



ABN 47 087 650 093

# GATEWAY BANK LTD

## CONSTITUTION

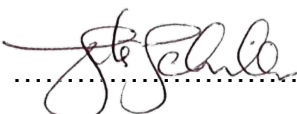
[Note to the proposed amendments:

**Mutual capital instrument amendments** are marked in **blue**

**General amendments** are marked in **green**

**Orange** indicates a consequential number change only

Signed by the Chair by way of identification

Signed: .....

P Schiller – Chair]

**November ~~2020~~ 2021**

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[To be updated following amendments being passed]

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## PRINCIPLES OF MUTUALITY

The **Company** is a public company limited by shares organised on the basis of the Principles of Mutuality as applied under the Corporations Act ~~Corporations Act 2001~~ and the Banking Act ~~Banking Act 1959~~.

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## DIVISION 1 - INTRODUCTORY MATTERS

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### 1.1 Definitions

In this Constitution, unless the context requires otherwise:

**Approved Deposit-taking Institution** means a body corporate that APRA has authorised to conduct banking business in Australia under the Banking Act ~~Banking Act 1959~~.

AGM means the annual general meeting of the **Company**

**APRA** means the Australian Prudential Regulation Authority.

**bank employee** means a person who is employed in a specified bank.

**Banking Act** means the Banking Act 1959 (Cth).

**Board** means the Board of Directors.

**candidate** means a person who the returning officer has determined to be a candidate for election or appointment as a **Director** in accordance with Appendix 4.

**casual service officer** means a person recruited and administered by a third party and employed in a specified bank or specified company.

**common bond** refers to the common bond of Membership set out in Appendix 2.

**Company** means Gateway Bank Ltd.

**company employee** means a person who is an employee of a specified company.

Corporations Act means the Corporations Act 2001 (Cth)

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

direct vote means a vote cast using a direct voting system

direct voting system means a system if so determined by the **Board** in accordance with Rule 8.9 which enables **Members** to vote by electronic means either:

- (a) before a **general meeting** or a meeting of a class of **Members** on such resolutions nominated by the **Board** that are to be considered at the **general meeting**; or
- (b) in an election of **Directors**; or
- (c) during a **general meeting** or a meeting of a class of **Members** if the **Board** has approved the use of an **electronic meeting system**

**Director** means a Director for the time being of the **Company**.

electronic meeting system means a system if so determined by the **Board** in accordance with Rule 8.9 which enables **Members** to participate by electronic means, and to cast **direct votes**, in **general meetings** or meetings of a class of **Members**

**financial accommodation** means:

- (a) an advance;

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

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

**Fit and Proper Policy** means the policy, as amended from time to time, made by the **board** under Subrule 10.1(c)

**general meeting** means a general meeting of the Members.

**Material personal interest** has the same meaning as in Part 2D.1 of the [Corporations Act](#) ~~Corporations Act 2004~~.

[Member](#) means a person who is the holder of a **member share** and whose name the **Company** has entered for the time being in the [register of members](#)

~~**Member** means a person whose name the **Company** has entered for the time being in the Register of Members it keeps under the Corporations Act 2004.~~

**Member share** means a share as described in Appendix 3.

[MCI mutual entity](#) has the meaning given by section 176AC of the [Corporations Act](#)

[MCI](#) and **mutual capital instrument** means a share that is a mutual capital instrument for the purposes of section 167AD of the [Corporations Act](#) as described in Appendix 3 Division 2

[MCI holder](#) means a person who is the holder of an **MCI** and whose name the **Company** has entered for the time being in the [register of members](#)

**Nominations Committee** means the Committee appointed by the **Board** in accordance with Appendix 4.

**Nominee** means a person nominated for election or appointment as a **Director** in accordance with Appendix 4

[Prudential standards](#) means the prudential standards made under the [Banking Act](#).

[Register of Members](#) means the register of members the **Company** keeps under the [Corporations Act](#).

**Secretary** means a Secretary for the time being of the **Company**.

[Share](#) means a share in the capital of the **Company**

[shareholder](#) means the holder of a **share**

**subscription price** means:

- (a) [in relation to a member share, the amount \(if any\) payable by a person on subscription for a member share](#) ~~the amount payable by a person on subscription for a Member share; and~~
- (b) [in relation to an MCI, the amount payable by a person on subscription for an MCI or, if the MCI is created on conversion of a capital instrument in accordance with prudential standards, the nominal value of that capital instrument prior to conversion into the MCI.](#)

## 1.2 Interpretation

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

- (a) the singular includes the plural and vice versa;

- (b) where an expression is defined in this Constitution, any other grammatical form of the expression has a corresponding meaning;
  - (c) words and expressions defined in the Corporations Act or the Banking Act have the same meaning in this Constitution;
  - (d) headings are for purposes of convenience only and do not affect the interpretation of this Constitution;
  - (e) a reference to a statute or regulation includes all amendments, consolidations or replacements of the statute or regulation;
  - (f) a reference to this Constitution or another instrument includes all amendments or replacements of the Constitution or the other instrument; and
  - (g) a reference to a statutory or other body that ceases to exist or the powers and functions of which are transferred to another body includes a reference to the body:
    - i) that replaces it; or
    - ii) to which substantially all the powers and functions relevant to this Constitution are transferred.
- (2) The notes to this Constitution and the [Corporations Act](#) ~~Corporations Act 2004~~ Commentary are for purposes of convenience only and do not affect the interpretation of this Constitution. The notes and commentary do not form part of this Constitution and may be removed or modified without the **Company** complying with the [Corporations Act](#) ~~Corporations Act 2004~~ requirements that apply to removal or modification of constitutional provisions.

### 1.3 Time

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

### 1.4 Replaceable Rules do not Apply

The replaceable rules in the [Corporations Act](#) ~~Corporations Act 2004~~ do not apply.

### 1.5 Notices

- (1) ~~Subject to the provision of this Constitution, this~~ This Rule applies to all notices and documents that the [Corporations Act](#) ~~Corporations Act 2004~~ requires a party to this Constitution to send to another party to this Constitution.
- (2) In this Rule, **business day** means a day that is not:
  - (a) a Saturday or Sunday; or
  - (b) a public holiday or bank holiday in the place where the notice is received.
- (3) A person sending a notice must do so in writing and must address it to the recipient at the following respective addresses:
  - (a) if to the **Company** — at its registered office or such other address as the **Company** specifies to [Members-Shareholders](#) from time-to-time; and
  - (b) if to a Member — at the ~~Member's Shareholder's~~ address appearing on the Register of Members from time-to-time or in any manner permitted by the [Corporations Act](#) and in accordance with any relevant terms of issue of the [shares](#).

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



- (4) A person may send a notice or other document to another person in any of the ways set out in column 1 of the following table. The other person receives the notice at the time set out in column 2 [\(or in any manner permitted by the \*Corporations Act\*\) and in accordance with any relevant terms of issue of the \*shares\*](#):

| Delivery Method                              | Time Person Receives Notice  |
|--|--|
| Hand delivering the notice personally        | <p>The other person receives the notice:</p> <ul style="list-style-type: none"> <li>(a) If hand delivered before 4:00pm on a business day — on that business day.</li> <li>(b) If hand delivered after 4:00pm on a business day — on the next business day.</li> <li>(c) If hand delivered on a day other than a business day — on the next business day.</li> </ul>   |
| Sending the notice by pre-paid post          | The other person receives the notice in the ordinary course of the post.   |
| Sending the notice by facsimile transmission | <p>The other person receives the notice:</p> <ul style="list-style-type: none"> <li>(a) If sent before 5:00pm on a business day — on that business day.</li> <li>(b) If sent after 5:00pm on a business day — on the next business day.</li> <li>(c) If sent on a day other than a business day — on the next business day.</li> </ul> <p>This rule does not apply where the person sending the facsimile has evidence that the transmission was unsuccessful.</p>   |
| Sending the notice by electronic means       | <p>The other person receives the notice:</p> <ul style="list-style-type: none"> <li>(a) If sent before 5:00pm on a business day — on that business day.</li> <li>(b) If sent after 5:00pm on a business day — on the next business day.</li> <li>(c) If sent on a day other than a business day — on the next business day.</li> </ul> <p>This rule does not apply where the person sending the notice by electronic means has evidence that the notice did not reach the other person's electronic address.</p> |

- (5) [If a person gives a \*Shareholder\* a notice in accordance with this Rule, any person to whom that \*Shareholder\* transfers or transmits a \*Share\* is taken to receive the notice when the first person gave the \*Shareholder\* the notice.](#)

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## DIVISION 2 - OBJECTS AND LIMIT ON POWERS

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### 2.1 Objects

The **Company's** Objects are set out in Appendix 1.

### 2.2 Customers Must be Members

(1) Subject to the exceptions in Subrule (2), the **Company** may only accept deposits from, or provide financial accommodation to, its Members.

(2) The restrictions in Subrule (1) do not apply to the following persons who are not **Members**:

- (a) bodies that do not have the power to acquire, or that the law prohibits from acquiring, the **Company's** shares; or
- (b) Authorised Deposit-taking Institutions; or
- (c) any class or group of persons as determined by the **Board** from time to time in its absolute discretion.

### 2.3 Intention to be an MCI mutual entity

The **Company** is intended to be an **MCI mutual entity** as defined in the **Corporations Act**. **MCI holders** may only receive dividends and participate in surplus assets in that capacity to the extent permitted by this Constitution, the **Corporations Act**, the **prudential standards** and the terms of issue of the **MCIs**.

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## DIVISION 3 - MEMBERSHIP

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### 3.1 Admission to Membership

- (1) Subject to any other Rule allowing admission of Members, the **Company** may admit a person as a Member only if:
  - (a) in all cases except as provided in paragraph (b), the person makes a written application in a form the **Company** requires;
  - (b) the person provides evidence, satisfactory to the **Company**, that the person is eligible to be a Member under the common bond;
  - (c) the person applies for a Member share; and
  - (d) if an amount is payable, the person pays or agrees to pay, the subscription price for the Member share.
- (2) The Board has an absolute discretion in exercising the **Company's** power to either admit a person as a ~~member~~ **Member** or to offer membership to a person without any obligation to give a reason for not offering membership or not admitting a person as a ~~member~~ **Member**.
- (3) When the **Company** admits a person as a Member, the **Company** must:
  - (a) issue the Member share to the person;
  - (b) enter the person's particulars in the Register of Members as required by the Corporations Act Corporations Act 2004; and
  - (c) give the person notice that it has admitted the person as a Member.

### 3.2 Delegation of Power to Admit Members

The Board may delegate its power to admit Members to officers of the **Company**.

### 3.3 Joint Members

- (1) The **Company** may admit two or more persons eligible for admission under Subrule 3.1(1) as a joint Member of the **Company**.
- (2) The persons constituting the joint Member may determine the order in which their names appear in the Register of Members. If the persons constituting the joint Member do not do so, the **Company** may determine the order in which their names appear in the Register of Members.
- (3) The person named first in the Register of Members is the primary joint Member. The **Company** may duly send any notice, certificate or other document to the joint Member by sending it to the primary joint Member. Only the primary joint Member is entitled to vote on behalf of the joint Member.
- (4) At any time, the joint Member may give the **Company** a notice requiring the **Company** to change the primary joint Member or otherwise change the order in which their names appear in the Register of Members. Each person constituting the joint Member must sign the notice. The **Company** must change the Register of Members as soon as practicable after receiving the notice.
- (5) Any person constituting a joint Member may give an effective receipt for any distribution on winding-up or return of capital in relation to the joint Member's shares.

- (6) The **Company** may accept deposits from, or provide financial accommodation to, the joint Member or to any person constituting the joint Member.
- (7) The persons constituting a joint Member are jointly and individually liable for any liability that the joint Member may have in relation to the joint Member's shares.
- (8) In this Constitution, the joint Member is taken to be a person separate to the persons constituting the joint Member.

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## DIVISION 4 - TERMINATION OF MEMBERSHIP

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

The **Company** can remove the Member's name from the Register of Members if:

- (a) the **Company** redeems the Member's Member share under Rule 4.2, Rule 4.3 or Rule 4.4;
- (b) if the Member is an individual — the Member:
  - i) dies; or
  - ii) becomes a bankrupt; or
- (c) if the Member is a body corporate — the Member is deregistered or dissolved.

### 4.2 Member's Request for Termination

- (1) A Member may request termination of Membership but only upon withdrawing all deposits and repaying all financial accommodation.
- (2) If a Member makes a request under Subrule 4.2(1), the **Company** must redeem the Member's Member share as soon as practicable after receiving the request. However, the **Company** may defer redeeming the Member's Member share until the Board is satisfied that:
  - (a) the Member has withdrawn all deposits and repaid all financial accommodation; and
  - (b) the **Company** has sufficient profits available to pay the amount payable on redemption of the Member share.

### 4.3 Termination by the Board

- (1) The **Company** may redeem a Member's Member share by Board resolution if:
  - (a) the Member fails to discharge the Member's obligations to the **Company**;
  - (b) the Member is guilty of conduct that the Board reasonably considers to be detrimental to the **Company**; or
  - (c) the Member obtains Membership by misrepresentation or mistake.
- (2) On redeeming the Member share, the **Company** may pay the amount payable on redemption of the Member share to the Member by either:
  - (a) sending a cheque to the Member's address as set out in the Register of Members; or
  - (b) crediting any of the Member's accounts with the **Company**,at the time the Member share is redeemed.

### 4.4 Termination Where Accounts Dormant

- (1) This Rule does not apply to a retirement savings account to the extent that the Retirement Savings Account Act 1997 provides otherwise.

- (2) The **Company** may:
- (a) determine that the Member's deposit accounts are dormant; and
  - (b) redeem the Member's Member share;
- if the Member has not initiated any transactions in relation to any deposit account in the 12 month period before the date of the resolution.
- (3) The **Company** must send notice of the proposed resolution under Subrule 4.4(2) to the Member at the Member's last known address as shown on the Register of Members at least 28 days before considering the proposed resolution.
- (4) On redeeming the Member share, the **Company** may pay the amount payable on redemption of the Member share to the Member by either:
- (a) sending a cheque to the Member's address as set out in the Register of Members; or
  - (b) crediting any of the Member's accounts with the **Company**;
- at the time the Member share is redeemed.
- (5) If the **Company** redeems a person's Member share under this Rule, the person may require the **Company** to reinstate the person's deposit accounts at any time before the **Company** pays the money in the deposit accounts in accordance with the relevant unclaimed money legislation. If the person requires the **Company** to reinstate the person's deposit accounts:
- (a) the **Company** must reinstate the person's deposit accounts as soon as practicable; and
  - (b) if the **Company** has redeemed the Member's Member share, the **Company** must issue a Member share to the person and may debit the Member's deposit account for the subscription amount.

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## DIVISION 5 - ISSUE OF SHARES

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### 5.1 Classes of Shares

The **Company** may only issue Member shares and MCIs.

### 5.2 Board Power to Issue Shares

The Board may exercise the **Company's** power to issue ~~shares~~ shares on an on-going basis to the exclusion of the general meeting.

### 5.3 Restrictions on Issue of Member Shares

- (1) The **Company** must not issue:
  - (a) options to subscribe for Member shares;
  - (b) securities that may be converted to Member shares; or
  - (c) securities with pre-emptive rights to Member shares.
- (2) The **Company** may only issue Member shares in accordance with Subrule 3.1(3).
- (3) The **Company** may only issue Member shares on the basis that the person pays the full subscription price, if any, on issue.
- (4) The **Company** may only issue one Member share to any person.

**Note:** *The **Company** can issue a Member share to a person who already constitutes a joint Member - see Rule 3.3.*

### 5.4 Certificates for MCIs

- (1) This Rule does not apply to member shares.
- (2) If the **Company** is required by the **Corporations Act** to issue a share certificate to an **MCI holder** in respect of **MCIs**, the **MCI holder** may require the **Company** to issue without charge a certificate for the **MCIs** that complies with the **Corporations Act** and deliver it to the **MCI holder** in accordance with the **Corporations Act**.
- (3) Except as otherwise provided in the terms of issue of the **MCIs** the **Company** must issue a new certificate if a certificate is lost or destroyed and the **MCI holder** complies with the **Corporations Act** or if the certificate is defaced or worn and is produced to the **Company**.

### 5.5 Transfer of MCIs

Subject to this Constitution and the rights and restrictions attached to **MCIs** an **MCI holder** may transfer any of their **MCIs** by an instrument in writing in the form approved by the **Board** or in such other manner as the **Board** determines. Property in and title to an **MCI** transfer that is delivered to the **Company** (but not the **MCI**) passes to the **Company** on delivery.

Note: Subrule 5.6 prevents the **Company** registering a transfer of an **MCI** in some circumstances, even though the transfer complies with the requirements.

### 5.6 Registration of MCI Transfer

- (1) The **Company** must not register a transfer of an **MCI** if:
  - (a) the terms of issue prohibit the transfer to the transferee; or

- (b) the transfer form does not comply with the requirements under Subrule 5.5.
- (2) The **Company** may refuse to register a transfer of an **MCI** unless the **Board** has all information that it reasonably requires to establish the right of the transferee to be registered as the holder of the **MCI**.
- (3) The transferor remains the holder of the **MCI** until the name of the transferee is entered in the register of members.

### **5.7 Powers of Attorney**

The Company may assume, as against an **MCI shareholder**, that a power of attorney granted by that member that is lodged with or produced or exhibited to the **Company** remains in force, and may rely on it, until the bank receives express notice in writing at its registered office of:

- (a) The revocation of the power of attorney; or
- (b) The death, dissolution or insolvency of the member.

### **5.8 Transmission of MCIs**

- (1) On the death of an **MCI shareholder**, the **Company** may recognise either the legal personal representative of the deceased, or another person who appears to the **Board** to be entitled to the deceased's estate, as being entitled to the deceased's interest in the **MCI shares**.
- (2) If the personal representative gives the **Board** the information it reasonably requires to establish an entitlement to be registered as holder of the deceased's **MCI shares** the personal representative may elect to be registered as the holder of the **MCI shares**.
- (3) Subject to the Bankruptcy Act 1966, if a person entitled to the **MCI shares** because of the insolvency or mental incapacity of a **MCI holder** gives the **Board** the information it reasonably requires to establish the person's entitlement to be registered as the holder:
  - (a) the person may require the bank to register that person as the holder of the **MCI shares**; and
  - (b) whether or not registered as the holder of the **MCI shares** has the same rights and obligations and restrictions as the insolvent or incapable member.

### **5.9 Clearing and Settlement Facility**

Subject to the **Corporations Act**, the provisions of Rules 5.6 to 5.8 (inclusive) do not apply to a transfer or transmission of an **MCI** effected through a licensed Clearing and Settlement facility (as defined in the **Corporations Act**) to the extent provided in the terms of issue applicable to the **MCI**.



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## DIVISION 6 - DIVIDENDS

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### **6.1— Payment of a Dividend**

~~— No dividend is payable in respect of any share.~~

### **6.1 No Payment of Dividends on Member Shares**

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

### **6.2 Payment of Dividends**

(1) The **Board** may determine that the **Company** pay a dividend on shares to which a right to participate in dividends attaches and may determine:

- (a) the amount of the dividend;
- (b) the time for payment of the dividend; and
- (c) the method of payment of the dividend.

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

(2) If the terms of issue for a share require the **AGM's** approval of any payment of a dividend on the Share, the **Board's** determination under Sub-Rule (1) is effective only if the **AGM** approves the dividend before the time for payment of the dividend arrives. The **AGM** may not vary the **Board's** determination.

### **6.3 Differential Dividends**

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

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

### **6.4 Interest on Dividends**

Interest is not payable on a dividend.

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## DIVISION 7 - HOLDING ~~MEMBERS' MEETINGS~~ GENERAL MEETINGS

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### 7.1 Calling Meetings of Members

The Board may call a ~~Members' meeting~~ general meeting.

### 7.2 Adjourning ~~General Meetings of Members~~ General Meetings

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

### 7.3 Proceedings at ~~Members' Meetings~~ General Meetings

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

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

- (3) The chair of ~~Members' meetings~~ general meetings is:
  - (a) the chair of meetings of the Board; or
  - (b) if the chair of meetings of the Board is not present or declines to act for the meeting (or part of it), the deputy chair of meetings of the Board.

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

- (4) The Standing Orders in Appendix 5 apply to the conduct of debate at ~~Members' meetings~~ general meetings with such modifications the **Board** may determine in order to facilitate the use of an electronic meeting system.

- 5) General meetings may be held at any one or more places and/or held using an electronic meeting system.

(6) The provisions of this Constitution relating to *general meetings* apply with any necessary modifications to meetings of a class of *Members*.

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## DIVISION 8 - VOTING AT ~~MEMBERS' MEETING~~ GENERAL MEETINGS

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### 8.1 Voting

- (1) A resolution put to the vote at a ~~Members' meeting~~ general meeting must be decided on a show of hands unless a poll is demanded.
- ~~(2)~~ If the **Company** has a **direct voting system** on a show of hands or a poll, a **direct vote** cast during the **general meeting** is taken to have been cast on the show of hands or poll and is to be counted accordingly.
- ~~(3)~~ If a **member** has cast a **direct vote** prior to a **general meeting** the **member** may not cast another vote on the resolution at the **general meeting** whether in person, by proxy, attorney or representative.
- ~~(24)~~ Before a ~~Members' meeting~~ general meeting votes by poll on a resolution, the chair must inform the meeting:
  - (a) if any proxies have been received and if so:
    - (ai) how many proxy documents the **Company** has received that validly appoint a person present at the meeting as proxy;
    - (bii) how many of these proxy documents direct the proxies how to vote on the resolution; and
    - (ciii) how the proxies are directed to vote on the resolution.
  - (b) If the **Board** has approved the use of a **direct voting system**– the number of valid **direct votes** cast before the **general meeting**:
    - (i) on the resolution in total;
    - (ii) in favour of the resolution;
    - (iii) against the resolution; and
    - (iv) abstaining from voting
- ~~(35)~~ The ~~Members' meeting~~ general meeting passes an ordinary resolution only if more than half the total number of votes cast on the resolution are in favour of it.
- ~~(46)~~ The chair does not have a casting vote in addition to his or her deliberative vote.
- ~~(7)~~ If a **member** is also an **MCI holder** that **member** has no more than one vote at a **general meeting**, regardless of the terms of issue of the **MCI**.

### 8.2 Voting on a Show of Hands

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

### 8.3 Voting on a Poll

- (1) A poll cannot be demanded on any resolution concerning the election of a person to chair the ~~Members' meeting~~ general meeting.

- (2) A poll on the question of an adjournment must be taken immediately. The chair may direct when and the manner in which any other poll must be taken.
- (3) The ~~Members' meeting~~ **general meeting** may conduct other business even though a poll is demanded on a resolution.

#### 8.4 Body Corporate Representatives

- (1) A Member that appoints a body corporate representative must give the **Company**:
  - (a) if the Member appointed the representative by Board resolution — a certified copy of the Board resolution appointing the representative; and
  - (b) otherwise — a copy of the instrument appointing the representative;as soon as practicable after appointing the representative, and in any event before any ~~Members' meeting~~ **general meeting** at which the representative may exercise the Member's rights.
- (2) In addition to the rights and powers a Member's representative may exercise under the **Corporations Act** ~~Corporations Act 2004~~, the representative may exercise the Member's right to vote in a ballot to appoint Directors by election.

#### 8.5 Proxies

- (1) The Board may determine the form of proxy document from time-to-time.
- (2) An appointment of a proxy is not invalid merely because it does not contain all the information required for a valid proxy appointment, so long as it contains:
  - (a) the Member's name; and
  - (b) the proxy's name or the name of the office that the proxy holds.
- (3) A proxy does not have a right to vote on a show of hands.
- (4) If a Member appoints the chair as the Member's proxy and directs the chair to vote either in favour of or against the resolution, the chair must demand a poll on the resolution.
- (5) Unless the **Company** receives written notice of the matter before the meeting at which a proxy vote starts or resumes, the proxy's vote at that meeting will be valid if, before the proxy votes:
  - (a) the appointing Member dies;
  - (b) the Member is mentally incapacitated;
  - (c) the Member revokes the proxy's appointment; or
  - (d) the Member revokes the authority under which the proxy was appointed by a third party.
- (6) For an appointment of a proxy to be effective, the proxy document must be received by the **Company** at least 48 hours before the start of the meeting.

#### 8.6 Objections

An objection to the qualification of a voter:

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

## 8.7 Entitlement to Vote and to Receive Notices

A Member's entitlement to vote and the Member's entitlement to receive notice of general meetings will be suspended if that Member was not a Member:

- (a) in relation to an **Annual General Meeting AGM** – on the day before nominations for election of Directors close; and
- (b) in relation to a Special General Meeting – seven days before notice of the Special General Meeting is given.

## 8.8 Consideration of any resolution that may alter the *Company's* mutual structure

Appendix 6 applies to any **Demutualisation Resolution** (as defined in Appendix 6) to be submitted to the **members**.

## 8.9 Electronic Meeting System and Direct Voting System

- (1) If the **Board** determines to use a **direct voting system** or an **electronic meeting system** the **Board** may develop such procedures as they consider appropriate including procedures for:
  - (a) the form, method, and the manner of access and use; and
  - (b) the time by which the **direct votes** cast before a **general meeting** must be received by the **Company** in order for the **direct vote** to be effective. This time must be no later than the time appointed for the commencement of the **general meeting** or, in the case of an adjournment, the resumption of the **general meeting** and in the case of an election of **Directors** when the ballot closes in accordance with Appendix 4.
- (2) If the **Board** allows a **direct vote** in an election of **Directors**:
  - (a) the order in which the **candidates** appear on the **direct voting** instrument must be the same as the ballot papers;
  - (b) the **Board** must have procedures in place to prevent a **Member** voting more than once in the election;
  - (c) the **Board** must ensure the anonymity of the voter;
  - (d) the returning officer must destroy any submitted **direct votes**, or records of submitted **direct votes**, in relation to the election three months after the declaration of the ballot.
- (3) A valid **direct vote** cast by a **Member** before a **general meeting** has the same effect as if the **Member** had cast the vote in person at the meeting.
- (4) Unless the **direct vote** is withdrawn, receipt of a **direct vote** from a **Member** has the effect of suspending the right of a proxy, attorney or representative to cast a vote on behalf of the on the matter the **Member** voted on.
- (5) A **direct vote** received by the **Company** before a **general meeting** may be withdrawn by the **Member** in such a manner as the **Company** provides, before the time appointed for commencement of the **general meeting** or, in the case of an adjournment, the resumption of the **general meeting**.
- (6) Where an **electronic meeting system** is used for a **general meeting**, the right of a proxy, attorney or representative to vote is suspended while the **Member** continues to attend the meeting by electronic means.

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## DIVISION 9 - DIRECTORS: APPOINTMENT AND VACATION OF OFFICE

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### 9.1 Number of Directors

The **Company** must have not more than ten Directors.

### 9.2 Eligibility to be a Director

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

- (a) is a Member;
- (b) has not had a personal representative or trustee appointed to administer the person's estate or property because of their mental incapacity;
- (c) is not an employee of the Company (unless nominated by the Board and no other employee is a Director);
- (d) is not, or has not been, disqualified by law from being or acting as a Director ; and
- (e) is registered as an accountable person under the Banking Act

### 9.3 Appointment by Members — Election

- (1) Subject to Subrule 9.3(2), the Members may appoint a person to be a Director by an election held under the provisions of Appendix 4 if the person:
  - (a) is eligible under Rule 9.2; and
  - (b) at the date nominations close in any year, has not been a Director for a total period of 9 years or more, whether continuous or not, and whether the person is currently a Director or not.
- (2) Paragraph 9.3(1)(b) does not apply until immediately after the end of the ~~Annual General Meeting~~ **AGM** in 2018 to a person who is a Director at the commencement of the 2015 ~~Annual General Meeting~~ **AGM**.

### 9.4 Appointment by Board — Casual Vacancies

- (1) The Board may appoint a person to be a Director:
  - (a) if a Director's office becomes vacant other than because the Director's term of office has ended; or
  - (b) if, for any other reason, the number of Directors is less than the maximum under Rule 9.1.

The Board may only appoint a person who is eligible to be a Director under Rule 9.2.

- (2) The term of office for a Director appointed to fill a vacancy in paragraph (1)(a) ends:
  - (a) if the general meeting approves the appointment before the end of the next ~~Annual General Meeting~~ **AGM** after the Director's appointment — at the end of the term of office of the Director whose office has become vacant; and
  - (b) otherwise — at the end of the next ~~Annual General Meeting~~ **AGM** after the Director's appointment.

- (3) The term of office for a Director appointed to fill a vacancy in paragraph (1)(b) ends at the end of the next ~~Annual General Meeting~~ **AGM** after the Director's appointment.

## 9.5 Term of Office

- (1) Subject to the Corporations Act and the rotation provisions in this Rule, an elected director's term of office:
- (a) starts either:
- (i) at the end of the ~~Annual General Meeting~~ **AGM** at which the Director's election is announced but only if the person is registered as an accountable person under the Banking Act at the time of that announcement; or
- (ii) on the date, no later than 60 days after that ~~Annual General Meeting~~ **AGM**, when the person becomes registered as an accountable person under the Banking Act, however if registration is not obtained within that period the person is treated as never having been appointed as a director and it is taken that the announcement was never made and that a casual vacancy exists for that position to be dealt with under Rule 9.4;
- and
- (b) ends at the end of the third **AGM** after the **AGM** at which the director's election is announced, even if their term of office does not start at the end of that **AGM**.
- (2) If the number of Directors that Members appoint, is more than a third of the maximum number of Directors on the Board in Rule 9.1:
- (a) the term of office, for the third of the Board that receives the most votes at the election, ends at the end of the third ~~Annual General Meeting~~ **AGM** after the ~~Annual General Meeting~~ **AGM** at which the Directors' election is announced; and
- (b) the term of office for the remainder ends at the end of earlier ~~Annual General Meetings~~ **AGMs** where less than a third of the Board is due to retire at those earlier ~~Annual General Meetings~~ **AGMs**.

Directors with less votes retire at earlier ~~Annual General Meeting~~ **AGMs** than those with more votes.

- (3) For purposes of Subrule 9.5(2):
- (a) if the number of Directors on the Board is not divisible by three — round fractions up to the nearest whole number in determining how many Directors there are in a third or in two-thirds of the Board; and
- (b) if two or more Directors have the same number of votes — the order of retirement among them is determined by lot.

## 9.6 Automatic Vacation of Office

The office of a Director automatically becomes vacant if the Director:

- (a) dies;
- (b) ceases to be eligible to be a Director under Rule 9.2;
- (c) is absent from three consecutive ordinary meetings of the Board without leave;
- (d) is three months in arrears in relation to money due to the **Company** and has failed to make arrangements for payment satisfactory to the **Company**; or
- (e) having been elected as an employee Director, ceases to be an employee of the **Company**.

Neither the Board nor the general meeting may waive the operation of this Rule.

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## 9.7 Resignation

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

## 9.8 ~~Alternate Directors~~

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

~~— (a) alternate means a person that a Director appoints as his or her alternate Director under Subrule 9.8(2), but only in the person's capacity as the alternate Director; and~~

~~— (b) appointor means the Director who appoints an alternate under Subrule 9.8(2).~~

~~(2) A person is eligible to be an alternate for a Director if the person:~~

~~— (a) is eligible to be a Director under Rule 9.2 and has not exceeded the maximum tenure restrictions of Rule 9.3.~~

~~— (b) is not a Director; and~~

~~— (c) is not an alternate for another Director.~~

~~(3) A Director (but not an alternate) may give the **Company** a notice appointing a person eligible under Subrule 9.8(2) to be his or her alternate. The notice must set out:~~

~~— (a) the name of the person to be appointed as alternate;~~

~~— (b) the term of the alternate's appointment (or that the appointment is for an indefinite term);~~

~~— (c) whether or not the appointor requires the **Company** to give notices of Board meetings to the alternate; and~~

~~— (d) whether or not the alternate can sign circulating resolutions instead of the appointor.~~

~~— The notice of appointment only takes effect if the Board approves the alternate's appointment.~~

~~(4) The alternate is not the appointor's agent, but a Director of the **Company**. The alternate has all the duties, powers and rights of the appointor as a Director. Except to the extent that this Rule provides otherwise, all references to Directors in this Constitution include references to the alternate.~~

~~(5) The **Company** only has to give notice of Board meetings to the alternate if the appointor has given the **Company** a notice requiring it to do so.~~

~~(6) The alternate may only be present at meetings of Directors at which the appointor is absent. The alternate:~~

~~— (a) may be present and may vote on a matter even though the appointor has a material personal interest in the matter; and~~

~~— (b) does not breach his or her duties to the **Company** by reason of any matter considered or voted on at a meeting at which the alternate was absent because the appointor was present.~~

~~(7) The reference to 'all of the Directors' in Subrule 11.5(1) refers to:~~

~~— (a) if the appointor notifies the **Company** that the alternate can sign circulating resolutions instead of the appointor — the alternate and other Directors but not the appointor;~~

~~—— (b) otherwise —— the appointor and other Directors but not the alternate.~~

~~(8) —— The **Company** must not provide remuneration to the alternate (in his or her capacity as alternate) except out of remuneration that it has allocated to the appointor. The alternate has no right to remuneration against the **Company**. This does not affect any right to remuneration that the alternate may have against the appointor.~~

~~(9) —— The alternate's office automatically becomes vacant if:~~

~~—— (a) the appointor revokes the alternate's appointment; or~~

~~—— (b) the appointor's office as a Director becomes vacant (except where the appointor's term as a Director ends at the end of an Annual General Meeting under Rule 9.5 and the Members re-elect the appointor as a Director at that Annual General Meeting).~~

~~—— The alternate's office may also become vacant in the circumstances set out in Rule 9.6 and Rule 9.7.~~

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## DIVISION 10 - DIRECTORS' POWERS

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### 10.1 Powers and Duties of the Board

The Board:

- (a) manages the **Company's** business;
- (b) may exercise all the powers of the **Company** except any powers that the **Corporations Act** ~~Corporations Act 2004~~ or this Constitution expressly allocates to the general meeting; and
- (c) will make and maintain a **Fit and Proper Policy** specifying the requirements of fitness and propriety needed to become and to act as **director** of the **Company**. The board may amend the **Fit and Proper Policy**.

### 10.2 Negotiable Instruments

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

### 10.3 Delegation

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

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## DIVISION 11 - DIRECTORS' MEETINGS

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### 11.1 Calling and Conduct of Board Meetings

- (1) A Director or the Secretary (upon the authority of a Director) may call a Board meeting by giving reasonable notice to every other Director.
- (2) The Board may meet, adjourn and otherwise regulate its meetings as it thinks fit.

### 11.2 Quorum of Board

- (1) The quorum for a Board meeting is one half the maximum number of Directors under Rule 9.1, or such other number as the Board determines, and the quorum must be present at all times during the meeting whether in person or by such electronic means the Board determines.
- (2) If, at any time, the number of Directors is less than the quorum:
  - (a) the Board may meet only for the purpose of filling any casual vacancies or for calling a **general meeting of Members**; and
  - (b) the Board may conduct business by circulating a resolution under Rule 11.5.

### 11.3 Chair of Board

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

### 11.4 Passing of Directors' Resolutions

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

### 11.5 Circulating Resolutions

- ~~(1) The Board may pass a resolution without a Board meeting if all of the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.~~
- ~~(2) Separate copies of a document may be used for signing by different Directors if the wording of the resolution and statement is identical in each copy.~~
- ~~(3) The resolution is passed when the last Director signs.~~
- (1) A resolution in writing signed by all **Directors**.
- (2) For the purposes of rule 11.5(1) a reference to "all **Directors** " does not include a reference to:

- (a) a **Director** who, at a meeting of **Directors**, would not be entitled to vote on the resolution;
-

- (b) a **Director** who disqualifies himself or herself from considering the resolution in question; and
  - (c) any **Director** on leave of absence approved by the **Board**.
- (3) For the purposes of rule 11.5(1):
  - (a) a message sent electronically by a **Director** to an agreed electronic address stating that they are in favour of a specified resolution shall be taken to be a document containing that statement and duly signed by the **Director**. Such document shall be taken to have been signed by the director at the time of its receipt at the agreed electronic address; and
  - (b) a **Director** may consent to a resolution by telephoning the **Secretary** and signifying assent to the resolution and clearly identifying its terms.
- (4) A resolution in writing under this Rule shall be deemed to have been passed at a meeting of the directors held on the day and at the time at which the document was last signed or consented to by a **Director** and the document shall be deemed to constitute a minute of that meeting and shall be recorded by the **Secretary** in the minute book.

### **11.6 Committees of Directors**

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

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## DIVISION 12 - CONFLICTS OF INTEREST

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

- (1) This Rule applies if:
  - (a) a Director has an interest or duty in relation to a matter that is not a material personal interest;  
or
  - (b) if a Director with a material personal interest in relation to the **Company's** affairs:
    - i) complies with the requirements of the Corporations Act ~~Corporations Act 2004~~ in relation to disclosure of the nature and extent of the interest, and its relation to the **Company's** affairs, before acting in a matter that relates to the interest; and
    - ii) may be present and vote on the matter under the Corporations Act ~~Corporations Act 2004~~.
- (2) The Director is not in breach of his or her duties to the **Company** merely because he or she acts in matters that relate to the Director's interest.
- (3) The Director may vote on matters that relate to the Director's interest.
- (4) In relation to any transactions that relate to the Director's interest:
  - (a) the transactions may proceed;
  - (b) the **Company** cannot avoid the transactions merely because of the Director's interest; and
  - (c) the Director may retain benefits under the transactions despite the Director's interest.

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

- (1) This Rule applies if a Director with a material personal interest in relation to a matter:
  - (a) complies with the requirements of the Corporations Act ~~Corporations Act 2004~~ in relation to disclosure of the nature and extent of the interest, and its relation to the **Company's** affairs; but
  - (b) must not be present and vote on the matter under the Corporations Act ~~Corporations Act 2004~~.
- (2) The Director is not in breach of duty to the **Company** merely because he or she does not act in relation to the matter.
- (3) The Board may vote on matters that relate to the Director's interest in the Director's absence.
- (4) In relation to any transactions that relate to the Director's interest:
  - (a) the transactions may proceed;
  - (b) the **Company** cannot avoid the transactions merely because of the Director's interest; and
  - (c) the Director may retain benefits under the transactions despite the Director's interest.

### 12.3 Execution of Instruments

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

- (a) whether or not the Director has complied with the requirements of the Corporations Act ~~Corporations Act 2001~~ in relation to disclosure of the nature and extent of the interest and its relation to the **Company**'s affairs; and
- (b) whether or not the Director may be present and vote in relation to the execution of the instrument under the Corporations Act ~~Corporations Act 2001~~.

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## DIVISION 13 - REMUNERATION, INDEMNITY AND INSURANCE

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### 13.1 Remuneration of Directors

- (1) In any financial year for the **Company**, the Directors' aggregate amount of remuneration must ~~may~~ not exceed the ~~aggregate~~ amount that the general meeting has determined ~~determines for that year from time to time~~.
- (2) The Board may determine the allocation of the aggregate amount of remuneration among the Directors. If the Board does not determine the allocation, the aggregate amount of remuneration must be allocated equally among the Directors.
- (3) The Directors' remuneration accrues daily from the day that the general meeting approves the remuneration to the day that the general meeting next determines the Directors' remuneration.

### 13.2 Travelling Expenses and Insurance

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

- (a) the Director's travelling and other expenses that they properly incur:
  - i) in attending Board meetings or any meetings of committees of Directors; and
  - ii) in attending any Members' meetings; and
  - iii) otherwise in connection with the **Company's** business; and
- (b) subject to the Corporations Act ~~Corporations Act 2004~~, insurance premiums for a contract that insures the Director against liabilities that the Director incurs as an officer of the **Company**.

### 13.3 Indemnities for Officers and Former Officers

- (1) In this Rule, indemnified person means an officer or agent, or former officer or agent, of the **Company**.
- (2) To the extent that the Corporations Act ~~Corporations Act 2004~~ permits:
  - (a) the **Company** must indemnify an indemnified person against any liability that the indemnified person incurs in conducting the **Company's** business or exercising the **Company's** powers as an officer or agent of the **Company**; and
  - (b) the Company may indemnify, agree to indemnify or enter into (and pay premiums on) a contract of insurance in relation to an indemnified person or any other person.
- (3) The indemnity in paragraph (2)(a) applies in relation to an indemnified person for all incidents occurring during the period that person is an officer or agent of the **Company**, even though a claim is made against the indemnified person after they have ceased to be an officer or agent of the **Company**.



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## DIVISION 14 - ADMINISTRATION

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### 14.1 Seal

- (1) The Board is to provide for the safe custody of the seal.
- (2) The seal is to be used only by the authority of the Directors.
- (3) The Board may authorise:
  - (a) two Directors; or
  - (b) a Director and a Secretary;to witness the affixing of the seal on a document of a class specified in the resolution.

### 14.2 Secretary

Subject to Rule 14.3, the Board may determine a Secretary's terms of appointment, powers, duties and remuneration. At any time, the Board may vary or revoke a determination, or an appointment, whatever the terms of the appointment.

### 14.3 Resignation of Secretary

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

## APPENDIX 1 - OBJECTS

The **Company** has the following Objects:

- (a) to raise funds by subscription, deposit or otherwise, as authorised by the Corporations Act ~~Corporations Act 2001~~ and Banking Act ~~Banking Act 1959~~;
- (b) to apply the funds in providing financial accommodation to Members, subject to the Corporations Act ~~Corporations Act 2001~~ and Banking Act ~~Banking Act 1959~~;
- (c) to encourage savings among Members;
- (d) to promote cooperative enterprise;
- (e) to provide programs and services to Members to assist them to meet their financial, economic and social needs;
- (f) to promote, encourage and bring about human and social development among Members; and
- (g) to further the interests of Members through cooperation with:
  - i) mutual banking institutions; and
  - ii) associations of mutual banking institutions.

## APPENDIX 2 - COMMON BOND

### A2-1 Common Bond — Natural Person

An individual is eligible to be a Member under any one of the following categories:

| Category             | Description  |
|----------------------|--|
| Approved Persons     | The person is approved by the Board.   |
| Transferring Members | The person is a Member of another ADI that transfers its business and Members to the <b>Company</b> under the Financial Sector (Business Transfer and Group Restructure) Act 1999 (Cth). |

### A2-2 Common Bond — Body Corporate

A body corporate is eligible to be a Member under any of the following categories:

| Category                | Description   |
|-------------------------|---|
| Trustee                 | The body corporate is trustee of a trust of which a Member is a beneficiary.  |
| Employer                | The body corporate is the employer or former employer of a Member.  |
| Corporate Group         | The body corporate is a related body corporate of a body corporate admitted as a Member where the body corporate:<br>(a) has an employee who is a Member of the <b>Company</b> ; or<br>(b) acts as a trustee of a trust in which a Member is a beneficiary. |
| Continuing Members      | The body corporate is a Member but has ceased to be eligible to be a Member in accordance with the above categories.  |
| Approved Body Corporate | The body corporate has an affinity with the <b>Company</b> and is approved by the Board.  |
| Transferring Members    | The body corporate is a Member of another ADI that transfers its business and Members to the <b>Company</b> under the Financial Sector (Business Transfer and Group Restructure) Act 1999 (Cth).  |

## APPENDIX 3 - MEMBER SHARES

### Division 1 – Member Shares

#### A3-1 Subscription Price

The subscription price for a Member share is ~~\$2.00 nil~~ or such other amount as determined by the Board.

#### A3-2 Rights, Obligations and Restrictions Attaching to Member Shares

- (1) The following rights attach to each Member share:
  - (a) the right to vote on the terms set out in clause A3-3;
  - (b) the right to participate in a winding-up on the terms set out in clause A3-5; and
  - (c) the right to redeem the Member shares on the terms set out in clause A3-6.
- (2) The restriction on transfer of Member shares in clause A3-7 attaches to each Member share.
- (3) The **Company** may issue more Member shares at any time. The issue of more Member shares does not vary the rights attached to Member shares that the **Company** has already issued.

#### A3-3 Voting Rights

- (1) A Member who is a minor has no vote.
- (2) Holders of Member shares may participate and vote:
  - (a) at a ~~Members' meeting~~ general meeting;
  - (b) at a meeting of the holders of Member shares; and
  - (c) in a ballot to appoint Directors by election.
- (3) At a ~~Members' meeting~~ general meeting:
  - (a) on a show of hands — each Member has one vote regardless of the number of Member shares held; and
  - (b) on a poll — each Member has one vote regardless of the number of Member shares held.

#### A3-4 Dividend Entitlements

No dividend is payable in respect of any Member share.

#### A3-5 Distribution on Winding-up

- (1) On a winding-up of the **Company** the holder of a Member share is entitled:
  - (a) to payment of the subscription price for the Member share when the Member subscribed for the Member share; and
  - (b) if any assets remain after the payments in paragraph (a) — to any surplus assets of the **Company**, subject to the other provisions of this Constitution ~~subject to Subrule (2).~~

- (2) Subject to the other provisions of this Constitution, holders ~~holders~~ of Member shares are entitled to participate in any surplus equally and without regard to the number of Member shares held by any Member. Alternatively, on a voluntary winding-up, the Members, at the time they resolve to wind-up the **Company**, may resolve that any surplus be transferred to another **Company** or company organised on the basis of Principles of Mutuality.
- (3) The **Company** may offset against the amount payable under this clause any other amount payable by the Member to the **Company**.
- (4) The entitlements of holders of Member shares to payment on winding-up are subject to any preferred entitlements to payment on winding-up that holders of any other class of shares may have.

### **A3-6 Redemption of Member Shares**

- (1) The **Company** may redeem a Member share only if the following conditions are satisfied:
  - (a) either:
    - i) the Member has given the **Company** notice requesting termination of the Member's Membership of the **Company** in accordance with the Rules;
    - ii) the Board has resolved to terminate the Member's Membership of the Company in accordance with the Rules; or
    - iii) the Board has determined that the Member's deposit accounts with the Company are dormant in accordance with the Rules; and
  - (b) the **Company** can redeem the Member share out of the profits of the **Company**.
- (2) On redemption, the **Company** must pay the Member an amount equal to the subscription price for the Member share when the Member subscribed for the Member share.
- (3) On redemption, the Member shares are cancelled.

### **A3-7 Transfer of Member Shares**

A Member may not transfer their Member share.

## Division 2 – Mutual Capital Instruments

### A3-8 Share Capital from MCIs

- (1) The **Company** intends to be an **MCI mutual entity** for the purposes of the **Corporations Act**.
- (2) Subject to compliance with the **Corporations Act** and satisfying the requirements of the **prudential standards** where applicable, the **Company** may raise capital by issuing **MCIs** or capital instruments convertible into **MCIs**.
- (3) The **Company** may create or issue more **MCIs** at any time. The creation or issue of more **MCIs** does not vary the rights attached to **MCIs** or any other shares that the **Company** has already issued.

### A3-9 Terms of Issue

- (1) Subject to this Constitution, the **Corporations Act** and the **prudential standards**, the terms of issue of an **MCI**, including the **subscription price** for an **MCI**, or capital instrument convertible to an **MCI**, will be determined by the **Board** in its sole discretion.
- (2) Each **MCI** must only be issued as a fully paid up share.
- (3) Any dividends in respect of **MCIs** are non-cumulative.

### A3-10 Rights of MCI Holders

- (1) Subject to the terms of issue of an **MCI**, and the requirements of this Constitution, an **MCI holder** is entitled to a claim on the surplus assets of the **Company** on winding-up after all senior claims, including the aggregate subscription price paid for **member shares** have been paid and:
  - (a) the **MCI holders** claim ranks equally and proportionately with the claims of all other **MCI holders**; and
  - (b) the amount of the **MCI holder's** claim cannot exceed the subscription price for the **MCI**.
- (2) Notwithstanding anything to the contrary in this Constitution, but subject to the requirements of the **Corporations Act**, the **board** may determine that the terms of issue of any **MCIs** contain such terms and conditions or attach such rights as the **board** considers necessary for **MCIs** to be eligible to be included as regulatory capital under the **prudential standards**.
- (3) The rights attached to **MCIs** (or a class of **MCIs**) may only be varied or cancelled:
  - (a) by special resolution passed by a **general meeting** and;
  - (b) by a special resolution passed at a meeting of **MCI holders** of the relevant class of **MCI shares** or with the written consent of **MCI holders** holding at least 75% of the relevant class of **MCIs**; and
  - (c) with the prior written approval of **APRA** but only if the variation affects the eligibility of the **MCI** being counted towards common equity Tier 1 capital of the **Company**.

### A3-11 Registration as holder of MCIs

Except as provided by the rules of a clearing and settlement facility which apply to an **MCI**, a person become registered as the holder of the **MCI** upon entry of their holding in the **register of members**.

## Division 23 - Reserves

### **A3-812** Commencement Date

This Division 23 takes effect on the date provided for by section 137(a)(i) of the Corporations Act.

### **A3-913** Definitions

In this Division

“**associate**” means in relation to a primary person:

- (a) a spouse or defacto spouse of the primary person;
- (b) a parent, son or daughter of the primary person, spouse or defacto spouse;
- (c) a person who is a partner of the primary person;
- (d) a person who is a director of a body of which the primary person is a director;
- (e) a person who is a trustee of a trust in relation to which a person or entity of a kind referred to in paragraphs (a), (b), (c), (d), (f) or (g) benefits or is capable of benefiting;
- (f) an **entity** over which:
  - (i) a person of a kind referred to in paragraphs (a), (b), (c), (d) or (e) has **control**; or
  - (ii) two or more persons of a kind referred to in paragraphs (a), (b), (c), (d) or (e) together have **control**; and

(g) any **entity** in which:

(i) a person of a kind referred to in paragraphs (a), (b), (c), (d), (e) or (f) is beneficially entitled to more than twenty per cent of any class of **securities**; or

(ii) two or more persons of a kind referred to in paragraphs (a), (b), (c), (d), (e) or (f) together are beneficially entitled to more than twenty per cent of any class of **securities**.

**“control”** means the ability or power of an **entity**:

(a) whether direct or indirect;

(b) whether or not enforceable; and

(c) whether presently exercisable by means of, in breach of or by revocation of any combination of the following:

(i) trusts;

(ii) relevant agreements; and

(iii) practices,

to dominate decision making, directly or indirectly, in relation to the financial and operating policies of any other **entity** so as to enable that other **entity** to operate with it in pursuing those objectives of the controlling **entity**.

**“entity”** means any:

(a) incorporated or unincorporated body;

(b) trust or partnership; or

(c) any legal, administrative or fiduciary arrangement, organisational structure or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

**“qualifying member”** means:

(a) a **member** whose name was in the register of members of the **Company** on the date that this Division **23** of Appendix 3 took effect under the Corporations Act; or

(b) a **member** whose name was entered in the register of members of the **Company** after the date on which this Division **23** of Appendix 3 took effect under the Corporations Act and who has continuously been a **member** for not less than one year.

**“securities”** has the same meaning as in the Corporations Act, but also includes exchange traded options.

Terms that are not expressed in this Constitution or this Division **23** of Appendix 3, but that are defined in the Corporations Act, have the same meaning as in the Corporations Act.

### **A3-4014 Entitlement to Reserves**

Only a **qualifying member** is entitled to participate in the surplus and profits of the **Company** when the **credit union** (whether acting through its **board**, its members or otherwise) conducts a reduction of capital, scheme of arrangement, deed of arrangement, transfer of business or any other form of corporate restructure where after completion of the restructure:

(a) the **Company** is not entitled to use the words ‘Credit Union’ or ‘Credit Society’ or “Credit Co-operative” in its name;

(b) one person, other than a person entitled to use either the words ‘Credit Union’ or ‘Credit Society’ in their name, holds more than 90% of the shares in the **Company**;

(c) a group of **associates**, other than a group all of the **members** of which are entitled to use either the words 'Credit Union' or 'Credit Society' in their name, between them hold more than 90% of the shares in the **Company**;

(d) a person not entitled to use either the words 'Credit Union' or 'Credit Society' in their name has a legal or equitable interest in more than 20% of the **Company's** gross assets, based on the latest report that the **Company** has given **APRA** as at the time of the restructure;

(e) a group of **associates**, other than a group all of the members of which are entitled to use either the words 'Credit Union' or 'Credit Society' in their name, between them have a legal or equitable interest in more than 20% of the **Company's** gross assets, based on the latest report that the **credit union** has given **APRA** as at the time of the restructure; or

(f) the successor to the **Company's** business is not entitled to use either the words 'Credit Union' or 'Credit Society' in its name.

#### **A3-4415 Special Consent Required for Modification or Repeal of Division 23**

(1) A special resolution does not have any effect in relation to:

(a) a modification or repeal of any clause in this Division 23 of Appendix 3; or

(b) a modification or repeal of the Constitution where the effect of the modification or repeal is to modify, exclude or restrict the operation of the Clauses in this Division 23 of Appendix 3,

unless the written consent of 5% of **qualifying members** (by number) is obtained either before or within three months after the special resolution is passed.

(2) The number of **qualifying members** whose written consent is required is to be determined as at midnight before the special resolution.



## APPENDIX 4 - ELECTION OF DIRECTORS

### A4-1 Holding of Election

An election of Directors of the **Company** is to be held in the manner set out in this Appendix or as modified by the **Board** under Rule 8.9 to allow a **direct vote** in addition to or substitution for a ballot at the **AGM** by postal ballot except where nominations equal or are less than the number of positions to be filled. If a ~~postal~~ ballot is not required to be held, Directors shall be elected by separate resolution for each candidate.

### A4-2 Appointment of Returning Officers

The Board must appoint a returning officer who may appoint assistant returning officers, none of whom can be a Director of the **Company**, or a person who intends to accept a nomination for the office of Director.

### A4-3 Electoral Roll

The Secretary must prepare and give the returning officer a list of Members eligible to vote on the election of Directors, made up to the day before nominations for the election close under Rule A4-5.

### A4-4 Nominations Committee

- (1) The **Board** must establish and maintain a **Nominations Committee**.
- (2) The function of the **Nominations Committee** is to assess whether a person, including an existing **Director**, is fit and proper under the terms of the **Board's** Fitness and Propriety Policy (as amended from time to time) to be appointed or elected as a **Director**.
- (3) The **Nominations Committee** shall consist of not less than three **Directors** provided that:
  - (a) no **Director** may be a member of the **Nominations Committee** where the **Director** is a **nominee**; and
  - (b) no employee of the **Company** may be a member of the **Nominations Committee**.
- (4) The **Board** may at any time and in its absolute discretion give directions to the **Nominations Committee** as to the procedures it is to follow.

### A4-5 Nominations

- (1) The Board must call for nominations not less than 14 days before the date nominations close.
- (2) Nominations close on such date being not less than 35 days before the Annual General Meeting **AGM** as the Board from time to time determines.
- (3) In order to be nominated, a **nominee** must:
  - (a) subject to becoming registered as an accountable person under the Banking Act, be eligible for election under Rule 9.2 (Eligibility to be a Director),
  - (b) meet the requirements of Rule 9.3, other than being registered as an accountable person under the Banking Act,
  - (c) be nominated by two Members; and
  - (d) consent to the nomination.

- (4) A retiring Director may stand for re-election without nomination but must be eligible for election under Rule 9.2 and meet the requirements of Rule 9.3.
- (5) A **nominee** must give to the **Company**, before nominations close, such information as the **Company** and the **Nominations Committee** require to determine if the person is qualified to be or act as a **Director**. A **nominee** who fails to provide any or all of the required information will have their nomination rejected by the returning officer under Subclause A4-5(9)
- (6) Each **nominee** must if required by the **Nominations Committee** submit to an interview by the **Nominations Committee**. The interview can be conducted in such place and manner as the **Nominations Committee** determines.
- (7) A **nominee** who fails to attend an interview with the **Nominations Committee** will have their nomination rejected by the returning officer under Subclause A4-5(9)
- (8) The **Nominations Committee** will provide to the returning officer with a report setting out:
  - (a) the name of each **nominee** who failed to provide any or all of the information required under Subclause A4-4(5);
  - (b) the name of each **nominee** who failed to attend an interview with the **Nominations Committee** as required by the **Nominations Committee** under Subclause A4-5(6); and
  - (c) the name of each nominee who is fit and proper to be or act as a Director by reference to the **Board's Fit and Proper Policy**.
- (9) The returning officer must reject the nomination of any **nominee** where:
  - (a) it appears to the returning officer that the candidate is not eligible under Rule 9.2, or because the nomination does not otherwise comply with the requirements of Rule A4-5(3), other than in both cases because the candidate is not yet registered as an accountable person under the Banking Act,
  - (b) the **nominee** is named in the **Nomination's Committee's** report as having failed to provide any or all of the information as required under Subclause A4-5(5);
  - (c) the **nominee** is named in the **Nominations Committee's** report as having failed to attend the interview with the **Nominations Committee**; and
  - (d) a **nominee** is not named in the **Nominations Committee's** report as being fit and proper to be or act as a **Director**.
- (10) The returning officer shall advise each **nominee**, their proposers and the **Board** whether a **nominee's** nomination has been accepted or rejected.
- (11) Only a **nominee** whose nomination has been accepted by the returning officer becomes a **candidate** for election or appointment as a **Director** to whom the remainder of this Appendix 4 applies.
- (12) If the number of **candidates** is equal to or less than the number of positions to be filled:
  - (a) the **general meeting** may appoint each **candidate** as a **Director** by passing a separate resolution at the **AGM**; and
  - (b) the election process otherwise set out in the remainder of this Appendix is discontinued.

#### **A4-6 Appointment of Scrutineer**

- (1) A **candidate** may appoint a scrutineer at their own cost and the Board may appoint a maximum of three scrutineers, none of whom is a candidate.
- (2) The duties and responsibilities of scrutineers are to:
  - (a) observe the sorting, counting and recording of ~~ballot papers~~ votes;

- (b) ensure that the votes ~~of unrejected ballot papers~~ are correctly credited to the appropriate candidates; and
- (c) raise any query with the returning officer regarding any of the ~~ballot papers~~ votes.

**A4-7 ~~Ballot Papers~~**

~~After nominations have closed, under Rule A4-4 (Nominations), the returning officer is to prepare ballot papers for the election. The ballot paper must be in or to the following effect:~~

|  |
|--|
| <p style="margin: 0;">Name of Company</p> <p style="margin: 0;">.....</p> <hr style="border: 0.5px solid black;"/> <p style="margin: 0;">Election of Director</p> <p style="margin: 0;">To fill.....vacancies on the Board.</p> <p style="margin: 0;">Ballot Paper:</p> <p style="margin: 0;">( ) name of candidates</p> <p style="margin: 0;">( ) with surname first</p> <p style="margin: 0;">( ) will appear here</p> |
|--|

- (2) ~~The order in which the candidates appear on the ballot paper is to be determined by the returning officer by lot.~~
- (3) ~~The returning officer must cause some authenticating mark to appear on each ballot paper prior to their distribution to Members.~~

**A4-8 ~~Postal Vote~~**

(1) ~~The returning officer must send to each Member who is eligible to vote on an election of Directors at least 21 days before the Annual General Meeting.~~

- ~~(a) a ballot paper;~~
- ~~(b) an unsealed envelope, in this Rule referred to as the security envelope, with a perforated section attached bearing the following:~~

|                                  |
|----------------------------------|
|                                  |
| Name of Member                   |
| Member's Address                 |
| Provision for Member's Signature |
|                                  |

- ~~(c) a "Reply Paid" envelope addressed to the returning officer.~~
- (2) ~~Ballot papers are to be posted to Members at their addresses shown in the register of Members.~~
- (3) ~~Any Member exercising a right to vote must:~~
  - ~~(a) complete the ballot paper in accordance with these Rules;~~

- ~~— (b) place the ballot paper in the security envelope and sign the perforated section; and~~
- ~~— (c) return the security envelope with the perforated section intact to the returning officer in the “Reply Paid” envelope.~~
- ~~(4) A Member must ensure that his or her ballot paper is received by the returning officer by noon on the day fixed for the closing of the ballot.~~
- ~~(5) Any ballot paper not received by the returning officer prior to the closing of the ballot is excluded from the ballot.~~
- ~~(6) Any ballot paper received by the returning officer is to be kept in secured ballot boxes until the closure of the ballot.~~
- ~~(7) A Member who has not received a ballot paper or has spoiled it may send to the returning officer a declaration to that effect and the returning officer must:~~
  - ~~— (a) send a duplicate ballot paper to that Member;~~
  - ~~— (b) mark the perforated section of the security envelope “Duplicate”; and~~
  - ~~— (c) keep a record of all duplicate ballot papers issued.~~

#### **A4-9 Closure of Ballot**

- ~~— (1) The ballot closes 7 days before the Annual General Meeting, unless extended by the Board of Directors pursuant to Rule A4-10(2).~~
- ~~(2) If, in the event of special and unforeseen circumstances, the Board of Directors is of the opinion that it would be appropriate to extend the date fixed for the closing of the ballot, the Board, in its absolute discretion, may extend the date fixed for the closing of the ballot and shall notify the returning officer accordingly.~~

#### **A4-10 Procedures After Close of Ballot**

- ~~(1) As soon as practicable after the close of the ballot, the returning officer must deal with the ballots as follows:-~~
  - ~~— (a) open all “Reply Paid” envelopes and extract security envelopes;~~
  - ~~— (b) for each security envelope mark the Member’s name as shown on the perforated section of the electoral roll;~~
  - ~~— (c) where a duplicate ballot paper has been issued and the original security envelope received, mark the original perforated section “rejected”;~~
  - ~~— (d) if no perforated section is present or, if the perforated section has not been signed, or the signature is identified as not being the Member’s or there is insufficient detail to identify the Member, mark the perforated section and the security envelope “rejected”;~~
  - ~~— (e) detach the perforated section from the security envelope, ensuring that no security envelope could subsequently be identified with any particular Member;~~
  - ~~— (f) when all the security envelopes have been so dealt with, cause all the security envelopes to be opened and the ballot papers to be taken out;~~
  - ~~— (g) cause the ballot papers to be scrutinised under his or her supervision and reject such ballot papers as he or she finds to be informal under Rule A4-11(2);~~
  - ~~— (h) count the votes in accordance with Rule A4-12 (Voting System);~~

- ~~\_\_\_\_\_ (i) prepare and sign a declaration of the ballot as to:~~
- ~~\_\_\_\_\_ i) the number of ballot papers lodged;~~
- ~~\_\_\_\_\_ ii) the number of formal votes;~~
- ~~\_\_\_\_\_ iii) the number of informal votes;~~
- ~~\_\_\_\_\_ iv) the number of votes cast for each candidate; and~~
- ~~\_\_\_\_\_ v) the names of the persons who, subject to Rules 9.2 and 9.5 and being or becoming registered as an accountable person under the Banking Act, are elected.~~
- ~~\_\_\_\_\_ (j) deliver the statement to the **Company's** Secretary.~~
- ~~(2) A ballot paper is informal if:~~
- ~~\_\_\_\_\_ (a) it is not authenticated by the authenticating mark of the returning officer; or~~
- ~~\_\_\_\_\_ (b) it has no vote indicated on it or it does not indicate the Member's preference for a **candidate**.~~
- ~~(3) The Secretary shall announce the results of the ballot at the next Annual General Meeting.~~
- ~~(4) The returning officer must preserve the ballot papers for a period of at least six months after the declaration of the ballot.~~
- ~~(5) No election shall be voided on account of any error or omission of the returning officer which did not affect the results of the election.~~

#### **A4-7 Conduct of the vote**

- ~~(1) The vote will be conducted by a ballot at the **AGM**.~~

#### **A4-8 Direct Voting**

- ~~(1) If the **Board** has determined to provide a **direct voting system** in addition to a ballot at the **AGM**:~~
  - ~~(a) a **Member** may vote in person or by proxy or by **direct vote**, but may only vote once;~~
  - ~~(b) if a **Member** attends the **AGM** in person or via an **electronic meeting system** then the right of a proxy, attorney or representative to vote is suspended and any **direct vote** cast before the **AGM** is not counted;~~
  - ~~(b) the returning officer shall provide an interactive copy of a ballot paper in a secure online system to facilitate voting by electronic means and make available to **members** all information reasonably necessary to facilitate voting by electronic means. Requirements for an authenticating mark of the returning officer on the ballot paper shall not apply, but the returning officer must ensure that a **member** cannot **direct vote** more than once in the election;~~
  - ~~(c) a **member** who votes by **direct vote** must ensure that his or her vote is submitted to the returning officer in accordance with any instructions given for voting by electronic means;~~
  - ~~(d) in respect of any **direct vote** received by the returning officer by electronic means, the returning officer must ensure that the fact that the **member** has voted is recorded;~~
  - ~~(e) the returning officer must cause all **direct votes** to be recorded in such way that they cannot subsequently be identified with any particular **member**;~~
  - ~~(f) if a **member** lodges both a vote via a proxy and a **direct vote**, then the returning officer must:~~
    - ~~(i) if one of the votes is informal, accept the formal vote; and~~
    - ~~(ii) if both votes are formal, accept the vote received first;~~
  - ~~(g) the election procedures set out in the preceding Rules of Appendix 4 are deemed to be otherwise modified to the extent necessary to permit a **direct vote**.~~

#### A4-119

#### Voting System

- (1) On any ballot, the persons receiving the highest number of votes in accordance with the number of vacancies to be filled are, subject to Rules 9.2 and 9.5 and being or becoming registered as an accountable person under the Banking Act, elected as Directors~~directors~~.
- (2) In the case of an equality of votes, the person to be elected, subject to Rules 9.2 and 9.5 and being or becoming registered as an accountable person under the Banking Act, must be decided by lot.

## APPENDIX 5 - STANDING ORDERS

### **A5-1 Time Limits for Speakers**

- (1) The mover of a motion may speak for no more than ten minutes.
- (2) Subsequent speakers may speak for no more than five minutes.
- (3) The mover of the motion may reply for no more than five minutes.
- (4) The meeting is free to extend the time a speaker may speak.

### **A5-2 Amendment**

- (1) On an amendment being proposed to an original motion, no second amendment may be considered until the first amendment has been dealt with.
- (2) An amendment, when carried, displaces the original motion and becomes the motion to which any further amendment may be moved.
- (3) If the amendment is not carried, then further amendments to the original motion may be considered.

### **A5-3 Speakers**

- (1) The mover of an original motion has a right of reply.
- (2) The mover of an amendment does not have a right of reply.
- (3) Otherwise, a Member may speak only once on the same question except to raise a point of order or, with the consent of the chair of the meeting, to give an explanation.

### **A5-4 Motions to be in Writing**

Every motion and every amendment to a motion must be submitted in writing as and when the chair of the meeting requests.

### **A5-5 Closure of Debate**

- (1) Debate on a motion or an amendment may be brought to a close by a resolution “that the question be now put”.
- (2) The motion “that the question be now put” must be put to the meeting without debate.

## APPENDIX 6 – CONSIDERATION OF DEMUTUALISATION RESOLUTIONS

### A6-1 Interpretation

In this Appendix, unless the contrary intention appears:

**‘Additional Costs’** means all costs reasonably incurred by the **Company** in complying with its obligations under Clause A6-4 and Subclause A6-5(1)(b) of this Appendix.

**‘Additional Information’** means:

- (a) an explanation as to how the Demutualisation Resolution will affect **member** rights as a holder of **member shares** and as a customer of the **Company**;
- (b) an explanation as to the effect of the Demutualisation Resolution on the **Company** and **members** with respect to:
  - (i) the rights of **members** to vote and to participate in the distribution of profits and reserves of the **Company** and the loss of any such rights; and
  - (ii) the effect on the business, operations, employees, products, services, pricing and distribution network of the **Company**;
- (c) an explanation of the mutuality benefits to **members** that will be lost if the Demutualisation Resolution is passed; and
- (d) an explanation of the availability and effect of other alternatives to the Demutualisation Resolution.

**‘Ballot Closing Date’** means the date upon which a Direct Ballot closes, being a date fixed by the Returning Officer under Subclause A6-4(6) and specified in the notice referred to in Subclause A6-4(7)(e).

**‘Demutualisation Resolution’** means a proposed resolution, or combination of proposed resolutions:

- (a) which, if passed, will or may result in:
  - (i) **member shares** becoming transferable or capable of sale or assignment otherwise than pursuant to Subrule A3-6(2);
  - (ii) a **member** becoming entitled to hold more than one **member share**; or
  - (iii) a right to vote attaching to any share other than a **member share**;
- (b) the effect of which would be to modify or repeal any clause in this Appendix; or
- (c) the effect of which would be to modify or repeal this Constitution where the effect of the modification or repeal is to modify, exclude or restrict the operation of the clauses in this Appendix.

**‘Direct Ballot’** means a ballot of Qualifying Members in respect of a Demutualisation Resolution that is conducted in accordance with Clause A6-4 of this Appendix.

**‘Directors’ Statement’** means a statement by the **Directors** containing:

- (a) the recommendation of each **Director** as to whether the Demutualisation Resolution should be passed and their reasons for making that recommendation; and



- (b) details of any benefit to be received by the **Directors** if the Demutualisation Resolution is passed.

**'Entity'** includes any:

- (a) incorporated or unincorporated bodies;
- (b) trust or partnership; or
- (c) any legal, administrative or fiduciary arrangement, organisational structure or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

**'Information'** means:

- (a) a disclosure statement that:
  - (i) contains all the information that **members** would reasonably require and expect to be given to make an informed decision about the Demutualisation Resolution, including but not limited to the Additional Information;
  - (ii) states that the Demutualisation Resolution may alter the **Company's** mutual structure and outlines the intentions of the **member** or Entity seeking to convene or convening a meeting of the **Company**:
    - (I) in relation to the future of the **Company** if the Demutualisation Resolution is passed;
    - (II) in relation to **members'** interests if the Demutualisation Resolution is passed;
    - (III) in relation to the **Directors** if the Demutualisation Resolution is passed; and
  - (iii) explains the effect the passing of the Demutualisation Resolution is likely to have on the business, operations, employees, products, services, pricing and distribution network of the **Company**;
- (b) an estimate of the financial benefits (if any) the **members**, the **Directors** and/or other officers of the **Company** will be offered if the Demutualisation Resolution is passed; and
- (c) a report by an expert that:
  - (i) states whether, in the expert's opinion:
    - (I) the Demutualisation Resolution is in the best interests of the **members** of the **Company** as a whole; and
    - (II) the Demutualisation Resolution is fair and reasonable to **members** having regard to any change of voting rights and the right to participate in profits and reserves;
    - (III) sets out the expert's opinions in relation to the Additional Information;
    - (IV) gives the expert's reasons for forming those opinions;
    - (V) complies with the requirements of clause 33 of Part 5 of Schedule 4 of the *Corporations Act*; and
    - (VI) contains any additional information required to be provided under the *Corporations Act*.

**'Qualifying Member'** means a **member**.

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- (a) a **member** whose name was in the register of members of the **Company** on the date that this Appendix 6 took effect under the Corporations Act; or
- (b) a **member** whose name was entered in the register of members of the **Company** after the date on which this Appendix 6 took effect under the Corporations Act and who has continuously been a **member** for not less than one year.

**'Requisitionists'** means the **members** who request the convening of a general meeting that is convened by the **Directors** at the request of **members** made under section 249D of the *Corporations Act* or who call the meeting in accordance with sections 249E or 249F of the *Corporations Act*.

**'Returning Officer'** means a person appointed by the **Directors** as a Returning Officer under clause A6-4(1) of this Appendix.

**'Special Resolution'** means a resolution:

- (a) in relation to which notice as set out in paragraph 249L(1)(c) of the *Corporations Act* has been given; and
- (b) that has been passed by at least 75% of the votes cast by **members** entitled to vote on the resolution.

## **A6-2 Application of Appendix 6**

Notwithstanding any provision contained in this Constitution to the contrary, this Appendix will apply if a meeting of the **Company** is convened, or is to be convened, at which a Demutualisation Resolution will be considered.

## **A6-3 Requirement for General Meeting and Direct Ballot**

If a meeting of the **Company** is convened, or is to be convened, at which a Demutualisation Resolution will be considered:

- (a) The general meeting must be convened and conducted in accordance with this Constitution to consider the Demutualisation Resolution as a Special Resolution;
- (b) The information required by Clause A6-5 of this Appendix must be provided to **members** in convening the general meeting to consider the Demutualisation Resolution;
- (c) The Demutualisation Resolution may not be moved at the general meeting, or passed at the general meeting, if the Demutualisation Resolution, or a substantially similar Demutualisation Resolution, was moved at a general meeting held within the 3 years prior to the general meeting and:
  - (i) not passed; or
  - (ii) passed but its adoption was not subsequently approved by a Direct Ballot;
- (d) The Demutualisation Resolution shall only be passed at the general meeting if at least 75% of the votes cast by **members** entitled to vote on the Demutualisation Resolution approve the Demutualisation Resolution; and
- (e) The Demutualisation Resolution, if passed at the general meeting, shall not have any effect unless and until:
  - (i) a Direct Ballot is held within 4 months of the date of the general meeting to consider whether the adoption of the Demutualisation Resolution should be approved;
  - (ii) by the Ballot Closing Date the **Company** has received votes from 25% of Qualifying Members; and

- (iii) of the votes received from Qualifying Members by the Ballot Closing Date, 75% of the votes are in favour of approving the adoption of the Demutualisation Resolution.

#### **A6- 4 Conduct of Direct Ballot**

- (1) Within 7 days of a Demutualisation Resolution being passed at a general meeting the **Directors** must appoint a Returning Officer, who must not be a **Director** or officer of the **Company**, and who must then conduct a Direct Ballot in accordance with this Clause A6-4.
  - (2) The Returning Officer must prepare a roll of the full names and addresses of the **members** of the **Company**, as disclosed by the register of **members** as at midnight on the day before the general meeting referred to in Subclause A6-3(a), who are Qualifying Members.
  - (3) Only **members** who are Qualifying Members as at midnight on the day before the general meeting referred to in Subclause A6-3(a) are entitled to vote in the Direct Ballot.
  - (4) The Returning Officer must cause ballot papers to be prepared for the Direct Ballot.
  - (5) Each ballot paper must be initialled or marked by the Returning Officer or an appointed assistant.
  - (6) The Returning Officer must fix a Ballot Closing Date, which must be a date not more than 4 months after the date of the general meeting at which the Demutualisation Resolution was passed.
  - (7) The Returning Officer must, at least 30 days prior to the Ballot Closing Date, send by post or otherwise deliver to every Qualifying Member one set of the following material:
    - (a) one ballot paper;
    - (b) an envelope (in this Appendix referred to as the outer envelope) addressed to the Returning Officer;
    - (c) a smaller envelope (in this Appendix referred to as the middle envelope), the reverse side of which contains provision for the name, membership number and signature of the Qualifying Member;
    - (d) a small envelope marked "Ballot Paper"(in this Appendix referred to as the inner envelope) into which the ballot paper is to be enclosed;
    - (e) a notice which sets out:
      - (i) details of the Demutualisation Resolution upon which the decision of the Qualifying Members is to be sought;
      - (ii) details of the number of **members** who were eligible to vote at the general meeting at which the Demutualisation Resolution was passed and of the number of those **members** who voted;
      - (iii) the Ballot Closing Date;
      - (iv) instructions for voting;
      - (v) such further information, if any, as the **Directors** consider appropriate; and
    - (f) the Information supplied to the **Company** and the Directors Statement.
  - (8) The Returning Officer may send a duplicate ballot paper to any Qualifying Member if the Returning Officer is satisfied:
    - (a) that the Qualifying Member has not received a ballot paper; or
    - (b) that the ballot paper received by the Qualifying Member has been lost, spoilt or destroyed and the Qualifying Member has not already voted.
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- (9) A Qualifying Member casts a vote in the Direct Ballot by:
- (a) firstly, completing the ballot paper according to the instructions on the ballot paper;
  - (b) secondly, placing the completed ballot paper in the inner envelope;
  - (c) thirdly, completing the details on the reverse side of the inner envelope and signing the middle envelope;
  - (d) fourthly, placing the inner envelope in the outer envelope; and
  - (e) fifthly, sending the outer envelope to the Returning Officer so that it is received by noon on the Ballot Closing Date.
- (10) The Returning Officer must:
- (a) provide a ballot box or boxes which must be locked immediately before the ballot papers are delivered to Qualifying Members in accordance with Subclause A6-4(7) and must remain locked until noon on the Ballot Closing Date; and
  - (b) place all outer envelopes received from Qualifying Members in the ballot box or boxes as they are received.
- (11) The counting of votes received by Direct Ballot shall be supervised by the Returning Officer.
- (12) The Returning Officer may be assisted in the performance of his or her duties by any person (who would be eligible to be a Returning Officer) appointed by the Returning Officer.
- (13) Ballot papers received after noon on the Ballot Closing Date are informal and must not be taken into account in the Direct Ballot.
- (14) As soon as practicable after noon on the Ballot Closing Date, the Returning Officer must, in the presence of such scrutineers as may be appointed by the **Directors**, open the ballot box or boxes and deal with the contents in accordance with clause A6-4(15).
- (15) The Returning Officer must:
- (a) remove the middle envelope from the outer envelope;
  - (b) if a duplicate outer envelope has been issued and the original outer envelope is received, reject the original envelope and mark it "Rejected";
  - (c) according to the information on the middle envelope, for each set of voting papers returned, mark the Qualifying Member's name on the roll;
  - (d) if a Qualifying Member's name has already been marked on the roll, reject the vote and mark it "Rejected";
  - (e) if the middle envelope has not been signed, or if the details shown on the envelope are not sufficient to disclose by whom the vote is being exercised, reject the envelope and mark it "Rejected";
  - (f) extract the inner envelopes containing the ballot papers from all un-rejected middle envelopes, separating the contents from the middle envelopes in such a way that no inner envelope could subsequently be identified with any particular Qualifying Member; and
  - (g) when all the middle envelopes have been dealt with in the above manner, open all un-rejected inner envelopes and take the ballot papers from them.
- (16) The ballot papers must be scrutinised by the Returning Officer who must reject as informal any ballot paper that:

- (a) is not duly initialled or marked by the Returning Officer;
  - (b) is so imperfectly completed that the intention of the Qualifying Member cannot be ascertained by the Returning Officer;
  - (c) has any mark or writing not authorised by this Appendix which, in the opinion of a Returning Officer, will enable the Qualifying Member to be identified; or
  - (d) has not been completed as prescribed on the ballot paper itself.
- (17) No meeting of **members** is required to be held for the counting of the votes received by the **Company** by Direct Ballot.
- (18) The Returning Officer must count all votes cast and make out and sign a statement of:
- (a) the number of formal votes in favour of approving the adoption of the Demutualisation Resolution;
  - (b) the number of formal votes against approving the adoption of the Demutualisation Resolution;
  - (c) the number of informal votes;
  - (d) the number of middle envelopes marked "Rejected"; and
  - (e) the proportion of the formal votes that were in favour of approving the adoption of the Demutualisation Resolution.
- (19) The Returning Officer must forward a copy of the statement to the Chair of the **Company**.
- (20) Following the counting of votes in the Direct Ballot the **Company** will:
- (a) display the result at its registered office and on the **Company's** website;
  - (b) notify **members** of the result of the Direct Ballot within 21 days; and
  - (c) retain the Direct Ballot votes in the possession of the **Company** for a period of 3 months, at the end of which period they will be destroyed.

## A6- 5 Disclosure Requirements

- (1) If a meeting of the **Company** at which a Demutualisation Resolution will be considered is convened or is to be convened at the request of **members** made under section 249D of the *Corporations Act*:
  - (a) the **member** or **members** requesting the convening of the meeting shall at the time of requesting the convening of the meeting provide the Information to the **Company**; and
  - (b) the **Company** shall at the time of convening the meeting provide the **members** with:
    - (i) notice of the Demutualisation Resolution and of the intention to consider the Demutualisation Resolution as a special resolution in accordance with section 249L(1)(c) of the *Corporations Act*;
    - (ii) the Information supplied to the **Company**;
    - (iii) the Directors' Statement; and
    - (iv) such further information, if any, as the **Directors** consider appropriate.
- (2) If a meeting of the **Company** at which a Demutualisation Resolution will be considered is convened or is to be convened by **members** in accordance with sections 249E or 249F of the *Corporations Act*, the **member** or **members** requesting the convening of the meeting shall at the time of convening the meeting provide the Information to the **members**.

## A6- 6 Costs

If a meeting of the **Company** at which a Demutualisation Resolution will be considered is convened by the **Directors** at the request of **members** made under section 249D of the *Corporations Act* or by **members** in accordance with sections 249E or 249F of the *Corporations Act*, then the Requisitionists will:

- (a) provide to the **Company**, at the time of making the request or convening the meeting, an indemnity in respect of the liability that the Requisitionists may incur to the **Company** for the Additional Costs in a form satisfactory to the **Directors**; and
- (b) if the Demutualisation Resolution is not passed at a general meeting, or if the Demutualisation Resolution is passed at a general meeting but its adoption is not approved by a Direct Ballot, be jointly and severally liable to the **Company** for the Additional Costs and will pay the Additional Costs to the **Company** within 7 days of the **Company** making a written demand for payment.

## A6- 7 Termination of this Appendix

- (1) This Appendix will cease to have effect if and when the Australian Securities and Investments Commission or its successor publishes a notice to that effect and gives a copy of the notice to the **Company**.
- (2) Notwithstanding any provision contained in this Constitution, this Appendix will cease to have effect at the end of the AGM of the **Company** held after 1 July 2024, provided that the members in general meeting may, before this Appendix ceases to have effect, resolve by ordinary resolution from time to time to set successive later dates, but not earlier dates, for this Appendix to cease to have effect.