

CONSTITUTION

FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

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Contents

Page

Part 1 – Preliminary	1
1. Name	1
2. Nature of Company	1
3. Replaceable rules	1
4. MCIs	1
Part 2 – Power and objects of the Company	1
5. Objects.....	1
6. Income	2
7. Liability of Members	2
8. Guarantee	2
9. Benefits.....	2
Part 3 – Members	2
10. Membership.....	2
11. Application for Membership	3
12. Contributions	3
13. Services and benefits.....	3
14. Transferability of Membership	3
15. Joint Members	3
16. Termination of Membership.....	4
17. Notice of termination.....	4
18. Power of Directors to terminate Membership.....	4
19. Rights on termination.....	4
20. Rights of Terminated Member	5
21. Reinstatement of Membership	5
Part 4 - Proceedings of Members Meetings	5

22.	Annual general meeting	5
23.	Who may call general meetings of Members	5
24.	How to call meetings of Members	5
25.	Quorum	6
26.	Chairman	7
27.	Regulation of meetings	7
28.	Adjournment	7
29.	How Members make decisions at meetings.....	8
30.	How voting is carried out.....	8
31.	Polls	8
32.	Voting entitlement	9
33.	Challenging a right to vote	9
34.	Proxies, attorneys and representatives.....	9
	Part 5 – Directors	11
35.	Number of directors	11
36.	Appointment of directors.....	11
37.	Compulsory retirement	12
38.	Vacation of office.....	12
39.	Alternate directors.....	13
40.	Remuneration.....	13
41.	Director's interests	14
	Part 6- Proceedings of Directors	15
42.	Circulating resolutions.....	15
43.	Meetings	15
44.	Calling meetings	15
45.	Notice.....	15
46.	Quorum.....	16
47.	Chairman and deputy chairman	16
48.	Decisions of Directors.....	17

Part 7 - Directors' powers	17
49. General powers	17
50. Execution of documents	17
51. Negotiable instruments	18
52. Committee and delegate	18
53. Attorney and agent	18
Part 8 - Executive officers	18
54. Managing director	18
55. Executive director	19
56. Company secretary	19
57. Indemnity	19
Part 9 – Shares	20
58. Issue of shares	20
59. MCIs	20
60. Variation of classes and class rights	20
61. Alteration of share capital	21
62. Reduction of capital and buy backs	21
63. Brokerage	21
64. Joint holders	21
65. Trust not recognised	21
66. Share and option certificates	21
67. Calls	22
68. Forfeiture	23
69. Lien	24
70. Sale	25
71. Interest	26
72. Instruments of transfer	26
73. Registration	26
74. Effect of transfer	26

75. No charge	26
76. Refusal to register transfer.....	26
77. Suspension of registration	27
78. Company retains instrument of transfer	27
79. Death of Shareholder Member.....	27
80. Transmission	27
Part 10 - Winding up	28
81. Distribution of assets	28
82. Commissions	28
Part 11 – Records.....	28
83. Register	28
84. Branch registers	28
85. Inspection.....	28
86. Evidence of register	28
87. Minute book.....	28
88. Evidence of minutes	29
89. Financial records	29
90. Inspection.....	29
Part 12 - Notices and interpretation	29
91. In writing.....	29
92. Notice to Members.....	29
93. Notice to directors	30
94. Notice to the Company.....	30
95. Addresses outside Australia	30
96. Time of service.....	30
97. Interpretation.....	31
98. Definitions	31

Friendly Society Medical Association Limited

Constitution

Part 1 – Preliminary

1. **Name**

The Company is Friendly Society Medical Association Limited.

2. **Nature of Company**

The Company is a public company limited by shares and guarantee.

3. **Replaceable rules**

The replaceable rules in the Corporations Act 2001 do not apply to the Company.

4. **MCI**

The Company is intended to be an MCI mutual entity for the purposes of the Corporations Act 2001.

Part 2 – Power and objects of the Company

5. **Objects**

5.1 Where the Corporations Act 2001 provides that the Company or its officers may do a thing, or decline to do a thing, if authorised or otherwise prevented by the Constitution, that permission is given.

5.2 Notwithstanding the above, the objects for which the Company is established include, but are not limited to the following:

5.2.1 to operate as a mutual Friendly Society for the benefit of Members;

5.2.2 to raise funds by contributions from Members and returns on investments for the purposes enumerated in this clause;

5.2.3 to provide services and benefits to Members and their dependants as determined by the Company from time to time in accordance with this Constitution;

5.2.4 to carry on business as a pharmaceutical chemist;

5.2.5 to carry on business as an optical dispenser;

5.2.6 to carry on business as a pharmaceutical wholesaler and to hold any licence required for the sale by wholesale of poisons under the *Controlled Substances Act 1984 (SA)* or any other Act; and

5.2.7 to provide health and welfare facilities or services to Members and others as determined by the Company from time to time in accordance with this Constitution.

6. **Income**

6.1 The income and property of the Company, wherever derived, shall be applied solely towards the promotion of the objects of the Company as set out in this Constitution. No income or property of the Company shall, except as expressly provided by this Constitution, be paid or distributed directly or indirectly to Members by way of dividend or otherwise.

6.2 Nothing in this Constitution shall prevent:

6.2.1 the payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Company, or to any Member or director, in return for any services actually rendered to the Company or for goods supplied in the ordinary and usual way of business;

6.2.2 the payment of interest at a rate not exceeding interest at the rate for the time being charged by the Company's bankers for overdrawn accounts, on money borrowed from a Member of the Company; or

6.2.3 the payment of reasonable and proper rent for premises demised or let by any Member of the Company.

7. **Liability of Members**

The liability of Members is limited.

8. **Guarantee**

Each Member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while they are a Member, for the debts and liabilities of the Company contracted before they cease to be a Member and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding \$1.00 per Member.

9. **Benefits**

Nothing in this Constitution shall prevent the Company from providing its Members with benefits as determined by the Company from time to time.

Part 3 – Members

10. **Membership**

10.1 Membership shall consist of:

10.1.1 Members by way of guarantee;

10.1.2 Shareholder Members,

and for the avoidance of doubt, a person may be a Member in more than one such capacity.

10.2 The number of Members of the Company is unlimited.

11. **Application for Membership**

Each application for Membership shall be made in writing to the Company in such form as the Directors may from time to time determine. The Directors may in their absolute discretion admit or refuse the admission of any applicant to Membership.

12. **Contributions**

12.1 Members (other than Shareholder Members) must pay contributions to the Company in amounts and on terms as determined by the Company.

12.2 The contributions payable by a Member (other than a Shareholder Member) shall be fixed by the Directors taking into account:

12.2.1 whether services are to be available to dependants of the Member;

12.2.2 the place of residence of the Member;

12.2.3 any other matter determined by the Directors.

12.3 Other than for Shareholder Members, a Member's Membership shall lapse without further action if a contribution has not been paid by that Member in accordance with the terms determined by the Company.

13. **Services and benefits**

The Directors will determine from time to time:

13.1 which goods, services and benefits will be provided by the Company;

13.2 what conditions and terms will apply to the provision of services and benefits; and

13.3 any matters relating to contributions payable in respect of services and benefits provided,

and the Directors may make different determinations in relation to different classes or categories of Members.

14. **Transferability of Membership**

Other than for Shareholder Members, Membership of the Company is not transferable, the rights, privileges or benefits of Membership of the Company being personal to the Member.

15. **Joint Members**

15.1 The Directors may admit two (2) or more persons to Membership as a Joint Member.

15.2 The following provisions apply to Joint Members:

15.2.1 the Joint Members may determine the order in which their names are to appear in the Register. If they do not determine the order, the Directors (or their delegate) may determine the order in which they appear;

15.2.2 the person named first in the Register is the primary Joint Member. Notices or other documents may be given or sent to the primary Joint Member; and

15.2.3 only the primary Joint Member is entitled to vote.

16. Termination of Membership

16.1 A Member's Membership of the Company will terminate:

16.1.1 where the Membership is terminated in accordance with this Constitution;

16.1.2 where any contract of Membership is rescinded on the ground of misrepresentation or mistake;

16.1.3 where the Member dies; or

16.1.4 where the Member resigns from Membership.

16.2 Unless Membership is held and continues to be held in another capacity, Membership will cease where the Member fails to pay any money to the Company or to a parent or subsidiary which are then properly payable.

16.3 This clause 16 does not apply to Shareholder Members (in that capacity).

17. Notice of termination

A Member (other than a Shareholder Member) may terminate their Membership by giving notice in writing to the secretary and that termination will be effective on the date of receipt of the notice by the secretary.

18. Power of Directors to terminate Membership

The Directors may by resolution censure, fine, suspend or expel from the Company a Member (other than a Shareholder Member) on the grounds that:

18.1 the Member wilfully refuses or neglects to comply with the provisions of this Constitution; or

18.2 the Member is guilty of conduct which, in the opinion of the Directors, is unbecoming of a Member, or prejudicial to, or conflicts with, the interests of the Company.

19. Rights on termination

Where a Member's Membership rights are to be terminated under clause 18, the Directors must give that Member:

19.1 at least one week's notice of the meeting to be held under clause 18, the substance of the allegation against them and the intended resolution; and

19.2 an opportunity of lodging a written explanation or defence with the secretary at least 24 hours before the meeting.

20. Rights of Terminated Member

20.1 A Member who for whatever cause ceases to be a Member of the Company shall not have any claim, monetary or otherwise, on the Company's funds or property.

20.2 Upon ceasing to be a Member of the Company, the Member shall

remain liable for any monies due to the Company and unpaid at the date of their ceasing to be a Member.

21. Reinstatement of Membership

Notwithstanding anything else contained in this constitution, where a Member's Membership has been terminated or lapsed, the Directors may in their total and unfettered discretion reinstate that Member's Membership subject to such conditions (if any) the Directors consider appropriate.

Part 4 - Proceedings of Members Meetings

22. Annual general meeting

The Company must hold an annual general meeting at least once in each calendar year and within 5 months after the end of its financial year.

23. Who may call general meetings of Members

23.1 The Directors may call a general meeting of Members, when and where the Directors decide.

23.2 The Directors must call a general meeting of Members when requested by the Members specified in the Corporations Act 2001.

23.3 The Members specified in the Corporations Act 2001 may call a general meeting of Members.

24. How to call meetings of Members

24.1 At least 28 days' notice must be given of a general meeting. However, unless prohibited by the Corporations Act 2001, the Company may call on shorter notice:

24.1.1 an annual general meeting, if all the Members entitled to attend and vote at the annual general meeting agree beforehand; and

24.1.2 any general meeting, if Members with at least 95% of the votes that may be cast at the meeting agree beforehand.

24.2 Notice of a meeting must be given to Members entitled to attend and vote at the meeting, directors and the auditor.

24.3 Notwithstanding clause 24.2, subject to the Corporations Act 2001 and the regulations made under that Act, the Company need only provide notice of a meeting to a Member if that Member has elected to be notified of meetings.

- 24.4 A notice of a general meeting must:
- 24.4.1 set out the place, date and time for the meeting;
 - 24.4.2 state the general nature of the meeting's business;
 - 24.4.3 if a special resolution is to be proposed at the meeting - set out an intention to propose the special resolution and state the resolution; and
 - 24.4.4 contain a statement setting out the following information:
 - (a) that the Member has the right to appoint a proxy;
 - (b) that the proxy need not be a Member of the Company;
 - 24.4.5 contain anything else required by the Corporations Act 2001.
- 24.5 The business of an annual general meeting may include any of the following, even if not referred to in the notice of meeting:
- 24.5.1 the consideration of the annual financial report, Directors' report and auditor's report;
 - 24.5.2 the election of directors;
 - 24.5.3 the appointment of the auditor;
 - 24.5.4 the fixing of the auditor's remuneration.
- 24.6 Non receipt of notice of a meeting, or failure to give proper notice of a meeting to a person entitled to receive it, does not invalidate anything done at the meeting if:
- 24.6.1 the failure was accidental;
 - 24.6.2 the person gives notice to the Company that the person waives proper notice or agrees to the thing done at the meeting; or
 - 24.6.3 the person attends the meeting and:
 - (a) does not object at the start of the meeting to the holding of the meeting; or
 - (b) if the notice omitted an item of business, does not object to the consideration of the business when it is presented to the meeting.

25. Quorum

- 25.1 A quorum for a meeting of Members is 10 Members who are entitled to vote and are present in person or by proxy at the meeting. The quorum must be present at all times during the meeting.

- 25.2 In determining whether a quorum is present, the chairman must count Members, proxies, attorneys, body corporate representatives and any other persons entitled to vote. If an individual is attending both as a Member and as a proxy, attorney or body corporate representative, or in any other capacity, the chairman must count them only once.
- 25.3 If a quorum is not present within 30 minutes after the time appointed for the meeting:
- 25.3.1 if the meeting was called on the request of Members or by Members, the meeting is dissolved;
 - 25.3.2 any other meeting is adjourned to any day, time and place the Directors decide.
- 25.4 If a quorum is not present within 30 minutes after the time appointed for an adjourned meeting, the meeting is dissolved.

26. Chairman

- 26.1 The chairman of Directors is entitled to chair all meetings of Members.
- 26.2 If there is no chairman of Directors, or if the chairman is not present within 10 minutes after the time appointed for the meeting or is unable or unwilling to act, the deputy chairman of Directors may chair the meeting. If there is no deputy chairman, or if the deputy chairman is not present within 10 minutes after the time appointed for the meeting or is unable or unwilling to act, the directors present must elect one of themselves to chair the meeting. If they do not do so, the Members present must elect a person to chair the meeting.

27. Regulation of meetings

The chairman may regulate the meeting of Members in any way consistent with this constitution.

28. Adjournment

- 28.1 The chairman may adjourn a meeting of Members to any day, time and place.
- 28.2 The chairman must adjourn a meeting of Members if the Members present with a majority of votes at the meeting agree or direct the chairman to do so. The chairman may adjourn the meeting to any day, time and place.
- 28.3 When a meeting is adjourned, new notice of the resumed meeting must be given if the meeting is adjourned for more than a month.
- 28.4 Only unfinished business is to be transacted at a meeting resumed after an adjournment.

29. **How Members make decisions at meetings**

29.1 A meeting of Members makes a decision by passing a resolution. A resolution is passed if more than 50% of the votes cast at the meeting by the Members present and entitled to vote are in favour of the resolution (unless the law requires a special resolution).

29.2 A special resolution is passed if:

29.2.1 the notice of the meeting sets out an intention to propose the special resolution and states the resolution;

29.2.2 it is passed by at least 75% of the votes cast at the meeting by Members present and entitled to vote on the resolution.

30. **How voting is carried out**

30.1 A resolution put to the vote at a meeting of Members must be decided on a show of hands.

30.2 A declaration by the chairman that a resolution is passed, or passed by a particular majority, or lost, and an entry to that effect in the minutes, are sufficient evidence of that fact, unless proved incorrect.

31. **Polls**

31.1 A poll may be requested on any resolution.

31.2 A poll may be requested by:

31.2.1 at least 5 Members entitled to vote on the resolution;

31.2.2 Members with at least 5% of the votes that may be cast on the resolution on a poll; or

31.2.3 the chairman.

31.3 The poll may be requested:

31.3.1 before a vote is taken;

31.3.2 before the voting results on a show of hands are declared; or

31.3.3 immediately after the voting results on a show of hands are declared.

31.4 A request for a poll may be withdrawn.

31.5 A poll requested on a matter other than the election of a chairman or the question of an adjournment must be taken when and how the chairman directs.

31.6 A poll on the election of a chairman or the question of an adjournment must be taken immediately.

31.7 A request for a poll does not prevent the meeting dealing with other business.

32. **Voting entitlement**

- 32.1 At a general meeting of Members, only Members will be entitled to vote and:
- 32.1.1 on a show of hands at a general meeting, each Member who is entitled to vote and is present in person has one vote and each person present as a proxy has one vote;
 - 32.1.2 on a poll at a general meeting each Member who is entitled to vote and is present in person has one vote and each person present by proxy has one vote for each Member the proxy represents.
- 32.2 If a person falls within more than one category of Membership, that person may only exercise one vote at a meeting of Members at which they are entitled to be present and vote.
- 32.3 The chairman of a general meeting does not have a casting vote. In the event of an equal vote the resolution voted upon will fail.

33. **Challenging a right to vote**

- 33.1 A challenge to a right to vote at a meeting of Members may only be made:
- 33.1.1 before the meeting, to the Directors; or
 - 33.1.2 at the meeting, to the chairman of the meeting.
- 33.2 The challenge must be decided by the Directors or the chairman (as the case may be). The Directors' decision or the chairman's decision is final.

34. **Proxies, attorneys and representatives**

- 34.1 A Member who is entitled to vote at a meeting may vote:
- 34.1.1 personally;
 - 34.1.2 by one proxy;
 - 34.1.3 by one attorney; or
 - 34.1.4 if a body corporate, by its representative, or by one proxy or one attorney.
- 34.2 A proxy, attorney or representative need not be a Member of the Company.
- 34.3 A Member may appoint a proxy, attorney or representative for all or for particular meetings.
- 34.4 An appointment of an attorney or representative must be in a form approved by the Directors.
- 34.5 An appointment of a proxy is valid if it is signed by the Member making the appointment and it contains the following information:
- 34.5.1 the Member's name and address;

- 34.5.2 the Company's name;
- 34.5.3 the proxy's name or the name of the office held by the proxy;
- 34.5.4 the meetings at which the appointment may be used.

The Directors may decide to accept a proxy even if it contains only some of that information.

- 34.6 Unless otherwise specified in the appointment, the proxy, attorney or representative may:
 - 34.6.1 agree to short notice for the meeting;
 - 34.6.2 even if the appointment directs how to vote on a particular resolution:
 - (a) vote on an amendment to the particular resolution, a motion not to put the particular resolution or any similar motion;
 - (b) vote on a procedural motion, including a motion to elect the chairman, to vacate the chair or adjourn the meeting;
 - 34.6.3 speak at the meeting;
 - 34.6.4 vote (but only to the extent allowed by the appointment);
 - 34.6.5 request or join in a request for a poll.
- 34.7 If a person represents 2 or more Members, that person has only one vote on a show of hands.
- 34.8 A later appointment of a proxy or attorney revokes an earlier one if both appointments could not be validly exercised at the meeting.
- 34.9 An appointment may specify the way a proxy or attorney is to vote on a particular resolution. A proxy may vote only as directed.
- 34.10 An appointment of a proxy is effective only if the Company receives the appointment (and any authority under which the appointment was signed or certified copy of the authority) at least 48 hours before the meeting or resumed meeting, unless the Directors decide to reduce that time. The Company receives an appointment or authority when it is received at any of the following:
 - 34.10.1 the Company's registered office;
 - 34.10.2 a fax number at the Company's registered office;
 - 34.10.3 a place, fax number or electronic address specified for the purpose in the notice of meeting.

These requirements also apply to an appointment of an attorney.

- 34.11 Unless the Company receives written notice of the matter before the start or resumption of a meeting, a vote by a proxy, attorney or representative is valid even if:

- 34.11.1 there is a Transmission Event in respect of the Member;
 - 34.11.2 the appointment of the proxy, attorney or representative is revoked;
 - 34.11.3 the Member revokes the authority under which the proxy was appointed by a third party; or
 - 34.11.4 the Member becomes an externally-administered body corporate.
- 34.12 A vote by a proxy or attorney is valid even if the Member transfers the share for which the appointment was given, if the transfer is not registered at the time of the meeting (or at any earlier time fixed by the Directors so that Members at that time are taken to be Members at the time of the meeting).
- 34.13 A proxy or attorney may take part in a meeting of Members even if the appointor or representative is present. However, if the appointor or representative votes on a resolution, the proxy or attorney must not vote.

Part 5 – Directors

35. Number of directors

- 35.1 There must be at least 3 directors and at most 7 directors.
- 35.2 The Company in a general meeting may increase the minimum number of directors or reduce the maximum number of directors.

36. Appointment of directors

- 36.1 To be eligible to be appointed a director a person must be:
 - 36.1.1 a Member admitted to membership before the date this constitution becomes effective; or
 - 36.1.2 a Member admitted to membership after the date this constitution becomes effective who has been a Member for at least a period of 3 years prior to the date of their consent to become a director unless the directors otherwise determine; and
 - 36.1.3 in all cases, in the opinion of the directors, a fit and proper person to act as a director of the Company.
- 36.2 The Directors may appoint a director as an addition to the existing board of directors.
- 36.3 If the office of director becomes vacant other than at an annual general meeting or if a vacant position on the board of directors is not filled by election at a meeting, the directors may appoint a new director to fill that position.
- 36.4 Except in any instance where a director must be appointed to maintain the minimum number of directors required for the Company, the number of directors holding office by appointment under clauses 36.2 and 36.3 must not be greater than that number which equals 40% of the total number of directors of the Company.

- 36.5 The Company in a general meeting may appoint a director.
- 36.6 Subject to clause 36.1, a person is eligible for election as a director at a general meeting only if:
- 36.6.1 the person is a director retiring under the next clause and notifies the Company that he or she is available for re election; or
 - 36.6.2 the person has signed a consent to nomination and lodged it at the Company's registered office.

The Company must accept these notices and nominations up to 35 Business Days (or in the case of a meeting that Members requested the Directors to call, 30 Business Days) before the general meeting. The Directors may decide to accept these notices and nominations closer to the date of the general meeting.

37. **Compulsory retirement**

- 37.1 The following directors automatically retire at the end of each annual general meeting:
- 37.1.1 any director appointed by the directors or the Company in general meeting since the last annual general meeting;
 - 37.1.2 one third (or if that is not a whole number, the next lowest number) of the other directors (not counting the managing director).
- 37.2 The directors who must retire under clause 37.1.2 are those directors who have been longest in office since their appointment on registration or their last election (whichever is later). If they became directors on the same day, they may agree who retires. If they do not agree, they may select by lot who retires.
- 37.3 This clause does not apply to the managing director.

38. **Vacation of office**

A director ceases to be a director if:

- 38.1 the Corporations Act 2001 so provides;
- 38.2 the director resigns by notice to the Company;
- 38.3 the Company in general meeting removes the person as a director;
- 38.4 the director is absent, without the consent of the Directors, from all Directors' meetings over any 6 month period;
- 38.5 the director becomes mentally incapable and the director's estate or property has had a personal representative or trustee appointed to administer it;
- 38.6 the director automatically retires under the previous clause; or
- 38.7 the director ceases to be a Member.

39. Alternate directors

- 39.1 A director may appoint an alternate for a specified period with the consent of the Directors.
- 39.2 The appointor may terminate the alternate's appointment at any time.
- 39.3 An appointment or termination is effective only if:
 - 39.3.1 it is in writing;
 - 39.3.2 the appointor signs it; and
 - 39.3.3 the Company is given notice of it.
- 39.4 The alternate must be a Member or director of the Company.
- 39.5 The alternate is entitled to notice of Directors' meetings.
- 39.6 If the appointor is not present, the alternate may:
 - 39.6.1 attend the Directors' meeting, count in the quorum, speak, and vote in the place of the appointor;
 - 39.6.2 exercise any other powers (except the power to appoint an alternate) that the appointor may exercise.
- 39.7 A person may act as an alternate for more than one director.
- 39.8 If the appointor ceases to be a director, the alternate cannot exercise the appointor's powers.
- 39.9 Where:
 - 39.9.1 an appointor ceases to be a director; and
 - 39.9.2 that appointor's alternate purports to do an act as a director;
 - 39.9.3 that act is as valid, in relation to a person dealing with the Company in good faith and for value and without actually knowing that the appointor has ceased to be a director, as if the appointor had not ceased to be a director.
- 39.10 The Company may pay an alternate any remuneration the Directors decide.
- 39.11 While acting as a director, an alternate is an officer of the Company and not the agent of the appointor.

40. Remuneration

- 40.1 The Company may remunerate each director as the Directors decide, but the total amount of the remuneration of non-executive directors may not exceed the amount fixed by the Company in general meeting for that purpose.

- 40.2 A director's remuneration may be any combination of:
- 40.2.1 a stated salary;
 - 40.2.2 a fixed sum for each attendance at a Directors' meeting;
 - 40.2.3 if a non-executive director, a share of the amount fixed under clause 40.1, divided among them as the Directors decide and in default equally.
- 40.3 A director's remuneration must not include a commission on, or percentage of, operating revenue.
- 40.4 A stated salary or a share of a fixed amount accrues from day-to-day.
- 40.5 The Company may also pay travelling and other expenses that a director properly incurs on the Company's business.
- 40.6 If a director performs extra or special services for the Company, the Company may pay to the director any special remuneration the Directors decide, in addition to the director's normal remuneration.
- 40.7 The Company may establish or support superannuation or similar funds for the directors, as the Directors decide.

41. **Director's interests**

- 41.1 Subject to the Corporations Act 2001 a director may:
- 41.1.1 hold an office or place of profit (except as auditor) in the Company, on any terms the Directors decide;
 - 41.1.2 hold an office or otherwise be interested in any related body corporate or other body corporate in which the Company is interested;
 - 41.1.3 retain benefits for so doing.
- 41.2 Subject to the Corporations Act 2001:
- 41.2.1 a director who has a material personal interest in a matter that is being considered at a Directors' meeting:
 - (a) may be present while the matter is being considered at the meeting;
 - (b) may be counted in a quorum for a meeting considering the matter;
 - (c) may vote on the matter;
 - 41.2.2 a director (or a Spouse, parent or child of a director, or any entity in which a director or a Spouse, parent or child of a director has an interest) may contract or make an arrangement with the Company (or a related body corporate or a body corporate in which the Company is interested) in any matter in any capacity;

- 41.2.3 a director may sign for the Company, or attest the affixing of the common seal to, any document in respect of that contract or arrangement;
- 41.2.4 a director may retain benefits under that contract or arrangement;
- 41.2.5 the Company cannot avoid that contract or arrangement because of the director's interest.

Part 6- Proceedings of Directors

42. Circulating resolutions

- 42.1 The Directors may pass a resolution without a Directors' meeting being held, if the majority of the directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. An alternate appointed by a director may sign the document instead of that director.
- 42.2 Separate copies of a document may be used for signing by directors, if the wording of the resolution and statement is identical in each copy.
- 42.3 The resolution is passed when the last of the directors comprising that majority signs.
- 42.4 Passage of the resolution must be recorded in the Company's minute book.

43. Meetings

- 43.1 The Directors may meet, adjourn and otherwise regulate their meetings as they decide.
- 43.2 A Directors' meeting may be held using any technology consented to by all the directors. The consent may be a standing one. A director may only withdraw consent within a reasonable period before the meeting.
- 43.3 If a Directors' meeting is held by telephone link up or other contemporaneous audio or audio visual communication, a director is taken to be present unless the director states to the chairman that the director is disconnecting his or her telephone or communication device.

44. Calling meetings

- 44.1 Any director may call a Directors' meeting.
- 44.2 On the request of any director, the company secretary must call a Directors' meeting.

45. Notice

- 45.1 Notice of a Directors' meeting must be given to each director and each alternate.
- 45.2 The notice must:

- 45.2.1 specify the day, time and place of the meeting;
 - 45.2.2 state the business to be transacted;
 - 45.2.3 be given at least 48 hours before the meeting, unless all directors otherwise agree.
- 45.3 Non receipt of notice of a meeting, or failure to give notice of a meeting to a director or an alternate, does not invalidate anything done at the meeting if:
- 45.3.1 the failure was accidental;
 - 45.3.2 the director or alternate gives notice to the Company that he or she waives the notice or agrees to the thing done at the meeting; or
 - 45.3.3 the director or alternate attends the meeting.

46. Quorum

- 46.1 The quorum for a Directors' meeting is a majority of the appointed directors for the time being, unless the Directors otherwise decide.
- 46.2 In determining whether a quorum is present, the chairman must count alternates. If a director is also an alternate, the chairman must count the director as a director and separately as an alternate. If a person is an alternate for more than one director, the chairman must count the person separately for each appointment.
- 46.3 The quorum must be present at all times during the meeting.
- 46.4 If there are not enough directors in office to form a quorum, the remaining directors may act only:
 - 46.4.1 to increase the number of directors to a quorum;
 - 46.4.2 to call a general meeting of the Company; or
 - 46.4.3 in an emergency.

47. Chairman and deputy chairman

- 47.1 The Directors may elect a director as chairman for any period they decide.
- 47.2 The Directors may elect a director as deputy chairman for any period they decide.
- 47.3 The Directors may remove the chairman or deputy chairman.
- 47.4 The Directors may decide that either office is an extra or special service for the Company, for the purpose of deciding special remuneration.
- 47.5 The chairman is entitled to chair each Directors' meeting.

- 47.6 If there is no chairman, or if the chairman is not present within 10 minutes after the time appointed for the meeting or is unable or unwilling to act, the deputy chairman may chair the Directors' meeting. If there is no deputy chairman, or if the deputy chairman is not present within 10 minutes after the time appointed for the meeting or is unable or unwilling to act, the directors present must elect one of themselves to chair the meeting.
- 47.7 If the chairman is unable or unwilling to chair a part of the meeting, the deputy chairman may chair that part. If there is no deputy chairman, or the deputy chairman is unable or unwilling to act, the directors present must elect one of themselves to chair that part.

48. Decisions of Directors

- 48.1 Subject to the Corporations Act 2001, each director has one vote.
- 48.2 If a director is also an alternate, the director has one vote as a director and one vote as an alternate. If a person is an alternate for more than one director, the person has one vote for each appointment.
- 48.3 A resolution of the Directors is passed by a majority of votes cast.
- 48.4 The chairman has a casting vote.

Part 7 - Directors' powers

49. General powers

- 49.1 The business of the Company is managed by or under the direction of the Directors.
- 49.2 The Directors may exercise all the powers of the Company except any powers that the Corporations Act 2001 or this constitution requires the Company to exercise in general meeting.

50. Execution of documents

- 50.1 The Company may execute a document without a common seal if the document is signed by:
- 50.1.1 2 directors of the Company; or
 - 50.1.2 a director and a company secretary of the Company.
- 50.2 If the Company has a common seal, it may execute a document if the seal is fixed to the document and the fixing of the seal is witnessed by:
- 50.2.1 2 directors of the Company; or
 - 50.2.2 a director and a company secretary of the Company.
- 50.3 The Company may execute a document only if authorised by the Directors or by a committee of directors authorised by the Directors to do so.

- 50.4 The Directors may decide, generally or in a particular case, that a director or company secretary may sign certificates for securities of the Company by mechanical or other means.
- 50.5 This clause does not limit the ways in which the Company may execute a document (including a deed).

51. Negotiable instruments

The Directors may decide how negotiable instruments (including cheques) may be signed, drawn, accepted, endorsed or otherwise executed.

52. Committee and delegate

- 52.1 The Directors may delegate any of their powers (including this power to delegate) to a committee of directors or to one director.
- 52.2 The Directors may revoke or vary that delegation.
- 52.3 A committee or delegate must exercise the powers delegated subject to any directions of the Directors. The effect of the committee or delegate exercising a power in this way is the same as if the Directors exercised it.
- 52.4 Part 6 applies with the necessary changes to meetings of a committee.
- 52.5 The Directors may decide that membership of a committee or acting as a delegate is an extra or special service for the Company, for the purpose of deciding special remuneration.

53. Attorney and agent

- 53.1 The Directors may appoint any person to be the attorney or agent of the Company for any purpose, for any period and on any terms (including as to remuneration) the Directors decide.
- 53.2 The Directors may delegate any of their powers (including the power to delegate) to an attorney or agent.
- 53.3 The Directors may revoke or vary:
- 53.3.1 the appointment; or
 - 53.3.2 any power delegated to the attorney or agent.

Part 8 - Executive officers

54. Managing director

- 54.1 The Directors may appoint one of themselves as managing director, for any period and on any terms (including as to remuneration) the Directors decide.
- 54.2 The Directors may delegate any of their powers (including the power to delegate) to a managing director.

54.3 The Directors may revoke or vary:

54.3.1 the appointment; or

54.3.2 any power delegated to the managing director.

54.4 A managing director must exercise the powers delegated subject to any directions of the Directors. The effect of the managing director exercising a power in this way is the same as if the Directors exercised it.

54.5 A person automatically ceases to be managing director if the person ceases to be a director or an executive of the Company.

55. Executive director

A person automatically ceases to be an executive director if the person ceases to be a director or an executive of the Company.

56. Company secretary

56.1 The Directors may appoint one or more company secretaries, for any period and on any terms (including as to remuneration) the Directors decide.

56.2 Unless the Directors otherwise decide, the company secretary is the public officer of the Company.

57. Indemnity

57.1 To the extent permitted by the Corporations Act 2001, the Company:

57.1.1 must indemnify each person who is or has been an Officer against any liability incurred as an Officer;

57.1.2 may pay a premium for a contract insuring an Officer against that liability.

57.2 Subject to the Corporations Act 2001, the Company may enter into an agreement or deed with an Officer under which the Company must do all or any of the following:

57.2.1 keep a set of the Company's books (including minute books) and allow the Officer and the Officer's advisers access to the books for any period agreed;

57.2.2 indemnify the Officer against any liability incurred by the Officer as an Officer;

57.2.3 keep the Officer insured for any period agreed in respect of any act or omission by the Officer while an Officer.

57.3 In this clause, Officer means an officer of the Company or of a subsidiary of the Company or both.

Part 9 – Shares

58. Issue of shares

Without limiting the Company's powers under the Corporations Act 2001, the Company (under the control of the Directors) may:

- 58.1 issue shares in the Company; and
- 58.2 grant options over unissued shares in the Company;

on any terms, with any rights or restrictions attached to the shares, at any time, and for any consideration the Directors decide.

59. MCIs

- 59.1 Notwithstanding anything else contained in this Constitution, but without limiting the Company's powers under the Corporations Act 2001, the Company (under the control of the Directors) may issue a class of shares on the terms set out in Schedule 1 or otherwise on such terms as required in order for those shares to be MCIs under the Corporations Act 2001.
- 59.2 If any provision of Schedule 1 becomes inconsistent with the Corporations Act 2001 requirements for the class of shares to which Schedule 1 applies to be MCIs, Schedule 1 is taken not to contain that provision to the extent of the inconsistency.
- 59.3 If Schedule 1 does not contain a provision required for the class of shares to which Schedule 1 applies to be MCIs, Schedule 1 is taken to contain that provision.
- 59.4 If Schedule 1 contains a provision that disqualifies the class of shares to which Schedule 1 applies from being MCIs, Schedule 1 is taken not to contain that provision.

60. Variation of classes and class rights

- 60.1 Subject to the Corporations Act 2001, the Company may:
 - vary or cancel rights attached to shares in a class of shares;
 - 60.1.1 convert shares from one class to another;
- by special resolution of the Company; and
- 60.1.2 by special resolution passed at a meeting of the holders of shares in that class; or
- 60.1.3 by the written consent of Members with at least 75% of the votes in that class.
- 60.2 Part 4 (with the necessary changes and subject to any inconsistent terms of issue of particular shares) applies to meetings of holders of a class of shares.

- 60.3 The Company may issue new shares that rank equally with existing shares. The new issue is taken not to vary the rights attached to the existing shares.

61. Alteration of share capital

The Company in general meeting may convert its shares into a larger or smaller number of shares.

62. Reduction of capital and buy backs

Subject to the Corporations Act 2001, the Company may:

- 62.1 reduce its share capital;
- 62.2 buy back shares in itself.

63. Brokerage

The Company may pay brokerage or commission if a person takes up shares in the Company.

64. Joint holders

- 64.1 Two or more persons may hold a share only as joint tenants.
- 64.2 Subject to the Corporations Act 2001, the Company need not register more than 3 persons as joint holders of a share.

65. Trust not recognised

Except as required by law or this constitution, the Company need not recognise:

- 65.1 that a person holds a share on trust; or
- 65.2 any interest in a share except the registered holder's absolute ownership of the whole share.

66. Share and option certificates

- 66.1 When the Company registers securities of any class to a Shareholder Member or option holder, the Company must issue to the Member or option holder, without charge, in the discretion of the Directors:

- 66.1.1 one or more certificates for those securities; or
- 66.1.2 any other document that confirms ownership of the securities as the Directors decide.

- 66.2 If the Corporations Act 2001 so permits, the Company:

- 66.2.1 need not issue a certificate for the securities;
- 66.2.2 may cancel a certificate and not issue a replacement.

- 66.3 The Company must comply with the Corporations Act 2001 in issuing those certificates, statements of holdings or other documents.
- 66.4 If required to issue a certificate, the Company need issue only one certificate for securities registered in more than one name. The Company must deliver that certificate to any one of the registered holders.
- 66.5 Subject to the Corporations Act 2001, the Company must issue a replacement certificate for a defaced, worn out, lost or destroyed certificate.

67. Calls

- 67.1 Subject to the terms of issue, the Directors may make calls on the holder of a share for any unpaid portion of the issue price of that share at any time.
- 67.2 The Directors may make a call payable by instalments.
- 67.3 The Company must give to the Member at least 14 days' notice of a call, specifying the amount payable, and the time and place of payment.
- 67.4 A call is made when the Directors resolve to make the call.
- 67.5 The Directors may revoke or postpone a call or extend the time for payment.
- 67.6 A call is still valid if either or both:
 - 67.6.1 a Member does not receive notice of the call;
 - 67.6.2 the Company accidentally does not give notice of the call to a Member.
- 67.7 A Shareholder Member must pay to the Company:
 - 67.7.1 the amount called, by the time and at the place specified;
 - 67.7.2 if the amount called is not paid by that time, interest at the rate fixed in this Part on an unpaid call (or instalment) from the date the call (or instalment) becomes presently payable until and including the date of payment; and
 - 67.7.3 costs incurred by the Company in respect of the non payment or late payment of the call.
- 67.8 Joint holders of a share and their respective personal representatives are all jointly and severally liable to pay all calls on the share.
- 67.9 If, by the terms of issue of a share, an amount is payable on issue or at a fixed date, the Company is taken to have properly called that amount and given proper notice of it.
- 67.10 The Directors may waive all or any part of an amount payable under this clause or the terms of issue of a share.

67.11 The Directors may recover an amount presently payable under this clause from a Shareholder Member in all or any of the following ways:

67.11.1 by suing the Shareholder Member for debt;

67.11.2 by enforcing the lien on the share;

67.11.3 by declaring forfeit the share.

67.12 A debt is sufficiently proved by evidence that:

67.12.1 the Shareholder Member is registered as a holder or a joint holder of the share; and

67.12.2 the resolution for the call is recorded in the minute book.

67.13 The Directors may authorise the Company:

67.13.1 to accept from a Shareholder Member an amount paid before call;

67.13.2 to pay interest on the amount paid before call, at any rate the Directors decide, from the date of payment until and including the date the call becomes presently payable;

67.13.3 to repay the amount to the Shareholder Member.

67.14 An amount paid before call is ignored in determining a Dividend or surplus in a winding up.

68. **Forfeiture**

68.1 The Directors may resolve that a Shareholder Member's share is forfeited if:

68.1.1 the Shareholder Member does not pay a call or instalment on the share when presently payable; and

68.1.2 the Company gives the Shareholder Member notice:

(a) requiring payment of that call or instalment, any interest on it and any costs incurred by the Company because of the non payment;

(b) stating that the share will be forfeited if the Shareholder Member does not pay to the Company, at the place named, the total amount within 14 days (or any longer period stated) after the notice is given; and

68.1.3 the Shareholder Member does not pay the total amount within that period.

68.2 When a share is forfeited, the Company must:

68.2.1 notify the former holder that the share is forfeited; and

68.2.2 record the forfeiture and date of forfeiture in the register of Members.

A failure to do this does not invalidate the forfeiture.

- 68.3 The former holder of a forfeited share must pay to the Company:
- 68.3.1 all calls, instalments, interest and costs in respect of the share at the date of forfeiture; and
 - 68.3.2 interest at the rate fixed in this Part on those amounts from the date of forfeiture until and including the date of payment.
- 68.4 The forfeiture of a share extinguishes:
- 68.4.1 the former Shareholder Member's interest in the share; and
 - 68.4.2 all claims against the Company in respect of the share, including all Dividends presently payable by the Company on the share.
- 68.5 The Company may sell or otherwise dispose of a forfeited share on any terms and in any way the Directors decide.
- 68.6 A certificate by a director or secretary of the Company that the share was forfeited on a specified date is sufficient evidence of the matter, unless it is proved to be incorrect.
- 68.7 The Directors may:
- 68.7.1 waive any of the Company's rights under this clause;
 - 68.7.2 before sale or re issue of a forfeited share, annul the forfeiture on any terms the Directors decide.

69. Lien

- 69.1 The Company has a first ranking lien on:
- 69.1.1 each share registered to a Shareholder Member;
 - 69.1.2 dividends on the share;
 - 69.1.3 proceeds of sale of the share;
- for:
- 69.1.4 an unpaid call or instalment that is due but unpaid on the share;
 - 69.1.5 if the share was acquired under an employee incentive scheme, an amount owing to the Company for acquiring the share;
 - 69.1.6 any amounts the Company is required by law to pay (and has paid) in respect of the shares of that Shareholder Member or deceased former Shareholder Member;
 - 69.1.7 any interest and costs presently payable to the Company under this Part.
- 69.2 The Company may sell a share to enforce the lien if:

- 69.2.1 an amount secured by the lien is presently payable;
- 69.2.2 the Company gives the Shareholder Member notice:
 - (a) requiring payment of that amount, any interest on it and any costs incurred by the Company because of the non payment;
 - (b) stating that the share will be sold if the Member does not pay to the Company, at the place named, the total amount within 14 days (or any longer period stated) after service of the notice; and
- 69.2.3 the Shareholder Member does not pay the total amount within that period.
- 69.3 The Directors may waive any of the Company's rights under this clause.
- 69.4 Registration by the Company of a transfer of a share releases any lien on that share, insofar as the lien relates to money owing by the transferor or previous transferor, unless the Company gives the transferee notice of its claim.

70. Sale

- 70.1 The Directors may authorise a person to sign a transfer of a forfeited share or a share sold to enforce a lien.
- 70.2 The Company must apply the sale price from:
 - 70.2.1 the sale of a forfeited share;
 - 70.2.2 the sale of a share sold to enforce a lien;in the following order:
 - 70.2.3 to the costs of the sale;
 - 70.2.4 to the amount presently payable by the former holder to the Company;
 - 70.2.5 to the former holder or the former holder's personal representative, on receipt of the certificate for the share.
- 70.3 The Company must register the purchaser of the share as the holder of the share.
- 70.4 The purchaser need not enquire whether the Company:
 - 70.4.1 properly exercised its powers in respect of the share;
 - 70.4.2 properly applied the sale price for the share.These matters do not affect the title of the purchaser.
- 70.5 Unless expressly agreed, the purchaser is not liable for calls and other amounts presently payable in respect of the share before the sale.

71. Interest

71.1 A Shareholder Member must pay interest under this Part to the Company:

71.1.1 at a rate the Directors decide;

71.1.2 if the Directors do not decide a rate, at 10% per annum.

71.2 Interest payable to the Company accrues daily.

71.3 The Company may capitalise interest monthly or at any other intervals the Directors decide.

72. Instruments of transfer

Subject to this constitution, a Shareholder Member may transfer a share only with the unanimous approval of the Directors.

73. Registration

73.1 If an instrument of transfer is used, it must be:

73.1.1 executed by or for both the transferor and the transferee (unless it is a sufficient transfer of marketable securities);

73.1.2 stamped;

73.1.3 delivered to the Company's share registry, together with any evidence the Directors require to prove:

(a) the title of the transferor;

(b) the transferor's right to transfer the shares; and

(c) the proper execution of the instrument of transfer.

74. Effect of transfer

A transferor of shares remains the holder of the shares until the transfer is registered and the name of the transferee is entered in the register of Members as the owner of the shares.

75. No charge

The Company must not charge a fee to register a transfer.

76. Refusal to register transfer

76.1 The Directors may refuse to register a transfer of shares only if:

76.1.1 clause 71 or 72 is not complied with;

76.1.2 the shares are not fully paid; or

76.1.3 the Company has a lien on the shares.

- 76.2 The Directors must give notice of any refusal to the security holder and any broker lodging the transfer. The notice must set out the reason for the refusal. Failure to do so does not invalidate the decision of the Directors.

77. Suspension of registration

Subject to the Corporations Act 2001, the Directors may suspend registration of transfers of shares in the Company at the times and for the periods they decide. The periods of suspension must not exceed 30 days in any calendar year.

78. Company retains instrument of transfer

- 78.1 The Company may keep an instrument of transfer after registration.
- 78.2 If demand is made within 12 months after the Company gives notice of a refusal to register and there is no allegation of fraud, the Company must return the instrument of transfer to the depositor.

79. Death of Shareholder Member

- 79.1 If a Shareholder Member (other than a joint Shareholder Member) dies, the Company must recognise only the personal representative of the deceased Shareholder Member as being entitled to the deceased Shareholder Member's shares.
- 79.2 If a Shareholder Member who owns shares jointly dies, the Company must recognise only the survivor as being entitled to the deceased Shareholder Member's interest in the shares.
- 79.3 Whether the deceased Shareholder Member owned the shares solely or jointly, the estate of the deceased Shareholder Member is not released from any liability in respect of the shares.

80. Transmission

- 80.1 If a person is entitled to shares because of a Transmission Event and gives the Directors the information they reasonably require to establish the person's entitlement:
- 80.1.1 the person may:
- (a) by giving notice to the Company, elect to be registered as the holder of the shares; or
 - (b) by giving a completed instrument of transfer to the Company, transfer the shares to another person; and
- 80.1.2 the person is entitled, whether or not registered as the holder of the shares, to the same rights as the Member or deceased Member.
- 80.2 On receiving a notice under clause 80.1.1(a), the Company must register the person as the holder of the shares.
- 80.3 A transfer under clause 80.1.1(b) is subject to the same rules (for example, about entitlement to transfer and registration of transfers) as apply to transfers generally.

Part 10 - Winding up

81. Distribution of assets

If on the winding up or dissolution of the Company there remains after satisfaction of all of its debts and liabilities any property whatsoever, the same shall be paid to a person or body with a similar structure as and similar objects to the Company as determined by the Directors.

82. Commissions

82.1 The Company must not pay to a director, the Directors or a liquidator a commission or fee for sale of assets on a winding up, unless approved by the Members.

82.2 The Company must notify the Members of the amount of the proposed commission or fee at least 7 days before the Members' meeting.

Part 11 – Records

83. Register

The Company must keep a register of Members in accordance with the Corporations Act 2001.

84. Branch registers

84.1 The Company may keep a branch register of Members in any place.

84.2 The Directors may regulate the transfer of shares among the main register of Members and branch registers of Members.

85. Inspection

The Company must allow inspection of any register of Members only as required by the Corporations Act 2001.

86. Evidence of register

Unless proved incorrect, the register of Members is sufficient evidence of the matters shown in the register.

87. Minute book

87.1 The Company must keep minute books in which it records within one month:

87.1.1 proceedings and resolutions of meetings of the Members;

87.1.2 proceedings and resolutions of Directors' meetings (including meetings of a committee of Directors);

87.1.3 resolutions passed by Members without a meeting;

87.1.4 resolutions passed by directors without a meeting.

87.2 The Company must ensure that minutes of a meeting are signed within a reasonable time after the meeting by one of the following:

87.2.1 the chair of the meeting;

87.2.2 the chair of the next meeting.

87.3 The Company must ensure that minutes of the passing of a resolution without a meeting are signed by a Director within a reasonable time after the resolution is passed.

88. Evidence of minutes

A minute that is so recorded and signed is evidence of the proceeding, resolution or declaration to which it relates, unless the contrary is proved.

89. Financial records

89.1 The Company must keep the financial records required by the Corporations Act 2001.

89.2 The financial records must be audited as required by the Corporations Act 2001.

90. Inspection

Unless authorised by the Directors or the Company in general meeting or the Corporations Act 2001, a Member is not entitled to inspect the Company's books.

Part 12 - Notices and interpretation

91. In writing

Notice must be in writing and in English, and may be given by an authorised representative of the sender.

92. Notice to Members

92.1 The Company may give notice to a Member:

92.1.1 personally;

92.1.2 by sending it by post to the address of the Member in the register of Members or the alternative address (if any) nominated by the Member;

92.1.3 by sending it to the fax number or electronic address (if any) nominated by the Member.

92.2 The Company may give notice to a person entitled to a share because of a Transmission Event in the same ways.

92.3 Notice to joint Members must be given to the joint Member named first in the register of Members.

- 92.4 Notice to a person, entitled to a share because of a Transmission Event, is taken to be notice to the Member.
- 92.5 A notice to a Member is sufficient, even if the Member (whether or not a joint Member) is dead, mentally incapacitated, an infant, bankrupt or an externally-administered body corporate, and the Company has notice of that event.
- 92.6 A person, entitled to a share because of a transfer, Transmission Event or otherwise, is bound by every notice given in respect of the share.
- 92.7 All notices sent by the Company in accordance with this Constitution, to the address last notified shall be deemed to be received by the Member; and.

93. Notice to directors

The Company may give notice to a director or alternate director:

- 93.1 personally;
- 93.2 by sending it by post to the director's or alternate director's usual residential or business address or any other address nominated by them;
- 93.3 if a notice calling a meeting - by sending it to the fax or electronic address (if any) nominated by the director or alternate, only if all the directors have consented to the use of that technology;
- 93.4 if any other notice - by sending it to the fax or electronic address (if any) nominated by the director or alternate.

94. Notice to the Company

A person may give notice to the Company:

- 94.1 by leaving it at the Company's registered office;
- 94.2 by sending it by post to the Company's registered office;
- 94.3 by sending it to the fax or electronic address (if any) of the Company's registered office.

95. Addresses outside Australia

A notice sent by post to or from a place outside Australia must be sent by air mail.

96. Time of service

- 96.1 A notice sent by post within Australia is taken to be given 3 Business Days after posting.
- 96.2 A notice sent by post to or from a place outside Australia is taken to be given 7 Business Days after posting.

- 96.3 A notice sent by fax, or other electronic means, is taken to be given on the Business Day after it is sent (if the sender's transmission report shows that the whole notice was sent to the correct facsimile number).

97. Interpretation

In this constitution, unless the context otherwise requires:

- 97.1 subject to the next clause, a word or phrase has the same meaning as it has in the Corporations Act 2001;
- 97.2 singular includes plural and plural includes singular;
- 97.3 words of one gender include any other gender;
- 97.4 reference to legislation includes any amendment to it, any legislation substituted for it, and any statutory instruments issued under it and in force;
- 97.5 reference to a person includes a corporation, a firm and any other entity;
- 97.6 headings do not affect interpretation;
- 97.7 the Company must not exercise any power in contravention of the Corporations Act 2001.

98. Definitions

In this constitution:

Business Day means any day except a Saturday or Sunday or other public holiday in South Australia;

Commencement Date means the date this constitution is adopted by the Company;

Company means Friendly Society Medical Association Limited;

Directors means the directors of the Company and may include an alternate director;

Friendly Society means a body that was registered as a friendly society under the Friendly Societies Code of a jurisdiction of the Commonwealth of Australia immediately before the Transfer Date;

Member means a person entered in the register of members as a member for the time being of the Company and **Membership** has a corresponding meaning;

Membership means membership of the Company;

Shareholder Member means a person who is a Member by virtue of holding (and in that person's capacity as holder of) one or more shares in the capital of the Company;

Spouse of a person means:

- (a) that person's husband, wife, widow or widower (whether or not remarried);

- (b) anyone else who, although not legally married to that person, in the Directors' opinion, lives or lived with that person on a genuine domestic basis as the husband or wife of that person;

Transfer Date means the date that is the transfer date for the purposes of the Financial Sector Reform (Amendments and Transition Provisions) (No 1) 1999, namely 1 July 1999;

Transmission Event means:

- (a) if the Member is an individual - death, bankruptcy, or becoming of unsound mind or becoming a person whose property is liable to be dealt with under a law about mental health;
- (b) if the Member is a body corporate - the deregistration or winding up of the Member or the succession by another body corporate to the assets and liabilities of the Member.

Schedule 1 – Terms of MCIs

Pursuant to clause 59, the Company may issue a class of shares, which are MCIs under the Corporations Act 2001, on the following terms, together with such other terms as the Directors may determine (which must not be inconsistent with the terms set out in this Schedule 1).

1. Fully paid

The shares can only be issued as fully paid shares.

2. Dividends

- (a) Each share confers on the holder a right to receive a dividend at the rate and on the basis decided by the Directors and set out in the terms of issue of the shares.
- (b) Any dividends in respect of the shares are non-cumulative.
- (c) The Directors may pay any dividend required to be paid under the terms of issue of the shares.

3. Rights on winding up

The Directors may determine and set out in the terms of issue of the shares that the shares confer on their holders the right in a winding up of the Company to payment in priority to the holders of certain other classes of shares and to Members in their capacity as non-Shareholder Members of:

- (a) the amount of any dividend accrued but unpaid on the share at the date of winding up; and
- (b) any additional amount specified in the terms of issue of the shares, limited to a maximum amount equal to the issue price of the shares (per share).

4. Other rights in respect of profits and assets

Other than as set out in paragraphs 2 and 3, above, the shares do not confer on their holders any right to participate in the profits or assets of the Company, including on winding up.

5. Voting entitlements

- (a) The shares confer on their holders voting entitlements at a general meeting of Members on the basis set out in clause 32.
- (b) For the purpose of a special resolution referred to in paragraph 6(a) below, a written consent referred to in paragraph 6(b) below or any other meeting or approval of Shareholder Members holding shares of the same class, a Shareholder Member who holds a share in that class has one vote for each share held in that class as at the last time for receipt of proxies in respect of that meeting or at the record time for that written consent, as applicable.

6. Variation of class rights

The Company may vary or cancel rights attached to the shares by special resolution of the Company and either:

- (a) by special resolution passed at a meeting of the holders of shares in the same class; or
- (b) by the written consent of Shareholder Members with at least 75% of the votes in the same class.