

26 October 2007

IDT AUSTRALIA LIMITED

ABN 66 006 522 970

CONSTITUTION FOR PUBLIC LISTED COMPANY

CONSTITUTION
OF
IDT AUSTRALIA LIMITED ABN 66 006 522 970

1. INTERPRETATION

1.1 Definitions

In this constitution, the following expressions have the following meanings.

“**ASX**” means ASX Limited (ABN 98 008 624 691).

“**ASTC**” means ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

“**ASTC Settlement Rules**” means the rules made by ASTC as the holder of an Australian CS Facility Licence granted under the Corporations Act.

“**Auditor**” means the auditor of the Company.

“**Board**” means the board of directors of the Company.

“**Business Day**” has the meaning given in the Listing Rules.

“**CHESS**” has the meaning given in the ASTC Settlement Rules.

“**Chair**” means the chairperson appointed generally or in relation to a particular meeting.

“**Committee**” and “**Committee of Directors**” mean any Director or Directors acting as a committee of Directors.

“**Company**” means IDT Australia Limited ABN 66 006 522 970.

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

“**Director**” means a director of the Company and, where appropriate, includes an alternate director.

“**Directors**” means all or some of the Directors acting as a Board.

“**Listing Rules**” means the Official Listing Rules of the ASX with any modifications or waivers in their application to the Company.

“**Managing Director**” means a person appointed as managing director of the Company.

“**Officer**” means Director or secretary of the Company.

“**Official List**” has the meaning given in the Listing Rules.

“**Redeemable Share**” has the meaning given in **rule 3.1**.

"Redemption Date" means the date to be determined by the Directors from time to time as the date on which the face value of a Redeemable Share must be repaid by the Company in full.

"Representative" means a representative appointed by a member under section 250D of the Corporations Act.

"Seal" means the common seal of the Company and includes any official seal of the Company.

"Secretary" means a person appointed as a secretary of the Company and where appropriate, includes an acting Secretary or a person appointed by the Directors to perform all or any of the duties of a secretary of the Company.

"Securities" has the meaning given in the Listing Rules.

"Uncertificated Securities Holding" means Securities of the Company which under the Corporations Act, the Listing Rules, the ASTC Settlement Rules or any Uncertificated System may be held in uncertificated form.

"Uncertificated System" means any system operated under the Corporations Act, the Listing Rules or the ASTC Settlement Rules which regulates the transfer or registration of, or settlement of transactions affecting, Securities of the Company in uncertificated form and includes CHESS as defined by the ASTC Settlement Rules.

1.2 Construction

In this constitution unless the context otherwise requires:

- (a) **Business Day.** If a person is required to pay money or do an act or thing on a day that is not a Business Day, then the person may pay the money or do the act or thing on the next Business Day.
- (b) **Collective reference.** Reference to a thing (including an amount) is a reference to all or any part of it and a reference to a group of things or persons is a reference to any one or more of them.
- (c) **Corporations Act defined terms.** Except so far as the contrary intention appears in this constitution, an expression defined in the Corporations Act has the meaning given by the Corporations Act.
- (d) **Defined expressions.** If a word or phrase is defined, a related word or phrase has the corresponding definition.
- (e) **Gender.** A reference to a gender includes the other genders.
- (f) **Headings.** A heading must be ignored in construing this document.
- (g) **Joint obligation.** An obligation incurred in favour of 2 or more parties may be enforced by each of those parties jointly and severally.
- (h) **Member.** A reference to a member means a person for the time being entered as a member of the Company in the register of members kept by the Company according to the Corporations Act.

- (i) **Singular/Plural.** A word in the singular form includes the plural, and vice versa.
- (j) **Person.** A reference to a person includes a corporation or body politic.
- (k) **Register.** A reference to the register means the register of members and includes where appropriate a reference to a branch register.
- (l) **Section.** A reference to a section means a section of the Corporations Act.
- (m) **Share.** A reference to a share means a share in the Company.
- (n) **Statutory amendments.** A reference to a statute, ordinance, code or other law includes:
 - (i) a regulation and other statutory instrument under it; and
 - (ii) a consolidation, amendment, re-enactment or replacement of any of them.
- (o) **Variation.** A reference to this or any other document includes the document as varied or replaced, even if the parties have changed.
- (p) **Writing.** A reference to writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes a telex or facsimile transmission.

1.3 **Public company**

The Company is a public company limited by shares.

1.4 **Listing Rules and replaceable rules**

- (a) The replaceable rules in the Corporations Act are displaced by this constitution and do not apply to the Company.
- (b) If the Company is admitted to the Official List, these rules apply:
 - (i) notwithstanding anything contained in this constitution, if the Listing Rules prohibit an act being done, the act must not be done;
 - (ii) nothing in this constitution prevents an act being done that the Listing Rules require to be done;
 - (iii) 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);
 - (iv) if the Listing Rules require this constitution to contain a provision and it does not contain that provision, this constitution is deemed to contain that provision;
 - (v) if the Listing Rules require this constitution not to contain a provision and it contains that provision, this constitution is deemed not to contain that provision; and

- (vi) if any provision of this constitution is or becomes inconsistent with the Listing Rules, this constitution is deemed not to contain that provision to the extent of the inconsistency.

2. SHARE CAPITAL

2.1 Power to issue shares

Subject to the Corporations Act, this constitution and the Listing Rules, the Directors have the sole power to issue shares.

2.2 Issue of shares with special rights or restrictions

Subject to any special rights previously conferred on the holders of any existing shares or class of shares by the Corporations Act, this constitution and the Listing Rules, the Directors may:

- (a) issue shares with the preferred, deferred or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise as they determine; and
- (b) on the issue of shares, differentiate between the holders of the shares as to the amount of calls to be paid and the times of payment.

2.3 Classes of shares

All issued shares, except shares with special rights or restrictions issued according to **rule 2.2** are:

- (a) ordinary shares;
- (b) deemed to be of one class; and
- (c) voting shares unless by the conditions of issue they are declared to be non-voting.

2.4 Price and other conditions of issue

The Directors may issue shares at any price and on any other conditions as they determine, subject to the Corporations Act and the Listing Rules.

3. CONVERTIBLE REDEEMABLE PREFERENCE SHARES

3.1 Issue

The Directors have the power from time to time to issue convertible redeemable preference shares (“**Redeemable Shares**”) which are redeemable in the manner permitted under the Corporations Act. Subject to the Corporations Act, the Directors may exercise the power on the conditions and in the manner provided by this Constitution.

3.2 Rights, privileges and conditions

Holders of the Redeemable Shares have the following rights, privileges and conditions:

- (a) the right to a fixed cumulative preferential dividend at the rate per Redeemable Share per year that the Directors determine. The dividend must be paid in priority to any dividend on any other class of shares in the capital of the Company. The dividend is deemed to accrue from day to day beginning on the date of issue and is paid and calculated half yearly on 31st March and 30th September each year;
- (b) the right on a winding up or on any reduction of capital involving repayment of the capital paid up on shares to receive:
 - (i) firstly, all arrears of dividend calculated at the date of payment; and
 - (ii) secondly, repayment of the capital paid or agreed to be considered as paid on the Redeemable Shares

in priority to any repayment of capital on any other class of shares in the capital of the Company;

- (c) the right to receive all audited accounts and reports that are sent to holders of ordinary shares and to receive notices of and to attend, but not to vote at, any general meeting of the Company except at a meeting:
 - (i) where the business includes considering a resolution:
 - (A) to wind up the Company; or
 - (B) to reduce the capital of the Company; or
 - (C) sanctioning a sale of the undertaking of the Company; or
 - (D) directly affecting the rights, privileges or conditions of the Redeemable Shares; or
 - (E) for the approval of the terms of a share buy-back agreement; or
 - (ii) held at any time during the winding up of the Company; or
 - (iii) held when the dividend referred to in **rule 3.2** is in arrears;

and in this case holders of Redeemable Shares are entitled to vote at that meeting (but for paragraph (i) only in respect of that resolution) and on a poll have one vote for every Redeemable Share held;

- (d) the right before the Redemption Date fixed by the Directors, at any time and from time to time, to convert any one or more of the Redeemable Shares and all accrued dividends as at the Conversion Date (as defined below) into the number of ordinary shares as is appropriate having regard to any reconstructions in the capital of the Company. To do this, the holder must give the Company at least 7 days notice in writing of the date when the conversion is intended to occur (“**Conversion Date**”) together with the certificates in respect of the relevant Redeemable Shares and specifying the Redeemable Shares to be converted. If the notice has been given, the Redeemable Shares specified in the notice are converted into the appropriate number of ordinary shares on the Conversion Date;

- (e) the right to participate in any new offer of shares or other Securities of the Company made to ordinary shareholders of the Company as if the holder had converted its Redeemable Shares according to this Rule immediately before the offer was made; and
- (f) except as provided by the provisions as to redemption, no further right to participate in the profits or assets of the Company.

3.3 **Redemption by the Company**

- (a) Subject to **rule 3.3(c)** those Redeemable Shares are redeemable by the Company on the Redemption Date according to the Corporations Act.
- (b) The Company must advise all holders of Redeemable Shares at least 30 days before the Redemption Date of the fact that the Redeemable Shares are redeemable on the Redemption Date and must request the return of the certificates in respect of the Redeemable Shares on or before the Redemption Date.
- (c) On the Redemption Date, if the Company has received a certificate in respect of the Redeemable Shares and the Company has not received a conversion notice under **rule 3.2(d)** from a holder of Redeemable Shares, the Redeemable Shares are redeemed by the Company giving a cheque for the redemption money payable on those Redeemable Shares to each holder of the Redeemable Shares.
- (d) The amount paid on each redeemed Redeemable Share is the total amount initially paid on the Redeemable Shares plus all accrued dividends as at the Redemption Date.
- (e) As from the Redemption Date, dividends do not accrue on the Redeemable Shares.
- (f) The company is not entitled to re-issue any Redeemable Shares redeemed under this rule.

3.4 **Limitations on further issue of shares**

Without the previous consent in writing of the holders of not less than three-quarters of the Redeemable Shares on issue or the sanction of a special resolution passed at a meeting of the holders of Redeemable Shares, the Directors must not:

- (a) create or issue any further shares ranking in priority to the Redeemable Shares;
- (b) create or issue any further shares, other than Redeemable Shares, ranking equally with the Redeemable Shares; or
- (c) affect, alter, deal with or abrogate (directly or indirectly) the rights and privileges or the exercise or enjoyment of the rights and privileges of the holders of the Redeemable Shares.

4. **OPTIONS**

Subject to any special rights previously conferred on the holders of any existing shares or class of shares by the Corporations Act, this constitution and the Listing Rules, the

Directors may grant to any person an option over shares for the time and for the consideration that they think fit.

5. SHARES HELD ON TRUST OR JOINTLY

5.1 Registered holders treated as absolute owners

Except as required by law, the Company may treat the registered holder of a share as the absolute owner of the share.

5.2 Non-recognition of trusts

Except as required by law, the Company is not bound to recognise any equitable or other claim, right or interest in any share or unit of a share.

5.3 Joint holders

If 2 or more persons are registered as the holders of a share they are deemed to hold it as joint tenants with rights of survivorship, on the following conditions:

- (a) they and their respective legal personal representatives are liable severally as well as jointly for all payments to be made in respect of the share;
- (b) subject to **rule 5.3(a)** on the death of any one of them, the survivor or survivors are the only person or persons whom the Company recognises as having any title to the share. On the death of a registered holder of shares, the Directors may require any evidence of death that they think fit; and
- (c) any one of them may give an effective receipt for any dividend or other distribution in respect of the share.

6. CERTIFICATES

6.1 Participation in an Uncertificated System

The Directors may do anything permitted under the Corporations Act, the Listing Rules and the ASTC Settlement Rules to facilitate the Company's participation in an Uncertificated System (whether in whole or part in relation to dealings with the Securities of the Company in some or all of the classes).

6.2 Dealings in Securities of the Company under an Uncertificated System

Where dealings in the Securities of the Company take place under an Uncertificated System:

- (a) the Company does not need to issue a certificate in respect of Securities held as an Uncertificated Securities Holding;
- (b) unless the Company elects according to the Listing Rules that all its Securities in a specified class be in uncertificated form, a member may, as permitted by the Listing Rules and the ASTC Settlement Rules, elect to have the member's holding

converted from certificated form to uncertificated form or uncertificated form to certificated form; and

- (c) the register of members must distinguish between shares held in certificated form and shares held as Uncertificated Securities Holdings.

6.3 Dealings in shares which do not take place under an Uncertificated System

Where dealings in shares in the Company do not take place under an Uncertificated System:

- (a) a person whose name is entered as a member in the register is entitled without payment to receive a certificate in respect of the share according to the Corporations Act. For a share held jointly by several persons, the Company is not required to issue more than one certificate;
- (b) delivery of a certificate for a share to one of joint holders is sufficient delivery to all those joint holders;
- (c) subject to the Listing Rules, the Directors may order a certificate to be cancelled and issue a duplicate certificate instead where:
 - (i) the certificate is worn out or defaced on its production to the Company; or
 - (ii) the certificate is lost or destroyed and its owner applies for a duplicate certificate according to the Corporations Act; and
 - (iii) the certificate is stolen and its owner applies to the Company for a duplicate certificate in accordance with the requirements of the Company.
- (d) a fee as determined by the Directors from time to time, but not exceeding the prescribed amount under the Corporations Act, may be charged for a duplicate certificate.

7. LIEN

7.1 Lien on unpaid capital

The Company has a first and paramount lien on every share (not being a fully paid share) for all money called or due but unpaid on that share.

7.2 Lien on money owing

The Company has a first and paramount lien on all shares (other than fully paid shares) registered in the name of a sole holder or of 2 or more joint holders for all money presently payable to the Company.

7.3 Exemption from lien

The Directors may at any time exempt a share wholly or in part from this rule.

7.4 **Lien to apply to dividends**

The Company's lien (if any) on a share extends to all dividends and bonuses payable in respect of the share.

7.5 **Waiver**

Unless otherwise agreed by the Company, the registration of a transfer of shares operates as a waiver of the Company's lien on those shares.

7.6 **Company's right of sale**

Subject to **rule 7.7**, the Company may sell, in any manner that the Directors think fit, any shares on which the Company has a lien.

7.7 **Restrictions on sale**

However, a share on which the Company has a lien must not be sold unless:

- (a) a sum in respect of which the lien exists is presently payable; and
- (b) the Company has given notice in writing to the registered holder of the share, setting out, and demanding payment of, that part of the amount in respect of which the lien exists as is presently payable. The notice must be given at least 14 days before the date of the sale. The notice must be 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. For joint holders, notice is effective if given to one of the joint holders.

8. **CALLS ON SHARES**

8.1 **Call by Directors**

- (a) The Directors may make a call on the holder of a share for any money unpaid on the share which is not by the conditions of issue made payable at fixed times.
- (b) The Directors must give a call by notice in writing to each member on whom a call is made according to the Corporations Act and the Listing Rules.

8.2 **Payment of call**

- (a) Each member must, on receiving a call notice given according to **rule 8.1(b)**, pay to the Company in the manner and at the time and place specified in the notice the amount called on the member's shares.
- (b) The call is not invalidated due to non-receipt of a notice of a call by, or the accidental omission to give notice of any call to, any shareholder.

8.3 **Revocation of call**

The Directors may revoke or postpone a call.

8.4 **Deemed time of call**

A call is deemed to have been made at the time when the resolution of the Directors authorising the call was passed. A call may be required to be paid by instalments.

8.5 **Liability of joint holders**

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

8.6 **Interest on outstanding sums**

If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due must pay interest at a rate and on conditions determined by the Directors. Interest may be calculated from the day appointed for payment of the sum to the time of actual payment. The rate of interest must not exceed 8% per year. The Directors may waive payment of interest wholly or in part.

8.7 **Fixed dates for calls**

Any sum that becomes payable on allotment or at a fixed date under the conditions of issue of a share is deemed to be a call duly made and payable on that date. If payment is not made, all relevant rules as to payment of interest and expenses, forfeiture or otherwise, apply as if the sum had become payable by virtue of a call duly made and notified.

8.8 **Differentiation between holders**

On the issue of shares, the Directors may differentiate between the holders as to the amount of calls to be paid and the time of payment.

8.9 **Pre-payment of calls**

- (a) If the Board thinks fit, it may receive from a shareholder all or part of the money unpaid on all or part of the shares held by that shareholder greater than the amount actually called up and then due and payable. That money may be a repayable loan or a payment in advance of calls.
- (b) The Company may pay interest on the money advanced at the rate and on the conditions agreed between the Board and the shareholder who paid the money in advance.

9. **TRANSFER OF SHARES**

9.1 **Form of transfer**

Subject to this constitution, a member may transfer all or any of the member's shares:

- (a) for an Uncertificated Securities Holding, by a Proper ASTC transfer; or
- (b) for other than an Uncertificated Securities Holding, by an instrument of transfer in writing in any usual form or in any other form approved by the Directors.

9.2 Execution of instrument of transfer

An instrument of transfer must be executed by or on behalf of both the transferor and the transferee unless:

- (a) the Directors have dispensed with the need for signature by the transferee; and
- (b) the transfer is effected by a document which is a sufficient transfer of those shares under the Corporations Act.

9.3 Transfer of partly paid shares

When partly paid shares are transferred, the instrument of transfer must be endorsed or accompanied by an instrument executed by the transferee with the condition that the transferee accepts the shares subject to the conditions on which the transferor held them and to become a member and be bound by this constitution.

9.4 Effect of transfer

Subject to the ASTC Settlement Rules, a transferor of shares remains the holder of the transferred shares until the transfer is registered and the name of the transferee is entered in the register in respect of the shares.

9.5 Registration process

- (a) For registration, the following must be provided to the registered office of the Company:
 - (i) the instrument of transfer, duly stamped if necessary;
 - (ii) the relevant certificate of the shares, except for an Uncertificated Securities Holding;
 - (iii) for partly paid shares and only if the instrument of transfer is not endorsed in accordance with **rule 9.3**, the instrument referred to in **rule 9.3**; and
 - (iv) any other information that the Directors properly require to show the right of the transferor to make the transfer
- (b) After this, the Company may register the instrument and enter the name of the transferee in the register as a shareholder subject to the powers given to the Directors by this constitution.
- (c) The Company may hold the registered transfer for any period that the Directors decide.

9.6 Refusal to register

The Directors may refuse to register a share transfer or in the case of an Uncertificated Securities Holding request that a holding lock be applied where:

- (a) the transfer is not in registrable form;

- (b) the Company is permitted or required to do so under the Listing Rules, or except for Proper ASTC Transfers, under the conditions of issue of the shares;
- (c) the Company has a lien on the shares being transferred; or
- (d) the registration of the transfer would result in a contravention of or failure to observe a law of a State or Territory or the Commonwealth.

9.7 **Giving notice**

- (a) Where the Directors refuse to register a transfer, the Company must give the transferee and, if applicable, the lodging broker, a notice in writing of the refusal and the reason for it.
- (b) The Company must give this notice within 5 Business Days from the date on which the transfer was lodged with the Company. However failure to do so does not invalidate the decision of the Directors to decline to register the transfer.
- (c) The Directors may delegate their authority under this **rule 9.7** to any person.

9.8 **Power to suspend or close register of members**

- (a) The registration of transfers may be suspended at any times and for any periods that the Directors determine not exceeding in total 30 days in any year.
- (b) Subject to the Listing Rules and the ASTC Settlement Rules, the Company must give at least 15 days notice of an intended suspension of the register to the ASX.
- (c) The notice of the intended suspension must state:
 - (i) the purpose for which the register is to be suspended; and
 - (ii) the address at which each register is kept where documents are accepted for registration until 5.00 pm on the date of suspension.
- (d) The Directors may close all or part of the register of members at any time and for any period permitted by the ASTC Settlement Rules that they decide.

9.9 **Electronic or other system**

The Directors may do anything that is necessary or desirable for the Company to participate in any computerised, electronic or other system for facilitating the transfer of shares or operation of the Company's registers that may be owned, operated or sponsored by the ASX or a related body corporate of the ASX.

9.10 **Waiver**

To the extent the law or the Corporations Act permits, the Directors may waive any of the requirements of this rule and prescribe alternative requirements instead.

10. NON-MARKETABLE PARCELS

10.1 Directors may sell non-marketable parcel of shares

The Directors may sell shares which constitute less than a marketable parcel by following procedure set out in this rule.

10.2 Giving of a notice

- (a) The Directors may send to a member who holds on the date of the notice less than a marketable parcel of shares in a class of shares of the Company a notice which:
 - (i) explains the effect of this rule; and
 - (ii) advises the holder that he or she may choose to be exempt from this rule. A form of election for that purpose must be sent with the notice.
- (b) The member is taken to have irrevocably appointed the Company as his or her agent to do anything under **rule 10.4** if by 5.00 pm Melbourne time on a date specified in the notice and which is at least 6 weeks after the date the notice is sent:
 - (i) the Company has not received a notice from the member choosing to be exempt from this rule; and
 - (ii) the member has not increased his or her shareholding to a marketable parcel.

10.3 When a notice may be given

- (a) A notice may be given to a member only once in a 12 month period.
- (b) A notice must not be given during the offer period of a takeover bid.
- (c) If a takeover bid is announced after a notice is given but before agreement is entered into for the sale of shares this rule ceases to operate for those shares. However, a new notice may be given after the offer period of the takeover bid closes.

10.4 Price and sale

- (a) The Company may:
 - (i) sell the shares constituting less than a marketable parcel as soon as practicable at a price which the Directors consider is the best price reasonably available for the shares when they are sold; and
 - (ii) deal with the proceeds of sale under **rule 13**.
- (b) The costs and expenses of any sale of shares under this rule (including brokerage and stamp duty) are payable by the purchaser or, if the Corporations Act permits, by the Company.

- (c) Before a sale becomes effective under this rule, the Directors may revoke a notice given, or suspend or terminate the operation of this rule either generally or in specific cases.

11. TRANSMISSION OF SHARES

11.1 Recognised interests

- (a) If a member dies, the only persons recognised by the Company as having title to or interest in the relevant shares are:
 - (i) the survivor or survivors if the deceased was a joint holder; or
 - (ii) the deceased's legal personal representatives if the deceased was a sole holder.
- (b) The Board may register any transfer signed by a member before the member's death if the member has complied with the constitution and even if the Company had notice of the member's death.

11.2 Transmission

- (a) A person who becomes entitled to a share because of the death, mental incapacity or bankruptcy of a member or by operation of law may elect either to be registered as holder of the share or to have some other person nominated to be registered as the transferee of the share.
- (b) Each provision of this constitution relating to the right to transfer and to registration of a transfer of shares applies to the person or to the nominated person in **rule 11.2(a)** as if the notice or transfer were a transfer signed by a member. In particular, the Directors may refuse to register that person according to the provisions in this constitution.

11.3 Joint holders

Where 2 or more persons are jointly entitled to any share due to the death of the registered holder, for the purpose of these rules they are deemed to be joint holders of the share.

12. FORFEITURE OF SHARES

12.1 Default

If a member fails to pay a call or instalment of a call on the day appointed for payment of the call or instalment, the Directors may serve a notice requiring payment of so much of the call or instalment as is unpaid. The notice may only be given during the time that any part of the call or instalment remains unpaid. The notice may demand payment of any interest that has accrued.

12.2 Notice of forfeiture

A notice under **rule 12.1** must name a further day (no earlier than 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made.

The notice must also state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made are liable to be forfeited.

12.3 **Forfeiture**

If the requirements of a notice served under **rules 12.1** and **12.2** are not complied with, any share in respect of which the notice has been given may at any time after that, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.

12.4 **Application to dividends**

A forfeiture under **rule 12.3** includes all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

12.5 **Rights of sale**

A forfeited share may be sold or otherwise disposed of on the conditions and in the manner as the Directors think fit, and, at any time before a sale or disposition, the forfeiture may be cancelled on conditions as the Directors think fit.

12.6 **Cessation as a member**

- (a) A person whose shares have been forfeited ceases to be a member in respect of the forfeited shares.
- (b) Despite forfeiture, a member whose shares are forfeited remains liable to pay to the Company all money that, at the date of forfeiture, was payable by the member to the Company in respect of the shares (including interest at the rate of 8% per year on the money unpaid from the date of forfeiture to the date of actual payment if the Directors think fit to enforce payment of the interest).
- (c) The former member's liability ceases if and when the Company receives payment in full of all money (including interest) payable in respect of the forfeited shares.

12.7 **Statement of forfeiture**

A statement in writing declaring that the person making the statement is a Director or a Secretary, 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.

12.8 **Manner of forfeiture**

- (a) The Company may receive any consideration 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.
- (b) On the execution of the transfer for a forfeited share, the transferee must be registered as the holder of the share and is not bound to see to the application of any money paid as consideration.
- (c) 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.

12.9 **Application to outstanding money**

These rules as to forfeiture apply to non-payment of any sum that, by the conditions of issue of a share, becomes payable at a fixed time, as if that sum had been payable by virtue of a call duly made and notified.

13. **PROCEDURES FOR THE SALE OR OTHER DISPOSAL OF SHARES BY THE COMPANY**

13.1 **References to sales**

A reference in this rule to a sale of a share by the Company is a reference to any sale or other disposal of a share under **rules 7, 10, or 12**.

13.2 **Dealing with shares and funds**

After the Company has sold a share, the Directors may:

- (a) receive the purchase money or consideration given for the share;
- (b) appoint a person to effect a transfer of the share or execute a transfer of the share or any other documents that give effect to the sale; and
- (c) register as the holder of the share the person to whom the share is sold.

13.3 **No inquiries**

A person to whom the Company sells shares need not take any steps to investigate the regularity or validity of the sale, or to see how the purchase money or consideration on the sale is applied. That person's title to the shares is not affected by any irregularity by the Company before the sale. A sale of the share by the Company is valid even if a transmission of shares under **rule 11** occurs before the sale.

13.4 **Damages as only remedy**

Damages is the only remedy of a person who suffers any loss because of a sale of shares by the Company. The claim for damages can only be made against the Company.

13.5 **Application of proceeds**

- (a) The proceeds of a sale under **rules 7 or 12** must be applied in paying:
 - (i) first, the expenses of the sale;
 - (ii) secondly, all money payable (whether presently or not) by the former holder whose shares have been sold,

and any balance must be paid to the former holder on the former holder delivering to the Company that proof of title to the shares as the Directors accept.
- (b) The proceeds of the sale under **rule 10** must not be applied to pay the expenses of the sale but must be paid to the former holder when the former holder delivers to the Company that proof of title of the shares as the Directors accept.

- (c) Until the proceeds of the sale of a share sold by the Company are claimed or otherwise disposed of according to law, the Directors may invest or use the proceeds in any other way for the benefit of the Company.

13.6 **Interest**

Money payable to a former holder under this rule does not bear interest as against the Company.

13.7 **Extinguishment of rights**

On completion of the sale or other disposal of a share under **rule 12**, the rights attached to the share which were extinguished under **rule 12** revive.

13.8 **Certain statements conclusive**

A written statement by a Director or Secretary of the Company that a share in the Company has been:

- (a) duly forfeited under **rule 12**; or
- (b) duly sold under **rule 7** or **rule 10**,

on a date stated in the statement is conclusive evidence of the facts stated as against all persons claiming to be entitled to the share, and of the rights of the Company or the Directors to forfeit, sell or otherwise dispose of the share.

14. **GENERAL MEETINGS**

14.1 **Power to convene**

- (a) Annual General Meetings of the Company are to be held in accordance with the Corporations Act.
- (b) The Directors may convene a general meeting of the Company's members whenever they think fit.
- (c) The Directors must convene and arrange to hold a general meeting at the request of the Company's members under section 249D.

14.2 **Power to postpone, cancel or change the place of a general meeting**

The Directors may, by notice to the ASX, postpone, cancel or change the place for a general meeting if they consider that the meeting has become unnecessary, or the meeting place would be unreasonable or impractical or a change is necessary in the interests of conducting the meeting efficiently.

However:

- (a) a meeting which is not convened by a Directors' resolution; or
- (b) a meeting which is requisitioned or convened by members,

must not be postponed or cancelled without the prior written consent of the person or persons who convened or requisitioned the meeting.

14.3 **Notice of meeting to Members**

- (a) Notice of meeting to the Company's members must be given in accordance with sections 249H subject, if applicable, to section 249HA of the Corporations Act.
- (b) The content of notice of meeting must comply with section 249L of the Corporations Act and may specify:
 - (i) an electronic address for the purposes of receipt of proxy appointments and proxy appointment authorities; and
 - (ii) other electronic means by which a Member may give the Company a proxy appointment or proxy appointment authority.
- (c) Notice to joint members of a meeting of the Company's members must be given to the joint member named first in the register of members.
- (d) A notice of meeting of the Company's members sent by post is taken to be given 3 days after it is posted. A notice of meeting sent by fax, or other electronic means, is taken to be given on the business day after it is sent.

14.4 **Postponed or Cancelled Meetings**

- (a) When a meeting of the Company's members is adjourned, new notice of the resumed meeting must be given if the meeting is adjourned for 1 month or more.
- (b) Only unfinished business is to be transacted at a meeting resumed after an adjournment.

14.5 **Auditor**

The Auditor or the Auditor's agent authorised in writing for the purpose of attending a general meetings of the Company is entitled to:

- (a) attend any general meeting of the Company;
- (b) receive all notices of and other communications relating to any general meeting which a member is entitled to receive; and
- (c) be heard at any general meeting which the Auditor attends on any part of the business of the meeting which concerns the Auditor in capacity as auditor, even if the Auditor retires at that meeting or a resolution to remove the Auditor from office is passed at that meeting.

15. PROCEEDINGS AT GENERAL MEETINGS

15.1 Votes per share

- (a) Subject to this rule and the rights and restrictions attached to any class of shares, on a show of hands, each person present as a member, proxy, attorney, or Representative has one vote and on a poll each member present in person or by proxy, attorney, or Representative has one vote for each share held.
- (b) Where a resolution is to be decided on a poll, each member is entitled to one vote for each fully paid share and a fraction of a vote for each partly paid share. The fraction is the proportion which the amount paid on that partly paid share is of the issue price of the partly paid share.
- (c) For the purpose of calculating the fraction of a vote under paragraph (b), an amount paid in advance on a partly paid share shall be ignored.

15.2 Quorum of meeting of Members

- (a) The quorum for a meeting of the Company's members is 2 members entitled to vote at the meeting and the quorum must be present at all times during the meeting.
- (b) In determining whether a quorum is present, count individuals attending as proxies or body corporate representatives. However, if a member has appointed more than 1 proxy or representative, count only 1 of them. If an individual is attending both as a member and as a proxy or body corporate representative, count them only once.
- (c) A meeting of the Company's members that does not have a quorum present within 30 minutes after the time for the meeting set out in the notice of meeting:
 - (i) is dissolved if the meeting was called:
 - (A) on the request of members under section 249D of the Corporations Act;
 - (B) by members under section 249E of the Corporations Act; or
 - (C) by members under section 249F of the Corporations Act; otherwise
 - (ii) is adjourned to the date, time and place the Directors specify. If the Directors do not specify 1 or more of those things, the meeting is adjourned to:
 - (A) if the date is not specified—the same day in the next week; and
 - (B) if the time is not specified—the same time; and
 - (C) if the place is not specified—the same place.
 - (iii) If no quorum is present at the resumed meeting within 30 minutes after the time for the meeting, the meeting is dissolved.

15.3 Chairing of meeting of Members

- (a) The Directors may elect an individual to Chair meetings of the Company's members.
- (b) The Directors at a meeting of the Company's members must elect an individual present to Chair the meeting (or part of it) if an individual has not already been elected by the Directors to chair it or, having been elected, is not available to Chair it, or declines to act, for the meeting (or part of the meeting). Those Directors must elect the Chair (or failing him or her, any deputy chair) of meetings of Directors to Chair a meeting of members if that person is available and willing to act.
- (c) The members at a meeting of the Company's members must elect a member present to Chair the meeting (or part of it) if:
 - (i) a Chair has not previously been elected by the Directors to Chair the meeting; or
 - (ii) a previously elected Chair is not available, or declines to act, for the meeting (or part of the meeting).

15.4 General Conduct

- (a) The Chair of a meeting of members has general conduct of the meeting and may determine the procedures to be followed, subject to the general law and the requirements of the Corporations Act. Without limiting those powers, the Chair may refuse a person admission to, or require the person to leave and not return to, a meeting if the person:
 - (i) refuses to permit reasonable examination of any article in his or her possession; or
 - (ii) is in possession of any:
 - (A) electronic or recording device;
 - (B) placard or banner; or
 - (C) other article,
 which the Chair considers to be dangerous, offensive or liable to cause disruption.
- (b) Subject to the above, a Director (including an alternate director) is entitled to attend and be heard at any meeting of the members.

15.5 Voting

- (a) A challenge to a right to vote at a meeting of the Company's members:
 - (i) may only be made at the meeting; and
 - (ii) must be determined by the Chair, whose decision is final.

- (b) A resolution put to the vote at a meeting of the Company's members must be decided on a show of hands unless a poll is demanded.
- (c) Before a vote is taken the Chair must inform the meeting whether any proxy votes have been received and how the proxy votes are to be cast.
- (d) On a show of hands, a declaration by the Chair is conclusive evidence of the result, provided that the declaration reflects the show of hands and the votes of the proxies received. Neither the Chair nor the minutes need to state the number or proportion of the votes recorded in favour or against.

15.6 **Poll**

- (a) A poll may be demanded either by the Chair or by a member or members according to the Corporations Act.
- (b) A poll on the election of a Chair or on a question of adjournment must be taken immediately.
- (c) A poll demanded on a matter other than the election of a Chair or the question of an adjournment must be taken when and in the manner that the chair directs. The result of the poll is the resolution of the meeting at which the poll was demanded.
- (d) Any demand for a poll may be withdrawn.

15.7 **Casting vote of Chair**

If the votes are equal, whether on a show of hands or on a poll, the Chair of the meeting at which the show of hands takes place or at which the poll is demanded is not entitled to a second or casting vote.

15.8 **Votes of joint holders**

For joint holders, the vote of the senior who tenders a vote, whether in person or by proxy or by attorney, is accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the register.

15.9 **Incapacity**

This **rule 15.9** applies where a member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health. The member's committee or trustee or other person who properly has the management of the member's estate may exercise any rights of the member in relation to a general meeting as if the committee, trustee or other person were the member.

15.10 **Disentitlement to vote**

A member is not entitled to vote at a general meeting unless all calls presently payable by the member in respect of shares in the Company have been paid.

15.11 **Objection to voting**

- (a) 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.

- (b) Any objection is to be referred to the Chair of the meeting, whose decision is final.
- (c) If a vote is not disallowed pursuant to an objection, that vote is valid for all purposes.

15.12 Appointment of proxy

- (a) A member may appoint a person as the member's proxy by lodging an appointment of proxy in any manner determined by the Board, including electronically. An appointment of proxy lodged electronically must be signed by the member in the manner determined by the Board.
- (b) An instrument appointing a proxy 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. An instrument appointing a proxy is deemed to confer authority to demand or join in demanding a poll.
- (c) A proxy does not need to be a member.

15.13 Lodgement of proxy

An instrument appointing a proxy is only valid if the instrument and any power of attorney or other authority under which the instrument is signed or a notarially certified copy of that power or authority, is or are deposited:

- (a) at least 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) for a poll, at least 24 hours before the time appointed for the taking of the poll; and
- (c) at the registered office of the Company or other place in Australia specified for that purpose in the notice convening the meeting.

15.14 Effect of proxy vote

A vote given according to an instrument of proxy or of a power of attorney is valid if no notice in writing of the death, unsoundness of mind, revocation of the instrument or authority or transfer of the relevant share 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.

16. APPOINTMENT, REMOVAL AND REMUNERATION OF DIRECTORS

16.1 Retirement by rotation of Directors

- (a) A Director other than a Managing Director must not retain office for more than 3 calendar years or beyond the third annual general meeting after his or her election, whichever is longer, without submitting for re-election.
- (b) At the annual general meeting in each year, one-third of the Directors in office, other than the Managing Director, or if their number is not a multiple of 3, the number nearest to but not less than one-third, must retire from office.

- (c) Subject to the Corporations Act, the Directors to retire by rotation at each annual general meeting are those who have been longest in office. The length of time a Director has been in office is computed from that Director's last election.
- (d) For the purpose of ascertaining the number and identity of the Directors to retire by rotation, a Director appointed by the Directors or a Director whose office has become vacant under the Corporations Act are not taken into account.
- (e) The Company may, at a meeting at which the Directors retire by rotation:
 - (i) fill all or any of the vacant places by electing persons to it; or
 - (ii) determine to reduce the number of Directors in office.
- (f) A retiring Director may act until the conclusion of the meeting at which that Director retires and is eligible for re-election without any need for nomination under **rule 16.2**.

16.2 Election by members at a general meeting

- (a) A person other than a retiring Director is eligible to be elected as a Director:
 - (i) at a general meeting which members have requested the Directors to call, if at least 30 Business Days before the meeting; or
 - (ii) at any other general meeting at which Directors may be elected, if at least 35 Business Days before the meeting,

a member intending to propose that person has deposited at the registered office of the Company a notice in writing duly signed by the nominee consenting to the nomination, and signifying that person's candidature for the office or the intention of the member to propose that person.
- (b) Notice of each candidature referred to in **rule 16.2(a)** must be sent to all members at least 7 days before the meeting at which the election is to take place.
- (c) Where a Director is elected by the members at a general meeting, the members may also determine by resolution in what order of rotation that Director is to go out of office.

16.3 Election by Directors

The Directors may appoint a person as a Director. A person may be appointed as a Director in order to make up a quorum for a Directors' meeting even if the total number of Directors of the Company is not enough to make up that quorum.

16.4 Remuneration

- (a) Each Director is entitled to the remuneration out of the property of the Company for his or her services as a Director as the Directors decide.
- (b) Remuneration of Directors must be by fixed sum and must not be a commission or a percentage of profits on turnover. Remuneration of Directors is deemed to accrue from day to day.

- (c) The total amount provided to all Directors (other than those Directors who serve in an executive capacity) for their services as Directors in any year must not exceed \$400,000 or any larger amount that the Company in general meeting determines by ordinary resolution.
- (d) In calculating the total amount provided in any year, no regard is had to:
 - (i) any amount payable by the Company or any related body corporate to a superannuation, retirement or pension fund for a Director so that the Company or a related body corporate is not required to pay a superannuation guarantee charge or similar statutory charge;
 - (ii) any amount which may be paid by the Company under **rule 16.4(g)** or travelling and other expenses properly incurred in connection with the business of the Company; and
 - (iii) any insurance premium paid or agreed to be paid under **rule 26**.
- (e) The total amount is to be divided among the Directors in such proportion and manner as they agree or, if they do not agree, equally.
- (f) Directors' remuneration must not be increased without the prior approval of the members in a general meeting where particulars of the proposed increase have been given to the members in the notice convening the meeting.
- (g) Where a Director being willing is called on to perform extra services or to make any special exertions in going or residing abroad or otherwise for the Company, the Company may remunerate that Director by payment of a fixed sum determined by the Directors. That remuneration may be either in addition to or in substitution for the Director's share in the remuneration under **rule 16.4(a)**.

16.5 No share qualification

A Director need not be a shareholder in the Company.

16.6 Resignation

A Director may resign as a Director by giving a written notice of resignation to the Company at its registered office unless such resignation would result in the Company contravening section 201A(2) of the Corporations Act.

16.7 Vacation of office

- (a) In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act, the office of a Director is vacated if the Director becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health.
- (b) The office of a Director is also vacated if the Director resigns the office by notice in writing to the Company.

16.8 **Alternate Directors**

- (a) With the other Directors' approval, a Director may appoint an alternate to exercise some or all of the Director's powers for a specified period.
- (b) If the appointing Director requests the Company to give the alternate notice of Directors' meetings, the Company must do so.
- (c) When an alternate exercises the Director's powers, the exercise of the powers is just as effective as if the powers were exercised by the Director.
- (d) The appointing Director may terminate the alternate's appointment at any time.
- (e) An appointment or its termination must be in writing. A copy must be given to the Company.
- (f) The alternate's appointment ceases when the appointing Director ceases to be a Director.
- (g) 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.
- (h) The provisions of this document that apply to the Directors also apply to alternate directors, except that alternate directors as such are not entitled to any remuneration from the Company.

17. **POWERS AND DUTIES OF DIRECTORS**

17.1 **General power of management**

- (a) Subject to the Corporations Act and to this constitution, the business of the Company must be managed by the Directors.
- (b) The Directors 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 by this constitution, required to be exercised by the Company in general meeting.

17.2 **Other offices of Directors**

A Director may hold any other office or offices under the Company (except that of Auditor) together with the office of Director and on the conditions as to remuneration and otherwise as the Directors may arrange.

17.3 **Director's personal interests**

- (a) Subject to the Corporations Act, no Director is disqualified by the Director's office and the fiduciary relationship established by it from holding any office or place of profit, other than that of Auditor, under the Company.
- (b) Any Director may, subject to the Corporations Act:

- (i) be or become a Director or otherwise hold office or a place of profit in any other company promoted by the Company or in which the Company may be interested as vendor, shareholder or otherwise;
 - (ii) contract or make any arrangement with the Company whether as vendor, purchaser, broker, solicitor, accountant, other professional person or otherwise and any contract or arrangement entered or to be entered into by or on behalf of the Company in which any Director is in any way interested is not avoided for that reason; and
 - (iii) participate in any association, institution, fund, trust or scheme for past or present employees or Directors of the Company, a related body corporate or any of their respective predecessors in business or their dependants or persons connected with them.
- (c) A Director is not liable to account to the Company for any remuneration profit or other benefits realised only due to carrying out an act or holding a position described in **rule 17.3(b)**.
- (d) A Director or a Director's firm may act in a professional capacity, other than as Auditor, for the company and a Director or a Director's firm is entitled to remuneration for professional services as if the relevant Director was not a Director.
- (e) Each Director must disclose to the Company according to the Corporations Act his or her interests in any contract or arrangement and the Secretary must record all declarations in the minutes of the relevant Directors' meeting.
- (f) A Director may be present during consideration of, and vote in respect of, any contract or proposed contract or arrangement or other matter in which the Director has an interest unless the Corporations Act does not permit the Director to be present or to vote. The Director may be counted in the quorum present at any Director's meeting at which the contract, proposed contract or arrangement or other matter is considered if the Director is permitted by the Corporations Act to be present during the consideration. The Director may also vote in respect of the Director's appointment to any office or place of profit under the Company.
- (g) The restrictions in **subrule (f)** may at any time be suspended or relaxed to any extent and either prospectively or retrospectively by resolution of the Company in general meeting.
- (h) A Director's failure to make disclosure under this rule does not render void or voidable a contract or arrangement in which the Director has a direct or indirect interest.
- (i) A Director is deemed to be not interested in any contract or arrangement where the only personal interest of the Director arises because the Director is also a Director of a corporation which is deemed to be related to the Company by the Corporations Act.
- (j) A Director may, notwithstanding the Director's interest, and whether or not the Director is entitled to vote, or does vote, participate in the execution of any

instrument by or on behalf of the Company and whether by signing or sealing or otherwise.

17.4 Power to appoint attorneys

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

18. PROCEEDINGS OF DIRECTORS

18.1 Directors to regulate

- (a) The Directors may meet together to carry out business and may adjourn and otherwise regulate their meetings as they think fit.
- (b) A Directors' meeting may be called by a Director giving reasonable notice individually to every other Director.
- (c) A Director may, at any time, and a Secretary must, on the requisition of a Director, convene a meeting of the Directors upon the giving of reasonable notice to the other Directors.
- (d) Unless the Directors determine otherwise, the quorum for Directors' meeting is 2 Directors and the quorum must be present at all times during the meeting.

18.2 Decisions of the board

- (a) A resolution of the Directors must be passed by a majority of the votes cast by Directors entitled to vote on the resolution..
- (b) A resolution in writing and signed by all Directors entitled to vote on the resolution (being at least a quorum) is as valid and effectual as if it had been passed at a meeting of the Directors held at a time when the written resolution was last signed by an eligible Director. A written resolution may consist of several documents in like form, each signed by one or more Directors.

18.3 Authority to act where vacancy

If there is a vacancy in the office of a Director, the remaining Directors may act. If the number of remaining Directors is not sufficient to constitute a quorum at a meeting of Directors, the Directors may act only for the purpose of increasing the number of Directors to a number sufficient to constitute a quorum or for the purpose of convening a general meeting of the Company.

18.4 **Chairing Directors' meetings**

- (a) The Directors must elect one of the Directors as a Chair of their meetings and may also determine the period for which the person elected as Chair is to hold office.
- (b) If a Directors' meeting is held and:
 - (i) a Chair has not been elected as provided in **rule 18.4(a)**; or
 - (ii) the Chair is not present within 10 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

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

18.5 **Chairman's casting vote**

In the event of an equality of votes the Chair of the meeting does not have a casting vote.

18.6 **Delegation to Committee of Directors**

- (a) The Directors may delegate any of their powers to a Committee or Committees consisting of as many of their number as they think fit.
- (b) The members of the Committee may elect one of their number as Chair of their meetings.
- (c) Where the meeting is held and:
 - (i) a Chair has not been elected under **rule 18.4(b)**; or
 - (ii) the Chair is not present within 10 minutes after the time appointed for the holding of the meeting or is unwilling to act,

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

18.7 **Regulation of Committee of Directors**

- (a) A Committee of the Directors may meet and adjourn as it thinks fit.
- (b) A question arising at a meeting of a Committee must be determined by a majority of votes of the members present and voting.
- (c) If the votes are equal, the chairperson of a Committee has a second casting vote.

18.8 **Non-effect of defects in appointments**

- (a) All acts done by any meeting of the Directors or of a Committee of Directors or by any person acting as a Director are deemed to be valid as if each person had been duly appointed and was qualified to be a Director or to be a member of the Committee.
- (b) This is the case even if it is afterwards discovered that there was a defect in the appointment of a person to be a Director or a member of the Committee, or to act as a Director, or that a person so appointed was disqualified.

19. MANAGING DIRECTOR

19.1 Appointment

- (a) The Directors may from time to time appoint one or more of their number to the office of Managing Director. The appointment of Managing Director is for the period and on the conditions that the Directors think fit. The Directors may, subject to any agreement entered into in a particular case, revoke any appointment of Managing Director.
- (b) The appointment of a Director as Managing Director under **rule 19.1(a)** automatically terminates if he or she ceases for any reason to be a Director.

20. SEAL

20.1 Safe custody of Seal

The Company may have a Seal. The Directors must provide for the safe custody of the Seal.

20.2 Authority to use Seal

- (a) The Seal may only be used with the authority of the Directors, or of a Committee of the Directors authorised by the Directors to authorise the use of the Seal.
- (b) Every document to which the Seal is affixed must be signed by a Director and be countersigned by another Director, a Secretary or another person appointed by the Directors to countersign that document or a class of documents in which that document is included.

21. INSPECTION OF RECORDS

The Directors must determine whether and on what conditions the accounting records and other documents of the Company or any of them are open to inspection of members other than Directors. A member other than a Director does not have the right to inspect any document of the Company except as provided by the Corporations Act and the Listing Rules or authorised by the Directors or by the Company in general meeting.

22. DIVIDENDS AND RESERVES

22.1 Declaration

- (a) The Directors may declare dividends and pay any interim and final dividends that, in their judgment, the financial position of the Company justifies and may fix the amount, the time for payment and authorise the payment or crediting by the Company to, or at the direction of each Member entitled thereto of, that dividend.
- (b) Payment of a dividend does not require confirmation by a general meeting.

22.2 **Interim dividends**

The Directors may authorise the payment by the Company to the members of any interim dividends as appear to the Directors to be justified by the profits of the Company.

22.3 **Source of dividends**

- (a) A dividend may only be declared or paid out of profits as allowed by the Corporations Act.
- (b) A declaration by the Directors as to the amount of the profits available for dividend is conclusive and binding on all members.

22.4 **Reserves**

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

22.5 **Entitlement to dividends**

- (a) All dividends must be declared and paid according to the amounts paid on the shares in respect of which the dividend is paid. The application of this rule is subject to the rights of persons (if any) entitled to shares with special rights as to dividends.
- (b) All dividends must be apportioned and paid proportionately to the amounts paid on the shares. If any share is issued on conditions providing that it will rank for dividend as from a particular date, that share ranks for dividend accordingly.
- (c) For this rule, an amount paid on a share in advance of a call is deemed not to be paid on the share.

22.6 **Deduction from dividends of moneys owing**

The Directors may deduct from any dividend payable to a member all money (if any) presently payable by the member to the Company on account of calls in relation to shares in the Company.

22.7 **Payment of dividends by distribution of property**

- (a) The Directors, when paying or declaring dividend, may direct that the dividend be satisfied either by direct payment of the dividend, or wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, any other corporation.

- (b) If a difficulty arises in regard to a distribution under this rule, the Directors may settle the matter as they consider expedient. For this purpose, the Directors may fix the value for distribution of the specific assets or any part of those assets and may determine that cash payments will be made to any members on the basis of the value so fixed in order to adjust the rights of all parties, and may vest any specific assets in trustees that the Directors consider expedient.

22.8 Payment of dividends by cash

- (a) Any dividend, interest or other money payable in cash in respect of shares may be paid:
 - (i) by cheque sent through the post directed to the address of the holder as shown in the register, or in the case of joint holders, to the address shown in the register as the address of the joint holder first named in the register; or
 - (ii) by cheque sent through the post directed to such other address as the holder or joint holders direct in writing; or
 - (iii) via direct debit to an account nominated by the holder or joint holders and notified to the Company in writing.
- (b) Any one of 2 or more joint holders may give an effective receipt for any dividends, interest or other money payable in respect of the shares held by them as joint holders.

22.9 Election to reinvest dividend

- (a) The Directors may grant to members or any class of members the right to elect to reinvest cash dividends paid by the Company by subscribing for shares in the Company on the conditions that the Directors think fit.
- (b) The Directors may determine in respect of any dividend which it is proposed to pay or to declare on any shares of the Company that holders of the shares may elect to forego the right to share in the proposed dividend or part of such proposed dividend and to receive instead an issue of shares credited as fully paid on the conditions that the Directors think fit.
- (c) All dividends declared but unclaimed may be invested by the Directors as they think fit for the benefit of the Company until claimed or until required to be dealt with according to any law relating to unclaimed money.

23. NOTICES

23.1 Method

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

- (a) serving it on the member personally; or
- (b) by sending it by post to the member at their address as shown in the register of members;

- (c) or the facsimile or electronic address supplied by the member to the Company for the giving of notices to the member.

23.2 Deemed receipt

- (a) Where a notice is sent by post, the notice is deemed to have been served by properly addressing, prepaying, and posting a letter containing the notice, and service to have occurred, in the case of a notice of a meeting, on the day after the date of its posting and, in any other case, at the time the letter would be delivered in the ordinary course of post.
- (b) Where a notice is sent by facsimile or electronically, delivery of the notice is deemed to have been effected by properly addressing and transmitting the facsimile or electronic transmission, and to have been delivered on the day following its dispatch.

23.3 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 in respect of the share.

23.4 Notice in case of death or bankruptcy

A notice may be given by the Company to a person entitled to a share due to the death or bankruptcy of a member by serving it on the person personally or by sending it to the person by post. A notice sent by post must be addressed by name, or by the title of 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 the address has not been supplied, at the address to which the notice would have been sent if the death or bankruptcy had not occurred.

23.5 Persons entitled to notice

- (a) Notice of every general meeting must be given in the manner authorised by this **rule 23** to:
 - (i) every member;
 - (ii) every person entitled to a share due to the death or bankruptcy of a member who, but for the member's death or bankruptcy, would be entitled to receive notice of the meeting; and
 - (iii) the Auditor.
- (b) No other person is entitled to receive a notice of a general meeting.

24. WINDING UP

24.1 Division of property among members

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the members in kind the whole or any part of the property of the Company. For this purpose the liquidator may set such value as the liquidator considers fair on any

property to be so divided and may determine how the division is to be carried out as between the members or different classes of members.

24.2 Vesting property on trustees

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

25. INDEMNITY

25.1 Indemnity against liability

(a) Every person who is or has been Officer is entitled to be indemnified, to the maximum extent permitted by law, out of the property of the Company against any liabilities for costs and expenses incurred by that person:

:

- (i) in defending any proceedings relating to that person's position with the Company or its related bodies corporate, whether civil or criminal, in which judgment is given in that person's favour or in which that person is acquitted or which are withdrawn before judgment; or
 - (ii) in connection with any administrative proceedings relating to that person's position with the Company or its related bodies corporate, except proceedings which give rise to civil or criminal proceedings against that person in which judgment is not given in that person's favour or in which that person is not acquitted or which arise out of conduct involving lack of good faith; or
 - (iii) in connection with any application in relation to any proceedings relating to that person's position with the Company, whether civil or criminal, in which relief is granted to that person under the Corporations Act by the court.
- (b) Every person who is or has been an Officer may if the Directors so determine be indemnified, to the maximum extent permitted by law, out of the property of the Company against any liability to another person (other than the Company or a related body corporate) as such an officer unless the liability arises out of conduct involving a lack of good faith.
- (c) Subject to **rule 25.1(d)**, if a person becomes liable to pay any amount in respect of which the person is indemnified under this **rule 25.1(a)**, the Company must indemnify that person by paying that amount within 30 days from the date the person provides satisfactory evidence to the Company that the person is liable to pay that amount.
- (d) If the Company has paid an amount under this **rule 25.1** in respect of the liabilities or expenses of a person and judgement is given against the person which establishes that the liability of the person arises out of conduct involving a lack of

good faith towards the Company, the person must repay to the Company an amount equal to the amount paid by the Company under this rule in respect of that liability or expense within 30 days of the Company providing the person with details of the amounts to be repaid

25.2 **Obligations of an Officer claiming the indemnity**

An Officer claiming the indemnity described in **rule 25.1** must:

- (a) give notice to the Company promptly on becoming aware of any claim against the Officer that may give rise to a right to be indemnified or a right to be advanced an amount by the Company under this rule;
- (b) take such action as the Company reasonably requests to avoid, dispute, resist, appeal against, compromise or defend any claim or any adjudication of a claim;
- (c) not make any admission of liability in respect of or settle any claim without the prior written consent of the Company;
- (d) allow the Company or its insurers to assume the conduct, negotiation or defence of any claim and, on request by the Company, render all reasonable assistance and co-operation to the Company or its insurers in the conduct of any claim, including, without limitation, giving the Company or its insurers any documents, authorities and directions that the Company or its insurers may reasonably require for the prosecution or advancement of any counterclaim or cross-claim;
- (e) on request by the Company or its insurers, do everything necessary or desirable which the Company reasonably requests to enable the Company or its insurers (so far as it is possible) to be subrogated to and enjoy the benefits of the Officer's rights in relation to any counterclaims or cross-claims or any claims against any third party and render such assistance as may be reasonably requested by the Company or its insurers for that purpose; and
- (f) notify any claim to an insurer or any other person who may be liable to indemnify the Officer in respect of that claim and promptly take all reasonable steps to enforce all the Officer's rights against the insurer or other person.

26. **INSURANCE**

26.1 **Contract of insurance taken out by the Company**

The Company may enter into a contract with a reputable insurer in respect of, and pay a premium for the contract, insuring a person who is or has been an Officer of the Company or its related bodies corporate against:

- (a) any liability incurred by that person as such an Officer which does not arise out of conduct involving a wilful breach of duty in relation to the Company or a contravention of sections 182 or 183 of the Corporations Act; and
- (b) any liability for costs or expenses incurred by that person in defending proceedings relating to that person's office in relation to the Company, whether civil or criminal, and whatever the outcome of those proceedings.

27. COMPANY SECRETARY

- (a) There must be at least one secretary of the Company who is to be appointed by the Directors.
- (b) The Directors may suspend or remove a secretary from that office.
- (c) A secretary holds office on terms and conditions (including as to remuneration) that the Directors determine.

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