

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Reckon Limited ACN 003 348 730 (“the Company”) will be held at the registered office of the Company at **Level 2, 100 Pacific Highway, North Sydney, NSW, 2060** on **Wednesday 25 May 2022 at 10:00am (AEST)**.

This Notice of Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Company on **1800 RECKON (Toll-free 1800 732 566) or +61 2 9134 3300 (Overseas)**.

At the time of printing this notice, the determination of March 2020 that permitted leeway for the holding of virtual and hybrid meetings is no longer applicable. This means that the Annual General Meeting of Reckon Limited will take place physically at **Level 2, 100 Pacific Highway, North Sydney, NSW, 2060** on **Wednesday 25 May 2022 at 10:00am (AEST)**.

As shareholders are aware the impact of COVID-19 can be unpredictable.

Should circumstances change and the company is forced to change (by reason of public health order or otherwise) from a physical meeting to a virtual or hybrid meeting, Reckon Limited will announce details on the Australian Securities Exchange (ASX) online announcement platform and on the Reckon Limited website at <https://www.reckon.com/au/investors>.

Shareholders are urged to monitor the ASX announcement platform and the Reckon Limited website.

For personal use only

General Business

Item 1 - Consideration of Reports and Statements

To receive and consider the Directors' Report for the financial year ended 31 December 2021, the Annual Financial Report for that year, the Directors' Declaration and the Independent Audit Report.

Note: This item of ordinary business is for discussion only and is not a resolution.

Pursuant to the Corporations Act, shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

Item 2 - Resolutions

Resolution 1 — Resolution for the election of Samuel Allert as a director

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

"That Samuel Allert, be re-elected as a director and hold office in accordance with the Company's Constitution and ASX Listing Rule 14.4."

Note: The Chairman of the Meeting intends to vote undirected proxies in favour of Samuel Allert's election.

Resolution 2 – Resolution for confirmation of appointment of new auditor

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

"That for the purposes of section 327B(1)(b) of the Corporations Act 2001 (Cth) and for all other purposes, BDO Audit Pty Ltd, having been nominated by a shareholder and having consented in writing to act as auditors of the Company, be appointed as auditors of the Company."

Resolution 3 – Adoption of new constitution which includes renewal of proportional takeover provisions

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

"That for the purposes of section 136(2) and 648G(4) of the Corporations Act and for all other purposes, the Constitution of the Company be amended in the manner set out in the accompanying Explanatory Notes, with effect from the close of the Meeting."

Resolution 4 — Non-binding vote to adopt Remuneration Report

The Remuneration Report is on pages 16 to 39 of the Annual Financial Report.

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 31 December 2021."

This resolution is advisory only and does not bind the Company or the directors.

Note: This resolution shall be determined under section 250R(2) of the Corporations Act. Votes must not be cast on this resolution by Key Management Personnel and Closely Related Parties in contravention of section 250R or 250BD of the Corporations Act 2001 (Cth). Restrictions apply to votes unless exceptions apply, which are detailed on page 4 of this Notice of Meeting.

By Order of the Board.



Myron Zlotnick
Company Secretary
19 April 2022

HOW TO VOTE

Eligibility to attend and vote

In accordance with the *Corporations Act 2001* (Cth) (“Corporations Act”) and Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the persons eligible to vote at the Annual General Meeting are those who are registered shareholders at **19:00 (AEST) on Monday, 23 May 2022**.

Accordingly, share transfers registered after that time will be disregarded in determining entitlements to vote at the meeting.

Proxies

A member entitled to vote at the meeting has the right to appoint a proxy to attend and vote instead of the member. A proxy need not be a member. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints two proxies and does not specify the proportion or number which each proxy is to exercise, then, in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes for which the proxies are appointed.

If you appoint a proxy, you may still attend the meeting. However, your proxy’s right to speak and to vote are suspended while you are present. Accordingly you will

be asked to revoke your proxy if you register at the meeting.

Please note the restrictions on proxies relating to Resolution 4.

If the Chairman of the Meeting is to be your nominated proxy, please place a mark in the relevant box on the proxy form.

By marking this box you acknowledge and give express instructions that: the Chairman of the Meeting may exercise your proxy, either in accordance with your express directions as indicated on the proxy appointment form or where you have not directed your proxy, the proxy will be exercised as the Chairman of the Meeting decides, even though Resolution 4 (Remuneration Report) is connected directly or indirectly with the remuneration of a member of Key Management Personnel; and even if the Chairman has an interest in the outcome of those resolutions.

Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1 (Election of Director) and Resolution 4 (Remuneration Report) subject to the Chairman being given the express authorisation referred to above.

Restriction on proxies relating to Resolution 4

<p>Resolution 4 – Non binding vote to adopt Remuneration Report</p>	<p>In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 4 by or on behalf of a member of the Company’s Key Management Personnel (including the directors), whose remuneration details are included in the Remuneration Report, or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as “Restricted Voter”). However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and (b) it is not cast on behalf of a Restricted Voter.
--	---

The Remuneration Report identifies Reckon’s Key Management Personnel for 2021. Their Closely Related Parties are defined in the Corporations Act, and include certain family members, dependents and companies they control.

If you appoint the Chairman of the Meeting as your proxy (or if the Chairman is appointed your proxy by default) you can:

- direct the Chairman to vote by marking the relevant boxes in Step 3 to indicate your direction to vote, i.e. “for”, “against” or “abstain”;
- or
- if you do not direct the Chairman of the Meeting how to vote on Resolution 4 (Remuneration Report) you will be taken to have expressly authorised the Chairman to exercise your Proxy as decided by the Chairman.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2.

For personal use only

Appointment of Proxy and Lodgment

A form for appointment of proxy is enclosed.

To be effective:

- the document appointing the proxy (and the original, or a certified copy, of the power of attorney or other instrument under which the document appointing the proxy is signed or executed); and
- must be received by the Company at least 48 hours before the meeting, i.e. by 10:00 (AEST) on Monday, 23 May 2022.

The documents should be delivered to the Company at:

Computershare
GPO Box 242
Melbourne VIC 3001
Fax: 61 3 9473 2555.

Or

Online at www.investorvote.com.au by following the instructions. You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and Control Number, which is set out on the enclosed Voting Form.

No facility exists for receiving proxies by email.

Please refer to other notes appearing on the enclosed Proxy Form.

Voting Exclusions

There are no voting exclusions, other than the voting exclusion relating to the Key Management Personnel and their Closely Related Parties in relation to Resolution 4 (Remuneration Report).

Corporate Representative

A representative of a company attending the meeting must present at the meeting satisfactory evidence of his or her appointment to attend on the company's behalf, unless previously lodged with the Company.

PLEASE NOTE THAT RECKON LIMITED IS ASPRING TO ZERO PRINTING OF ANNUAL REPORTS AND OTHER NOTICES. PLEASE ASSIST THE COMPANY TO ACHIEVE THIS GOAL. SMALL STEPS LEAD TO BIG CHANGES.

1. Go online to www.investorcentre.com
2. Select 'Login' for existing users (New users select 'Create Login' and follow the prompts)
3. Enter your 'User ID'
4. Enter your 'Password'
5. Click on 'My Profile' and select 'Communications Preferences' to enter your email address and update your securityholder communication methods.

EXPLANATORY NOTES

General Business

Item 1 Annual Financial Report

The *Corporations Act 2001* (Cth) (“Corporations Act”) requires the Reports of the directors and of the auditors and the Annual Financial Report, including the Financial Statements, to be laid before the Annual General Meeting.

Whilst the Company will not provide a hard copy of the Company’s Annual Financial Report unless specifically requested to do so, shareholders may view the Company Annual Financial Report on its website at <https://www.reckon.com/au/investors>.

Neither the Corporations Act nor the Company’s Constitution require a vote of shareholders at the Annual General Meeting on such Reports or Statements. However, shareholders will be given ample opportunity to raise questions on the reports and statements, and also, to make comments on the management and performance of the Company, at the meeting.

The Company’s auditors will also be present to answer any questions. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor’s Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

If you would like to submit a written question about the content of the Auditor’s Report or the conduct of the audit of the Annual Financial Report of the Company’s auditor, please send your question to the Company Secretary at cosec@reckon.com. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is Wednesday, 18 May 2022.

Resolution 1: Resolution for the election of Samuel (Sam) Allert as a director

Pursuant to Clause 6.1 of the Company’s Constitution, Sam Allert retires by rotation as director of the Company. Being eligible, Sam Allert offers himself for re-election.

Mr Allert was first confirmed as a director in 2019.

Mr Allert was one of the first employees in the Australian Reckon APS business in 1999. He has held numerous roles in that business from National Sales Manager, Managing Director AU/NZ, eventually becoming CEO of Reckon APS in 2013. Taking on more responsibility Samuel got involved with the Business Division in a newly formed position of MD Australia and New Zealand for the Reckon Group in 2015. In July 2018 he stepped into the Group Chief Executive Officer position and was appointed to the board on 1 July 2018.

Mr Allert’s long history in the business, his exceptional record as a sales executive, his in-depth knowledge of the Reckon APS business and Reckon Accounts business, his knowledge and familiarity with professional accounting firms and small businesses personal skills, and his understanding of technology in the workplace render him a suitable candidate as a director of the Company.

The directors (excluding Mr Allert) unanimously recommend that shareholders vote in favour of Resolution 1.

Resolution 2: Ratification of Appointment of Auditor

On 24 November 2021, in accordance with section 327C of the Corporations Act 2001, the Company appointed BDO Audit Pty Ltd (“BDO”) as auditor of the Company following the Australian Securities and Investments Commission’s (ASIC) consent to the

resignation of the previous auditor of the Company, Deloitte Touche Tohmatsu (ABN 74 490 121 060) (“DTT”), in accordance with Section 329(5) of the Corporations Act 2001.

Following the above appointment, and in accordance with section 327C(2) of the Corporations Act, BDO holds office as auditor of the Company until the Company’s next Annual General Meeting, being the meeting the subject of this Notice of Meeting.

In accordance with section 327B(1)(b), the Company now seeks shareholder approval for the ongoing appointment of BDO as auditor of the Company and its controlled entities.

In accordance with section 328B of the Corporations Act 2001, notice in writing nominating BDO as auditor has been given to the Company by a shareholder. A copy of this notice is attached to this Notice of Meeting as Annexure A.

The appointment of BDO will be by vote of shareholders as an ordinary resolution.

DTT has provided to the Company, and has not withdrawn, its written consent to act as auditor of the Company, in accordance with section 328A(1) of the Corporations Act.

The Board recommends that shareholders vote in favour of this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 3 – Adoption of a new constitution which includes renewal of proportional takeover provisions

The Company’s current constitution has not been amended since 1999.

Since the approval there have been various ASX Listing Rule and regulatory changes and as such, the Company considers it appropriate to adopt a new constitution.

The following is an overview of the proposed key amendments:

- (a) *Restricted securities*: The Company shall comply in all respects with the requirements of the Listing Rules with respect to “restricted securities”. Without limiting the generality of the above:
- (i) a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
 - (ii) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity’s issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
 - (iii) the entity will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
 - (iv) a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
 - (v) if a holder of restricted securities breaches a restriction deed or a provision of the Company’s constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting

For personal use only

rights, in respect of those securities for so long as the breach continues.

- (b) *Registration of paper-based transfers of Securities:* Subject to compliance with the Listing Rules, a reasonable fee may be charged on the registration of paper-based transfers of shares or other securities.
- (c) *Unmarketable parcel sale process:* The process will be drafted in compliance with Listing Rule 15.3, and the Company will be provided with the flexibility to distribute the proceeds of any sale via bank transfer, cheque or other means.
- (d) *Joint Holders:* Previously CHES involved the recording of holder registration details in an unstructured format, with the number of possible joint holders for each HIN not being system-determined but instead tied to the practical 180 character limitations. The CHES replacement which is expected to go live in April 2023 will involve the recording of holder registration details in a structured format, and will allow up to four joint holders of a security. As such, the constitution amendment allows for this.
- (e) *Direct voting:* The changes will allow direct voting (whereby shareholders may lodge a vote directly with the Company by way of post, fax or other electronic means, without having to attend a meeting or appoint a proxy or representative). Direct voting addresses deficiencies in existing voting procedures by facilitating greater voting participation and minimises the potential risks of a proxy vote not being cast. To facilitate the direct voting arrangements, the directors will be authorised to prescribe rules governing direct voting.
- (f) *General Meetings:* A number of amendments are proposed to be made to facilitate the use of virtual meetings by the Company, with the law

having recently changed to allow the use of virtual or hybrid meetings. The changes include providing that directors may determine that a meeting be held by means of virtual meeting technology or other communication facilities that gives the members as a whole a reasonable opportunity to participate and vote, and providing the directors with additional powers to postpone, cancel or adjourn a meeting in particular circumstances (e.g. due to public health orders).

A complete signed copy of the New Constitution will be tabled at the Meeting.

Pursuant to section 136(2) of the Corporations Act, a modification to the Company's Constitution can only be effected by way of a Special Resolution passed by its shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by shareholders entitled to vote on this Resolution are voted in its favour.

Insertion of Proportional Takeover Provisions

In addition, pursuant to section 648G(4) of the Corporations Act, the Company wishes to renew the proportional takeover provisions.

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of the shareholder's shares. If a shareholder accepts, in full, an offer under a proportional takeover bid, the shareholder will only dispose of a specified portion of their shares in the Company and retain the balance of the shares.

The proportional takeover provisions are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company by providing, in the Constitution, that:

- (g) in the event of a proportional takeover bid being made for shares in the Company, shareholders

are required to vote and collectively decide whether to accept or reject the offer; and

- (h) the majority decision of the Company's members will be binding on all shareholders.

Effect of the proposed provisions

Where offers have been made under a proportional takeover bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed by shareholders or otherwise, pursuant to the terms of the proportional takeover provisions.

In more detail, the effect of the proportional takeover provisions is as follows:

- (a) if a proportional takeover bid is made for Securities of the Company, the directors must ensure that a meeting of shareholders is convened to vote on a resolution to approve that bid;
- (b) the bidder and persons associated with the bidder may not vote;
- (c) approval of the bid will require a simple majority of the votes cast;
- (d) the meeting must take place more than 14 days before the last day of the bid period (Resolution Deadline);
- (e) if the resolution is rejected before the Resolution Deadline, the bid cannot proceed and any transfers giving effect to takeover contracts for the bid will not be registered;
- (f) the bid will be taken to have been approved if, as at the end of the day before the Resolution Deadline, the resolution has not been voted on;

- (g) if the resolution is approved, the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution); and

- (h) the directors will breach the Corporations Act if they fail to ensure the resolution is voted on. However, the bid will still be taken to have been approved if it is not voted on within the Resolution Deadline.

The proportional takeover provisions do not apply to full takeover bids. If the proportional takeover provisions are renewed, they will cease to apply at the end of three years after renewal unless renewed by a Special Resolution of shareholders.

Reasons for the proposed provisions

In the absence of the proportional takeover provisions, a proportional takeover bid may result in control of the Company changing without shareholders having an opportunity to dispose of all their shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders could be exposed to the risks of passing control to the bidder without payment of an adequate control premium for all their shares and being left with a minority interest in the Company. Such shareholders could suffer potential further loss if the takeover bid were to cause a decrease in the share price or otherwise make the shares less attractive and, therefore, more difficult to sell.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no director is aware of any proposal to acquire, or to increase the extent of, a substantial interest in the Company.

Advantages and disadvantages during the period in which they have been in effect

The directors consider that the proportional takeover provisions had no advantages or disadvantages for them during the period in which they have been in effect.

For personal use only

The advantages and disadvantages of the proportional takeover provisions for shareholders include those set out below, which were applicable during the period in which they have been in effect.

Potential advantages and disadvantages

The renewal of the proportional takeover provisions will enable the directors to formally ascertain the views of the shareholders in respect of a proportional takeover bid. Without such provisions, the directors are dependent upon their perception of the interests and views of shareholders. Other than this advantage, the directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for shareholders include:

- (a) providing the right to discuss, in a meeting called specifically for that purpose, and then decide, by majority vote, whether an offer under a proportional takeover bid should proceed;
- (b) assisting the prevention of shareholders being locked in as a minority;
- (c) increasing the bargaining power of shareholders which may assist in ensuring that any proportional takeover bid is adequately priced;
- (d) potentially increasing the likelihood of a full takeover bid rather than a proportional takeover bid; and/or
- (e) enabling individual shareholders to better assess the likely outcome of the proportional takeover bid, by knowing the view of the majority of shareholders, which may assist in deciding whether to accept or reject an offer under the bid.

The potential disadvantages of the proportional takeover provisions for shareholders include:

- (a) imposing a hurdle to, and potentially discouraging the making of, provisional takeover bids which, in turn, may reduce any takeover speculation element in the price of shares;
- (b) potentially reducing the likelihood of success of a proportional takeover bid;
- (c) possible reduction or loss of opportunities for shareholders sell some or all of their shares at a premium; and/or
- (d) potentially causing some shareholders to form the view that the proportional takeover provisions impose an unreasonable restriction on their ability to freely deal with their shares.

A complete signed copy of the New Constitution will be tabled at the Meeting.

Pursuant to section 136(2) of the Corporations Act, a modification to the Company's Constitution can only be effected by way of a Special Resolution passed by its shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by shareholders entitled to vote on this Resolution are voted in its favour.

Professional Advice

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor.

Directors' Recommendation

The board of directors recommend shareholders vote for this Resolution.

For personal use only

Resolution 4: Non binding vote to adopt Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the directors or the Company. However, the board will take into account the discussion on this resolution and the outcome of the vote when considering the future remuneration arrangements of the Company.

The Remuneration Report is set out on pages 16 to 39 of the Annual Financial Report which is also available on Reckon's website.

The Remuneration Report sets out the policies for the remuneration of directors and Key Management Personnel. It also sets out required disclosures relating to the types and amounts of remuneration paid to directors and senior executives. An opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting.

Under the Corporations Act, the Two Strikes Rule applies:

- if at least 25% of the votes cast, are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the board's proposed action in response or explain why no action has been taken; and
- if, at the AGM in the following year (2nd AGM), at least 25% of the votes cast are voted against the adoption of the Remuneration Report resolution.

The Two Strikes Rule requires that at the 2nd AGM, a resolution (a spill resolution) must be put to the shareholders calling for a further meeting ("Spill Meeting"). If more than 50% of shareholders vote in favour of the spill resolution, the Company must convene the Spill Meeting within 90 days of the 2nd AGM. All of the directors who are in office at the time, other than the Managing Director, will need to stand for re-election at the Spill Meeting.

As Resolution 4 relates to matters including the remuneration of the directors, the board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, make no recommendation regarding this resolution.

GLOSSARY

Annual Financial Report means the 2020 Annual Report to shareholders for the period ended 31 December 2021 as lodged by the Company with ASX on 30 March 2022.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

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

Auditor's Report means the auditor's report of BDO Audit Pty Ltd dated 30 March 2022 as included in the Annual Financial Report.

Board means the current board of directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means Reckon Limited ACN 003 348 730.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of directors as included in the Annual Financial Report.

Dollar or "\$" means Australian dollars.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

KMP means key management personnel (including the directors) whose remuneration details are included in the Remuneration Report.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting dated 19 April 2022 including the Explanatory Statement.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the Annual Financial Report.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

For personal use only

Restricted Voter means a member of the Company's KMP and any Closely Related Parties of those members.

Securities mean Shares and/or Options (as the context requires).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a share.

Share Registry means Computershare Limited.

Special Resolution means a resolution that can only be passed if at least 75% of the total votes cast by shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Spill Meeting means the meeting that will be convened within 90 days of the 2023 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2023 AGM.

Spill Resolution means the resolution required to be put to shareholders at the 2023 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2023 AGM.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

Nomination of auditor

The Directors
Reckon Limited
Level 2, 100 Pacific Highway
North Sydney
NSW
2060

14 April 2022

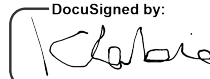
Dear Directors

NOMINATION OF AUDITOR

Pursuant to section 328B(1) of the *Corporations Act 2001* (Cth) as a shareholder of Reckon Limited, I provide notice of nomination of BDO Audit Pty Ltd as auditors of Reckon Limited.

It is intended that this nomination will be put forward as an item of business for consideration of shareholders at the annual general meeting of the company that is to be held on 25 May 2022.

Yours sincerely

DocuSigned by:

0EFFF5AB188147A
Clive Alan Rabie

CORPORATIONS ACT 2001 (Cth)

CONSTITUTION

of

Reckon Limited

ACN 003 348 730

For personal use only

CONTENTS

1.	INTERPRETATION.....	1
1.1	Definitions	1
1.2	Corporations Act Definitions	3
1.3	Status of Constitution.....	3
1.4	Headings.....	3
1.5	Displacement of Replaceable Rules	3
2.	SHARE CAPITAL AND VARIATION OF RIGHTS	3
2.1	Rights Attaching to Shares	3
2.2	Issue of Shares	4
2.3	Share Options.....	4
2.4	Classes of Shares.....	4
2.5	Preference Shares	4
2.6	Recognition of Trusts.....	4
2.7	Unregistered Interests	4
2.8	Share Certificates and Share Option Certificates	5
2.9	Section 1071H of the Corporations Act	5
2.10	Commissions	5
2.11	Restricted Securities	5
2.12	Non-Issue or Cancellation of Certificate	6
2.13	No Prohibition on Foreign Ownership.....	6
2.14	Payment of Interest out of Capital	6
3.	MINIMUM SHAREHOLDING	6
3.1	Effect of this Clause	6
3.2	Definitions	6
3.3	Minimum Shareholding	7
3.4	Sale of Listed Securities of Minority Member.....	7
3.5	Acceptance of Offer.....	7
3.6	Appointment of Attorney	7
3.7	Transfer	7
3.8	Proceeds of Sale	8
3.9	Receipt of Proceeds	8
3.10	Registration of Purchaser	8
3.11	Remedies Limited.....	9
3.12	Cost of Sale of Listed Securities	9
3.13	Exemption from Clause 3.....	9
3.14	Notice to Exempt.....	9
3.15	Takeover Offer or Announcement.....	9
3.16	Use by Company of Clause 3.....	9
4.	UNCERTIFICATED HOLDINGS AND ELECTRONIC TRANSFERS	9
4.1	Electronic or Computerised Holding	9
4.2	Statement of Holdings.....	10
4.3	Share Certificates	10
4.4	Listing Rules.....	10
5.	LIEN	10

5.1	Lien for Members Debts	10
5.2	Generally	10
5.3	Exemption	11
5.4	Dividends	11
5.5	Sale of Shares	11
5.6	Restrictions on Sale	11
5.7	Person Authorised to Sign Transfers	11
5.8	Proceeds of Sale	12
5.9	Protection of Lien under ASX Settlement Operating Rules	12
5.10	Further Powers re Forfeited Shares and Liens	12
6.	CALLS ON SHARES	12
6.1	Calls	12
6.2	Payment of Calls	12
6.3	Quoted Shares	12
6.4	Unquoted Shares	13
6.5	Joint Liability	13
6.6	Deemed Calls	13
6.7	Differentiation between Shareholders	13
6.8	Payments in Advance of Calls	13
6.9	Outstanding Moneys	13
6.10	Revocation or Postponement	13
6.11	Compliance with Listing Rules and Corporations Act	14
7.	FORFEITURE OF SHARES	14
7.1	Failure to Pay Call	14
7.2	Forfeiture	14
7.3	Sale of Forfeited Shares	14
7.4	Continuing Liability	14
7.5	Officer's Statement Prima Facie Evidence	14
7.6	Procedures	14
7.7	Listing Rules and ASX Settlement Operating Rules	15
8.	TRANSFER OF SHARES	15
8.1	Form of Transfer	15
8.2	CHESS Transfers	15
8.3	Participation in CHESS	15
8.4	Registration Procedure	15
8.5	Power to Refuse to Register	16
8.6	Closure of Register	16
8.7	Retention of Transfers by Company	16
8.8	Powers of Attorney	16
8.9	Other Securities	16
8.10	Branch Register	16
8.11	Compliance with ASX Settlement Operating Rules	17
8.12	Issuer Sponsored Subregister	17
8.13	Transferor Holds Shares until Registration of Transfer	17
9.	TRANSMISSION OF SHARES	17
9.1	Death of Shareholder Leaving a Will	17
9.2	Death or Bankruptcy of Shareholder	17
9.3	Registration by Transmission or to Beneficiary	17

9.4	Limitations to Apply	18
9.5	Death of a Joint Holder	18
9.6	Joint Personal Representatives	18
9.7	ASX Settlement Transfer	18
9.8	Joint Holders	18
10.	CHANGES TO CAPITAL STRUCTURE	18
10.1	Alterations to Capital	18
10.2	Reduction of Capital	19
10.3	Buy-Backs	19
11.	GENERAL MEETINGS.....	19
11.1	Convening of General Meetings of Shareholders.....	19
11.2	Postponement of a General Meeting of Shareholders.....	19
11.3	Cancellation of a General Meeting of Shareholders	19
11.4	Convening of General Meetings of Shareholders by a Director	19
11.5	Notice.....	20
11.6	Business at General Meeting	20
11.7	Notice to Home Branch.....	20
11.8	Annual General Meeting	21
12.	PROCEEDINGS AT GENERAL MEETINGS	21
12.1	Quorum	21
12.2	Persons Entitled to Attend a General Meeting	21
12.3	Refusal of Admission to Meetings	21
12.4	Chairman	22
12.5	Vacating Chair	22
12.6	Disputes Concerning Procedure	22
12.7	General Conduct.....	22
12.8	Casting Vote	22
12.9	Adjournment	22
12.10	Notice of Resumption of Adjourned Meeting.....	22
12.11	Voting Rights	23
12.12	Voting – Procedural Resolutions.....	23
12.13	Voting – Substantive Resolutions	23
12.14	Results of Voting.....	23
12.15	Poll	23
12.16	Manner of Taking Poll	23
12.17	Meeting May Continue	24
12.18	Voting by Joint Holders	24
12.19	Shareholder under Disability	24
12.20	Payment of Calls	24
12.21	Objection to Voting	24
12.22	Proxies	24
12.23	No right to speak of vote if appointing Shareholder is present	25
12.24	Electronic Appointment of Proxy.....	25
12.25	Proxy Votes	25
12.26	Representatives of Corporate Shareholders	25
13.	THE DIRECTORS.....	26
13.1	Number of Directors	26
13.2	Rotation of Directors	26

13.3	Election of Directors	26
13.4	Additional Directors	26
13.5	Removal of Director	27
13.6	Vacation of Office	27
13.7	Remuneration.....	27
13.8	Fees to Directors	27
13.9	Expenses.....	27
13.10	No Share Qualification.....	28
14.	POWERS AND DUTIES OF DIRECTORS.....	28
14.1	Management of the Company	28
14.2	Borrowings	28
14.3	Attorneys	28
14.4	Cheques, etc.	29
14.5	Retirement Benefits for Directors	29
14.6	Securities to Directors or Shareholders	29
15.	PROCEEDINGS OF DIRECTORS.....	29
15.1	Convening a Meeting	29
15.2	Procedure at Meetings.....	29
15.3	Quorum	30
15.4	Secretary May Attend and Be Heard	30
15.5	Majority Decisions	30
15.6	Casting Votes.....	30
15.7	Alternate Directors	30
15.8	Continuing Directors May Act.....	31
15.9	Chairman	31
15.10	Committees.....	31
15.11	Written Resolutions	31
15.12	Defective Appointment	31
15.13	Directors May Hold Other Offices	31
15.14	Directors May Hold Shares, etc.	32
15.15	Directors Not Accountable for Benefits	32
15.16	Disclosure of Interests in Related Matters	32
15.17	Disclosure of Shareholding	32
15.18	Related Body Corporate Contracts	32
15.19	Voting, Affixation of Seal	32
15.20	Home Branch to be Advised.....	32
16.	MEETING BY INSTANTANEOUS COMMUNICATION DEVICE	33
16.1	Meetings to be Effectual	33
16.2	Procedure at Meetings.....	33
16.3	Minutes	33
16.4	Definition	34
17.	MANAGING AND EXECUTIVE DIRECTORS.....	34
17.1	Appointment	34
17.2	Remuneration.....	34
17.3	Powers.....	34
17.4	Rotation.....	34
17.5	Multiple Managing Directors.....	34
17.6	Secretary.....	35

18.	SEALS.....	35
18.1	Common Seal.....	35
18.2	Execution of Documents Without a Seal.....	35
18.3	Share Seal.....	35
19.	ACCOUNTS, AUDIT AND RECORDS.....	36
19.1	Accounting records to be kept	36
19.2	Audit	36
19.3	Inspection	36
20.	MINUTES	36
20.1	Minutes to be Kept	36
20.2	Signature of Minutes.....	36
20.3	Requirements of the Corporations Act.....	36
21.	DIVIDENDS AND RESERVES	37
21.1	Dividends	37
21.2	Interim Dividend	37
21.3	No Interest	37
21.4	Reserves	37
21.5	Alternative Method of Payment of Dividend.....	37
21.6	Payment of Dividends.....	38
21.7	Unclaimed Dividends	38
21.8	Breach of Restriction Agreement	38
22.	CAPITALISATION OF PROFITS	38
22.1	Capitalisation	38
22.2	Application of Capitalised Amounts.....	38
22.3	Procedures	39
23.	BONUS SHARE PLAN	39
23.1	Authorisation of Bonus Share Plan.....	39
23.2	Amendment and Revocation.....	39
24.	DIVIDEND REINVESTMENT PLAN	39
24.1	Authorisation of Dividend Reinvestment Plan.....	39
24.2	Amendment and Revocation.....	39
25.	NOTICES.....	40
25.1	Service	40
25.2	Deemed receipt of Notice	40
25.3	Notice to Joint Holders	40
25.4	Notices to Personal Representatives and Others	40
25.5	Persons Entitled to Notice	41
25.6	Change of Address	41
25.7	Incorrect Address	41
26.	WINDING UP.....	41
26.1	Distribution in Kind.....	41
26.2	Trust for Shareholders.....	41
26.3	Distribution in Proportion to Shares Held	42
27.	INDEMNITIES AND INSURANCE.....	42

27.1	Liability to Third Parties	42
27.2	Defending Proceedings	42
27.3	Insurance	42
27.4	Disclosure.....	43
27.5	Definition	43
28.	DIRECTORS ACCESS TO INFORMATION	43
29.	OVERSEAS SHAREHOLDERS	43
30.	LOCAL MANAGEMENT	43
30.1	Local Management	43
30.2	Local Boards or Agencies	44
30.3	Appointment of Attorneys.....	44
30.4	Authority of Attorneys	44
31.	DISCOVERY	44
32.	COMPLIANCE (OR INCONSISTENCY) WITH THE LISTING RULES.....	44
33.	CONSISTENCY WITH CHAPTER 2E OF THE CORPORATIONS ACT	45
33.1	Requirements of Chapter 2E.....	45
33.2	Definitions	45
34.	INADVERTENT OMISSIONS	45
35.	PARTIAL TAKEOVER PLEBISCITES	45
35.1	Resolution to Approve Proportional Off-Market Bid	45
35.2	Meetings.....	46
35.3	Notice of Prescribed Resolution.....	46
35.4	Takeover Resolution Deemed Passed	46
35.5	Takeover Resolution Rejected	46
35.6	Renewal.....	47
36.	TRANSITIONAL.....	47
36.1	Provisions Relating to Official Quotation of Securities	47
36.2	Severance	47

CORPORATIONS ACT 2001 (Cth)

CONSTITUTION

of

RECKON LIMITED

1. INTERPRETATION

1.1 Definitions

In this Constitution:

Alternate Director means a person appointed as an alternate director under clause 15.7.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Operating Rules means the operating rules of ASX Settlement.

ASX Settlement Transfer means a transfer of quoted securities or quoted rights effected in:

- (a) accordance with the ASX Settlement Operating Rules; or
- (b) substantial accordance with the ASX Settlement Operating Rules and determined by ASX Settlement to be an effective transfer.

Auditor means the Company's auditor.

Bonus Share Plan means a plan implemented under clause 23.

Business Day means a day other than a Saturday, a Sunday, New Year's Day, Australia Day, Good Friday, Easter Monday, Anzac Day, Christmas Day, Boxing Day and any other day declared and published by ASX to be a day which is not a business day.

CHESS Approved Securities means securities of the Company for which CHESS approval has been given in accordance with the ASX Settlement Operating Rules, or such amended definition as may be prescribed by the Listing Rules from time to time.

CHESS System means the Clearing House Electronic Subregister System operated by ASX Settlement or such other securities clearing house as is approved pursuant to the Corporations Act and to which the Listing Rules apply.

Company means Reckon Limited ACN 003 348 730 or as it is from time to time named in accordance with the Corporations Act of this jurisdiction.

Constitution means this constitution as altered or amended from time to time.

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

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a person appointed to the position of a director of the Company and where appropriate, includes an Alternate Director.

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

Dividend Reinvestment Plan means a plan implemented under clause 24.

Home Branch means the state branch of ASX designated as such in relation to the Company by ASX.

Listed Securities means any Shares, Share Options, stock, debentures, debenture stock or other securities for the time being issued by the Company and officially quoted by ASX on its stock market.

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

Loan Securities includes:

- (a) unsecured notes or unsecured deposit notes;
- (b) mortgage debentures or mortgage debenture stock;
- (c) debentures or debenture stock; and
- (d) for the purposes of the Listing Rules, convertible loan securities.

Office means the registered office of the Company.

Officer means any Director or Secretary of the Company or such other person within the meaning of that term as defined by the Corporations Act.

Prescribed Rate means the interest rate which is 2% above the Reserve Bank of Australia cash rate as published or quoted from time to time, or such other rate as may from time to time be fixed by the Directors, calculated daily.

Registered Office means the registered office of the Company in the State.

Register of Shareholders means the register of Shareholders kept by the Company in accordance with Section 169 of the Corporations Act (including any branch register and any computerised or electronic subregister established and administered under the ASX Settlement Operating Rules).

Related Body Corporate means a corporation which by virtue of the provisions of Section 50 of the Corporations Act is deemed to be related to the relevant corporation and **related** has a corresponding meaning.

Representative means a person authorised to act as a representative of a corporation under clause 12.26.

Restricted Securities has the meaning ascribed to it by the Listing Rules.

Seal means the common seal of the Company and includes any official seal and, where the context so admits, the Share Seal of the Company.

Secretary means any person appointed to perform the duties of a secretary of the Company.

Share means a share in the capital of the Company.

Shareholder means a person or company registered in the Register of Shareholders as the holder of one or more Shares and includes any person or company who is a member of the Company in accordance with or for the purposes of the Corporations Act.

Shareholding Account means an entry in the Register of Shareholders in respect of a Shareholder for the purpose of providing a separate identification of some or all of the ordinary Shares registered from time to time in the name of that Shareholder and **Securities Account** has an equivalent meaning in relation to Listed Securities of all kinds, including ordinary Shares.

Share Option means an option to require the Company to allot and issue a Share.

Share Seal means the duplicate common seal referred to in clause 18.3.

State means New South Wales.

1.2 Corporations Act Definitions

Any word or expression defined in or for the purposes of the Corporations Act shall, unless otherwise defined in clause 1.1 or the context otherwise requires, have the same meaning when used in this Constitution, and the rules of interpretation specified in or otherwise applicable to the Corporations Act shall, unless the context otherwise requires, apply in the interpretation of this Constitution.

1.3 Status of Constitution

This Constitution is adopted by the Company in substitution for any former memorandum and articles of association, previous constitution, or other consistent documents of the Company. To the extent permitted by law, the replaceable rules provided for in the Corporations Act do not apply to the Company.

1.4 Headings

Headings are inserted in this Constitution for convenience only, and shall not affect the interpretation of this Constitution.

1.5 Displacement of Replaceable Rules

The provisions of the Corporations Act that apply to public companies as replaceable rules are displaced completely by this Constitution in relation to the Company.

2. SHARE CAPITAL AND VARIATION OF RIGHTS

2.1 Rights Attaching to Shares

Subject to this Constitution and to the terms of issue of Shares, all Shares attract the right to:

- (a) receive notice of and to attend and vote at all general meetings of the Company;
- (b) receive dividends;
- (c) in a winding up or a reduction of capital, participate equally in the distribution of the

assets of the Company (both capital and surplus), subject to any amounts unpaid on the Share and, in the case of a reduction, to the terms of the reduction.

2.2 Issue of Shares

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, unissued Shares shall be under the control of the Directors and, subject to the Corporations Act, the Listing Rules and this Constitution, the Directors may at any time issue such number of Shares either as ordinary Shares or Shares of a named class or classes (being either an existing class or a new class) at the issue price that the Directors determine and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors shall, in their absolute discretion, determine.

2.3 Share Options

Subject to the Listing Rules, the Directors may at any time and from time to time issue Share Options on such terms and conditions as the Directors shall, in their absolute discretion, determine.

2.4 Classes of Shares

If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of the class. Any variation of rights under this clause 2.4 shall be subject to Part 2F.2 of Chapter 2F of the Corporations Act. The provisions of this Constitution relating to general meetings shall apply so far as they are capable of application and with necessary alterations to every such separate meeting except that a quorum is constituted by two persons who together hold or represent by proxy not less than one-third of the issued Shares of the class.

2.5 Preference Shares

Subject to the Listing Rules and the Corporations Act, the Company may issue preference Shares:

- (a) that are liable to be redeemed whether at the option of the Company or otherwise; and
- (b) including, without limitation preference shares of the kind described in clause 2.5(a) in accordance with the terms of Schedule 1.

2.6 Recognition of Trusts

Except as permitted or required by the Corporations Act, the Company may, but is not required to, recognise:

- (a) a person as holding a Share or Share Option upon any trust; or
- (b) any other interest in any Share or Share Option or any other right in respect of a Share or Share Option except an absolute right of ownership in the registered holder, whether or not the Company has notice of the interest or right.

2.7 Unregistered Interests

The Company is not bound by or compelled in any way to recognise any equitable, contingent, future or partial right or interest in any Share or Share Option (whether or not it has notice of the interest or right concerned) unless otherwise provided by this Constitution or by law, except an

absolute right of ownership in the registered holder of the Share or Share Option.

2.8 Share Certificates and Share Option Certificates

Subject to the ASX Settlement Operating Rules (if applicable), clause 4 and the Listing Rules, a person whose name is entered as a Shareholder in the Register of Shareholders is entitled without payment to receive a Share certificate or notice (as the case may be) in respect of the Share under the Seal in accordance with the Corporations Act but, in respect of a Share or Shares held jointly by several persons, the Company is not bound to issue more than one certificate or notice. Delivery of a certificate or notice for a Share to one of several joint Shareholders is sufficient delivery to all such holders. In addition:

- (a) Share certificates or notices in respect of Shares shall only be issued in accordance with the Listing Rules;
- (b) subject to this Constitution, the Company shall dispatch all appropriate Share certificates within 5 Business Days of the issue of any of its Shares and within 5 Business Days after the date upon which a transfer of any of its Shares is lodged with the Company;
- (c) where a Share certificate is lost, worn out or destroyed, the Company shall issue a duplicate certificate in accordance with the requirements of Section 1070D of the Corporations Act and the Listing Rules; and
- (d) the above provisions of this clause 2.8 shall, with necessary alterations, apply to Share Options.

If securities of the Company are CHES Approved Securities and held in uncertificated mode, then the preceding provisions of this clause 2.8 do not apply to those Securities and the Company shall allot such CHES Approved Securities and enter those CHES Approved Securities into the Shareholder's uncertificated holding in accordance with the Listing Rules and the ASX Settlement Operating Rules.

2.9 Section 1071H of the Corporations Act

Clause 2.8 shall not apply if and to the extent that, on an application by or on behalf of the Company, the ASIC has made a declaration under Section 1071H(5) of the Corporations Act published in the Commonwealth of Australia Gazette that the Company is a person in relation to whom Section 1071H of the Corporations Act does not apply.

2.10 Commissions

The Company may, subject to the Listing Rules, exercise the powers of paying commission conferred by Section 258C of the Corporations Act if the percentage or the amount of the commission paid or agreed to be paid is disclosed. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other. The Company may also on any issue of Shares pay such brokerage as may be lawful.

2.11 Restricted Securities

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:

- (a) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;

- (b) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- (c) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
- (e) if a holder of Restricted Securities breaches a restriction deed or a provision of the entity's constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

2.12 Non-Issue or Cancellation of Certificate

Notwithstanding any other provision of this Constitution, the Company need not issue a certificate, and may cancel any certificate without issuing a certificate in substitution, in respect of any Shares or Share Options of the Company in any circumstances where the non-issue or cancellation of that certificate is permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules.

2.13 No Prohibition on Foreign Ownership

Nothing in this Constitution shall have the effect of limiting or restricting the ownership of any securities of the Company by foreign persons except where such limits or restrictions are prescribed by Australian law.

2.14 Payment of Interest out of Capital

Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period the Company may pay interest on so much of such share capital as is paid up for the period and may charge this interest to capital as part of the cost of construction of the works, buildings or plant.

3. MINIMUM SHAREHOLDING

3.1 Effect of this Clause

The provisions of this clause have effect notwithstanding any other provision of this Constitution, except clause 32.

3.2 Definitions

In this clause:

Date of Adoption means the date upon which this clause is inserted in this Constitution by special resolution of the members of the Company.

Date of Effect has the meaning given in clause 3.13.

Minimum Shareholding means a number of shares equal to a "marketable parcel" of Listed Securities within the meaning of the Listing Rules.

Minority Member means a member holding less than the Minimum Shareholding on or at any time after the Date of Adoption.

Purchaser means the person or persons (including one or more members) whose offer or offers to purchase Listed Securities is or are accepted by the Company, which may include the Company itself as being the purchaser, if the Directors at their sole discretion, determine that the Company's Minimum Shareholding should be bought back by the Company pursuant to the provisions of clause 10.3.

3.3 Minimum Shareholding

Subject to clauses 3.13 and 3.14, on and from the Date of Effect, the shareholding of a member which is less than the Minimum Shareholding may be sold by the Company pursuant to the provisions of this clause 3, and then subsequently bought-back by the Company (at the Directors sole discretion) pursuant to the provisions of clause 10.3.

3.4 Sale of Listed Securities of Minority Member

Subject to clauses 3.13 and 3.14, on and from the Date of Effect, each Minority Member shall be deemed to have irrevocably appointed the Company as his agent:

- (a) to sell all the Listed Securities held by each of them as soon as practicable, at a price which the Directors consider (at their sole discretion) is the best price reasonably available for the shares when they are sold;
- (b) to deal with the proceeds of the sale of those Listed Securities in accordance with this clause; and
- (c) where the Listed Securities are CHES Approved Securities held in uncertificated form, to initiate a Holding Adjustment (as defined in the ASX Settlement Operating Rules) to move the securities from the CHES Holding (as defined in the ASX Settlement Operating Rules) of the Minority Member to an Issuer Sponsored or Certificated Holding (as defined in the ASX Settlement Operating Rules) for the sale of the Listed Securities.

3.5 Acceptance of Offer

Where the Company receives an offer for the purchase of all the Listed Securities of a Minority Member to whom this clause applies at the date of the offer matching or exceeding the best price reasonably available for the shares (as determined by the Directors (at their sole discretion)), the Company may accept the offer on behalf of that Minority Member.

3.6 Appointment of Attorney

The Company shall, by instrument in writing, appoint a person or persons to act as attorney or attorneys of each Minority Member to whom this clause applies, to execute an instrument or instruments of transfer of their Listed Securities to the Purchaser.

3.7 Transfer

Where:

- (a) all the Listed Securities of each Minority Member to whom this clause applies at any time are sold to one Purchaser; or

- (b) all the Listed Securities of two or more Minority Members to whom this clause applies at any time are sold to one Purchaser,

the transfer may be effected by one instrument of transfer.

3.8 Proceeds of Sale

The Company shall receive the aggregate proceeds of the sale of all of the Listed Securities of each Minority Member to whom this clause applies at any time and shall:

- (a) immediately cause the name of the Purchaser to be entered in the Register of Shareholders as the holder of the Listed Securities sold; and
- (b) within fourteen days of receipt of the relevant share certificate or otherwise as soon as is practicable, cause the pro rata proportions of the proceeds attributable to each Minority Member to be sent by any of the following means, at the sole discretion of the Directors, to each Minority Member (and at the risk of the Minority Member(s)) by:
- (i) cheque sent through the mail directed to:
 - (A) the address of the Minority Member(s) shown in the Register or to the address of the joint Minority Members shown first in the Register; or
 - (B) any address as the Minority Member(s) or joint Minority Members have, in writing, notified the Company as the address to which the proceeds of sale should be sent;
 - (ii) electronic funds transfer to an account with a bank or other financial institution nominated in writing by the Minority Member(s) and acceptable to the Company;
 - (iii) any other means determined by the Directors at their sole discretion.
- (c) Despite clause 3.8(b) the Company may, if provided with the written consent of the Minority Member(s) or joint Minority Members, donate the proceeds of sale to a charity as the Directors decide.
- (d) In the case where a Minority Member's whereabouts are unknown or where a Minority Member fails to return the share certificate or certificates (where required) relating to the Listed Securities sold, the proceeds of sale shall be applied in accordance with the applicable laws dealing with unclaimed moneys, or otherwise as determined by the Directors at their sole discretion.

3.9 Receipt of Proceeds

The receipt by the Company of the proceeds of sale of Listed Securities of a Minority Member shall be a good discharge to the Purchaser of all liability in respect of the purchase of the Listed Securities.

3.10 Registration of Purchaser

Upon entry of the name of the Purchaser in the Register of Shareholders as the holder of the Listed Securities of a Minority Member to whom this clause applies:

- (a) the Purchaser shall not be bound to see to the regularity of the actions and proceedings

of the Company pursuant to this Constitution or to the application of the proceeds of sale;
and

- (b) the validity of the sale shall not be impeached by any person.

3.11 Remedies Limited

The remedy of any Minority Member to whom this clause applies in respect of the sale of his or her Listed Securities is expressly limited to a right of action in damages against the Company to the exclusion of any other right, remedy or relief against any other person.

3.12 Cost of Sale of Listed Securities

The Company shall bear all the costs of the sale of the Listed Securities.

3.13 Exemption from Clause 3

- (a) The Company must give written notice to a Minority Member and, where the Shares are CHESSE Approved Securities, to the Controlling Participant (as defined in the ASX Settlement Operating Rules) for the holding of the Minority Member, advising of the Company's intention to sell his or her shareholding pursuant to this clause 3.
- (b) Unless the Minority Member, within 6 weeks from the date the notice was sent from the Company in accordance with this clause 3, gives written notice to the Company that it desires its shareholding to be exempted from clause 3, then the Company will be free to sell the Shares held by the relevant Minority Member immediately following expiry of the 6 week period in accordance with this clause 3 (**Date of Effect**).
- (c) Where Shares are CHESSE Approved Securities, a written notice by the Company in terms of this clause shall comply with the ASX Settlement Operating Rules.

3.14 Notice to Exempt

Where a Minority Member has given written notice to the Company that it desires its shareholding to be exempted from clause 3 it may, at any time, revoke or withdraw that notice. In that event the provisions of clause 3 shall apply to the Minority Member.

3.15 Takeover Offer or Announcement

The Company shall not commence to sell Listed Securities comprising less than a Minimum Shareholding following the announcement of a takeover offer or takeover announcement for the Company.

3.16 Use by Company of Clause 3

This clause 3 may be invoked only once in any twelve month period after its adoption or re-adoption.

4. UNCERTIFICATED HOLDINGS AND ELECTRONIC TRANSFERS

4.1 Electronic or Computerised Holding

The Directors may do anything they consider necessary or desirable and which is permitted under the Corporations Act and the Listing Rules to facilitate the participation by the Company in the CHESSE System and any other computerised or electronic system established or recognised by the

Corporations Act or the Listing Rules for the purposes of facilitating dealings in Shares or securities.

4.2 Statement of Holdings

Where the Directors have determined not to issue share certificates or to cancel existing Share certificates, a Shareholder shall have the right to receive such statements of the holdings of the Shareholder as are required to be distributed to a Shareholder under the Corporations Act or the Listing Rules.

4.3 Share Certificates

If the Directors determine to issue a certificate for Shares held by a Shareholder, the provisions in relation to Share certificates contained in clause 2 shall apply.

4.4 Listing Rules

The Company shall comply with the Listing Rules and the ASX Settlement Operating Rules in relation to the CHESS System.

5. LIEN

5.1 Lien for Members Debts

The Company has a first and paramount lien on each Share (except where the Share is a Listed Security and is fully paid up) registered in a Shareholder's name in respect of all money owed to the Company by the Shareholder (including any money payable under clause 5.2 to the extent that the Company has made a payment in respect of a liability or a requirement referred to in that clause) but not any unpaid call once the Share has been forfeited under section 254Q.

5.2 Generally

Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future possible liability upon the Company to make any payments or empowers any government or taxing authority or governmental official to require the Company to make any payment in respect of any Shares held either jointly or solely by any Shareholder, or in respect of any transfer of Shares, or of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such Shareholder by the Company on or in respect of any Shares or for or on account or in respect of any Shareholder, and whether in consequence of:

- (a) the death of such Shareholder;
- (b) the non-payment of any income tax or other tax by such Shareholder;
- (c) the non-payments of any estate, probate, succession, death, stamp or other duty by the executor or administrator of such Shareholder or by or out of his estate; or
- (d) any other act or thing,

the Company in every case:

- (a) shall be fully indemnified by such Shareholder or his executor or administrator from all liability;
- (b) shall have a lien upon all dividends, bonuses and other moneys payable in respect of the

Shares held either jointly or solely by this Shareholder for all moneys paid by the Company in respect of the Shares or in respect of any dividend, bonus or other money or for an account or in respect of this Shareholder under or in consequence of any law, together with interest at the Prescribed Rate from date of payment to date of repayment, and may deduct or set off against any dividend, bonus or other moneys so paid or payable by the Company together with interest at the Prescribed Rate;

- (c) may recover as a debt due from this Shareholder or his or her executor or administrator, wherever constituted or situate, any moneys paid by the Company under or in consequence of any such law and interest on these moneys at the Prescribed Rate and for the period mentioned above in excess of any dividend, bonus or other money as mentioned above then due or payable by the Company to such Shareholder; and
- (d) may, subject to the Listing Rules, if any such money be paid or payable by the Company under any such law, refuse to register a transfer of any Shares by this Shareholder or his executor or administrator until the money and interest mentioned above is set off or deducted or, in case the money and interest exceeds the amount of any dividend, bonus or other money then due or payable by the Company to the Shareholder, until this excess is paid to the Company.

Nothing contained in this clause shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company, and, as between the Company and every such Shareholder, his or her executor, administrator and estate, wherever constituted or situate, any right or remedy which this law shall confer on the Company shall be enforceable by the Company.

5.3 Exemption

The Directors may at any time exempt a Share wholly or in part from the provisions of this clause 5.

5.4 Dividends

Whenever the Company has a lien on a Share, the lien extends to all dividends payable in respect of the Share.

5.5 Sale of Shares

Subject to clause 5.6, the Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien.

5.6 Restrictions on Sale

A Share on which the Company has a lien shall not be sold unless:

- (a) the sum in respect of which the lien exists is presently payable; and
- (b) the Company has, not less than 14 days before the date of the sale, given to the registered holder for the time being of the Share or the person entitled to the Share by reason of the death or bankruptcy of the registered holder a notice in writing setting out, and demanding payment of, that part of the amount in respect of which the lien exists as is presently payable.

5.7 Person Authorised to Sign Transfers

For the purpose of giving effect to a sale of a Share under clause 5.5, the Directors may authorise a person to transfer the Shares sold to the purchaser of the Shares. The Company shall register the

purchaser as the holder of the Shares comprised in any such transfer and he or she is not bound to see to the application of the purchase money. The title of the purchaser to the Shares is not affected by any irregularity or invalidity in connection with the sale.

5.8 Proceeds of Sale

The proceeds of a sale under clause 5.5 shall be applied by the Company in payment of that part of the amount in respect of which the lien exists as is presently payable, and the residue (if any) shall (subject to any like lien for sums not presently payable that existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

5.9 Protection of Lien under ASX Settlement Operating Rules

The Company may do all such things as may be necessary or appropriate for it to do under the ASX Settlement Operating Rules to protect any lien, charge or other right to which it may be entitled under any law or this Constitution.

5.10 Further Powers re Forfeited Shares and Liens

Where a transfer following the sale of any Shares after forfeiture or for enforcing a lien, charge or right to which the Company is entitled under any law or under this Constitution is effected by an ASX Settlement Transfer, the Company may do all things necessary or desirable for it to do under the ASX Settlement Operating Rules in relation to that transfer.

6. CALLS ON SHARES

6.1 Calls

- (a) The Directors may by resolution make calls on Shareholders of partly paid Shares to satisfy the whole or part of the debt owing on those Shares provide that the dates for payment of those Shares were not fixed at the time of issue.
- (b) A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- (c) A call may be required or permitted to be paid by instalments.
- (d) Failure to send a notice of a call to any Shareholder or the non-receipt of a notice by any Shareholder does not invalidate the call.

6.2 Payment of Calls

A Shareholder to whom notice of a call is given in accordance with this Constitution must pay to the Company the amount called in accordance with the notice.

6.3 Quoted Shares

- (a) The Directors must not make the date for payment of calls, (**Due Date**), for Shareholders who hold quoted partly paid Shares, less than 30 Business Days and no more than 40 Business Days from the date the Company dispatches notices to relevant Shareholders that a call is made.
- (b) If after a call is made, new Shareholders purchase the same class of Share subject to the call, or if the holdings of the original Shareholders on whom the call was made change, Directors must dispatch a notice informing these Shareholders that a call has been made

at least 4 days before the Due Date.

- (c) The Company must enter a call payment on the Company register no more than 5 Business Days after the Due Date.

6.4 Unquoted Shares

The Directors must not make the Due Date for Shareholders who hold unquoted partly paid Shares, less than 5 Business Days from the date the Company dispatches notices to relevant Shareholders that a call is made.

6.5 Joint Liability

The joint holders of a Share are jointly and severally liable to pay all calls in respect of the Share.

6.6 Deemed Calls

Any amount that, by the terms of issue of a Share, becomes payable on allotment or at a fixed date, shall for the purposes of this Constitution be deemed to be a call duly made and payable, and, in case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise apply as if the amount had become payable by virtue of a call duly made and notified.

6.7 Differentiation between Shareholders

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

6.8 Payments in Advance of Calls

The Directors may accept from a Shareholder the whole or any part of the amount unpaid on a Share although no part of that amount has been called up, in which case the Directors shall nominate whether the amount so paid is to be treated as capital or a loan to the Company by the Shareholder, and:

- (a) if the amount paid is nominated to be capital, it shall be deemed as from the date of the nomination to have been applied in paying up (so far as it will extend) the unpaid balance of the total issue price of the Share, but the dividend entitlement attaching to the Share shall remain as it was prior to the payment so made until there is a call in respect of the Share under this clause 6 of an amount equal to or greater than the amount so paid; or
- (b) if the amount paid is nominated to be a loan to the Company, it shall carry interest at a rate, not exceeding the Prescribed Rate, as is agreed between the Directors and the Shareholder, shall not be repayable unless the Directors so determine, shall not confer on the Shareholder any rights attributable to subscribed capital, and shall, unless so repaid, be applied in payment of calls on the Share as and when the calls become due.

6.9 Outstanding Moneys

Any moneys payable in respect of a call made in accordance with this Constitution which remain outstanding shall from and including the day for payment until the date payment is received bear interest at the Prescribed Rate.

6.10 Revocation or Postponement

The Directors may revoke or postpone a call in accordance with the Listing Rules and/or the

Corporations Act, if revocation or postponement is not prohibited by either.

6.11 Compliance with Listing Rules and Corporations Act

The Company shall comply with the Listing Rules and the Corporations Act in relation to calls. All Listing Rule requirements in relation to calls are not covered in this Constitution.

7. FORFEITURE OF SHARES

7.1 Failure to Pay Call

If a Shareholder fails to pay a call or instalment of a call on the day appointed for payment of the call or instalment, the Directors may, at any time after this day during the time any part of the call or instalment remains unpaid (but subject to this clause 7.1) serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest that has accrued. The notice shall name a further day being not less than 14 days after the date of notice on or before which the payment required by the notice is to be made and shall state that, in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

7.2 Forfeiture

If the requirements of a notice served under clause 7.1 are not complied with, any Share in respect of which a call is unpaid at the expiration of 14 days after the day for its payment may be forfeited by a resolution of the Directors to that effect. Such a forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

7.3 Sale of Forfeited Shares

A forfeited Share may be sold or otherwise disposed of on the terms and in the manner that the Directors determine and, at any time before a sale or disposition, the forfeiture may be cancelled on the terms the Directors determine.

7.4 Continuing Liability

A person whose Shares have been forfeited ceases to be a Shareholder in respect of the forfeited Shares, but remains liable to pay the Company all money that, at the date of forfeiture, was payable by him to the Company in respect of the Shares (including interest at the Prescribed Rate from the date of forfeiture on the money for the time being unpaid if the Directors decide to enforce payment of the interest), but his or her liability ceases if and when the Company receives payment in full of all the money (including interest) payable in respect of the Shares.

7.5 Officer's Statement Prima Facie Evidence

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

7.6 Procedures

The Company may receive the consideration (if any) given for a forfeited Share on any sale or disposition of the Share, and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of. Upon the execution of the transfer, the transferee shall be registered as the holder of the Share and is not bound to see to the application of any money paid as

consideration. The title of the transferee to the Share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Share.

7.7 Listing Rules and ASX Settlement Operating Rules

The Company shall comply with the Listing Rules with respect to forfeited Shares and may do all such things as may be necessary or appropriate for it to do under the ASX Settlement Operating Rules to protect any lien, charge or other right to which it may be entitled under any law or this Constitution.

8. TRANSFER OF SHARES

8.1 Form of Transfer

Subject to this Constitution, Shareholders may transfer any Share held by them by:

- (a) an ASX Settlement Transfer or any other method of transferring or dealing in Shares introduced by ASX or operated in accordance with the ASX Settlement Operating Rules or Listing Rules and in any such case recognised under the Corporations Act; or
- (b) an instrument in writing in any usual or common form or in any other form that the Directors approve.

8.2 CHESS Transfers

- (a) The Company must comply with all obligations imposed on the Company under the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules in respect of an ASX Settlement Transfer or any other transfer of Shares.
- (b) Notwithstanding any other provision in this Constitution, the Company must not prevent, delay or interfere with the registration of an ASX Settlement Transfer or any other transfer of Shares.

8.3 Participation in CHESS

The Directors may do anything they consider necessary or desirable and which is permitted under the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules to facilitate participation by the Company in any system established or recognised by the Corporations Act and the Listing Rules or the ASX Settlement Operating Rules in respect of transfers of or dealings in marketable securities.

8.4 Registration Procedure

Where an instrument of transfer referred to in clause 8.1(b) is to be used by a Shareholder to transfer Shares, the following provisions apply:

- (a) the instrument of transfer must be executed by or on behalf of both the transferor and the transferee unless it is a sufficient transfer of marketable securities within the meaning of the Corporations Act;
- (b) the instrument of transfer shall be left at the Registered Office for registration accompanied by the certificate for the Shares to be transferred (if any) and such other evidence as the Directors may require to prove the title of the transferor and his right to transfer the shares;

- (c) subject to clause 32, a reasonable fee may be charged on the registration of a transfer of Shares or other securities; and
- (d) on registration of a transfer of Shares, the Company must cancel the old certificate (if any).

8.5 Power to Refuse to Register

The Directors may refuse to register any transfer of Shares (other than an ASX Settlement Transfer) where:

- (a) the Listing Rules permit the Company to do so;
- (b) the Listing Rules require the Company to do so; or
- (c) the transfer is a transfer of Restricted Securities which is or might be in breach of the Listing Rules or any escrow agreement entered into by the Company in relation to such Restricted Securities pursuant to the Listing Rules.

Where the Directors refuse to register a transfer in accordance with this clause, they shall send notice of the refusal and the precise reasons for the refusal to the transferee and the lodging broker (if any) in accordance with the Listing Rules.

8.6 Closure of Register

Subject to the Listing Rules and the ASX Settlement Operating Rules, the Register of Shareholders may be closed during such time as the Directors may determine, not exceeding 30 days in each calendar year or any one period of more than 5 consecutive Business Days.

8.7 Retention of Transfers by Company

All instruments of transfer which are registered will be retained by the Company, but any instrument of transfer which the Directors decline or refuse to register (except in the case of fraud) shall on demand be returned to the transferee.

8.8 Powers of Attorney

Any power of attorney granted by a Shareholder empowering the donee to transfer Shares which may be lodged, produced or exhibited to the Company or any Officer of the Company will be taken and deemed to continue and remain in full force and effect, as between the Company and the grantor of that power, and the power of attorney may be acted on, until express notice in writing that it has been revoked or notice of the death of the grantor has been given and lodged at the Office or at the place where the Register of Shareholders is kept.

8.9 Other Securities

The provisions of this clause 8 shall apply, with necessary alterations, to any other Listed Securities for the time being issued by the Company.

8.10 Branch Register

The Company may cause a Register of Shareholders to be kept in any place (including without limitation, a branch register) and the Directors may from time to time make such provisions as they (subject to the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules) may think fit with respect to the keeping of any such Register.

8.11 Compliance with ASX Settlement Operating Rules

The Company shall comply with the ASX Settlement Operating Rules and the Listing Rules in relation to all matters covered by those rules.

8.12 Issuer Sponsored Subregister

The Company may establish and maintain an issuer sponsored subregister in compliance with any relevant provisions of the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules.

8.13 Transferor Holds Shares until Registration of Transfer

A transferor of Shares remains the registered holder of the Shares transferred until an ASX Settlement Transfer has taken effect in accordance with the ASX Settlement Operating Rules or the transfer is registered in the name of the transferee and is entered in the Register of Shareholders in respect of them, whichever is the earlier.

9. TRANSMISSION OF SHARES

9.1 Death of Shareholder Leaving a Will

On the death of a Shareholder who leaves a will appointing an executor, the executor shall be entitled as from the date of death, and on behalf of the deceased Shareholder's estate, to the same dividends and other advantages and to the same rights whether in relation to meetings of the Company, or voting or otherwise, as the Shareholder would have been entitled to if he or she had not died, whether or not probate of the will has been granted. Nevertheless, if probate of the will is granted to a person or persons other than the executor first referred to in this clause 9, his or her executor's rights shall cease, and these rights shall only be exercisable by the person or persons to whom probate is granted as provided in clauses 9.2 and 9.3. The estate of a deceased Shareholder will not be released from any liability to the Company in respect of the Shares.

9.2 Death or Bankruptcy of Shareholder

Subject to clause 9.1, where the registered holder of a Share dies or becomes bankrupt, his or her personal representative or the trustee of his or her estate, as the case may be, shall be entitled upon the production of such information as is properly required by the Directors, to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise), as the registered holder would have been entitled to if he or she had not died or become bankrupt.

9.3 Registration by Transmission or to Beneficiary

A person becoming entitled to a Share in consequence of the death or, subject to the Bankruptcy Act 1966, the bankruptcy of a Shareholder may, upon information being produced that is properly required by the Directors, elect by written notice to the Company either to be registered himself or herself as holder of the Share or to have some other person nominated by the person registered as the transferee of the Share. If this person elects to have another person registered, he or she shall execute a transfer of the Share to that other person.

9.4 Limitations to Apply

All the limitations, restrictions and provisions of this Constitution relating to the right to transfer Shares and the registration of a transfer of Shares are applicable to any notice or transfer as if the death or bankruptcy of the Shareholder had not occurred and the notice or transfer were a transfer signed by that Shareholder.

9.5 Death of a Joint Holder

In the case of the death of a Shareholder who was a joint holder, the survivor or survivors shall be the only persons recognised by the Company as having any title to the deceased's interest in the Shares, but this clause 9.5 does not release the estate of a deceased joint holder from any liability in respect of a Share that had been jointly held by this person with one or more other persons.

9.6 Joint Personal Representatives

Where two or more persons are jointly entitled to any Share in consequence of the death of the registered holder, they shall, for the purpose of this Constitution, be deemed to be joint holders of the Share.

9.7 ASX Settlement Transfer

In the case of an ASX Settlement Transfer the provisions of this clause 9 are subject to any obligation imposed on the Company or the person entitled to the relevant Shares on the death or bankruptcy of a member by the Listing Rules, the ASX Settlement Operating Rules or any law.

9.8 Joint Holders

If more than four persons are registered as holders of Shares in the Company in the Register of Shareholders (or a request is made to register more than three persons), then only the first four persons will be regarded as holders of Shares in the Company and all other names will be disregarded by the Company for all purposes.

10. CHANGES TO CAPITAL STRUCTURE

10.1 Alterations to Capital

Subject to the Listing Rules, the Corporations Act and the Constitution, the Company may:

- (a) issue new Shares;
- (b) consolidate and divide all or any of its Shares into Shares of larger amount than its existing Shares;
- (c) sub-divide all or any of its Shares into Shares of smaller amount, but so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each such Share of a smaller amount remains the same; and
- (d) cancel Shares that, at the date of the passing of a resolution of Shareholders (if applicable), have not been taken or agreed to be taken by any person or have been forfeited and, subject to the Corporations Act, reduce the amount of its share capital by the amount of the Shares so cancelled.

10.2 Reduction of Capital

Subject to the Corporations Act and the Listing Rules, the Company may reduce its share capital in any way including, but not limited to, distributing to shareholders securities of any other body corporate and, on behalf of the shareholders, consenting to each shareholder becoming a member of that body corporate and agreeing to be bound by the constitution of that body corporate.

10.3 Buy-Backs

- (a) In this clause "Buy-Back Provisions" means the provisions of Part 2J.1 Division 2 of the Corporations Act.
- (b) The Company may, subject to the Corporations Act and the Listing Rules and in accordance with the Buy-Back Provisions, purchase its own Shares on such terms and at such times as may be determined by the Directors from time to time:
- (c) The Company may give financial assistance to any person or entity for the purchase of its own Shares in accordance with the Buy-Back Provisions on such terms and at such times as may be determined by the Directors from time to time.

11. GENERAL MEETINGS

11.1 Convening of General Meetings of Shareholders

The Directors may, by a resolution passed by a majority of Directors, convene a general meeting of Shareholders in accordance with this clause 11 and the requirements of the Corporations Act.

11.2 Postponement of a General Meeting of Shareholders

The Directors may, subject to the Corporations Act and the Listing Rules, postpone a meeting of Shareholders or change the place for a general meeting of shareholders by giving written notice to Shareholders or, if the Company is admitted to the Official List of ASX, ASX. If a meeting of Shareholders is postponed for one month or more, the Company must give new notice of the postponed meeting.

11.3 Cancellation of a General Meeting of Shareholders

- (a) A general meeting of Shareholders convened by the Directors in accordance with clause 11.1 may be cancelled by a resolution passed by a majority of Directors.
- (b) Notice of the cancellation of a general meeting of Shareholders must be given to the Shareholders in accordance with clause 25, but notice of such cancellation must be given to each Shareholder not less than two (2) days prior to the date on which the meeting was proposed to be held.

11.4 Convening of General Meetings of Shareholders by a Director

Any Director may, whenever he or she thinks fit, convene a general meeting of Shareholders, and a general meeting shall also be convened on requisition as is provided for by the Corporations Act, or in default, may be convened by such requisitions as empowered to do so by the Corporations Act. If there are no Directors for the time being, a Secretary may convene a general meeting of Shareholders for the purpose of enabling the election of Directors but for no other purpose.

11.5 Notice

A notice of a general meeting shall be given in accordance with the requirements of the Corporations Act, clause 25 and the Listing Rules, and:

- (a) must specify the date, time and place (or places) of the meeting, and if the meeting is to be held in two or more places, or wholly using technology approved by directors, details of the technology that will be used to facilitate the holding of the general meeting, and the participation of members and other eligible attendees;
- (b) must state the general nature of the business to be transacted at the meeting;
- (c) must include such statements about the appointment of proxies as are required by the Corporations Act; and
- (d) must specify a place and/or a fax number and/or an electronic address and/or other appropriate technology approved by the directors for the purposes of receipt of proxy appointments,

and shall include any other information required to be included in the notice by the Listing Rules. The non-receipt of a notice of a general meeting by a Shareholder or the accidental omission to give this notice to a Shareholder shall not invalidate any resolution passed at the meeting.

11.6 Technology

Subject to the Corporations Act, the Listing Rules and any applicable law:

- (a) a general meeting may be held at two or more venues using any technology that gives the Shareholders as a whole a reasonable opportunity to participate;
- (b) a general meeting may be hybrid (electronic and in-person) using any technology that gives the Shareholders as a whole a reasonable opportunity to participate; or
- (c) a general meeting may be held virtually using any technology that gives the Shareholders as a whole a reasonable opportunity to participate.

If, before or during a general meeting of members, any technical difficulty occurs, such that the members as a whole do not have a reasonable opportunity to participate, the chair of the meeting may:

- (d) adjourn the meeting until the technical difficulty is remedied; or
- (e) where a quorum remains present (either at the place at which the chair is present or by technology contemplated by this clause 11.6) and able to participate, subject to the Corporations Act, continue the meeting (in which case no member may object to the meeting being held or continuing).

11.7 Business at General Meeting

Subject to the Corporations Act, only matters that appear in a notice of meeting shall be dealt with at a general meeting or an annual general meeting, as the case may be.

11.8 Notice to Home Branch

- (a) The Company shall notify the Home Branch of any meeting at which Directors are to be elected at least 5 Business Days before the closing day for receipt of nominations for

Directors, and in any other case (other than a meeting to pass a special resolution) at least 10 Business Days before the meeting is held, and in the case of a meeting convened to pass a special resolution, at least 15 Business Days before the meeting is held. All notices convening meetings shall specify the place, date and hour of the meeting, and shall set out all resolutions to be put to the meeting.

- (b) The Company shall notify the Home Branch as soon as is practicable after any general meeting in the case of special business as to whether or not the resolutions were carried and in the case of ordinary business as to which of those resolutions were not carried or were amended or were withdrawn.

11.9 Annual General Meeting

An annual general meeting shall be held in accordance with the requirements of the Corporations Act.

12. PROCEEDINGS AT GENERAL MEETINGS

12.1 Quorum

No business shall be transacted at any general meeting unless a quorum is present comprising 2 Shareholders present in person, by proxy, attorney or Representative. For the purpose of determining whether a quorum is present, a person attending as a proxy, attorney or Representative, shall be deemed to be the Shareholder present in person. If a quorum is not present within 30 minutes after the time appointed for a general meeting, the meeting, if convened upon a requisition shall be dissolved, but in any other case, it shall stand adjourned to a date and place to be fixed by the Directors. If at such adjourned meeting a quorum is not present, the Shareholders present in person, by proxy, attorney or Representative shall constitute a quorum.

12.2 Persons Entitled to Attend a General Meeting

The persons entitled to attend a general meeting shall be:

- (a) Shareholders, in person, by proxy, attorney or Representative;
- (b) Directors;
- (c) the Company's auditor; and
- (d) any other person or persons as the chairman may approve.

12.3 Refusal of Admission to Meetings

The chairman of a general meeting may refuse admission to a person, or require a person to leave and not return to, a meeting if the person:

- (a) refuses to permit examination of any article in the person's possession;
- (b) is in possession of any:
 - (i) electronic or recording device;
 - (ii) placard or banner; or
 - (iii) other article,

which the chairman considers to be dangerous, offensive or liable to cause disruption; or

- (c) causes any disruption to the meeting.

12.4 Chairman

The person elected as the chairman of the Directors' meeting under clause 15.9 shall, if willing, preside as chairman at every general meeting. Where a general meeting is held and a chairman has not been elected under clause 15.9 or the chairman or, in his absence, the deputy chairman is not present within 15 minutes after the time appointed for holding of the meeting or is unwilling to act:

- (a) the Directors present may elect a chairman of the meeting; or
- (b) if no chairman is elected in accordance with subsection (a), the Shareholders present shall elect one of their number to be the acting chairman of the meeting.

12.5 Vacating Chair

At any time during a meeting and in respect of any specific item or items of business, the chairman may elect to vacate the chair in favour of another person nominated by the chairman (which person must be a Director unless no Director is present or willing to act). That person is to be taken to be the chairman and will have all the power of the chairman (other than the power to adjourn the meeting), during the consideration of that item of business or those items of business.

12.6 Disputes Concerning Procedure

If there is a dispute at a general meeting about a question of procedure, the chairman may determine the question.

12.7 General Conduct

The general conduct of each general meeting of the Company and the procedures to be adopted at the meeting will be determined by the chairman, including the procedure for the conduct of the election of Directors.

12.8 Casting Vote

In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

12.9 Adjournment

The chairman may, with the consent of the meeting, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted on the resumption of any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. A poll cannot be demanded on any resolution concerning the adjournment of a general meeting except by the chairman.

12.10 Notice of Resumption of Adjourned Meeting

When a meeting is adjourned for 30 days or more, notice of the resumption of the adjourned meeting shall be given in the same manner as for the original meeting, but otherwise, it is not necessary to give any notice of any adjournment or of the business to be transacted on the resumption of the adjourned meeting.

12.11 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

12.12 Voting – Procedural Resolutions

At any general meeting a procedural resolution put to the vote of the meeting may be decided on a show of hands unless a poll is demanded in accordance with clause 12.15.

12.13 Voting – Substantive Resolutions

At any general meeting a substantive resolution put to the vote of the meeting shall be decided on a poll.

12.14 Results of Voting

Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

12.15 Poll

A poll may be demanded before or immediately upon the declaration of the result of the show of hands by:

- (a) the chairman of the general meeting;
- (b) at least 5 Shareholders present in person or by proxy, attorney or Representative having the right to vote on the resolution; or
- (c) any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote on the resolution.

12.16 Manner of Taking Poll

If a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.

12.17 Meeting May Continue

A demand for a poll shall not prevent the continuation of the meeting for the transaction of other business.

12.18 Voting by Joint Holders

In the case of joint holders of Shares, the vote of the senior who tenders a vote, whether in person or by proxy, attorney or Representative, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Shareholders.

12.19 Shareholder under Disability

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

12.20 Payment of Calls

A Shareholder is not entitled to any vote at a general meeting unless all calls presently payable by him in respect of Shares have been paid. Nothing in this clause prevents such a Shareholder from voting at a general meeting in relation to any other Shares held by that Shareholder provided all calls and other sums payable by him have been paid on those other Shares.

12.21 Objection to Voting

An objection may be raised to the qualification of a voter only at the meeting or adjourned meeting at which the vote objected to is given or tendered. This objection shall be referred to the chairman of the meeting, whose decision shall be final. A vote not disallowed pursuant to such an objection is valid for all purposes.

12.22 Proxies

A Shareholder who is entitled to attend and cast a vote at a general meeting may appoint a person as the Shareholder's proxy to attend and vote for the Shareholder at the general meeting. The appointment may specify the proportion or number of votes that the proxy may exercise. Each Shareholder may appoint a proxy. A Shareholder who is entitled to cast 2 or more votes at the meeting may appoint 2 proxies. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion of votes that the proxy may exercise, each proxy may exercise half the votes. Any fraction of votes resulting from the application of this clause 12.22 shall be disregarded. An instrument appointing a proxy:

- (a) shall be in writing under the hand of the appointor or of his attorney, or, if the appointor is a corporation, executed in accordance with the Corporations Act;
- (b) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
- (c) shall be deemed to confer authority to demand or join in demanding a poll;
- (d) shall be in such form as the Directors determine and which complies with Division 6 of Part 2G.2 of the Corporations Act;

- (e) shall not be valid unless the original instrument and the power of attorney or other authority (if any) under which the instrument is signed, or a copy or facsimile which appears on its face to be an authentic copy of that proxy, power or authority, is or are deposited or sent by facsimile transmission to the Registered Office, or at such other place (being the place or being in the reasonable proximity of the place at which the meeting is to be held) as is specified for that purpose in the notice convening the meeting, duly stamped where necessary, by the time (being not less than 48 hours) prior to the commencement of the meeting (or the resumption of the meeting if the meeting is adjourned and notice is given in accordance with clause 12.10) as shall be specified in the notice convening the meeting (or the notice under clause 12.10, as the case may be); and
- (f) shall comply with the Listing Rules.

12.23 No right to speak or vote if appointing Shareholder is present

The appointment of a proxy or attorney is not revoked if the appointing Shareholder is present in person or by corporate representative at a general meeting, but the proxy or attorney must not speak or vote at the meeting while the appointing Shareholder is so present.

12.24 Electronic Appointment of Proxy

For the purposes of clause 12.22, an appointment received at an electronic address will be taken to be signed by the appointor if:

- (a) a personal identification code allocated by the Company to the appointor has been input into the appointment; or
- (b) the appointment has been verified in another manner approved by the Directors.

12.25 Proxy Votes

A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or the authority under which the instrument was executed) or the transfer of the Share in respect of which the instrument or power is given, if no intimation in writing of the death, unsoundness of mind, revocation or transfer has been received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised.

12.26 Representatives of Corporate Shareholders

A body corporate (the **appointor**) that is a Shareholder may authorise, in accordance with Section 250D of the Corporations Act, by resolution of its Directors or other governing body, such person or persons as it may determine to act as its Representative at any general meeting of the Company or of any class of Shareholders. A person so authorised shall be entitled to exercise all the rights and privileges of the appointor as a Shareholder. When a Representative is present at a general meeting of the Company, the appointor shall be deemed to be personally present at the meeting unless the Representative is otherwise entitled to be present at the meeting. The original form of appointment of a Representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a Representative is evidence of a Representative having been appointed.

13. THE DIRECTORS**13.1 Number of Directors**

The Company shall at all times have at least 3 Directors. The number of Directors shall not exceed 9. Subject to the Corporations Act, the Company may, by ordinary resolution, increase or reduce the minimum or maximum number of Directors that the Company may have and may also determine in what rotation the increased or reduced number is to go out of office. Subject to any resolution of the Company determining the maximum and minimum numbers of Directors, the Directors may from time to time determine the respective number of Executive and Non Executive Directors.

13.2 Rotation of Directors

Subject to clause 17.4, at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded down in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election. An election of Directors shall take place each year.

13.3 Election of Directors

Subject to the provisions of this Constitution, the Company may elect a person as a Director by resolution passed in general meeting. A Director elected at a general meeting is taken to have been elected with effect immediately after the end of that general meeting unless the resolution by which the Director was appointed or elected specifies a different time. No person other than a Director seeking re-election shall be eligible for election to the office of Director at any general meeting unless the person or some Shareholder intending to propose his or her nomination has, at least 30 Business Days before the meeting, left at the Registered Office a notice in writing duly signed by the nominee giving his or her consent to the nomination and signifying his or her candidature for the office or the intention of the Shareholder to propose the person. Notice of every candidature for election as a Director shall be given to each Shareholder with or as part of the notice of the meeting at which the election is to take place. The Company shall observe the requirements of Section 225 of the Corporations Act with respect to the election of Directors. If the number of nominations exceeds the vacancies available having regard to clause 13.1, the order in which the candidates shall be put up for election shall be determined by the drawing of lots supervised by the Directors and once sufficient candidates have been elected to fill up the vacancies available, the remaining candidates shall be deemed defeated without the need for votes to be taken on their election.

13.4 Additional Directors

The Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by this Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

13.5 Removal of Director

The Company may by resolution remove any Director before the expiration of his period of office, and may by resolution appoint another person in his place. The person so appointed is subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

13.6 Vacation of Office

The office of Director shall automatically become vacant if the Director:

- (a) ceases to be a Director by virtue of Section 203D or any other provision of the Corporations Act;
- (b) becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) becomes prohibited from being a Director by reason of any order made under the Corporations Act;
- (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (e) resigns his or her office by notice in writing to the Company;
- (f) is removed from office under clause 13.5; or
- (g) is absent for more than 6 months, without permission of the Directors, from meetings of the Directors held during that period.

13.7 Remuneration

The Directors shall be paid out of the funds of the Company, by way of remuneration for their services as Directors. Subject to clause 13.8 below, the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares. No non-executive Director shall be paid as part or whole of his remuneration a commission on or a percentage of profits or a commission or a percentage of operating revenue, and no executive Director shall be paid as whole or part of his remuneration a commission on or percentage of operating revenue. The remuneration of a Director shall be deemed to accrue from day to day.

13.8 Fees to Directors

The total aggregate fixed sum per annum to be paid to Directors (excluding salaries of executive Directors) in accordance with clause 13.7 shall initially be no more than \$500,000 and may be varied by ordinary resolution of the Shareholders in General Meeting.

13.9 Expenses

The Directors shall be entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors. If any of the Directors being willing are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Directors may remunerate this Director in accordance with such services or exertions, and this remuneration may be either in addition to or in substitution for his

or her share in the remuneration provided for by clause 13.7.

13.10 No Share Qualification

A Director is not required to hold any Shares.

14. POWERS AND DUTIES OF DIRECTORS

14.1 Management of the Company

Subject to the Corporations Act and the Listing Rules and to any other provision of this Constitution, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and forming the Company, and may exercise all such powers of the Company as are not, by the Corporations Act or the Listing Rules or by this Constitution, required to be exercised by the Company in general meeting.

14.2 Borrowings

Without limiting the generality of clause 14.1, the Directors may at any time:

- (a) exercise all powers of the Company to borrow money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person;
- (b) subject to the Corporations Act and the Listing Rules (if applicable), sell or otherwise dispose of the whole or any part of the assets, undertakings and other properties of the Company or any that may be acquired on such terms and conditions as they may deem advisable, but:
 - (i) if the Company is listed on ASX, the Company shall comply with the Listing Rules which relate to the sale or disposal of a company's assets, undertakings or other properties; and
 - (ii) on the sale or disposition of the Company's main undertaking or on the liquidation of the Company, no commission or fee shall be paid to any Director or Directors or to any liquidator of the Company unless it shall have been ratified by the Company in general meeting, with prior notification of the amount of such proposed payments having been given to all Shareholders at least 7 days prior to the meeting at which any such payment is to be considered; and
- (c) take any action necessary or desirable to enable the Company to comply with the Listing Rules.

14.3 Attorneys

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

14.4 Cheques, etc.

All cheques, promissory notes, bankers drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by any two Directors or in any other manner as the Directors determine.

14.5 Retirement Benefits for Directors

The Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide retiring or superannuation benefits for both present and future non-executive Directors, and they may from time to time vary this scheme or plan. Any scheme or plan may be effected by agreements entered into by the Company with individual Directors, or by the establishment of a separate trust or fund, or in any other manner the Directors consider proper. The Directors may attach any terms and conditions to any entitlement under any such scheme or plan that they think fit, including, without limitation, a minimum period of service by a Director before the accrual of any entitlement and the acceptance by the Directors of a prescribed retiring age. No scheme or plan shall operate to confer upon any Director or on any of the dependants of any Director any benefits exceeding those contemplated in Section 200F of the Corporations Act or the Listing Rules, except with the approval of the Company in general meeting.

14.6 Securities to Directors or Shareholders

If a Director acting solely in the capacity of Director of the Company shall become personally liable for the payment of any sum primarily due by the Company, the Directors may create any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the persons or person so becoming liable from any loss in respect of such liability.

15. PROCEEDINGS OF DIRECTORS

15.1 Convening a Meeting

- (a) A Director may at any time, and a Secretary shall, whenever requested to do so by one or more Directors, convene a meeting of the Directors, but not less than 24 hours' notice of every such meeting shall be given to each Director either by personal telephone contact or in writing by the convenor of the meeting. The Directors may by unanimous resolution agree to shorter notice.
- (b) An accidental omission to send a notice of a meeting of Directors to any Director or the non-receipt of such a notice by any Director does not invalidate the proceedings, or any resolution passed, at the meeting so long as:
 - (i) all reasonable measures were taken to notify that Director of the meeting; and
 - (ii) the Directors in attendance at the meeting were of the opinion, acting reasonably, that the meeting was required to be held to prevent a breach by the Company or any of the Directors of any obligation under law including the Corporations Act and the Listing Rules.

15.2 Procedure at Meetings

The Directors may meet together for the despatch of business and adjourn and, subject to this clause 15, otherwise regulate the meetings as they think fit.

15.3 Quorum

No business shall be transacted at any meeting of Directors unless a quorum is present, comprising 2 Directors present in person, or by instantaneous communication device, notwithstanding that less than 2 Directors may be permitted to vote on any particular resolution or resolutions at that meeting for any reason whatsoever. Where a quorum cannot be established for the consideration of a particular matter at a meeting of Directors, one or more of the Directors may call a general meeting of the Company to deal with the matter.

15.4 Secretary May Attend and Be Heard

The Secretary is entitled to attend any meeting of Directors and is entitled to be heard on any matter dealt with at any meeting of Directors.

15.5 Majority Decisions

Questions arising at any meeting of Directors shall be decided by a majority of votes. A resolution passed by a majority of Directors shall for all purposes be deemed a determination of "the Directors". An Alternate Director has one vote for each Director for whom he or she is an alternate. If an Alternate Director is also a Director, he or she also has a vote as a Director.

15.6 Casting Votes

In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote, but the chairman shall have no casting vote where only 2 Directors are competent to vote on the question.

15.7 Alternate Directors

A Director may appoint any person to be an alternate Director in his or her place during any period as he or she thinks fit, and the following provisions shall apply with respect to any alternate Director:

- (a) he or she is entitled to notice of meetings of the Directors and, if his or her appointor Director is not present at such a meeting, he or she is entitled to attend and vote in the place of the absent Director;
- (b) he or she may exercise any powers that his or her appointor Director may exercise, and the exercise of any such power by the alternate Director shall be deemed to be the exercise of the power by his or her appointor Director;
- (c) he or she is subject to the provisions of this Constitution which apply to Directors, except that Alternate Directors are not entitled in that capacity to any remuneration from the Company;
- (d) he or she is not required to hold any Shares;
- (e) his or her appointment may be terminated at any time by his or her appointor Director notwithstanding that the period of the appointment of the alternate Director has not expired, and the appointment shall terminate in any event if his or her appointor Director vacates office as a Director; and
- (f) the appointment, or the termination of an appointment, of an alternate Director shall be effected by a written notice signed by the Director who made the appointment given to the Company.

15.8 Continuing Directors May Act

In the event of a vacancy or vacancies in the office of a Director, the remaining Directors may act but, if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of Directors, they may act only for the purposes of appointing a Director or Directors, or in order to convene a general meeting of the Company.

15.9 Chairman

The Directors shall elect from their number a chairman of their meetings and may determine the period for which he or she is to hold office. Where a Directors' meeting is held and a chairman has not been elected or is not present at the meeting within 10 minutes after the time appointed for the meeting to begin, the Directors present shall elect one of their number to be the acting chairman of the meeting. The Directors may elect a Director as deputy chairman to act as chairman in the chairman's absence.

15.10 Committees

The Directors may delegate any of their powers to a committee or committees consisting of such of their number as they think fit. The Directors may at any time revoke any such delegation of power. A committee to which any powers have been so delegated shall exercise the powers delegated in accordance with any directions of the Directors, and a power so exercised shall be deemed to have been exercised by the Directors. The members of such a committee may elect one of their number as chairman of their meetings. Questions arising at a meeting of a committee shall be determined by a majority of votes of the members present and voting. In the case of an equality of votes, the chairman shall have a casting vote.

15.11 Written Resolutions

A resolution in writing signed by all the Directors for the time being (or their respective alternate Directors), except those Directors (or their alternates) who expressly indicate their abstention in writing to the Company and those who would not be permitted, by virtue of Section 195 of the Corporations Act to vote, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. This resolution may consist of several documents in like form, each signed by one or more Directors. Copies of the documents to be signed under this clause must be sent to every Director who is entitled to vote on the resolution. The resolution is taken to have been passed when the last Director signs the relevant documents. A telex, telegram, facsimile transmission or other document produced by mechanical means and bearing the signature of the Director, printed mechanically and with his authority, shall be deemed to be a document in writing signed by the Directors.

15.12 Defective Appointment

All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be, or to act as, a Director, or that a person so appointed was disqualified, as valid as if the person had been duly appointed and was qualified to be a Director or to be a member of the committee.

15.13 Directors May Hold Other Offices

A Director may hold any other office or place of profit in or in relation to the Company (except that of auditor) in conjunction with his or her office of Director and on any terms as to remuneration or otherwise that the Directors shall approve.

15.14 Directors May Hold Shares, etc.

A Director may be or become a shareholder in or director of or hold any other office or place of profit in or in relation to any other company promoted by the Company or in which the Company may be interested, whether as a vendor, shareholder or otherwise.

15.15 Directors Not Accountable for Benefits

No Director shall be accountable for any benefits received as the holder of any other office or place of profit in or in relation to the Company or any other company referred to in clause 15.14 or as a shareholder in or director of any such company.

15.16 Disclosure of Interests in Related Matters

As required by the Corporations Act, a Director must give the Directors notice of any material personal interest in a matter that relates to the affairs of the Company. No Director shall be disqualified by his office from contracting with the Company whether as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided or prejudiced on that account, nor shall any Director be liable to account to the Company for any profit arising from any such contract or agreement by reason only of such Director holding that office or of the fiduciary relationship thereby established, but a Director who has a material interest in a matter that is being considered at a meeting of the Directors must not vote on the matter (or in relation to a proposed resolution under Section 195(2) of the Corporations Act in relation to the matter) and must not be present while the matter (or a proposed resolution of that kind) is being considered at the meeting, except where the material interest is an interest that the Director has as a Shareholder of the Company and in common with the other Shareholders of the Company or where a resolution has been passed in accordance with Section 195(2) of the Corporations Act, in which cases the Director may be present but may not vote. Nothing in this Constitution shall be read or construed so as to place on a Director any restrictions other than those required by Section 195 of the Corporations Act or the Listing Rules.

15.17 Disclosure of Shareholding

A Director must give to the Company such information about the Shares or other securities in the Company in which the Director has a relevant interest and at the times that the Secretary requires, to enable the Company to comply with any disclosure obligations it has under the Corporations Act or the Listing Rules.

15.18 Related Body Corporate Contracts

A Director shall not be deemed to be interested or to have been at any time interested in any contract or arrangement by reason only that in a case where the contract or arrangement has been or will be made with, for the benefit of, or on behalf of a Related Body Corporate, he or she is a shareholder in that Related Body Corporate.

15.19 Voting, Affixation of Seal

A Director may in all respects act as a Director in relation to any contract or arrangement in which he or she is interested, including, without limiting the generality of the above, in relation to the use of the Company's common seal, but a Director may not vote in relation to any contract or proposed contract or arrangement in which the Director has directly or indirectly a material interest.

15.20 Home Branch to be Advised

The Directors shall advise the Home Branch without delay of any material contract involving

For personal use only

Director's or Directors' interests. The advice shall include at least the following information:

- (a) the names of the parties to the contract;
- (b) the name or names of the Director or Directors who has or have any material interest in the contract;
- (c) particulars of the contract; and
- (d) particulars of the relevant Director's or Directors' interest or interests in that contract.

16. MEETING BY INSTANTANEOUS COMMUNICATION DEVICE

16.1 Meetings to be Effectual

A Director shall be entitled to attend a Directors' meeting by means of an instantaneous communication device rather than in person. In those circumstances, a Director shall still receive all materials and information to be made available for the purposes of the Directors' meeting.

For the purposes of this Constitution, the contemporaneous linking together by instantaneous communication device of a number of consenting Directors not less than the quorum, whether or not any one or more of the Directors is out of Australia, shall be deemed to constitute a Directors' meeting and all the provisions of this Constitution as to the Directors' meetings shall apply to such meetings held by instantaneous communication device so long as the following conditions are met:

- (a) all the directors for the time being entitled to receive notice of the Directors' meeting (including any alternate for any Director) shall be entitled to notice of a meeting by instantaneous communication device for the purposes of such meeting. Notice of any such Directors' meeting shall be given on the instantaneous communication device or in any other manner permitted by this Constitution;
- (b) each of the Directors taking part in the Directors' meeting by instantaneous communication device must be able to hear each of the other Directors taking part at the commencement of the Directors' meeting; and
- (c) at the commencement of the Directors' meeting each Director must acknowledge his or her presence for the purpose of a Directors' meeting of the Company to all the other Directors taking part.

A Directors' meeting held by instantaneous communication device shall be deemed to have been held at the Registered Office.

16.2 Procedure at Meetings

A Director may leave a Directors' meeting held under clause 16.1 by informing the Chairman of the Directors' meeting and then disconnecting his instantaneous communication device. Unless this procedure has been followed a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the Directors' meeting by instantaneous communication device.

16.3 Minutes

A minute of the proceedings at a meeting held under clause 16.1 shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the chairman or the person taking the chair at the meeting under clause 16.1.

16.4 Definition

For the purposes of this Constitution, "instantaneous communication device" shall include telephone, television or any other audio or visual device which permits instantaneous communication.

17. MANAGING AND EXECUTIVE DIRECTORS

17.1 Appointment

The Directors may from time to time appoint one or more persons of their number to the office of managing director ("**Managing Director**") of the Company or to any other office, (except that of auditor), or employment under the Company, either for a fixed term or at will, but not for life and, subject to the terms of any agreement entered into in a particular case, may revoke any such appointment. A Director other than a Managing Director so appointed is in this Constitution referred to as an executive director ("**Executive Director**"). The appointment of a Managing Director or Executive Director so appointed automatically terminates if he ceases for any reason to be a Director.

17.2 Remuneration

Subject to clause 13.7, a Managing Director or Executive Director shall, subject to the terms of any agreement entered into in a particular case, receive remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine.

17.3 Powers

The Directors may, upon such terms and conditions and with such restrictions as they think fit, confer upon a Managing Director or Executive Director any of the powers exercisable by them. Any powers so conferred may be concurrent with, or be to the exclusion of, the powers of the Directors. The Directors may at any time withdraw or vary any of the powers so conferred on a Managing Director.

17.4 Rotation

A Managing Director shall not retire by rotation in accordance with clause 13.2 or 13.4, but Executive Directors shall.

17.5 Multiple Managing Directors

If there are two or more Managing Directors at the same time:

- (a) the Board may nominate one of them as the Managing Director to be exempted from retirement under clauses 13.2 and 13.4 and may revoke the nomination at any time;
- (b) if a Managing Director has been nominated under clause 17.5(a) and the Board later nominates a different Managing Director under that rule, the one first nominated must retire at the next annual general meeting after the later nomination; and
- (c) if none of them is the subject of a current nomination under clause 7.3(a), each of them must retire as required by rule 13.2.

17.6 Secretary

A Secretary of the Company shall hold office on such terms and conditions, as to remuneration and otherwise, as the Directors determine. There must be at least one Secretary of the Company at all times.

18. SEALS

18.1 Common Seal

Subject to the Corporations Act, the Company may have a Seal. The Directors shall provide for the safe custody of the Seal. The Seal shall only be used by the authority of the Directors, or of a committee of the Directors authorised by the Directors to authorise the use of the Seal. Every document to which the Seal is affixed shall be signed by a Director and countersigned by another Director, (who may be an alternate Director) a Secretary or another person appointed by the Directors to countersign that document or a class of documents in which that document is included.

18.2 Execution of Documents Without a Seal

The Company may execute a document without using the Seal if the document is signed by:

- (a) two Directors; or
- (b) a Director and a Secretary.

18.3 Share Seal

Subject to the Corporations Act, the Company may have a duplicate Seal, known as the Share Seal, which shall be a facsimile of the Seal with the addition on its face of the words "**Share Seal**", and the following provisions shall apply to its use:

- (a) any certificate for Shares may be issued under the Share Seal and if so issued shall be deemed to be sealed with the Seal;
- (b) subject to the following provisions of this clause 18.3, the signatures required by clause 18.1 on a document to which the Seal is affixed may be imposed by some mechanical means;
- (c) subject to the following provisions of this clause 18.3, the Directors may determine the manner in which the Share Seal shall be affixed to any document and by whom a document to which the Share Seal is affixed shall be signed, and whether any signature so required on such a document must be actually written on the document or whether it may be imposed by some mechanical means;
- (d) the only documents on which the Share Seal may be used shall be Share or stock unit certificates, debentures or certificates of debenture stock, secured or unsecured notes, option certificates and any certificates or other documents evidencing any Share Options or rights to take up any Shares in or debenture stock or debentures or notes of the Company; and

- (e) signatures shall not be imposed by mechanical means nor (except when the requirements of clause 18.1 as to signatures are complied with) shall the Share Seal be used on any certificate or other document mentioned in clause 18.3(d) unless the certificate or other document has first been approved for sealing or signature (as the case may be) by the Board or other authorised person or persons.

19. ACCOUNTS, AUDIT AND RECORDS

19.1 Accounting records to be kept

The Directors shall cause proper accounting and other records to be kept by the Company and shall distribute copies of the Company's accounts and reports as required by the Corporations Act and the Listing Rules.

19.2 Audit

The Company shall comply with the requirements of the Corporations Act and the Listing Rules as to the audit of accounts, registers and records.

19.3 Inspection

The Directors shall determine whether and to what extent, and at what time and places and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of Shareholders other than Directors. A Shareholder other than a Director shall not be entitled to inspect any document of the Company except as provided by law or authorised by the Directors or by the Company in general meeting.

20. MINUTES

20.1 Minutes to be Kept

The Directors shall cause to be kept, in accordance with Section 1306 of the Corporations Act, minutes of:

- (a) all proceedings of general meetings and Directors meetings; and
- (b) all appointments of Officers and persons ceasing to be Officers.

20.2 Signature of Minutes

All minutes shall be signed by the chairman of the meeting at which the proceedings took place or by the chairman of the next succeeding meeting.

20.3 Requirements of the Corporations Act

The Company and the Officers shall comply with the requirements of Part 2G.3 of Chapter 2G of the Corporations Act.

21. DIVIDENDS AND RESERVES

21.1 Dividends

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

21.2 Interim Dividend

The Directors may from time to time pay to the Shareholders any interim dividends that they may determine.

21.3 No Interest

No dividend shall carry interest as against the Company.

21.4 Reserves

The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied. Pending any application of the reserves, the Directors may invest or use the reserves in the business of the Company or in other investments as they think fit.

21.5 Alternative Method of Payment of Dividend

When declaring any dividend and subject at all times to the Corporations Act and the Listing Rules, the Directors may:

- (a) direct payment of the dividend to be made wholly or in part by the distribution of specific assets or documents of title (including, without limitation, paid-up Shares, debentures or debenture stock of this or any other company, gold, gold or mint certificates or receipts and like documents) or in any one of more of these ways, and where any difficulty arises with regard to the distribution the Directors may settle it as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of specific assets or any part of them and may determine that cash payments shall be made to any Shareholders upon the basis of the value so fixed in order to adjust the rights of all parties and may vest any of these specific assets in trustees upon trusts for the persons entitled to the dividend as may seem expedient to the Directors; or
- (b) direct that a dividend be payable to particular Shareholders wholly or partly out of any particular fund or reserve or out of profits derived from any particular source and to the remaining Shareholders wholly or partly or of any other particular fund or reserve or out of profits derived from any other particular source and may so direct notwithstanding that by so doing the dividend will form part of the assessable income for taxation purposes of some Shareholders and will not form part of the assessable income of others.

For the purposes of this clause, the Company is authorised to distribute securities of another body corporate by way of dividend and, on behalf of the shareholders, provide the consent of each shareholder to becoming a member of that body corporate and the agreement of each shareholder to being bound by the constitution of that body corporate.

21.6 Payment of Dividends

All dividends shall be dispatched simultaneously to the Shareholders entitled to the dividend. Any dividend payable may be paid by:

- (a) cheque sent through the mail directed to:
 - (i) the address of the Shareholder shown in the Register or to the address of the joint holders of Shares shown first in the Register; or
 - (ii) an address which the Shareholder has, or joint holders have, in writing notified the Company as the address to which dividends should be sent;
- (b) electronic funds transfer to an account with a bank or other financial institution nominated by the Shareholder and acceptable to the Company; or
- (c) any other means determined by the Directors.

21.7 Unclaimed Dividends

Except as otherwise provided by statute, all dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

21.8 Breach of Restriction Agreement

In the event of a breach of the Listing Rules relating to Restricted Securities or of any escrow arrangement entered into by the Company under the Listing Rules in relation to any Shares which are classified under the Listing Rules or by ASX as Restricted Securities, the Shareholder holding the Shares in question shall cease to be entitled to be paid any dividends in respect of those Shares for so long as the breach subsists.

22. CAPITALISATION OF PROFITS

22.1 Capitalisation

The Directors, subject to the Listing Rules, may from time to time determine to capitalise any amount, being the whole or a part of the amount for the time being standing to the credit of any reserve account or the profit and loss account or otherwise available for distribution to Shareholders, and that that amount be applied, in any of the ways mentioned in clause 22.2 for the benefit of Shareholders in the proportions to which those Shareholders would have been entitled in a distribution of that amount by way of dividend.

22.2 Application of Capitalised Amounts

The ways in which an amount may be applied for the benefit of Shareholders under clause 22.1 are:

- (a) in paying up any amounts unpaid on Shares held by Shareholders;
- (b) in paying up in full unissued Shares or debentures to be issued to Shareholders as fully paid; or
- (c) partly as mentioned in paragraph (a) and partly as mentioned in paragraph (b).

22.3 Procedures

The Directors shall do all things necessary to give effect to the resolution referred to in clause 22.1 and, in particular, to the extent necessary to adjust the rights of the Shareholders among themselves, may:

- (a) issue fractional certificates or make cash payments in cases where Shares or debentures could only be issued in fractions; and
- (b) authorise any person to make, on behalf of all the Shareholders entitled to any further Shares or debentures upon the capitalisation, an agreement with the Company providing for the issue to them, credited as fully paid up, of any further Shares or debentures or for the payment up by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing Shares by the application of their respective proportions of the sum resolved to be capitalised,

and any agreement made under an authority referred to in paragraph (b) is effective and binding on all the Shareholders concerned.

23. BONUS SHARE PLAN

23.1 Authorisation of Bonus Share Plan

Subject to the Listing Rules and the Corporations Act, the Company may, by ordinary resolution in general meeting, authorise the Directors to implement a Bonus Share Plan on such terms and conditions as are referred to in the resolution and which plan provides for any dividend which the Directors may declare from time to time under clause 21, less any amount which the Company shall either pursuant to this Constitution or any law be entitled or obliged to retain, not to be payable on Shares which are participating Shares in the Bonus Share Plan but for those Shares to carry instead an entitlement to receive an allotment of additional fully paid ordinary Shares to be issued as bonus Shares.

23.2 Amendment and Revocation

Any resolution passed by the Company in general meeting pursuant to clause 23.1 may, at any time, be amended or revoked by the Company by ordinary resolution in general meeting.

24. DIVIDEND REINVESTMENT PLAN

24.1 Authorisation of Dividend Reinvestment Plan

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a Dividend Reinvestment Plan on such terms and conditions as are referred to in the resolution and which plan provides for any dividend which the Directors may declare from time to time under clause 21 and payable on Shares which are participating Shares in the Dividend Reinvestment Plan, less any amount which the Company shall either pursuant to this Constitution or any law be entitled or obliged to retain, to be applied by the Company to the payment of the subscription price of ordinary fully paid Shares.

24.2 Amendment and Revocation

Any resolution passed by the Directors pursuant to clause 24.1 may, at any time, be amended or revoked by the Company by ordinary resolution in general meeting.

25. NOTICES

25.1 Service

A notice may be given by the Company to any Shareholder either by:

- (a) serving it on him or her personally; or
- (b) by sending it by post to the Shareholder at his or her address as shown in the Register of Shareholders or the address supplied by the Shareholder to the Company for the giving of notices to this person. Notices to Shareholders whose registered address is outside Australia shall be sent by airmail or, where applicable, by the means provided for by clause 25.7; or
- (c) be sending it to the fax number or electronic address (if any) nominated by the member.

25.2 Deemed receipt of Notice

A notice will be deemed to be received by a Shareholder when:

- (a) where a notice is served personally, service of the notice shall be deemed to be effected when hand delivered to the member in person;
- (b) where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and to have been effected, in the case of a notice of a meeting, on the date after the date of its posting and, in any other case, at the time at which the letter would be delivered in the ordinary course of post;
- (c) where a notice is sent by facsimile, service of the notice shall be deemed to be effected upon confirmation being received by the Company that all pages of the notice have been successfully transmitted to the member's facsimile machine at the facsimile number nominated by the member; and
- (d) where a notice is sent to an electronic address by electronic means, service of the notice shall be deemed to be effected once sent by the Company to the electronic address nominated by the member (regardless of whether or not the notice is actually received by the member).

25.3 Notice to Joint Holders

A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder first named in the Register of Shareholders in respect of the Share.

25.4 Notices to Personal Representatives and Others

A notice may be given by the Company to a person entitled to a Share in consequence of the death or bankruptcy of a Shareholder by serving it on him or her or by sending it to him or her by post addressed to the person by name or by the title or representative of the deceased or assignee of the bankrupt, or by any like description, at the address (if any) supplied for the purpose by the person or, if such an address has not been supplied, at the address to which the notice might have been sent if the death or bankruptcy has not occurred.

25.5 Persons Entitled to Notice

Notice of every general meeting shall be given to:

- (a) every Shareholder;
- (b) every person entitled to a Share in consequence of the death or bankruptcy of a Shareholder who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
- (c) every Director or Alternate Director;
- (d) the auditor for the time being of the Company; and
- (e) if the Company has issued and there are currently any Listed Securities, the Home Branch.

No other person is entitled to receive notices of general meetings.

25.6 Change of Address

The Company shall acknowledge receipt of all notifications of change of address by Shareholders.

25.7 Incorrect Address

Where the Company has bona fide reason to believe that a Shareholder is not known at his or her registered address, and the Company has subsequently made an enquiry in writing at that address as to the whereabouts of the Shareholder and this enquiry either elicits no response or a response indicating that the Shareholder or his present whereabouts are unknown, all future notices will be deemed to be given to the Shareholder if the notice is exhibited in the Registered Office (or, in the case of a member registered on a Branch Register, in a conspicuous place in the place where the Branch Register is kept) for a period of 48 hours (and shall be deemed to be duly served at the commencement of that period) unless and until the Shareholder informs the Company of a new address to which the Company may send him notices (which new address shall be deemed his registered address).

26. WINDING UP

26.1 Distribution in Kind

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set a value as the liquidator considers fair upon any property to be so decided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

26.2 Trust for Shareholders

The liquidator may, with the authority of a special resolution, vest the whole or any part of any property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

26.3 Distribution in Proportion to Shares Held

Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding-up and the Corporations Act all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

27. INDEMNITIES AND INSURANCE

27.1 Liability to Third Parties

The Company:

- (a) indemnifies and agrees to keep indemnified every director, principal executive officer or secretary of the Company;
- (b) may, by deed, indemnify or agree to indemnify an officer (other than a director, principal executive officer or secretary) of the Company,

against a liability to another person, other than the Company or a related body corporate of the Company, PROVIDED THAT:

- (c) the provisions of the Corporations Act (including, but not limited to, Chapter 2E) are complied with in relation to the giving of the indemnity; and
- (d) the liability does not arise in respect of conduct involving a lack of good faith on the part of the officer.

27.2 Defending Proceedings

The Company:

- (a) hereby indemnifies and agrees to keep indemnified every director, principal executive officer and secretary of the Company; and
- (b) may, by deed, indemnify or agree to indemnify an officer of the Company (other than a director, principal executive officer or secretary);

out of the property of the Company in relation to the period during which that officer held his or her office against a liability for costs and expenses incurred by that officer in that capacity:

- (c) in defending proceedings, whether civil or criminal, in which:
 - (i) judgment is given in favour of that officer; or
 - (ii) that officer is acquitted; or
- (d) in connection with an application in relation to any proceedings referred to in clause 27.2(c) in which relief is granted to that officer by the Court under the Corporations Act.

27.3 Insurance

The Company or a related body corporate of the Company may pay, or agree to pay, a premium under a contract insuring an officer in relation to the period during which that officer held that

office, including in respect of a liability for costs and expenses incurred by a person in defending civil or criminal proceedings whether or not the officer has successfully defended himself or herself in these proceedings, provided that:

- (a) the provisions of the Corporations Act (including, but not limited to, Chapter 2E) are complied with in relation to the payment of the premium; and
- (b) the liability does not arise out of conduct involving a wilful breach of duty to the Company or a contravention of Sections 184(2) or (3) of the Corporations Act.

27.4 Disclosure

Subject to any exception provided for in the Corporations Act, full particulars of the Company's indemnities and insurance premiums in relation to the officers must be included each year in the Directors' Report.

27.5 Definition

For the purposes of this clause 27, "officer" means:

- (a) a director, secretary or executive officer of the Company, whether past, present or future by whatever name called and whether or not validly appointed to occupy or duly authorised to act in such a position; and
- (b) any person who by virtue of any applicable legislation or law is deemed to be a director or officer of the Company, including without limitation, the persons defined as an officer of a company by Section 9 of the Corporations Act.

Nothing in this clause 27 precludes the Company from indemnifying employees (other than officers) and consultants or sub-contractors where the Directors consider it is necessary or appropriate in the exercise of their powers to manage the Company.

28. DIRECTORS ACCESS TO INFORMATION

Where the Directors consider it appropriate, the Company may:

- (a) give a former Director access to certain papers, including documents provided or available to the Directors and other papers referred to in those documents; and
- (b) bind itself in any contract with a Director or former Director to give the access.

29. OVERSEAS SHAREHOLDERS

Each Shareholder with a registered address outside Australia acknowledges that, with the approval of the Home Branch, the Company may, as contemplated by the Listing Rules, arrange for a nominee to dispose of any of its entitlement to participate in any issue of Shares or Share Options by the Company to Shareholders.

30. LOCAL MANAGEMENT

30.1 Local Management

The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality whether in or outside the State in such manner as it thinks fit and the provisions contained in clauses 30.2, 30.3 and 30.4 shall be without prejudice to the

general powers conferred by this clause 30.1.

30.2 Local Boards or Agencies

The Directors may at any time and from time to time establish any local boards or agencies for managing any of the affairs of the Company in any specified locality and appoint any persons to be members of a local board or any managers or agents and may fix their remuneration. The Directors may from time to time and at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors other than the power of making calls and may authorise the members for the time being of any local board or any of them to fill up any vacancies on a local board and to act notwithstanding vacancies. This appointment or delegation may be made on the terms and subject to the conditions that the Directors think fit and the Directors may at any time remove any person so appointed and may annul or vary any or all of this delegation.

30.3 Appointment of Attorneys

The Company may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys of the Company for purposes and with powers, authorities and discretions (not exceeding those vested in or exercisable by the Company) and for the period and subject to the conditions that the Company may from time to time think fit. This appointment may (if the Company thinks fit) be made in favour of the Shareholders or any of the members of any local board established under clause 30.2 or in favour of any company or of the shareholders, directors, nominees or managers of any company or firm or in favour of any fluctuating body of persons whether or not nominated directly by the Company. The power of attorney may contain any provisions for the protection or convenience of persons dealing with such attorney or attorneys that the Company thinks fit.

30.4 Authority of Attorneys

Any such delegates or attorneys as appointed under this Constitution may be authorised by the Company to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

31. DISCOVERY

Save as provided by the Corporations Act or the Listing Rules no Shareholder shall be entitled to require discovery of any information in respect of any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or technical process which may relate to the business of the Company unless in the opinion of the Directors it would be expedient in the interests of the Shareholders of the Company to communicate.

32. COMPLIANCE (OR INCONSISTENCY) WITH THE LISTING RULES

If the Company is admitted to the Official List of ASX, the following clauses apply:

- (a) notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- (b) nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

- (d) if the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (e) if the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and
- (f) if any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of inconsistency.

33. CONSISTENCY WITH CHAPTER 2E OF THE CORPORATIONS ACT

33.1 Requirements of Chapter 2E

Notwithstanding any other provision to the contrary contained in this Constitution:

- (a) the Company shall not give a financial benefit to a related party except as permitted by Chapter 2E of the Corporations Act;
- (b) all notices convening general meetings for the purposes of Section 208 of the Corporations Act shall comply with the requirements of Sections 217 to 227 of the Corporations Act;
- (c) all meetings convened pursuant to Section 221 shall be held in accordance with the requirements of Section 225 of the Corporations Act; and
- (d) no holder of Shares or person on their behalf shall be entitled to vote or vote on a proposed resolution under Part 2E.1 of the Corporations Act if that holder of Shares is a related party of the public company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

33.2 Definitions

For the purposes of this clause 33 the terms:

- (a) "financial benefit" and "related party" shall have the meanings given or indicated by Part 2E.1 and Part 2E.2 of the Corporations Act"; and
- (b) "associate" shall have the meaning given to it in Division 2 of Part 1.2 of the Corporations Act.

34. INADVERTENT OMISSIONS

If some formality required by this Constitution is inadvertently omitted or is not carried out, the omission does not invalidate any resolution, act, matter or thing which but for the omission would have been valid unless it is proved to the satisfaction of the Directors that the omission has directly prejudiced any Shareholder financially. The decision of the Directors is final and binding on all Shareholders.

35. PARTIAL TAKEOVER PLEBISCITES

35.1 Resolution to Approve Proportional Off-Market Bid

- (a) Where offers have been made under a proportional off-market bid in respect of a class of securities of the Company ("**bid class securities**"), the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional

off-market bid is prohibited unless and until a resolution (in this clause 35 referred to as a “**prescribed resolution**”) to approve the proportional off-market bid is passed in accordance with the provisions of this Constitution.

- (b) A person (other than the bidder or a person associated with the bidder) who, as at the end of the day on which the first offer under the proportional off-market bid was made, held bid class securities is entitled to vote on a prescribed resolution and, for the purposes of so voting, is entitled to one vote for each of the bid class securities.
- (c) A prescribed resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the prescribed resolution.
- (d) A prescribed resolution that has been voted on is to taken to have been passed if the proportion that the number of votes in favour of the prescribed resolution bears to the total number of votes on the prescribed resolution is greater than one half, and otherwise is taken to have been rejected.

35.2 Meetings

- (a) The provisions of this Constitution that apply in relation to a general meeting of the Company apply, with modifications as the circumstances require, in relation to a meeting that is convened pursuant to this clause 35.2 as if the last mentioned meeting was a general meeting of the Company.
- (b) Where takeover offers have been made under a proportional off-market bid, the Directors are to ensure that a prescribed resolution to approve the proportional off-market bid is voted on in accordance with this clause 35 before the 14th day before the last day of the bid period for the proportional off-market bid (the “**resolution deadline**”).

35.3 Notice of Prescribed Resolution

Where a prescribed resolution to approve a proportional off-market bid is voted on in accordance with this clause 35 before the resolution deadline, the Company is, on or before the resolution deadline:

- (a) to give the bidder; and
- (b) if the Company is listed – each relevant financial market (as defined in the Corporations Act) in relation to the Company;

a notice in writing stating that a prescribed resolution to approve the proportional off-market bid has been voted on and that the prescribed resolution has been passed, or has been rejected, as the case requires.

35.4 Takeover Resolution Deemed Passed

Where, at the end of the day before the resolution deadline, no prescribed resolution to approve the proportional off-market bid has been voted on in accordance with this clause 35, a resolution to approve the proportional off-market bid is to be, for the purposes of this clause 35, deemed to have been passed in accordance with this clause 35.

35.5 Takeover Resolution Rejected

Where a prescribed resolution to approve a proportional off-market bid under which offers have been made is voted on in accordance with this clause 35 before the resolution deadline, and is rejected, then:

- (a) despite Section 652A of the Corporations Act:
- (i) all offers under the proportional off-market bid that have not been accepted as at the end of the resolution deadline; and
 - (ii) all offers under the proportional off-market bid that have been accepted and from whose acceptance binding contracts have not resulted as at the end of the resolution deadline,
- are deemed to be withdrawn at the end of the resolution deadline;
- (b) as soon as practicable after the resolution deadline, the bidder must return to each person who has accepted any of the offers referred to in clause 35.5(a)(ii) any documents that were sent by the person to the bidder with the acceptance of the offer;
- (c) the bidder:
- (i) is entitled to rescind; and
 - (ii) must rescind as soon as practicable after the resolution deadline,
- each binding takeover contract resulting from the acceptance of an offer made under the proportional off-market bid; and
- (d) a person who has accepted an offer made under the proportional off-market bid is entitled to rescind the takeover contract (if any) resulting from the acceptance.

35.6 Renewal

This clause 35 ceases to have effect on the third anniversary of the date of the adoption of the last renewal of this clause 35.

36. TRANSITIONAL

36.1 Provisions Relating to Official Quotation of Securities

Subject to clause 36.2 the provisions of this Constitution which relate to the official quotation of the Company's securities on ASX (**Official Quotation**), including but not limited to clauses which refer to ASX, the Listing Rules, the ASX Settlement Operating Rules, the Home Branch, CHESSE, Restricted Securities or Listed Securities shall not come into effect until such time as the Company is admitted to the official list of entities that ASX has admitted and not removed.

36.2 Severance

To the extent that any of the provisions of this Constitution referred to in clause 36.1 above can continue to have effect following severance of the matters relating to Official Quotation, then such provisions shall be valid and effectual, notwithstanding clause 36.1, as from the date of adoption of this Constitution by special resolution of the members of the Company.

SCHEDULE 1 – PREFERENCE SHARES (CLAUSE 2.5)

1. In this schedule, unless the context otherwise requires:

Dividend Date means, in relation to a Preference Share, a date specified in the Issue Resolution on which a dividend in respect of that Preference Share is payable.

Dividend Rate means, in relation to a Preference Share, the term specified in the Issue Resolution for the calculation of the amount of dividend to be paid in respect of that Preference Share on any Dividend Date, which calculation may be wholly or partly established by reference to an algebraic formula.

Franked Dividend has the same meaning ascribed to Franked Distribution in Part 3-6 of the Tax Act.

Issue Resolution means the resolution specified in clause 4 of this schedule.

Preference Share means a preference share issued under clause 2.5.

Redeemable Preference Share means a Preference Share which the Issue Resolution specified as being, or being at the option of the Company to be, liable to be redeemed.

Redemption Amount means, in relation to a Redeemable Preference Share, the amount specified to be paid on redemption of the Redeemable Preference Share.

Redemption Date means, in relation to a Redeemable Preference Share, the date specified in the Issue Resolution for the redemption of that Preference Share.

Tax Act means the *Income Tax Assessment Act 1997*.

2. Each Preference Share confers upon its holder:

- (a) the right in a winding up to payment in cash of the capital (including any premium) then paid up on it, and any arrears of dividend in respect of that Preference Share, in priority to any other class of Shares;
- (b) the right in priority to any payment of dividend to any other class of Shares to a cumulative preferential dividend payable on each Dividend Date in relation to that Preference Share calculated in accordance with the Dividend Rate in relation to that Preference Share; and
- (c) no right to participate beyond the extent elsewhere specified in clause 2 of this schedule in surplus assets or profits of the Company, whether in a winding up or otherwise.

3. Each Preference Share also confers upon its holder the same rights as the holders of ordinary Shares to receive notices, reports, audited accounts and balance sheets of the Company and to attend general meetings and confers upon its holder the right to vote at any general meeting of the Company in each of the following circumstances and in no others:

- (a) during a period during which a dividend (or part of a dividend) in respect of the Preference Share is in arrears;
- (b) on a proposal to reduce the Company's share capital;
- (c) on a resolution to approve the terms of a buy-back agreement;

- (d) on a proposal that affects rights attached to the Preference Share;
- (e) on a proposal to wind up the Company;
- (f) on a proposal for the disposal of the whole of the Company's property, business and undertaking; and
- (g) during the winding up of the Company.

4. The Board may only allot a Preference Share where by resolution it specifies the Dividend Date, the Dividend Rate, and whether the Preference Share is or is not, or at the option of the Company is to be, liable to be redeemed, and, if the Preference Share is a Redeemable Preference Share, the Redemption Amount and Redemption Date for that Redeemable Preference Share and any other terms and conditions to apply to that Preference Share.

5. The Issue Resolution in establishing the Dividend Rate for a Preference Share may specify that the dividend is to be one of:

- (a) fixed;
- (b) variable depending upon any variation of the respective values of any factors in an algebraic formula specified in the Issue Resolution; or
- (c) variable depending upon such other factors as the Board may specify in the Issue Resolution,

and may also specify that the dividend is to be a Franked Dividend or not a Franked Dividend.

6. Where the Issue Resolution specifies that the dividend to be paid in respect of the Preference Share is to be a Franked Dividend the Issue Resolution may also specify:

- (a) the extent to which such dividend is to be franked (within the meaning of the Tax Act); and
- (b) the consequences of any dividend paid not being so franked, which may include a provision for an increase in the amount of the dividend to such an extent or by reference to such factors as may be specified in the Issue Resolution.

7. Subject to the Corporations Act, the Company must redeem a Redeemable Preference Share on issue:

- (a) on the specified date where the Company, at least 15 Business Days before that date, has given a notice to the holder of that Redeemable Preference Share stating that the Redeemable Preference Share will be so redeemed on the specified date; and
- (b) in any event, on the Redemption Date,

but no Redeemable Preference Share may be redeemed and no notice of redemption may be given before the second anniversary of the date upon which that Redeemable Preference Share is issued.

8. The certificate issued by the Company in relation to any Preference Share must specify in relation to that Preference Share:

- (a) the date of issue of the Preference Share;
- (b) the Dividend Rate and Dividend Dates;

- (c) whether the Preference Share is a Redeemable Preference Share and if it is:
 - (i) the Redemption Amount and Redemption Date; and
 - (ii) the conditions of redemption (if any);
 - (d) the conditions of participation (if any) in respect of the Preference Share set out in clause 3 of this schedule; and
 - (e) any other matter the Board determines.
9. On redemption of a Redeemable Preference Share, the Company, after the holder has surrendered to the Company the certificate in respect of that Redeemable Preference Share, must pay to the holder the Redemption Amount in cash, by cheque or in any other form that the holder agrees to in writing.