purpose in the notice of meeting.

## 9.6 Objections

An objection to the qualification of a voter:

- (a) may only be made at the *members'* meeting or adjourned *members'* meeting at which the vote objected to is cast; and
- (b) must be ruled upon by the chair whose decision is final.

## 9.7 Consideration of any Resolution that may alter the Mutual Structure

Clauses A1-D2-4 and A1-D2-5 apply to any proposed resolution or combination of proposed resolutions to be submitted to *members* to approve a restructure as defined by Clause A1-D2-2(5).

## 9.8 Direct Voting

- (1) The **board** may determine:
  - (a) that *members* entitled to attend and vote at a *members' meeting* may cast a *direct vote*;
  - (b) the form, method and timing of giving a *direct vote* in order for the vote to be valid at a meeting;
  - (c) whether *direct votes* are counted where the vote is by show of hands.
- (2) A valid *direct vote* cast by a *member* has the same effect as if the *member* had cast the vote in person at the meeting.

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## Division 10. — Directors — Appointment & Vacation of Office

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### 10.1 Number of Directors

- (1) The *company* must have at least seven *directors*, except where a casual vacancy has not been filled in accordance with Rule 10.4(2).
- (2) Subject to Subrule (1) the number of *directors* may be determined by the *board* from time to time.

### 10.2 Eligibility to be a Director

An individual is eligible to be a *director* if the person:

- (a) is a *member*;
- (b) is not a minor;
- (c) has not had a personal representative or trustee appointed to administer the person's estate or property because of his/her mental incapacity;
- (d) is not disqualified or prevented by law from being a *director*;
- (e) provides the *company* with all information and consents the *company* reasonably requests to determine if the person is of appropriate fitness and propriety to be and act as a *director* by reference to the *fit and proper policy* or is disqualified or prevented by law from being a *director*;
- (f) is of appropriate fitness and propriety to be and act as a *director*, by reference to the *fit and proper policy*; and
- (g) is not in arrears for more than twenty eight days in relation to money due to the *company*.

### 10.3 Appointment by Members

- (1) Subject to Subrules (2) and (3), the *members* may appoint a person who has been a *member* continuously for at least 24 months at the date of nomination to be a *director* by an election held under the provisions of Appendix 3.
- (2) A person who, at the date nominations close,:
  - (a) is an employee of the *company*; or
  - (b) was at any time in the previous 3 years an employee of the *company* in an executive capacity,is not eligible to be appointed as *director* under Subrule (1).
- (3) A person who, at the date nominations close, has been a *director*:
  - (a) continuously since the twelfth (12<sup>th</sup>) Annual General Meeting prior to the date nominations close; or

- (b) for a total period of 12 years or more, whether continuous or not, and whether the person is currently a *director* or not;

is not eligible to be appointed as *director* under Subrule (1).

- (4) Subrule (3) does not apply until 2015 to the appointment of a person who was a *director* immediately before the 2011 Annual General Meeting.

#### 10.4 Appointment by Board

- (1) The *board* may appoint *directors*, one of whom may be an executive officer, provided always that the majority shall be appointed in accordance with Rule 10.3 or Subrule 10.4(2).

- (2) The *board* may also appoint a person to be a *director*:

- (a) if a *director's* office becomes vacant other than because the *director's* term of office has ended; or

- (b) if, for any other reason, the number of *directors* is less than the minimum under Rule 10.1.

- (3) The *board* may only appoint a person who is eligible to be a *director* under Rule 10.2.

- (4) The term of office for a *director* appointed in accordance with Subrule 10.4(1) shall be determined by the *board*.

- (5) The term of office for a *director* appointed to fill a vacancy in accordance with Subrule 10.4(2)(a) ends:

- (a) if the *general meeting* approves the appointment before the end of the next AGM after the *director's* appointment — at the end of the term of office of the *director* whose office has become vacant; and

- (b) otherwise — at the end of the next AGM after the *director's* appointment.

- (6) The term of office for a *director* appointed to fill a vacancy in accordance with Subrule 10.4(2)(b) ends at the end of the next AGM after the *director's* appointment.

#### 10.5 Term of Office

- (1) This rule only applies to *directors* who are elected by the *members*.

- (2) Subject to the *Corporations Act* and the rotation provisions in this Rule, a *director's* term of office:

- (a) starts at the end of the AGM at which the *director's* election is announced; and

- (b) ends at the end of the third AGM after the AGM at which the *director's* election is announced.

- (3) If the number of *directors* due to retire at any one AGM is more than a third of the number of *directors* elected by the *members*:

- (a) the term of office for the third of the *directors* elected by the *members* who receive the most votes at the election, ends at the end of the third AGM after the AGM at which the *directors'* election is announced; and

- (b) the term of office for the remainder ends at the end of earlier AGMs where less than a third of the *directors* elected by the *members* are due to retire at those earlier AGMs.

*Directors* with fewer votes retire at earlier AGMs than those with more votes.

- (4) For the purposes of Subrule (3):

- (a) If the number of *directors* elected by the *members* is not divisible by 3 – round fractions down to the nearest whole number in determining how many *directors* there are in a third of the number of *directors* elected by the *members*; and
- (b) If two or more *directors* have the same number of votes – the order of retirement amongst them is determined by lot.

## 10.6 Automatic Vacation of Office

The office of a *director* automatically becomes vacant if the *director*:

- (a) dies;
- (b) ceases to be eligible to be a *director* under Rule 10.2;
- (c) is absent from 3 consecutive ordinary meetings of the *board* without leave;
- (d) is 3 months in arrears in relation to money due to the *company* and has failed to make arrangements for payment satisfactory to the *company*;
- (e) is disqualified or prevented by law from holding office or continuing as a *director*;
- (f) fails to provide all information and consents the *board* reasonably requests to determine if the *director* is of appropriate fitness and propriety to continue as a *director* by reference to the *fit and proper policy* or is disqualified or prevented by law from being a *director*;
- (g) is assessed as being not of appropriate fitness and propriety to be and act as a *director* by reference to the *fit and proper policy*; or
- (h) is the subject of a direction under Section 23 of the Banking Act 1959.

## 10.7 Resignation

- (1) A *director* may resign by giving the *company* notice of the *director's* resignation.
- (2) The *director's* office becomes vacant:
  - (a) if the notice of resignation specifies a date of resignation — on the date of resignation; or
  - (b) otherwise — on the date the *company* receives the notice of resignation.

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## Division 11. — Directors' Powers

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### 11.1 Powers and Duties of the Board

The *board*:

- (a) manages the *company's* business; and
- (b) may exercise all the powers of the *company* except any powers that the *Corporations Act* or this Constitution expressly allocates to the *general meeting*.

### 11.2 Negotiable Instruments

The *board* may authorise a person or persons to sign, draw, accept, endorse or otherwise execute negotiable instruments for the *company*. The *board* may authorise the application of signatures to negotiable instruments by machine or other facsimile method.

### 11.3 Delegation

- (1) The *board* may delegate any of its powers to any committee or any other person or persons, subject to Rule 3.2 and the *fit and proper policy*. The *board* may permit the delegate to sub-delegate any powers delegated to them.
- (2) The *board* must establish policies for the guidance of delegates in the exercise of any powers so delegated.
- (3) Without limiting its powers, the *board* may appoint a person to be the *company's* attorney for purposes, with powers (being the *board's* powers), for the period and on terms the *board* determines. In particular, the power of attorney may:
  - (a) include terms protecting persons dealing with the attorney, as the *board* determines; and
  - (b) authorise the attorney to delegate any or all of the attorney's powers.

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## Division 12. — Directors' Meetings

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### 12.1 Calling and Conduct of Board Meetings

- (1) The chair of the *board* or the *secretary* (upon the authority of two *directors*) may call a *board* meeting by giving reasonable notice to every other *director*.
- (2) The *board* may meet, adjourn and otherwise regulate its meetings as it thinks fit.

### 12.2 Quorum of Board

- (1) The quorum for a *board* meeting is not less than one half the number of *directors* or such other number as the *board* determines and the quorum must be present at all times during the meeting.
- (2) If, at any time, the number of *directors* is less than the quorum:
  - (a) the *board* may meet only for the purpose of filling any casual vacancies or for calling a *general meeting* of *members*; and
  - (b) the *board* may conduct business by circulating resolution under Rule 12.5.

### 12.3 Chair of Board

- (1) The *board* may appoint a *director* to chair its meetings. The *board* may determine the period for which the *director* is to be the chair. The *board* may remove the chair from the position of chair at any time.
- (2) The *board* must elect a *director* present to chair a meeting (or part of it) if:
  - (a) a *director* has not already been appointed to chair the meeting; or
  - (b) a previously appointed chair is not available, or declines to act, for the meeting (or part of it).

### 12.4 Passing of Directors' Resolutions

- (1) A resolution of the *board* must be passed by a majority of the votes cast by *directors* entitled to vote on the resolution.
- (2) The chair has a casting vote in addition to his or her deliberative vote.

### 12.5 Circulating Resolutions

- (1) The *board* may pass a resolution without a *board* meeting if:
  - (a) the chair or the *secretary* sends to all the *directors* a document setting out the resolution; and
  - (b) a majority of the *directors* entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.
- (2) Separate copies of a document may be used for signing by different *directors* if the wording of the resolution and statement is identical in each copy.

- (3) Any document referred to in this rule may be in the form of a facsimile transmission or electronic communication.
- (4) The resolution is passed when a majority of *directors* have signed.

## 12.6 Committees of Directors

- (1) The *board* may establish one or more committees consisting of such number of *directors* as the *board* thinks fit.
- (2) The members of a committee may appoint one of their number as chair of their meetings.
- (3) Subject to any restrictions that the *board* imposes, a committee may meet, adjourn and otherwise regulate its meetings as it thinks fit.
- (4) Questions arising at a meeting of a committee are to be determined by a majority of votes of those present and voting.
- (5) The chair does not have a casting vote in addition to his or her deliberative vote.

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## Division 13. — Conflicts of Interest

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### 13.1 Director Not in Breach if Acts in Matters Relating to Director's Interests

- (1) This Rule applies if:
  - (a) a *director* has an interest or duty in relation to a matter that is not a *material personal interest*; or
  - (b) if a *director* with a *material personal interest* in relation to the *company's* affairs:
    - (iv) complies with the requirements of the *Corporations Act* in relation to disclosure of the nature and extent of the interest and its relation to the *company's* affairs before acting in a matter that relates to the interest; and
    - (v) may be present and vote on the matter under the *Corporations Act*.
- (2) The *director* is not in breach of his or her duties to the *company* merely because he or she acts in matters that relate to the *director's* interest.
- (3) The *director* may vote on matters that relate to the *director's* interest.
- (4) In relation to any transactions that relate to the *director's* interest:
  - (a) the transactions may proceed;
  - (b) the *company* cannot avoid the transactions merely because of the *director's* interest; and
  - (c) the *director* may retain benefits under the transactions despite the *director's* interest.

### 13.2 Director Not in Breach if Does Not Act in Matters Relating to Director's Interests

- (1) This Rule applies if a *director* with a *material personal interest* in relation to a matter:
  - (a) complies with the requirements of the *Corporations Act* in relation to disclosure of the nature and extent of the interest and its relation to the *company's* affairs; but
  - (b) must not be present and vote on the matter under the *Corporations Act*.
- (2) The *director* is not in breach of duty to the *company* merely because he or she does not act in relation to the matter.
- (3) The *board* may vote on matters that relate to the *director's* interest in the *director's* absence.

- (4) In relation to any transactions that relate to the *director's* interest:
- (a) the transactions may proceed;
  - (b) the *company* cannot avoid the transactions merely because of the *director's* interest; and
  - (c) the *director* may retain benefits under the transactions despite the *director's* interest.

### 13.3 Execution of Instruments

A *director* may participate in the execution of an instrument for the *company*, regardless of any interest or duty that the *director* may have:

- (a) whether or not the *director* has complied with the requirements of the *Corporations Act* in relation to disclosure of the nature and extent of the interest and its relation to the *company's* affairs; and
- (b) whether or not the *director* may be present and vote in relation to the execution of the instrument under the *Corporations Act*.

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## Division 14. — Remuneration, Indemnity, Insurance and Board Charter

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### 14.1 Remuneration of Directors

- (1) In any financial year, the *directors*' remuneration may not exceed the aggregate amount determined by resolution at a *general meeting*.
- (2) The *board* may determine the allocation of the aggregate amount of remuneration among the *directors*. If the *board* does not determine the allocation, the aggregate amount of remuneration must be allocated equally among the *directors*.
- (3) The *directors*' remuneration accrues daily from the day that the *general meeting* approves the remuneration to the day that the *general meeting* next determines the *directors*' remuneration.

### 14.2 Travelling Expenses and Insurance

In addition to any remuneration to which a *director* may be entitled, the *company* may also pay:

- (a) the *director's* travelling and other expenses that they properly incur:
  - (i) in attending *board* meetings or any meetings of committees of *directors*; and
  - (ii) in attending any *members'* meetings; and
  - (iii) otherwise in connection with the *company's* business; and
- (b) subject to the *Corporations Act*, insurance premiums for a contract that insures the *director* against liabilities that the *director* incurs as an officer of the *company*.

### 14.3 Indemnities for Officers and Former Officers

- (1) In this Rule *indemnified person* means an officer or agent, or former officer or agent, of the *company*.
- (2) To the extent that the *Corporations Act* permits:
  - (a) the *company* must indemnify an *indemnified person* against any liability that the *indemnified person* incurs in conducting the *company's* business or exercising the *company's* powers as an officer or agent of the *company*, and
  - (b) the *company* may indemnify, agree to indemnify or enter into (and pay premiums on) a contract of insurance in relation to an *indemnified person* or any other person.
- (3) The indemnity in paragraph (2)(a) applies in relation to an *indemnified person* for all incidents occurring during the period that person is an officer or agent of the *company*, even though a claim is made against the *indemnified person* after they have ceased to be an officer or agent of the *company*.

### 14.4 Board Charter

In addition to any obligation imposed upon a *director* by the *Corporations Act* and its Constitution, all *directors* shall comply with the Board Charter approved by the *board* from time to time.

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## Division 15. — Administration

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### 15.1 Execution of Documents

The *board* may authorise:

- (a) 2 *directors*, or
- (b) a *director* and a *secretary*,

to execute a document of the class specified in the resolution.

### 15.2 Secretary

Subject to Rule 15.3, the *board* may determine a *secretary's* terms of appointment, powers, duties and remuneration. At any time, the *board* may vary or revoke a determination, or an appointment, whatever the terms of the appointment. The terms of appointment must be consistent with the *fit and proper policy*.

### 15.3 Resignation of Secretary

- (1) A *secretary* may resign by giving the *company* notice of the *secretary's* resignation.
- (2) The *secretary's* office becomes vacant:
  - (a) if the notice of resignation specifies a date of resignation — on the date of resignation; or
  - (b) otherwise — on the date the *company* receives the notice of resignation.

# Appendix 1 — Shares

## Division 1 — Member Shares

### A1-1 Subscription Price

The *subscription price* for a *member share* is \$5.00

### A1-2 Rights, Obligations and Restrictions Attaching to Member Shares

- (1) The following rights attach to each *member share*:
  - (a) the right to vote on the terms set out in clause A1-3;
  - (b) the right to participate in the distribution of profits or assets on a winding-up on the terms set out in clause A1-5; and
  - (c) the right to redeem the *member shares* on the terms set out in clause A1-6.
- (2) The following restrictions attach to each *member share*:
  - (a) the restriction on the payment of dividends set out in clause A1-4; and
  - (b) the restriction on transfer set out in clause A1-7.
- (3) The *company* may issue more *member shares* at any time. The issue of more *member shares* does not vary the rights attached to *member shares* that the *company* has already issued.

### A1-3 Voting Rights

- (1) Subject to clause A1-3(3) and clause A1-8, holders of *member shares* may participate and vote:
  - (a) at a *members'* meeting;
  - (b) at a meeting of the class of holders of *member shares*; and
  - (c) in a ballot to appoint *directors* by election.
- (2) Subject to clause A1-3(4) and clause A1-8 at a *members'* meeting or a meeting of the class of holders of *member shares*:
  - (a) on a show of hands — each holder of *member shares* other than a minor has 1 vote; and
  - (b) on a poll — each holder of *member shares* other than a minor has 1 vote.
- (3) A *member* who is a minor has no vote.

- (4) Except as provided in Rule 9.4(2) (Body Corporate Representatives) and Rule 9.5 (Proxies) a *member* may exercise only one vote at a *members'* meeting or a meeting of a class of holders of *member shares* or an election of *directors* regardless of the fact that the *member* may hold more than one membership.

#### A1-4 Dividend Entitlements

No dividend is payable in respect of any *member share*.

#### A1-5 Distribution on Winding-Up

- (1) On a winding-up of the *company* the holder of a *member share* is entitled:
- (a) to payment of the *subscription price* for the *member share* when the *member* subscribed for the *member share*; and
  - (b) if any assets remain after the payments in paragraph (a) — to any surplus assets of the *company*.
- (2) Each *member share* carries a right to participate in surplus assets equally with every other *member share*.
- (3) The *company* may offset against the amount payable under this clause:
- (a) any amount unpaid on the *member share*; and
  - (b) any other amount payable by the *member* to the *company*.
- (4) The entitlements of holders of *member shares* to payment on winding-up are subject to any preferred entitlements to payment on winding-up that holders of any other class of shares may have.

#### A1-6 Redemption of Member Shares

- (1) The *company* may redeem a *member share* only if the following conditions are satisfied: either:
- (a) the *member* has given the *company* notice requesting termination of the *member's* membership of the *company* under Rule 4.2;
  - (b) the *board* has resolved to terminate the *member's* membership of the *company* under Rule 4.3; or
  - (c) the *board* has determined that the *member's deposit* accounts with the *company* are dormant under Rule 4.4;
- (2) On redemption, the *company* must pay the *member* an amount equal to the *subscription price* for the *member share* when the *member* subscribed for the *member share* less any amount unpaid on the *member share*.
- (3) On redemption, the *member shares* are cancelled.

**A1-7 Transfer of Member Shares**

- (1) Subject to Subclause (2), a *member* may not transfer their *member share*.
- (2) A trustee for an unincorporated association may transfer the *member share* that they hold as trustee for the unincorporated association to another person who is to act as trustee for the unincorporated association.

**A1-8 Entitlement to Exercise Vote – New Members**

- (1) The entitlement of a holder of a *member share* to vote may not be exercised if the member was not a member:
  - (a) in relation to an election of *directors* – on the day before nominations for the election of *directors* closed; and
  - (b) in relation to a *general meeting* – at least 7 days before notice of the *general meeting* was given.
- (2) This clause only applies to *member shares* issued after the date of the company's 2011 Annual General Meeting.

# Appendix 1 — Shares

## Division 2 — Reserves

### A1-D2-1 Commencement Date

This Division 2 of Appendix 1 takes effect on the date provided for by section 137(a)(i) of the *Corporations Act*.

### A1-D2-2 Definitions

In this Division 2:

- (1) *"associate"* means in relation to a primary person:
  - (a) a spouse or defacto spouse of the primary person;
  - (b) a parent, son or daughter of the primary person, spouse or defacto spouse;
  - (c) a person who is a partner of the primary person;
  - (d) a person who is a director of a body of which the primary person is a director;
  - (e) a person who is a trustee of a trust in relation to which a person or *entity* of a kind referred to in paragraphs (a), (b), (c), (d), (f) or (g) benefits or is capable of benefiting;
  - (f) an *entity* over which:
    - (i) a person of a kind referred to in paragraphs (a), (b), (c), (d) or (e) has *control*;
    - (ii) two or more persons of a kind referred to in paragraphs (a), (b), (c), (d) or (e) together have *control*;
  - (g) any *entity* in which:
    - (i) a person of a kind referred to in paragraphs (a), (b), (c), (d), (e) or (f) is beneficially entitled to more than twenty per cent of any class of *securities*;
    - (ii) two or more persons of a kind referred to in paragraphs (a), (b), (c), (d), (e) or (f) together are beneficially entitled to more than twenty per cent of any class of *securities*.

- (2) "**control**" means the ability or power of an entity:
- (a) whether direct or indirect;
  - (b) whether or not enforceable; and
  - (c) whether presently exercisable by means of, in breach of or by revocation of any combination of the following:
    - (i) trusts;
    - (ii) relevant agreement; and
    - (iii) practices,to dominate decision making, directly or indirectly, in relation to the financial and operating policies of any other **entity** so as to enable that other **entity** to operate with it in pursuing those objectives of the controlling **entity**.
- (3) "**entity**" means any:
- (a) incorporated or unincorporated body;
  - (b) trust or partnership; or
  - (c) any legal, administrative or fiduciary arrangement, organisational structure or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.
- (4) "**qualifying member**" means:
- (a) a person who has been admitted to membership of the **company** under Division 3 of this Constitution and who has been a **member** for at least one year on or before the date in 2007 that the amendment to Clause A1-D2-2(4) takes effect under the *Corporations Act*;
  - (b) a person who has been admitted to membership of the **company** under Division 3 of this Constitution prior to the date in 2007 that the amendment to Clause A1-D2-2(4) takes effect under the *Corporations Act* and who is a **member** for at least one year on or after the date in 2007 that the amendment to Clause A1-D2-2(4) takes effect under the *Corporations Act*; or
  - (c) a person admitted to membership of the **company** under Division 3 of this Constitution after the date in 2007 that the amendment to Clause A1-D2-2(4) takes effect under the *Corporations Act* and who is a **member** for at least two years.
- (5) "**restructure**" means when the **company** (whether acting through its **board**, its **members** or otherwise) conducts or proposes to conduct a reduction of capital, scheme of arrangement, deed of arrangement, transfer of business or any other form of corporate restructure where after completion of the restructure:
- (a) the **company** ceases to be an authorised deposit taking institution that can or could assume or use the expressions "credit union", "credit society" or "credit co-operative" without committing an offence under the Banking Act 1959;
  - (b) a person other than a person that can or could assume or use the expressions "credit union", "credit society" or "credit co-operative" without committing an offence under the Banking Act 1959 holds more than 90% of the shares in the **company**;

- (c) a group of associates other than a group of all the *members* that can or could assume or use the expressions "credit union", "credit society" or "credit co-operative" without committing an offence under the Banking Act 1959 between them hold more than 90% of the shares in the *company*;
  - (d) a person that cannot or could not assume or use the expressions "credit union", "credit society" or "credit co-operative" without committing an offence under the Banking Act 1959 has a legal or equitable interest in more than 20% of the gross assets of the *company* based on the latest report that the *company* has given *APRA* as at the time of the restructure;
  - (e) a group of associates other than a group of all the *members* that cannot or could not assume or use the expressions "credit union", "credit society" or "credit co-operative" without committing an offence under the Banking Act 1959 between them have a legal or equitable interest in more than 20% of the gross assets of the *company* based on the latest report that the *company* has given *APRA* as at the time of the restructure; or
  - (f) the successor to the *company's* business cannot or could not assume or use the expressions "credit union", "credit society" or "credit co-operative" without committing an offence under the Banking Act 1959.
- (6) "*securities*" has the same meaning as in the Corporations Act from time to time, but also includes exchange traded options.
- (7) Terms that are not expressed in this Constitution or this Division 2 of Appendix 1 but that are defined in the *Corporations Act* from time to time, have the same meaning as in the *Corporations Act*.

#### A1-D2-3 Entitlement to Reserves

Only a *qualifying member* is entitled to participate in the surplus and profits of the *company* if the *members* approve a restructure under clause A1-D2-4.

#### A1-D2-4 Approval of Restructure

- (1) If this Appendix applies, the *company* may only act upon the *restructure* if:
- (a) the *company* has only one class of *members*:
    - (i) not less than 25% of the *members* have voted in writing in a ballot to be conducted in a manner determined by the *board*; and
    - (ii) not less than 75% of the *members* who have voted approve the *restructure*;
  - (b) the *company* has more than one class of *members*:
    - (i) not less than 25% of the *members* in each class have voted in writing in a ballot to be conducted in a manner determined by the *board*; and
    - (ii) not less than 75% of the *members* who have voted in each class approve the *restructure*.
- (2) For the purposes of this Clause, *members* entitled to repayment of different amounts on redemption of their *member shares* (i.e. *qualifying members* and non-qualifying *members*) are to be treated as in different classes.

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- (3) For the purposes of this Clause the number of *members* whose approval in writing is to be determined at midnight of the later of:
- (a) the immediately preceding 30 June before the ballot; or
  - (b) the day before the *general meeting* (if any) held to consider the restructure.

#### **A1-D2-5 Special Consent Required for Modification or Repeal of Division 2 of Appendix 1**

- (1) A special resolution does not have any effect in relation to:
- (a) a modification or repeal of any clause in this Division 2 of Appendix 1; or
  - (b) a modification or repeal of the Constitution where the effect of the modification or repeal is to modify, exclude or restrict the operation of the Clauses in this Division 2 of Appendix 1,
- Unless:
- (c) not less than 25% of the *members* have voted in writing in a ballot to be conducted in a manner determined by the *board*; and
  - (d) not less than 75% of the *members* who have voted approve the modification or repeal either before or within 3 months after the special resolution is passed.
- (2) The number of *members* whose approval in writing is required is to be determined as at midnight before the special resolution.

#### **A1-D2-6 – Cessation**

- (1) This Appendix ceases to have effect at the end of the 2012 annual general meeting. This Appendix does not apply to any proposed repeal of this sub-clause, nor to any proposed modification of this sub-clause to the extent that the modification is to set a later date for when this Appendix ceases to have effect.
- (2) This Appendix other than Clause A1-D2-6(3) ceases to have effect immediately upon the following conditions being met:
- (a) the Australian Securities and Investments Commission publishes a written notice that this Appendix ceases to have effect in relation to the *company*; and
  - (b) the Australian Securities and Investments Commission delivers a copy of the written notice to the *company*.

This sub-clause is subject to any terms and conditions in the written notice.

- (3) If this Appendix ceases to have effect by reason of Clause A1-D2-6(2) it will again come into effect by *board* resolution upon the Australian Securities and Investments Commission doing any of the following:
- (a) withdrawing the written notice referred to in Clause A1-D2-6(2);
  - (b) making an order or exemption that permits the *company* to adopt or recommence the operation of this Appendix or provisions to the effect of this Appendix; or
  - (c) otherwise permitting the *company* to recommence the operation of this Appendix.

## Appendix 2 — Standing Orders

The following standing orders shall be observed at a *members'* meeting:

### A2-1 Agenda

The order of business shall be determined by the *board*.

### A2-2 Suspension of Standing Orders

- (1) In the event of any matter of urgency the chair of the meeting will accept a motion for the suspension of Standing Orders providing that the motion is seconded and submitted in writing within the first half hour of any meeting. The *member* moving such suspension must clearly state the nature and urgency of the business, the numbers of Standing Orders affected and the length of time (not exceeding thirty minutes) that the suspension shall last.
- (2) The suspension of Standing Orders is limited in its operation to the particular purpose for which such suspension has been sought. No suspension of Standing Orders shall take place unless approved by at least seventy-five per cent of the votes cast by *members* entitled to vote on the resolution.

### A2-3 Motions and Amendments

- (1) Motions must start with the word "that" and be expressed in the affirmative form.
- (2) A motion must be in writing and signed by the mover and seconder except for a procedural motion in writing.
- (3) A motion shall not use the first person, and may consist of several parts.
- (4) Motions and amendments should be quite specific, clearly expressed, and should propose definite action.
- (5) Amendments must be relevant to the motion and should not be contrary to it or any previous resolutions.
- (6) An amendment to any motion must be in writing and be signed by the mover and seconder.

### A2-4 Debating Motions and Amendments

- (1) Any amendment to an original motion may be moved by any *member* other than the mover or seconder of the motion at the time after a motion has been moved and seconded, but before the mover of the original motion has exercised or declined to exercise the right of reply.
- (2) A *member* may move or second only one amendment to each motion, but may speak with regard to amendments moved by others.
- (3) The mover or seconder of a motion may not move or second an amendment but is entitled to speak on any amendment.
- (4) When an amendment is moved to an original motion, no further amendment shall be discussed nor may discussion of the original motion be resumed until the first amendment is disposed of.
- (5) Amendments to amendments shall not be accepted. Once the amendment is passed it becomes the motion and may be subject to further amendments.

- (6) The mover of a motion or amendment may immediately speak in favour of it, or may move it formally.
- (7) The seconder of a motion or an amendment may speak in support immediately, or may defer remarks and seek the call to speak later in the debate.
- (8) After the motion or amendment has been moved and seconded, the chair of the meeting should ask for a speaker in opposition even though the mover and seconder may not have spoken in support of the motion or amendment.
- (9) Throughout the debate, the chair of the meeting should ask for alternative speakers for and against the motion or amendment. Not more than two consecutive speakers for either side should be allowed, and if no one rises from the other side or to make an amendment the chair of the meeting should call on the mover to reply so closing the debate.
- (10) No person may speak more than once to a motion or to an amendment except that the mover of a motion shall have the right of reply. The mover of an amendment has no right of reply.
- (11) The mover of a proposition shall not speak for more than ten minutes, subsequent speakers shall be allowed five minutes and the mover of the proposition five minutes to reply. However, if a speaker's time expires, another *member* may move an extension of time for a specified period. If the motion is seconded, it shall be put to the meeting without debate.
- (12) Immediately the mover of a motion has exercised the right of reply, or declined to do so, the motion must be put to the meeting.
- (13) The chair of the meeting has the right to join in debate on the motion or an amendment, but only if the deputy chair or some other *member* of the **board** is asked to take the chair. The chair shall not resume the chair until the motion is resolved.
- (14) The mover of the original motion shall have a right of reply before the motion is put to the vote. The question shall then be put to the vote immediately.
- (15) The mover of the original motion in reply may summarise the affirmative case and deal with any opposition raised, but may not introduce any new matters.

#### **A2-5 Withdrawal of Motions**

- (1) No motion or amendment, which has been accepted by the chair, shall be withdrawn without the majority consent of the meeting. Apart from the mover or seconder, it is also competent for any *member* present to move a procedural motion that a motion should be withdrawn.
- (2) A motion cannot be withdrawn while an amendment is under consideration, however, the amendment can first be withdrawn according to the procedures in A2-5(1).

#### **A2-6 Putting the Motion**

- (1) After completion of debate, the chair of the meeting shall read out the motion and put it to the vote.
- (2) Once decided at a meeting, a motion may not be brought forward again at the same meeting unless it is desired to move rescission of the motion. In this event, a motion for rescission requires the support of not less than three-quarters of *members* present at the meeting.

## A2-7 Procedural Motions

### (1) The Closure:

The chair of the meeting may accept a motion "That the question be now put" if it is felt that the issue has been adequately debated. If the chair of the meeting accepts the motion for closure, it must put it to the meeting without debate. If the closure is carried, the chair of the meeting must call on the mover of the original motion to reply to the debate and then immediately put the motion. The closure motion requires a simple majority.

### (2) Proceeding to Next Business:

At any time during debate on a motion, any *member* present other than those who have already spoken to such motion or amendment, may move that the meeting proceed to the next item of business. No amendments can be accepted - the chair must put the motion to the vote without debate. The effect of this device is to dispose of a motion without taking a vote on it.

### (3) Guillotine Motion:

The chair of the meeting may accept a motion "that the *member* be no longer heard". If the chair of the meeting accepts the motion it must be put to the meeting without debate. If the motion is carried the *member* may say nothing further on the issue before the meeting.

### (4) Suspension by Members:

A *member* may request that another *member* acting in a disorderly manner, disobeying an order by the chair of the meeting or showing disrespect apologise to the chair or move that the named *member* be suspended from the meeting. The motion is not open to debate. The motion requires a simple majority. If the motion is passed the named *member* must vacate the meeting for the remainder of the meeting.

### (5) Suspension by Chair:

The chair of the meeting may at any time he or she considers it necessary or desirable to do so for the proper and orderly conduct of the meeting suspend a *member* from the meeting and a decision by a chair on this matter is final. The *member* named by the chair must vacate the meeting for the remainder of the meeting.

### (6) Adjournment:

This is another method of disposing of a motion or postponing a decision. The motion is "That the debate be adjourned" and may also stipulate a time for resumption of the debate. If the debate is resumed, the mover of the main motion has the right to speak first.

### (7) Rules for Procedural Motions:

A *member* moving a procedural motion does not require the chair of the meeting's call, but a procedural motion may not be moved or seconded by anyone who has previously spoken during the debate. This does not apply to motions to adjourn the meeting itself.

No discussion is allowed on procedural motions unless considered appropriate by the chair of the meeting and no right of reply shall be given.

**A2-8 Chair's Ruling**

- (1) The ruling of the chair of the meeting on any question under the standing orders or on points of order, shall be final.
- (2) Any *member* disagreeing with a ruling from the chair of the meeting may move "That the chair's ruling be dissented from".
- (3) The chair of the meeting must then call for a seconder who has no right to speak.
- (4) The deputy chair or some other *board* member must then take the chair.
- (5) The *member* who challenged the (former) chair of the meeting's ruling should then give the reasons for doing so, and the (former) chair of the meeting explain why the ruling was given.
- (6) The motion should then be put to the meeting as "That the chair's ruling be upheld" after which the (former) chair of the meeting will resume the chair and apply the decision of the meeting.

**A2-9 Making Points of Order**

- (1) A point of order is taken when a *member* officially draws the attention of the chair of the meeting to an alleged irregularity in proceedings.
- (2) A *member* seeking to take a point of order should stand and raise right hand.
- (3) A point of order must be taken as soon as the alleged irregularity occurs and cannot be taken at any other time. It takes precedence over all other business including procedural motions.
- (4) The *member* taking the point of order must prove one or more of the following:-
  - (a) That the speaker is going beyond the scope of the question;
  - (b) That the speaker is infringing a provision of this Constitution;
  - (c) That the speaker is infringing the Standing Orders;
  - (d) That the speaker is using unseemly language.
- (5) A point of order is not open to discussion and will be ruled on by the chair of the meeting.

**A2-10 Points of Explanation**

If the remarks of a previous speaker have been distorted or misquoted, the *member* may rise and ask "May I make a point of explanation, chairperson?" The chair of the meeting may then allow the *member* to explain in a few words what was actually said or meant.

**A2-11 Matters Not Covered by these Standing Orders**

On matters not covered by these Standing Orders the chair of the meeting may give a ruling, which will be subject to the normal rules of dissent in A2-8.

# Appendix 3 — Election of Directors

## Postal or Electronic Ballot

### A3-1 Election

- (1) An election of *directors* is held by secret ballot to which the provisions of this Appendix apply.
- (2) The following table sets out the timetable for election of *directors* by *members*:

Steps in Election Procedure	Time
Call for nominations (see clause A3-2(1))	During July
Nominations close (see clause A3-2(2))	12 noon first Friday in August
Returning officer to initially accept or reject nominations (see clause A3-5)	First Friday in August
<i>nominations committee</i> to determine which persons have demonstrated an ability to be a <i>director</i> (see clause A3-4(2) and (7))	12 noon second Friday in August
Returning officer final acceptance or rejection of candidates (see clause A3-5)	5:00pm second Friday in August
Returning officer must send ballot papers to <i>members</i> (see clause A3-11(1)) together with notice of the AGM	At least 21 days before AGM
Announcement of <i>directors</i> (see clause A3-3(5))	AGM

- (3) The *board* must appoint a returning officer, who may appoint assistant returning officers, none of whom can be an officer of the *company* or a candidate.
- (4) The *secretary* must prepare and give the returning officer a roll of *members* eligible to vote, made up to the day before nominations for the election close under clause A3-2(2).
- (5) For the purposes of this Appendix:
  - (a) If a determination has been made pursuant to Clause A3-10 the term ballot paper includes, when appropriate, a vote submitted by a *member* electronically using the electronic voting system; and
  - (b) Electronic voting system means the system approved by the *board*, which enables *members* to submit their vote by an electronic or telephonic device.

### A3-2 Nominations

- (1) The **board** must give **members** a notice calling for **members** to nominate candidates during July. The **board** may give this notice, in addition to any of the methods allowed in Rule 1.5, by advertisement in a nationally circulated newspaper.
- (2) Nominations close at 12.00 noon on the first Friday in August each year.
- (3) In order to be nominated a **member** ("the nominee") must:
  - (a) be eligible under Rule 10.2;
  - (b) be nominated in such form as the **board** may require by 3 **members** eligible to vote each of whom must have been a **member** continuously for at least 24 months prior to the date of making the nomination;
  - (c) consent to the nomination and to an assessment under the **fit and proper policy** in the terms required by the **company**, and
  - (d) give the Returning Officer a notice of nomination and a declaration complying with Clause A3-3 before nominations close.
- (4) A retiring **director** may stand for re-election without nomination but must be eligible for election under Rule 10.2.

### A3-3 Declaration

A nominee must furnish to the returning officer together with the nomination a declaration in such form as the **board** may require:

- (a) that the nominee is not disqualified or prevented by law from being a **director** and agrees to provide the returning officer with all information and consents the returning officer reasonably requests, to determine if the nominee is disqualified or prevented by law from being a **director**,
- (b) as to whether the nominee:
  - (i) has any interest in a contract or a proposed contract with the **company** other than a contract, or a proposed contract to provide **financial accommodation**,
  - (ii) holds an office or has an interest in property, whereby, whether directly or indirectly, duties or interests may be created that could conflict with a **director's** duties or interests as a **director** of the **company**; and
- (c) that the nominee agrees to comply with the **fit and proper policy** and board charter approved by the **board** from time to time.
- (d) stating their age.

### A3-4 Nominations Committee

- (1) The **board** must establish a **nominations committee** in accordance with Appendix 4.

- (2) Each nominee who seeks nomination in accordance with Clause A3-2(3) and each retiring *director* who stands for re-election without nomination in accordance with Clause A3-2(4) will be invited by the *nominations committee* to attend an interview with the committee before the second Thursday in August to determine the suitability of the nominee for election as a *director*.
- (3) Each nominee is responsible for meeting their costs associated with attending an interview with the *nominations committee* and for all searches and enquiries which the *nominations committee* is required to undertake to determine if the nominee is of appropriate fitness and propriety to be and act as a *director* by reference to the *fit and proper policy*.
- (4) Each nominee must provide the *nominations committee* with all information and documentation that the *nominations committee* reasonably requests to determine if the person is of appropriate fitness and propriety to be and act as a *director* by reference to the *fit and proper policy*.
- (5) After interviewing all nominees who make themselves available for interview the *nominations committee* will provide the returning officer with a declaration as to the:
  - (a) name of each nominee interviewed by the *nominations committee*;
  - (b) name of each nominee who failed to make themselves available for interview by the *nominations committee*; and
  - (c) name of each nominee who demonstrated an ability to be a *director* of the *company* in accordance with clause A3-4(7).
- (6) Any nominee who fails to make themselves available for interview will have their nomination rejected under clause A3-5.
- (7) The *nominations committee* shall determine and provide the returning officer with a declaration by 12 noon on the second Friday in August as to which candidate (if any) is of appropriate fitness and propriety to be and act as a *director*, by reference to the *fit and proper policy* and any person so declared shall become a candidate for election to whom the remainder of this Appendix 3 shall apply.

#### **A3-5 Rejection of Nominations**

- (1) The returning officer must scrutinise nominations immediately upon receipt and reject a nomination by the first Friday in August where it appears to the returning officer that the candidate is not eligible under Rule 10.2 or Rule 10.3.
- (2) The returning officer must by 5:00pm on the second Friday in August reject a nomination where the candidate fails to provide a declaration complying with clause A3-3.
- (3) The returning officer must by 5:00pm on the second Friday in August reject a nomination where the candidate fails to make him or herself available for interview by the *nominations committee* as required by Clause A3-4(2).
- (4) The returning officer must by 5:00pm on the second Friday in August reject a nomination where the *nominations committee* fails to declare that a candidate is of appropriate fitness and propriety to be and act as a *director* in accordance with Clauses A3-4(5) and (7).
- (5) Upon rejecting a nomination, the returning officer is to notify immediately the candidate, the candidate's proposers and the *board*.
- (6) Any nominee not rejected by the returning officer in accordance with this Clause A3-5 becomes a candidate.

### A3-6 Candidate's Statement

- (1) A candidate may submit for circulation to *members* a statement, not exceeding 250 words, limited to their name, age, employment, qualifications, directorships, memberships/affiliations, contact details and a photograph taken not more than 12 months prior to the date of closure of nominations.
- (2) Any statement submitted by a candidate for election must be true and correct and not contain any matter or thing that is likely to mislead or deceive a *member* in relation to the casting of their vote.
- (3) The candidate's statement must be provided to the returning officer not later than seven days after nominations have closed, who may:
  - (a) approve the candidate's statement; or
  - (b) refuse to approve the candidate's statement; or
  - (c) request a variation to the candidate's statement.
- (4) The candidate's statement shall be published in the style and format determined by the *board* from time to time.

### A3-7 Proceeding with Election

- (1) If the number of candidates is equal to or less than the number of positions to be filled:
  - (a) the *general meeting* may appoint each candidate as a *director* by passing a separate resolution at the AGM;
  - (b) the election process otherwise set out in this Appendix is discontinued; and
  - (c) the *company* must give to each *member* to whom a notice of the annual general meeting is to be given a notice that:
    - (i) states that the election process has been discontinued;
    - (ii) sets out the name of each candidate; and
    - (iii) states that the *general meeting* will vote on the appointment of each candidate as a *director* by a separate ordinary resolution at the AGM.

### A3-8 Appointment of Scrutineer

- (1) A candidate may appoint a scrutineer and the *board* may appoint a maximum of three scrutineers none of whom is a candidate or an employee of the *company*.
- (2) The duties and responsibilities of scrutineers are:
  - (a) to observe the sorting, counting and recording of ballot papers;
  - (b) to ensure that the votes of unrejected ballot papers are correctly credited to the appropriate candidates; and
  - (c) to raise any query with the returning officer regarding any of the ballot papers.

### A3-9 Ballot Papers

- (1) After nominations have closed, the returning officer must prepare ballot papers for the election.
- (2) The order in which the candidates appear on the ballot paper is to be determined by the returning officer by lot.
- (3) The ballot paper shall state that each candidate has been assessed as demonstrating appropriate fitness and propriety to be and act as a *director* for the coming term by reference to the *fit and proper policy*.
- (4) The returning officer must ensure some authenticating mark appears on each ballot paper before sending them to *members*.
- (5) If a determination has been made pursuant to clause A3-10, the returning officer must also ensure that an interactive copy of the ballot paper is posted and is available in a secure online system and/or secure telephonic system to facilitate electronic voting.

### A3-10 Electronic Ballot

- (1) The *board* may from time to time determine:
  - (a) That the *members* may record their votes by an electronic voting system; and
  - (b) The manner in which *members* will be identified for the purposes of an election.
- (2) If the *board* makes such a determination, the election procedures must incorporate the requirements of that determination.

### A3-11 Voting

- (1) The returning officer must send to each *member* at least 21 days before the AGM:
  - (a) a ballot paper;
  - (b) an unsealed envelope, addressed to the returning officer, with provision for the following information to be securely provided:
    - Name of Member
    - Membership Number
    - Signature of Member or Corporate Member's Representative;
  - (c) a smaller plain envelope, marked "Ballot Paper", in which the *member* must enclose the completed ballot paper; and
  - (d) if a determination has been made pursuant to Clause A3-10, all information reasonably necessary to facilitate electronic voting.
- (2) The returning officer must send a ballot paper and instructions for electronic voting, if a determination has been made pursuant to clause A3-10, by mail or prepaid post and addressed to each *member* at the address shown in the Register of Members for the purposes of giving notices. All electronic ballots submitted to the returning officer are to be protected no less favourably than ballot papers received by post.
- (3) A *member* exercising a right to vote by post must:
  - (a) first complete the ballot paper in accordance with the Constitution;

- (b) secondly, place the ballot paper in the Envelope marked "Ballot Paper", complete the tear off *member* declaration slip attached to the "Ballot Paper" Envelope; and
  - (c) thirdly, place the "Ballot Paper" Envelope in the Envelope addressed to the returning officer and return it by post to the returning officer.
- (4) Any *member* exercising a right to vote electronically must:
- (a) complete the ballot paper in accordance with the Constitution and any instructions for electronic lodgement that may be determined by the *directors*;
  - (b) ensure that the ballot paper is submitted to the returning officer in accordance with the instructions accompanying the electronic ballot paper.
- (5) A *member* must ensure that the returning officer receives the *member's* ballot paper by 5:00pm on the day fixed for the closing of the ballot.
- (6) Any ballot paper that the returning officer receives after the ballot closes is informal.
- (7) A *member* who does not receive the *member's* ballot paper or who spoils it must give the returning officer a declaration to that effect. The returning officer must then send a duplicate ballot paper to that *member*.
- (8) If a determination has been made pursuant to clause A3-10, *members* may lodge votes by post or electronically in accordance with this clause A3-11 but may only vote once.
- (9) The returning officer is not liable for an electronic ballot paper not received in accordance with the rules and instructions for electronic lodgement as a result of any failure in the electronic information or computer system of the *company*, of the *member* or of any third party provider.

#### A3-12 Closure of the Ballot

The ballot closes at the time the returning officer specifies.

#### A3-13 Procedures After Close of the Ballot

- (1) As soon as practicable after the ballot closes, the returning officer must:
- (a) extract the "Ballot Paper" Envelopes containing the ballot papers from all Envelopes;
  - (b) if a duplicate set of ballot papers has been sent to a *member* and the original Envelope addressed to the returning officer is received — mark the original "Ballot Paper" Envelope "rejected";
  - (c) if the *member* or the *member's* corporate representative has not signed the *member* declaration slip, or there is insufficient detail to identify the *member* — mark the Envelope "rejected";
  - (d) separate the *member* declaration slip from the "Ballot Paper" Envelope in such a way that no "Ballot Paper" Envelope can be identified with any particular *member*;
  - (e) for each "Ballot Paper" Envelope, mark the *member's* name off a roll of *members*;

- (f) when all the Envelopes and *member* declaration slips have been so dealt with, open all the "Ballot Paper" Envelopes and take out the ballot papers;
  - (g) supervise the checking of the ballot papers and reject informal ballot papers;
  - (h) count the votes;
  - (i) sign a declaration of the ballot as to the:
    - (i) names of the candidates appointed as *directors*;
    - (ii) votes cast for each candidate; and
    - (iii) number of votes rejected as informal; and
  - (j) deliver the declaration to the *secretary*.
- (2) In respect of an electronic voting system the returning officer must:
- (a) ensure that an electronic electoral database system ('the electoral database system') will mark the *member's* name off the electoral roll when an electronic ballot is submitted;
  - (b) ensure the electoral database system will recognise the electronic signature of the *member* and authenticate or reject signatures as appropriate;
  - (c) cause a list of rejected electronic ballots to be produced; and
  - (d) cause the accepted electronic ballots to be recorded in such a way that they cannot subsequently be identified with any particular *member*.
- (3) A ballot paper is informal if:
- (a) it is not authenticated by the returning officer or by the electoral database system; or
  - (b) it has no vote indicated on it; or
  - (c) it does not indicate the *member's* preference for a candidate.
- (4) If a *member* lodges both an electronic ballot and a postal ballot paper, then the returning officer will:
- (a) if one of the ballot papers is informal, accept the formal ballot paper;
  - (b) if both ballot papers are formal, accept the ballot paper received first, unless the *member* has requested a duplicate ballot paper after an electronic ballot is submitted, in which case the returning officer must accept the duplicate ballot paper to the exclusion of the electronic ballot, even if the duplicate ballot paper is subsequently ruled informal.
- (5) The result of the ballot must be announced at the AGM by the *secretary* or the returning officer.
- (6) If a *member* gives the *company* a written request, the *company* must make available to any *member* a copy of the returning officer's declaration of the ballot.
- (7) The returning officer must within seven days of the AGM furnish to the chair any declaration provided pursuant to clause A3-5 by a person elected as a *director*.

- (8) The returning officer must within seven days of the AGM destroy any declaration provided pursuant to clause A3-3 by a candidate not elected as a *director*.
- (9) The returning officer must destroy the ballot papers three months after the declaration of the ballot.
- (10) No election shall be voided on account of any errors or omission of the returning officer, which did not affect the results of the election.

#### **A3-14 Voting System**

- (1) The method of voting and the counting of votes shall be in accordance with the first past the post system where if only one candidate is to be elected the candidate elected shall be the candidate with the largest number of formal votes irrespective of whether that number is a majority or not and where if two or more candidates are to be elected the candidates to be elected are those with the most formal votes.
- (2) If 2 or more candidates have the same number of votes, the candidate appointed as a *director* is determined by lot.

#### **A3-15 Irregularity in the Conduct of an Election**

- (1) The candidates that the returning officer declares to have been appointed are appointed unless the *secretary* receives an objection to the ballot within 7 days of the AGM.
- (2) If the *board* is of the opinion that the objection is reasonable, it may resolve to declare the returning officer's declaration void.
- (3) The returning officer must then conduct a further scrutiny in accordance with the Constitution the results of which prevail unless the *board* resolves to call a new poll by a unanimous resolution of all *directors* other than those appointed as a result of the ballot to which the objection relates.

## Appendix 4 — Nominations Committee

### A4-1 Appointment

- (1) The *nominations committee* shall comprise:
  - (a) the chair of meetings of the *board*; and
  - (b) two appropriately qualified persons appointed by the *board* who are not a *director*, officer or *member* of the *company* with relevant qualifications and experience in audit, law, banking, human resources or financial regulation.
- (2) The *directors* may at any time and in their absolute discretion:
  - (a) suspend or terminate the appointment of a member of the *nominations committee*; and
  - (b) give directions to the *nominations committee* as to the procedures it is to follow.
- (3) The chair of meetings of the *board* must not take part in an assessment under Clauses A4-2 or A4-3 if the chair is the subject of the assessment and the *board* shall appoint a substitute *director* to the *nominations committee* for the duration of the chair's assessment.

### A4-2 Role

- (1) The *nominations committee* shall assess all:
  - (a) nominees for election as *directors* under Appendix 3; and
  - (b) persons for appointment as *directors* under Rule 10.4;prior to election or appointment to determine their fitness and propriety for election or appointment in accordance with the requirements of the *fit and proper policy*.
- (2) Nominees for election under Appendix 3 shall be assessed by the *nominations committee* and a report provided to the returning officer in accordance with Appendix 3.
- (3) All persons seeking appointment as *directors* under Rule 10.4 shall be assessed by the *nominations committee* in accordance with Clause A4-2(4).
- (4) After reviewing all persons seeking election or appointment as *directors* under Rule 10.4 the *nominations committee* shall provide to the *board* as soon as practicable with a report stating the:
  - (a) Name of each person interviewed by the *nominations committee*;
  - (b) Name of each person who was unavailable to be interviewed by the *nominations committee*;

- (c) Name of each person who failed to provide the *nominations committee* with all information and documentation reasonably requested by the *nominations committee* to determine if the person was of appropriate fitness and propriety by reference to the *fit and proper policy* or is disqualified or prevented by law from election or appointment;
- (d) Name of each person who demonstrated appropriate fitness and propriety by reference to the *fit and proper policy*, and
- (e) Name of each person who failed to demonstrate appropriate fitness and propriety by reference to the *fit and proper policy*.