



ERA

Energy Resources of Australia Ltd

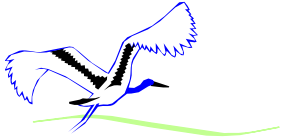
ABN 71 008 550 865

Rules of Energy Resources of Australia Ltd

ABN 71 008 550 865

Level 10
TIO Centre
24 Mitchell Street
Darwin NT 0800
Telephone: (08)8924 3500
Fax: (08) 8924 3506

13 April 2011



CONTENTS

1.	PRELIMINARY	1
	1.1 Table A and replaceable rules excluded	1
	1.2 Definitions	1
	1.3 Interpretation of this document	3
2.	LISTING RULES	4
	2.1 Listing Rules prevail	4
3.	DIRECTORS	4
	3.1 Number of Directors	4
	3.2 Present Directors to continue	4
	3.3 Qualification	4
	3.4 Appointment by the Board	5
	3.5 Election by general meeting	5
	3.6 Eligible candidates	5
	3.7 Director rotation	5
	3.8 Not used	
	3.9 Time of retirement	5
	3.10 Cessation of Director's appointment	6
	3.11 Removal from office	6
	3.12 Too few Directors	6
4.	ALTERNATE DIRECTORS	6
	4.1 Appointment of Alternates	6
	4.2 Notice of Board meetings	6
	4.3 Obligations and entitlements of Alternates	7
	4.4 Termination of appointment	7
	4.5 Appointments and revocations in writing	7
5.	POWERS OF THE BOARD	7
	5.1 Powers generally	7
	5.2 Exercise of powers	8
	5.3 Sale of main undertaking	8
6.	EXECUTING NEGOTIABLE INSTRUMENTS	8
7.	CHIEF EXECUTIVE	8
	7.1 Appointment	8
	7.2 Chief Executive as a Director	8
	7.3 Powers	8

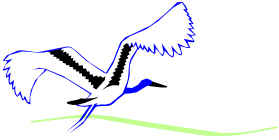
8.	DELEGATION OF BOARD POWERS	9
8.1	Power to delegate	9
8.2	Power to revoke delegation	9
8.3	Terms of delegation	9
8.4	Proceedings of committees	9
8.5	Attorneys	9
8.6	Local management	9
8.7	Advisory committees	10
9.	DIRECTOR'S DUTIES AND INTERESTS	11
9.1	Director not disqualified from holding other offices etc	11
9.2	Disclosure of interests	11
9.3	Director interested in a matter	11
9.4	Agreements with third parties	11
9.5	Director to give information to Company and ASX	12
10.	DIRECTORS' REMUNERATION	12
10.1	Remuneration of Executive Directors	12
10.2	Remuneration of non-executive Directors	12
10.3	Additional Remuneration for extra services	12
10.4	Expenses of Directors	13
11.	OFFICERS' INDEMNITY AND INSURANCE	13
11.1	Indemnity	13
11.2	Insurance	14
11.3	Former officers	14
11.4	Deeds	14
12.	BOARD MEETINGS	14
12.1	Convening Board meetings	14
12.2	Notice of Board meeting	14
12.3	Use of technology	15
12.4	Chairing Board meetings	15
12.5	Quorum	15
12.6	Majority decisions	15
12.7	Procedural rules	16
12.8	Written resolution	16
12.9	Additional provisions concerning written resolutions	16
12.10	Valid proceedings	16
13.	MEETINGS OF MEMBERS	16
13.1	Annual general meeting	16
13.2	Calling meetings of members	17
13.3	Notice of meeting	17
13.4	Postponement or cancellation	17
13.5	Fresh notice	17
13.6	Notice to joint holders of shares	17
13.7	Technology	17
13.8	Accidental omission	17

13.9	Class meetings	18
14.	PROCEEDINGS AT MEETINGS OF MEMBERS	18
14.1	Member present at meeting	18
14.2	Quorum	18
14.3	Quorum not present	18
14.4	Chairing meetings of members	18
14.5	Attendance at meetings of members	19
14.6	Members rights suspended while call unpaid	19
14.7	Chairman's powers at a meeting of members	19
14.8	Admission to general meetings	20
14.9	Adjournment	20
14.10	Business at adjourned meetings	20
15.	PROXIES, ATTORNEYS AND REPRESENTATIVES	20
15.1	Appointment of proxies	20
15.2	Member's attorney	21
15.3	Deposit of proxy forms and powers of attorney	21
15.4	Evidence of proxy forms, powers of attorney and other appointments	21
15.5	Corporate representatives	21
15.6	Standing appointments	21
15.7	Suspension of proxy or attorney's powers if member present	22
15.8	Priority of conflicting appointments of attorney or representative	22
15.9	More than 2 current proxy appointments	22
15.10	Continuing authority	22
16.	ENTITLEMENT TO VOTE	23
16.1	Determining voting entitlements	23
16.2	Number of votes	23
16.3	No casting vote of chairman	23
16.4	Votes of joint holders	24
16.5	Votes of transmittees and guardians	24
16.6	Voting restrictions	24
16.7	Decision on right to vote	24
17.	HOW VOTING IS CARRIED OUT	24
17.1	Method of voting	24
17.2	Demand for a poll	25
17.3	When and how polls must be taken	25
18.	SECRETARY	25
18.1	Appointment and removal of Secretary	25
18.2	Terms and conditions of office	25
18.3	Cessation of Secretary's appointment	26
18.4	Removal from office	26
19.	MINUTES	26
19.1	Minutes must be kept	26
19.2	Minutes as evidence	26

19.3	Inspection of minute books	26
20.	COMPANY SEALS	27
20.1	Common seal	27
20.2	Use of seals	27
20.3	Fixing seals to documents	27
21.	FINANCIAL REPORTS, AUDIT AND ACCESS TO DOCUMENTS	27
21.1	Company must keep financial records	27
21.2	Financial reporting	27
21.3	Audit	27
21.4	Conclusive reports	28
21.5	Access to documents by Directors	28
21.6	Inspection of documents by members	28
22.	CLASS RIGHTS	28
23.	SHARES	28
23.1	Issue at discretion of Board	28
23.2	Preference and redeemable preference shares	29
23.3	Restrictions on issue	29
23.4	Brokerage and commissions	29
23.5	Surrender of shares	29
24.	CERTIFICATES	29
24.1	Uncertificated securities	29
24.2	Certificated shares	30
24.3	Multiple certificates and joint holders	30
24.4	Lost and worn out certificates	30
25.	REGISTER	30
25.1	Joint holders	30
25.2	Non-beneficial holders	30
25.3	Overseas branch register	31
26.	PARTLY PAID SHARES	31
26.1	Fixed instalments	31
26.2	Prepayment of calls	31
26.3	Calls made by Board	31
26.4	Notice of call	31
26.5	Classes of shares	32
26.6	Obligation to pay calls	32
26.7	Called Amounts	32
26.8	Proof of call	32
26.9	Forfeiture notice	32
26.10	Forfeiture	33
26.11	Disposal and re-issue of forfeited shares	33
26.12	Notice of forfeiture	33
26.13	Cancellation of forfeiture	33

26.14	Effect of forfeiture	33
26.15	Application of proceeds	34
26.16	Title of new holder	34
26.17	Mortgage of uncalled capital	34
27.	COMPANY LIENS	34
27.1	Existence of liens	34
27.2	Sale under lien	35
27.3	Protection of lien	35
27.4	Indemnity for payments required to be made by the Company	35
28.	DIVIDENDS	36
28.1	Accumulation of reserves	36
28.2	Not used	36
28.3	Declaration of dividends	36
28.4	Dividend not on all classes of shares	36
28.5	Amount of dividend	36
28.6	Prepayments, payments during dividend period and credits without payment	36
28.7	Dividends in kind	37
28.8	Method of payment	37
28.9	Joint holders' receipt	37
28.10	Retention of dividends by Company	37
28.11	No interest on dividends	38
29.	SHARE PLANS	38
29.1	Implementing share plans	38
29.2	Board obligations and discretions	38
29.3	Capital reconstruction reserve	39
30.	TRANSFER OF SHARES	39
30.1	Modes of transfer	39
30.2	Market obligations	39
30.3	Delivery of transfer and certificate	39
30.4	Restricted securities	40
30.5	Refusal to register transfer	40
30.6	Transferor remains holder until transfer registered	41
30.7	Powers of attorney	41
31.	TRANSMISSION OF SHARES	41
31.1	Death of joint holder	41
31.2	Death of single holder	41
31.3	Transmission of shares on insolvency or mental incapacity	42
31.4	Refusal to register holder	42
32.	UNMARKETABLE PARCELS	42
32.1	Board power of sale	42
32.2	Notice of proposed sale	42
32.3	No sale where member gives notice	43

32.4	Divestment without notice	43
32.5	Terms of sale	43
32.6	Share transfers	43
32.7	Application of proceeds	43
32.8	Protections for transferee	44
33.	ALTERATION OF SHARE CAPITAL	44
33.1	Capitalisation of profits	44
33.2	Adjustment of capitalised amounts	44
33.3	Conversion of shares	45
33.4	Adjustments on conversion	45
33.5	Reduction of capital	45
34.	CURRENCY FOR PAYMENTS	45
34.1	Board may decide currency	45
34.2	Conversion to Australian dollars	46
35.	WINDING UP	46
35.1	Entitlement of members	46
35.2	Distribution of assets generally	46
35.3	No distribution of liabilities	46
35.4	Distribution not in accordance with legal rights	46
36.	NOTICES	47
36.1	Notices by Company	47
36.2	Overseas members	47
36.3	When notice is given	47
36.4	Notice to joint holders	47
36.5	Counting days	48
36.6	Notices to "lost" members	48
37.	UNCLAIMED MONEY	48



**RULES OF ENERGY RESOURCES OF AUSTRALIA LTD
ABN 71 008 550 865**

1. PRELIMINARY

1.1 Table A and replaceable rules excluded

The regulations contained in Table A in the Fourth Schedule to the Companies Ordinance 1962 of the Australian Capital Territory, and the replaceable rules referred to in the Act:

- (a) do not apply to the Company; and
- (b) are replaced by the rules set out in this document and the Company's Memorandum of Association, which together comprise the constitution of the Company.

1.2 Definitions

The following definitions apply in this document.

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

"**Allot**" includes "issue" and vice versa.

"**Alternate**" means an alternate Director appointed under rule 4.1.

"**Appointor**" in relation to an Alternate, means the Director who appointed the Alternate.

"**ASX**" means ASE Limited (ABN 98 008 624 691).

"**ASTC**" means ASX Settlement Pty Ltd (ABN 49 008 504 532).

"**ASTC Settlement Rules**" means the operating rules of ASTC and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

"**Board**" means the Directors acting collectively under this document.

"**business day**" has the meaning given by the Listing Rules.

"**Called Amount**" in respect of a share means:

- (a) the amount of a call on that share which is due and unpaid; and
- (b) any amount the Board requires a member to pay under rule 26.7.

"**Chief Executive**" means the person appointed under rule 7.1.

"**Company**" means the company named at the beginning of this document whatever its name is for the time being.

Rules of Energy Resources of Australia Ltd

"**Director**" means a person who is, for the time being, a director of the Company including, where appropriate, an Alternate.

"**dividend**" includes bonus.

"**Executive Director**" means a Director who is an employee of the Company or a subsidiary or acts in an executive capacity for the Company or a subsidiary under a contract for services and includes a Director who is a chief executive.

"**Interest Rate**" means, in respect of each rule in which that term is used:

- (a) the rate for the time being prescribed by the Board in respect of that rule; or
- (b) if no rate is prescribed, 15% each year.

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

"**member**" means a person whose name is entered in the Register as the holder of a share.

"**ordinary resolution**" means a resolution of members passed by a majority of the votes cast by members entitled to vote on the resolution.

"**Register**" means the register of members kept as required by the Act and includes a computerised or electronic subregister established and administered under the ASTC Settlement Rules.

"**Remuneration**" in relation to a Director (other than an Executive Director):

- (a) includes fees, salary, bonuses, fringe benefits and superannuation contributions provided by the Company; and
- (b) excludes a payment made as compensation for loss of office or in connection with retirement from office (which includes resignation from office and death while in office) and an insurance premium paid by the Company or indemnity under rule 11.

"**Secretary**" means, during the term of that appointment, a person appointed as a secretary of the Company in accordance with this document.

"**special resolution**" has the meaning given by the Act.

"**Unmarketable Parcel**" means a parcel of shares of a single class registered in the same name or the same joint names which is:

- (a) less than the number that constitutes a marketable parcel of shares of that class under the Listing Rules; or
- (b) subject to the Act, the Listing Rules and the ASTC Settlement Rules, any other number determined by the Board from time to time.

"**Voting Member**" in relation to a general meeting, or meeting of a class of members, means a member who has the right to be present and to vote on at least 1 item of business to be considered at the meeting.

1.3 Interpretation of this document

Headings and marginal notes are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation), the Listing Rules or the ASTC Settlement Rules is to that legislation or those rules as:
 - (A) amended, modified or waived in relation to the Company; or
 - (B) re-enacted, amended or replaced,and includes any subordinate legislation or rules issued under that legislation or those rules;
 - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (iv) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word is defined, another part of speech has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The word "**agreement**" includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (g) A power to do something includes a power, exercisable in the like circumstances, to revoke or undo it.
- (h) A reference to a power is also a reference to authority or discretion.

- (i) A reference to something being "**written**" or "**in writing**" includes that thing being represented or reproduced in any mode in a visible form.
- (j) Words (other than "**remuneration**" and those defined in rule 1.2) which are defined by the Act have the same meaning in this document where it relates to the same matter as the matter for which it is defined in the Act.
- (k) A reference to a Chapter, Part, Division, or section is a reference to a Chapter, Part, Division or section of the Act.

2. LISTING RULES

2.1 Listing Rules prevail

- (a) Notwithstanding anything contained in this constitution, if the Listing Rules prohibit an act being done, the act shall not be done.
- (b) Nothing contained in this constitution prevents an act being done that the Listing Rules require to be done.
- (c) If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (d) If the Listing Rules require this constitution to contain a provision and it does not contain such a provision, this constitution is deemed to contain that provision.
- (e) If the Listing Rules require this constitution not to contain a provision and it contains such a provision, this constitution is deemed not to contain that provision.
- (f) If any provision of this constitution is or becomes inconsistent with the Listing Rules, this constitution is deemed not to contain that provision to the extent of the inconsistency.

3. DIRECTORS

3.1 Number of Directors

The number of directors shall be not more than nine and in any event must not be less than three.

Present Directors to continue

The Directors at the time of adoption of these rules shall continue to hold office subject to these rules.

3.3 Qualification

- (a) A Director need not be a member.
- (b) Neither the auditor of the Company for the time being nor any partner or employee of the auditor is eligible to act as a Director.

3.4 Appointment by the Board

Subject to this document and the Act, the Board may appoint a person to be a Director at any time except during a general meeting, provided that the number of Directors for the time being fixed under rule 3.1 is not exceeded. Subject to rule 7.2, any Director so appointed automatically retires at the next annual general meeting and is eligible for re-election by that general meeting.

3.5 Election by general meeting

Subject to this document, the Act, and to the number of Directors for the time being fixed under rule 3.1 not being exceeded, the Company may elect Directors by ordinary resolution. A Director appointed to replace one removed from office under rule 3.11 must retire when the Director replaced would have been required to retire if not removed and is eligible for re-election.

3.6 Eligible candidates

The Company in general meeting cannot validly elect a person as a Director unless:

- (a) the person retires under rule 3.4, 3.5 or 3.7 and seeks re-election;
- (b) the Board recommends the appointment; or
- (c) at least 35 business days (in the case of a meeting that members have requested directors to call, 30 business days) before the meeting at which the relevant resolution will be considered, the Company receives both:
 - (i) a nomination of the person by a member (who may be the person); and
 - (ii) a consent to act as a Director signed by the person,at its registered office.

The Company must notify members of every candidate for election as a Director at least 7 days before the relevant general meeting.

3.7 Director Rotation

At each annual general meeting, any Director who would, if that Director remained in office until the next annual general meeting, have held that office for more than 3 years must retire from office and is eligible for re-election. If the Chief Executive is a Director, he is exempted from retirement by rotation under rule 7.2.

3.8 Not used

3.9 Time of retirement

A Director's retirement under rule 3.4 or 3.7 takes effect at the end of the relevant annual general meeting unless the Director is re-elected at that meeting.

3.10 Cessation of Director's appointment

A person automatically ceases to be a Director if the person:

- (a) is not permitted by the Act (or an order made under the Act) to be a Director;
- (b) becomes disqualified from managing corporations under the Act and is not given permission or leave to manage the Company under the Act;
- (c) becomes of unsound mind or physically or mentally incapable of performing the functions of that office;
- (d) fails to attend Board meetings (either personally or by an Alternate) for a continuous period of 6 months without leave of absence from the Board;
- (e) resigns by notice in writing to the Company;
- (f) is removed from office under rule 3.11; or
- (g) ceases to qualify as a Director under rule 3.3.

3.11 Removal from office

Whether or not a Director's appointment was expressed to be for a specified period the Company by ordinary resolution may remove a Director from office in accordance with the Act.

3.12 Too few Directors

If the number of Directors is reduced below the minimum required by rule 3.1, the continuing Directors may act as the Board only:

- (a) to appoint Directors up to that minimum number;
- (b) to convene a meeting of members; and
- (c) in emergencies.

4. ALTERNATE DIRECTORS

4.1 Appointment of Alternates

Subject to rule 3.3, a Director (other than an Alternate) may appoint a person who is approved by the Board to act as Alternate for a specified period or each time the Appointor is unable to attend a Board meeting or act as a Director.

4.2 Notice of Board meetings

If the Appointor requests the Company to give the Alternate notice of Board meetings, the Company must do so. Unless the Appointor has requested it, the Company need not give notice of Board meetings to an Alternate.

4.3 Obligations and entitlements of Alternates

An Alternate:

- (a) may attend and vote in place of the Appointor at a Board meeting at which the Appointor is not present;
- (b) if also a Director, has a separate right to vote as Alternate;
- (c) if Alternate for more than one Appointor, has a separate right to vote in place of each Appointor;
- (d) when acting as Alternate, is an officer of the Company and subject to all the duties, and entitled to exercise all the powers and rights, of the Appointor as a Director; and
- (e) is entitled to reasonable travelling, accommodation and other expenses incurred in attending meetings of the Board or of the Company or while otherwise engaged on the business of the Company on the same basis as other Directors but is not entitled to any other remuneration from the Company (but the Appointor may further remunerate the Alternate).

4.4 Termination of appointment

The Appointor at any time may revoke the appointment of a person as an Alternate whether or not that appointment is for a specified period. Any appointment of an Alternate immediately ceases if:

- (a) the Appointor ceases to be a Director; or
- (b) an event occurs which would cause the Alternate to cease to be a Director under rule 3.10 if the Alternate were a Director.

4.5 Appointments and revocations in writing

The Appointor must appoint, and revoke the appointment of, any Alternate in writing. The appointment or revocation is not effective until a copy is provided to the Company.

5. POWERS OF THE BOARD

5.1 Powers generally

Except as otherwise required by the Act, any other applicable law, the Listing Rules or this document, the Board:

- (a) has power to manage the business of the Company; and
- (b) subject to rule 5.3, may exercise every right, power or capacity of the Company to the exclusion of the Company in general meeting and the members.

5.2 Exercise of powers

A power of the Board can be exercised only:

- (a) by resolution passed at a meeting of the Board or otherwise in accordance with rule 12; or
- (b) in accordance with a delegation of the power under rule 7, 8 or 26.17.

5.3 Sale of main undertaking

Any sale, transfer or other disposition by the Board of the Company's whole undertaking or of the Company's main undertaking or principal productive assets shall be subject to approval or ratification by the Company in accordance with the Listing Rules.

6. EXECUTING NEGOTIABLE INSTRUMENTS

The Board must decide the manner (including the use of facsimile signatures if thought appropriate) in which negotiable instruments can be executed, accepted or endorsed for and on behalf of the Company. The Company may execute, accept, or endorse negotiable instruments only in the manner for the time being decided by the Board.

7. CHIEF EXECUTIVE

7.1 Appointment

The Board may from time to time appoint any person (whether or not a Director) to be Chief Executive of the Company and may from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place.

7.2 Chief Executive as a Director

If the Chief Executive is a Director he shall, while he continues to hold office as a Director be exempt from automatic retirement under rule 3.4 and retirement by rotation under rule 3.7. The Chief Executive shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company but the termination of his directorship shall have no effect on his office as Chief Executive.

7.3 Powers

The Board may from time to time entrust to and confer upon a Chief Executive for the time being such of the powers exercisable under these rules by the Board by simple majority as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient; and may from time to time revoke, alter or vary all or any of such powers. A Chief Executive shall be subject to the control of the Board.

8. DELEGATION OF BOARD POWERS

8.1 Power to delegate

The Board may delegate any of its powers that are exercisable by simple majority to the extent that it is not prohibited under the Act from doing so. For example, a power may be delegated to a committee of the Directors, a Director, an employee of the Company or any other person.

8.2 Power to revoke delegation

The Board may revoke a delegation previously made whether or not the delegation is expressed to be for a specified period.

8.3 Terms of delegation

A delegation of powers under rule 8.1 may be made:

- (a) for a specified period or without specifying a period; and
- (b) on the terms and subject to any restrictions the Board decides.

A document of delegation may contain the provisions for the protection and convenience of those who deal with the delegate that the Board thinks appropriate.

8.4 Proceedings of committees

- (a) Not used.
- (b) Subject to the terms on which a power of the Board is delegated to a committee, the meetings and proceedings of committees are, to the greatest extent practical, governed by the rules of this document which regulate the meetings and proceedings of the Board.

8.5 Attorneys

The Board may from time to time by power of attorney appoint any corporation, firm, person or body of persons, whether nominated directly or indirectly by the Directors and whether fluctuating or otherwise, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these rules) and for such period and subject to such conditions as they may think fit. Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

8.6 Local management

Without prejudice to the powers conferred by rule 8.5:

- (a) The Board may from time to time provide for the management and transaction of the affairs of the Company in any specified locality whether at home or abroad in such manner as they shall think fit and the provisions contained in the following paragraphs of this rule shall be without prejudice to the general powers conferred by this paragraph.
- (b) The Board from time to time and at any time may establish any local boards or agencies for managing any of the affairs of the Company in any such specified locality and may appoint any persons to be members of such local board or any managers or agents and may fix their remuneration.
- (c) The Board from time to time and at any time may delegate to any person so appointed any of the powers authorities and discretions for the time being vested in the Board (other than the power of making calls) and may authorise the members for the time being of any such local board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.
- (d) An appointment of an attorney made under rule 8.5 may (if the Board think fit) be made in favour of the members, or any of the members, of any local board established as aforesaid.
- (e) Any such delegates or attorneys as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

8.7 **Advisory committees**

- (a) The Board may establish such advisory committees as they think fit for the purpose of advising the Board on any matters which the Board think fit. An advisory committee may consist of such persons as the Board may from time to time appoint and the Board may from time to time revoke any such appointment. Any committee so formed shall in the exercise of its functions conform to such regulations as may from time to time be imposed upon it by the Board. Save as aforesaid, the meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board.
- (b) An advisory committee shall have no managerial or executive powers.

9. DIRECTOR'S DUTIES AND INTERESTS

9.1 Director not disqualified from holding other offices etc

A Director is not disqualified by reason only of being a Director from:

- (a) holding any office or place of profit or employment (other than that of the Company's auditor);
- (b) being a member or creditor of any corporation (including the Company) or partnership (other than the auditor); or
- (c) entering into any agreement with the Company.

9.2 Disclosure of interests

Each Director must comply with section 191 and any relevant general law principles in relation to disclosure of the Director's interests.

9.3 Director interested in a matter

Each Director must comply with section 195 in relation to being present, and voting, at a Board meeting that considers a matter in which the Director has a material personal interest. Subject to section 195:

- (a) a Director may be counted in a quorum at a Board meeting that considers, and may vote on, any matter in which that Director has an interest;
- (b) the Company may proceed with any transaction that relates to the interest and the Director may participate in the execution of any relevant document by or on behalf of the Company;
- (c) the Director may retain benefits under the transaction even though the Director has the interest; and
- (d) the Company cannot avoid the transaction merely because of the existence of the interest.

If the interest is required to be disclosed under rule 9.2, paragraph (c) applies only if it is disclosed before the transaction is entered into.

9.4 Agreements with third parties

The Company cannot avoid an agreement with a third party merely because a Director:

- (a) fails to make a disclosure required by rule 9.2; or
- (b) is present or votes at, or counted in the quorum for, a Board meeting that considers or votes on that agreement in contravention of the Act.

9.5 Director to give information to Company and ASX

Each Director must comply with sections 205C, 205F and 205G.

10. DIRECTORS' REMUNERATION

10.1 Remuneration of Executive Directors

Subject to any contract with the Company and to the Listing Rules, the Board may fix the remuneration of each Executive Director. That remuneration may consist of salary, bonuses or any other elements but must not be a commission on or percentage of profits or operating revenue.

10.2 Remuneration of non-executive Directors

The Directors (other than the Executive Directors and those who are Directors only because they are Alternates) are entitled to be paid, out of the funds of the Company, an amount of Remuneration which:

- (a) does not:
 - (i) in any year exceed in aggregate \$800,000 or such other amount as may be determined by ordinary resolution from time to time; or
 - (ii) consist of a commission on or percentage of profits or operating revenue; and
- (b) is allocated among them:
 - (i) on an equal basis having regard to the proportion of the relevant year for which each Director held office; or
 - (ii) as otherwise decided by the Board; and
- (c) is provided in the manner the Board decides, which may include provision of non-cash benefits (and to avoid doubt, such non-cash benefits may include the shares in the Company or options granted by the Company over shares (issued or unissued) in the Company).

If the Board decides to include non-cash benefits in a Director's Remuneration, the Board must also decide the manner in which the value of those benefits is to be calculated for the purposes of this rule.

The remuneration of a Director is taken to accrue from day-to-day except that Remuneration in the form of a non-cash benefit is taken to accrue at the time that the benefit is provided to the Director, subject to the terms on which the benefit is provided.

10.3 Additional Remuneration for extra services

If a Director, at the request of the Board and for the purposes of the Company, performs extra services or makes special exertions (including going or living away from the

Director's usual residential address), the Company may pay that Director a fixed sum set by the Board for doing so. Remuneration under this rule may be either in addition to or in substitution for any remuneration to which that Director is entitled under rule 10.1 or 10.2.

10.4 Expenses of Directors

- (a) The Company must pay a Director (in addition to any remuneration) all reasonable expenses (including travelling within Australia or between the Director's home country and Australia and accommodation expenses within Australia) incurred by the Director:
 - (i) in attending meetings of the Company, the Board, or a committee of the Board;
 - (ii) on the business of the Company;
 - (iii) in carrying out duties as a Director; or
 - (iv) subject to paragraph (b), in obtaining independent professional advice in furtherance of his or her duties to the Company.
- (b) The Company is not obliged to pay or reimburse expenses of a Director (other than the chairman of the Board) referred to in subparagraph (a)(iv) unless:
 - (i) the Director obtained the prior approval of the chairman of the Board (if any); or
 - (ii) if there is no such chairman or the chairman refuses to give approval:
 - (A) the Board; or
 - (B) where the Director concerned is an Executive Director, a majority of the Directors (excluding the Executive Directors),

gave prior approval to the obtaining of the advice.
- (c) Nothing in this rule 10.4 limits anything in rule 11.

11. OFFICERS' INDEMNITY AND INSURANCE

11.1 Indemnity

Subject to and so far as permitted by the Act and any other applicable law, the Company:

- (a) must, to the extent the person is not otherwise indemnified, indemnify every officer and employee of the Company and its wholly owned subsidiaries against all liability, costs and expenses (including legal costs and expenses) suffered or incurred as such an officer or employee, including liability, costs and expenses incurred as a result of appointment or nomination by the Company or wholly-owned subsidiary as a trustee or as an officer of another corporation; and

- (b) (without limiting paragraph (a)) may make a payment (whether by way of advance, loan or otherwise) in respect of any legal costs incurred by an officer or employee in defending any action or in resisting or responding to or giving evidence in relation to any action taken, or investigation by a government agency (including any royal commission) or a liquidator or other official.

For the avoidance of doubt, "**legal costs**" include (without limiting the generality of the term) legal costs incurred by an officer or employee in defending any action for a liability incurred as an officer or employee of the Company or a wholly-owned subsidiary of it.

11.2 Insurance

Subject to the Act and any other applicable law, the Company may enter into, and pay premiums on, a contract of insurance in respect of any person.

11.3 Former officers

The indemnity in favour of officers under rule 11.1 is a continuing indemnity. It applies in respect of all acts done by a person while an officer of the Company or one of its wholly owned subsidiaries even though the person is not an officer:

- (a) at the time the claim is made; or
- (b) at the date of adoption of this constitution.

11.4 Deeds

Subject to the Act, without limiting a person's rights under rule 11, the Company may enter into an agreement with a person who is or has been an officer or employee of the Company or any of the Company's wholly-owned subsidiaries, to give effect to the rights of the person under this rule 11 on any terms and conditions that the Board thinks fit.

12. BOARD MEETINGS

12.1 Convening Board meetings

A Director may at any time, and a Secretary must on request from a Director, convene a Board meeting.

12.2 Notice of Board meeting

The convenor of each Board meeting:

- (a) must give reasonable notice of the meeting (and, if it is adjourned, of its resumption) individually to:
 - (i) each Director; and
 - (ii) each Alternate in respect of whom the Appointor has given notice under rule 4.2 requiring notice of Board meetings to be given to that Alternate; and

(b) may give that notice orally (including by telephone) or in writing,

but accidental failure to give notice to, or non-receipt of notice by, a Director does not result in a Board meeting being invalid.

Each Director must notify the Company an address (which may include a fax number or electronic address) to which notices of Board meetings may be sent.

12.3 Use of technology

A Board meeting may be held using any means of audio or audio-visual communication by which each Director participating can hear and be heard by each other Director participating or in any other way permitted by the Act. A Board meeting held solely or partly by technology is treated as held at the place at which the greatest number of the Directors present at the meeting is located or, if an equal number of Directors is located in each of 2 or more places, at the place where the chairman of the meeting is located.

12.4 Chairing Board meetings

The Board may elect a Director to chair its meetings and decide the period for which that Director holds that office. If there is no chairman of Directors or the chairman is not present within 15 minutes after the time for which a Board meeting is called or is unwilling to act, the Directors present must elect a Director present to chair the meeting.

12.5 Quorum

(a) The quorum necessary for the transaction of business at any meeting of the Board shall be three Directors. Any of the Directors referred to in the preceding sentence shall be deemed to be present if an Alternate Director appointed by him is present provided that at least three persons being Directors or Alternate Directors are present. If within one hour after the time appointed for the meeting of the Board a quorum is not present, the meeting shall stand adjourned to a date (being not less than seven or more than fourteen days after the day originally appointed for the meeting) at a time and place within the Commonwealth of Australia as the Director or Directors present shall determine and notice of the time date and place at which the adjourned meeting is to be held shall forthwith be given to each Director and to the Company and to each Alternate Director. If at the adjourned meeting the quorum otherwise required by this Rule is not present within one hour after the time appointed for the adjourned meeting, those Directors who are present one hour after the time appointed for the adjourned meeting shall constitute a quorum.

(b) A Director is treated as present at a meeting held by audio or audio-visual communication if the Director is able to hear and be heard by all others attending. If a meeting is held in another way permitted by the Act, the Board must resolve the basis on which Directors are treated as present.

12.6 Majority decisions

Save as otherwise provided in these rules, questions arising at any meeting of the Directors shall be decided by a majority of votes and subject to the provisions of rule 9 each Director

shall have one vote. A person who is an Alternate Director shall be entitled (in addition to his own vote if he is a Director) to one vote on behalf of each Director whom he represents as an Alternate Director at the meeting and who is not personally present. In case of an equality of votes the chairman shall not have a second or casting vote.

12.7 Procedural rules

The Board may adjourn and, subject to this document, otherwise regulate its meetings as it decides.

12.8 Written resolution

If all the Directors entitled to receive notice of a Board meeting under rule 12.2 and to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document, a Board resolution in those terms is passed at the time when the last Director signs.

12.9 Additional provisions concerning written resolutions

For the purpose of rule 12.8:

- (a) two or more separate documents in identical terms, each of which is signed by one or more Directors, are treated as one document;
- (b) signature of a document by an Alternate is not required if the Appointor of that Alternate has signed the document;
- (c) signature of a document by the Appointor of an Alternate is not required if that Alternate has signed the document in that capacity; and
- (d) a telegram, facsimile or electronic message containing the text of the document expressed to have been signed by a Director that is sent to the Company is a document signed by that Director at the time of its receipt by the Company.

12.10 Valid proceedings

Each resolution passed or thing done by, or with the participation of, a person acting as a Director or member of a committee is valid even if it is later discovered that:

- (a) there was a defect in the appointment of the person; or
- (b) the person was disqualified from continuing in office, voting on the resolution or doing the thing.

13. MEETINGS OF MEMBERS

13.1 Annual general meeting

The Company must hold an annual general meeting as required by the Act.

13.2 Calling meetings of members

A meeting of members:

- (a) may be convened at any time by the Board or a Director; and
- (b) must be convened by the Board when required by the Act or by order made under the Act.

13.3 Notice of meeting

Subject to rule 13.6, at least 28 days' written notice of a meeting of members (or such lesser period as the Act permits) must be given individually to:

- (a) each member (whether or not the member is entitled to vote at the meeting);
- (b) each Director; and
- (c) to the auditor.

The notice of meeting must comply with the Act and with the Listing Rules and may be given in any manner permitted by the Act.

13.4 Postponement or cancellation

Subject to the Act, the Board may, by written notice given to ASX:

- (a) postpone a meeting of members;
- (b) cancel a meeting of members; or
- (c) change the place for a general meeting.

13.5 Fresh notice

If a meeting of members is postponed or adjourned for 1 month or more, the Company must give new notice of the resumed meeting.

13.6 Notice to joint holders of shares

If a share is held jointly, the Company need only give notice of a meeting of members (or of its cancellation or postponement) to the joint holder who is named first in the Register.

13.7 Technology

The Company may hold a meeting of members at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate.

13.8 Accidental omission

The accidental omission to give notice to, or the non-receipt of notice by, any of those entitled to it does not invalidate any resolution passed at a meeting of members.

13.9 Class meetings

Rules 13 to 17 apply to a separate meeting of a class of members as far as they are capable of application and modified as necessary.

14. PROCEEDINGS AT MEETINGS OF MEMBERS

14.1 Member present at meeting

If a member has appointed a proxy or attorney or (in the case of a member which is a body corporate) a representative to act at a meeting of members, that member is taken to be present at a meeting at which the proxy, attorney or representative is present.

14.2 Quorum

No business shall be transacted at any general meeting at any time when a quorum of members is not present except the election of a chairman and the adjournment of the meeting. A quorum shall be three members entitled to vote who are present personally or by representative or by proxy or attorney.

14.3 Quorum not present

If a quorum is not present within 15 minutes after the time for which a meeting of members is called:

- (a) if called as a result of a request of members under the Act, the meeting is dissolved; and
- (b) in any other case:
 - (i) the meeting is adjourned to the day, time and place that the Board decides and notifies to members, or if no decision is notified before then, to the same time on the same day in the next week at the same place; and
 - (ii) if a quorum is not present at the adjourned meeting, the meeting is dissolved.

14.4 Chairing meetings of members

If the Board has appointed a Director to chair Board meetings, that Director may also chair meetings of members. If:

- (a) there is no Director who the Board has appointed to chair Board meetings for the time being; or
- (b) the Director appointed to chair Board meetings is not present at the time for which a meeting of members is called or is not willing to chair the meeting,

the Directors present may choose another of themselves to chair the meeting. In default of the Directors doing so, the Voting Members present must elect a member present to chair the meeting.

14.5 Attendance at meetings of members

- (a) Every member has the right to attend all meetings of members whether or not entitled to vote.
- (b) Every Director has the right to attend and speak at all meetings of members whether or not a member.
- (c) The auditor has the right to attend any meeting of members and to speak on any part of the business of the meeting which concerns the auditor in the capacity of auditor.

14.6 Members rights suspended while call unpaid

If a call on a share is due and unpaid, the holding of that share does not entitle a member to be present, speak or vote at, or be counted in the quorum for, a meeting of members.

14.7 Chairman's powers at a meeting of members

- (a) The chairman of a meeting of members:
 - (i) is responsible for the general conduct and procedures to be adopted at the meeting;
 - (ii) may, subject to the Act, at any time terminate discussion or debate on any matter being considered by the meeting, where the chairman considers it necessary or desirable for the proper and orderly conduct of the meeting;
 - (iii) may, subject to the Act, eject a member from the meeting, at any time the chairman considers it is necessary or desirable for the proper and orderly conduct of the meeting; and
 - (iv) may require the adoption of any procedure which is in the chairman's opinion necessary or desirable for proper and orderly debate or discussion and the proper and orderly casting or recording of votes at the meeting, and a decision by the chairman under this rule is final.
- (b) The chairman of a meeting may invite a person who is not a member to attend and to speak at the meeting.
- (c) Subject to rule 13.7, if the chairman considers that there are too many persons present at a meeting to fit into the venue where the meeting is to be held, the chairman may direct members (or any of them) to a separate venue nominated by him which, in the case where only some of the members are directed to that other venue, is linked to the first mentioned venue by any technology that gives the members as a whole a reasonable opportunity to participate in the meeting.
- (d) The chairman's rights under this rule 14.7 are exclusive to the chairman.

14.8 Admission to general meetings

The chairman of a meeting of members may take any action the chairman considers appropriate for the safety of persons attending the meeting and the orderly conduct of the meeting. The chairman may refuse admission to, or require to leave and remain out of, the meeting any person (including a member):

- (a) possessing a pictorial-recording or sound-recording device;
- (b) possessing a placard or banner;
- (c) possessing an article considered by the chairman to be dangerous, offensive or liable to cause disruption;
- (d) who refuses to produce or to permit examination of any article, or the contents of any article, in the person's possession;
- (e) who behaves or threatens to behave in a dangerous, offensive or disruptive way; or
- (f) who is not entitled to receive notice of the meeting.

The chairman may delegate the powers conferred by this rule to any person.

14.9 Adjournment

Subject to rule 13.5, the chairman of a meeting of members at which a quorum is present:

- (a) may; and
- (b) must, if directed by ordinary resolution of the meeting, adjourn it to another time and place.

14.10 Business at adjourned meetings

The only business that may be transacted at a meeting resumed after an adjournment is the business left unfinished immediately before the adjournment.

15. PROXIES, ATTORNEYS AND REPRESENTATIVES

15.1 Appointment of proxies

A member may appoint not more than two proxies to attend and act for the member at a meeting of members. An appointment of proxy must be made by written notice to the Company:

- (a) that complies with the Act; or
- (b) in any other form and mode that complies with any applicable requirements of the Listing Rules and is signed or acknowledged by the member in a manner satisfactory to the Board.

If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of those votes.

15.2 **Member's attorney**

A member may appoint an attorney to act, or to appoint a proxy to act, at a meeting of members. If the appointor is an individual, the power of attorney must be signed in the presence of at least one witness.

15.3 **Deposit of proxy forms and powers of attorney**

An appointment of a proxy or an attorney is not effective for a particular meeting of members unless the instrument effecting the appointment is received by the Company at its registered office or is transmitted to and received at a fax number at that office (or another address, including electronic address, specified for the purpose in the relevant notice of meeting):

- (a) at least 48 hours before the time for which the meeting was called; or
- (b) if the meeting has been adjourned, at least 48 hours before the resumption of the meeting.

15.4 **Evidence of proxy forms, powers of attorney and other appointments**

The Board may require production of:

- (a) in the case of a proxy form executed or otherwise authenticated by an attorney, the relevant power of attorney or other authority under which the appointment was authenticated or a certified copy of it;
- (b) in the case of an attorney, the power of attorney or a certified copy of it;
- (c) in the case of a corporate representative, evidence of the appointment of the representative in accordance with the Act; or
- (d) in the case of any appointment under this rule 15 which is transmitted to the Company electronically, evidence of the identity of the person who transmitted the message containing the appointment.

15.5 **Corporate representatives**

A member that is a body corporate may appoint an individual to act as its representative at meetings of members as permitted by the Act.

15.6 **Standing appointments**

A member may appoint a proxy, attorney or representative to act at a particular meeting of members or make a standing appointment and may revoke any appointment. A proxy, attorney or representative may, but need not, be a member.

15.7 Suspension of proxy or attorney's powers if member present

A proxy or attorney has no power to act for a member at a meeting at which the member is present:

- (a) in the case of an individual, in person; or
- (b) in the case of a body corporate, by representative.

A proxy has no power to act for a member at a meeting at which the member is present by attorney.

15.8 Priority of conflicting appointments of attorney or representative

If more than one attorney or representative appointed by a member is present at a meeting of members and the Company has not received notice of revocation of any of the appointments:

- (a) an attorney or representative appointed to act at that particular meeting may act to the exclusion of an attorney or representative appointed under a standing appointment; and
- (b) subject to rule 15.8(a), an attorney or representative appointed under a more recent appointment may act to the exclusion of an attorney or representative appointed earlier in time.

15.9 More than 2 current proxy appointments

An appointment of proxy by a member is revoked (or, in the case of a standing appointment, suspended for that particular meeting) if the Company receives a further appointment of proxy from that member which would result in there being more than 2 proxies of that member entitled to act at a meeting. The appointment of proxy made first in time is the first to be treated as revoked or suspended by this rule.

15.10 Continuing authority

An act done at a meeting of members by a proxy, attorney or representative is valid even if, before the act is done, the appointing member:

- (a) dies or becomes mentally incapacitated;
- (b) becomes bankrupt or an insolvent under administration or is wound up;
- (c) revokes the appointment or the authority under which the appointment was made by a third party; or
- (d) transfers the share to which the appointment relates,

unless the Company has received written notice of the matter before the start or resumption of the meeting at which the vote is cast.

16. ENTITLEMENT TO VOTE

16.1 Determining voting entitlements

Subject to the Act, and to section 250L(4) and rule 17.2(b) which apply to a demand for a poll, to decide for the purposes of a particular meeting who are members of the Company and how many shares they hold, the Company must refer only:

- (a) if the convenor of the meeting determined a specified time under the regulations made under the Act before notice of the meeting was given - to the Register as it stood at that time; or
- (b) otherwise - to the Register as it stood 48 hours before the meeting or at any later time required by the ASTC Settlement Rules.

16.2 Number of votes

Subject to the Act, rules 14.6, 15, 16.4, 16.5, 16.6 and 30.4 and terms on which shares are issued:

- (a) on a show of hands:
 - (i) if a member has appointed two proxies, neither of those proxies may vote; and
 - (ii) subject to paragraph (a)(i), every member present (including by proxy, attorney or, in the case of a corporation, by representative) entitled to vote has one vote;
- (b) on a poll every member entitled to vote who is present in person or by proxy, attorney or representative:
 - (i) has one vote for every fully paid share held; and
 - (ii) in respect of each partly paid share held has a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Subject to the Listing Rules and the terms on which shares are issued, in calculating the fraction of a vote which the holder of a partly paid share has for the purposes of paragraph (ii) of this rule, the Company must not count an amount paid in advance of a call or credited on a partly paid share without payment in money or money's worth being made to the Company.

16.3 No casting vote of chairman

If an equal number of votes is cast for and against an ordinary resolution at a meeting of members, the matter is decided in the negative.

16.4 **Votes of joint holders**

If more than one of the joint holders of a share (including, for the purposes of this rule, joint legal personal representatives of a dead member) are present at a meeting of members and tender a vote in respect of the share, the Company may only count the vote cast by the most senior joint holder who tenders a vote. For this purpose, seniority depends on the order in which the names of the joint holders are listed in the Register.

16.5 **Votes of transmitters and guardians**

Subject to the Act, if the Board is satisfied at least 48 hours before the time fixed for a meeting of members, that a person:

- (a) is entitled to the transmission of a share under rule 31; or
- (b) has power to manage a member's property under a law relating to the management of property of the mentally incapable,

that person may vote as if registered as the holder of the share and the Company must not count the vote (if any) of the actual registered holder.

16.6 **Voting restrictions**

If:

- (a) the Act or the Listing Rules require that some members are not to vote on a resolution, or that votes cast by some members be disregarded, or that no votes be cast in favour of the resolution by certain members, in order for the resolution to have an intended effect; and
- (b) the notice of the meeting at which the resolution is proposed states that fact,

those members have no right to vote on that resolution and the Company must not count any votes purported to be cast by those members.

If a proxy purports to vote in a way or in circumstances that contravene the Act, on a show of hands the vote is invalid and the Company must not count it and on a poll rule 17.3(c) applies.

16.7 **Decision on right to vote**

A Voting Member or Director may challenge a person's right to vote at a meeting of members. A challenge may only be made at the meeting. A challenge, or any other doubt as to the validity of a vote, must be decided by the chairman, whose decision is final.

17. **HOW VOTING IS CARRIED OUT**

17.1 **Method of voting**

A resolution put to the vote at a meeting of members must be decided on a show of hands unless a poll is demanded under rule 17.2 either before or on declaration of the result of the

vote on a show of hands. Unless a poll is demanded, the chairman's declaration of a decision on a show of hands is final.

17.2 Demand for a poll

A poll may be demanded on any resolution (except a resolution concerning the election of the chairman of a meeting) by:

- (a) at least 5 members entitled to vote on the resolution; or
- (b) members entitled to cast at least 5% of the votes that may be cast on the resolution on a poll (worked out as at the time required by the Act); or
- (c) the chairman.

The demand for a poll does not affect the continuation of the meeting for the transaction of other business and may be withdrawn.

17.3 When and how polls must be taken

If a poll is demanded:

- (a) if the resolution is for the adjournment of the meeting, the poll must be taken immediately and, subject to rule 17.3(c), in the manner that the chairman of the meeting directs;
- (b) in all other cases, the poll must be taken at the time and place and, subject to rule 17.3(c), in the manner that the chairman of the meeting directs;
- (c) votes which the Act requires to be cast in a particular way are to be treated as cast in that way;
- (d) a person voting who has the right to cast two or more votes need not cast all those votes and may cast those votes in different ways; and
- (e) the result of the poll is the resolution of the meeting at which the poll was demanded.

18. SECRETARY

18.1 Appointment and removal of Secretary

The Board must appoint at least one individual to be a Secretary either for a specified term or without specifying a term.

18.2 Terms and conditions of office

A Secretary holds office on the terms that the Board decides. The Board may vary any decision previously made by it in respect of a Secretary.

18.3 Cessation of Secretary's appointment

A person automatically ceases to be a Secretary if the person:

- (a) is not permitted by the Act (or an order made under the Act) to be a secretary of a company;
- (b) becomes disqualified from managing corporations under the Act and is not given permission or leave to manage the Company under the Act;
- (c) becomes of unsound mind or physically or mentally incapable of performing the functions of that office;
- (d) resigns by notice in writing to the Company; or
- (e) is removed from office under rule 18.4.

18.4 Removal from office

Subject to any contract between the Company and the Secretary, the Board may remove a Secretary from that office whether or not the appointment was expressed to be for a specified term.

19. MINUTES

19.1 Minutes must be kept

The Board must cause minutes of:

- (a) proceedings and resolutions of meetings of the Company's members;
- (b) the name of Directors present at each Board meeting or committee meeting;
- (c) proceedings and resolutions of Board meetings (including meetings of a committee to which Board powers are delegated under rule 8);
- (d) resolutions passed by Directors without a meeting; and
- (e) disclosures made and notices given under rule 9,

to be kept in accordance with the Act.

19.2 Minutes as evidence

A minute recorded and signed in accordance with the Act is evidence of the proceeding, resolution or declaration to which it relates unless the contrary is proved.

19.3 Inspection of minute books

The Company must allow members to inspect, and provide copies of, the minute books for the meetings of members in accordance with section 251B.

20. COMPANY SEALS

20.1 Common seal

The Board:

- (a) may decide whether or not the Company has a common seal; and
- (b) is responsible for the safe custody of that seal (if any) and any duplicate seal it decides to adopt.

20.2 Use of seals

The common seal and duplicate seal (if any) may only be used with the authority of the Board. The Board must not authorise the use of a seal that does not comply with the Act.

20.3 Fixing seals to documents

The fixing of the common seal, or any duplicate seal, to a document must be witnessed:

- (a) by two Directors;
- (b) by one Director and one Secretary; or
- (c) by any other signatories or in any other way (including the use of facsimile signatures) authorised by the Board.

21. FINANCIAL REPORTS, AUDIT AND ACCESS TO DOCUMENTS

21.1 Company must keep financial records

The Board must cause the Company to keep written financial records that:

- (a) correctly record and explain its transactions (including transactions undertaken as trustee) and financial position and performance; and
- (b) would enable true and fair financial statements to be prepared and audited,

and must allow a Director and the auditor to inspect those records at all reasonable times.

21.2 Financial reporting

The Board must cause the Company to prepare a financial report and a Directors' report that comply with the Act and must report to members in accordance with the Act no later than the deadline set by the Act.

21.3 Audit

The Board must cause the Company's financial report for each financial year to be audited and obtain an auditor's report. The eligibility, appointment, removal, remuneration, rights and duties of the auditor are regulated by the Act.

21.4 **Conclusive reports**

Audited financial reports laid before the Company in general meeting are conclusive except as regards errors notified to the Company within 3 months after the relevant general meeting. If the Company receives notice of an error within that period, it must immediately correct the report and the report as corrected is then conclusive.

21.5 **Access to documents by Directors**

The Company must allow each Director, and any person who has ceased to be a Director, to inspect the books of the Company in accordance with the Act. The Board may also allow former Directors access to the books of the Company on such other terms and conditions as the Board thinks fit.

21.6 **Inspection of documents by members**

Subject to rule 19.3 and unless otherwise required by the Act, a member who is not a Director does not have any right to inspect any document of the Company except as authorised by the Board.

22. **CLASS RIGHTS**

- (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class shall not, whether or not the Company is being wound up, be varied or abrogated except with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.
- (b) To every such separate general meeting the provisions of these rules relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two members present personally or by representative or by proxy or attorney and who together hold at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by representative or by proxy or attorney may demand a poll.
- (c) For the purposes of this rule any modification or variation of the rights attached to any class of shares shall be deemed to be a modification or variation of the rights attached to all other classes of shares.

23. **SHARES**

23.1 **Issue at discretion of Board**

Subject to the Act and rule 23.3, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides.

23.2 Preference and redeemable preference shares

The Company may issue preference shares (including preference shares that are liable to be redeemed) but only if the rights attached to the shares with respect to the following matters are set out in this document or have been otherwise approved by special resolution:

- (a) repayment of capital;
- (b) participation in surplus assets and profits;
- (c) cumulative and non-cumulative dividends;
- (d) voting; and
- (e) priority of payment of capital and dividends in relation to other shares or classes of preference shares.

23.3 Restrictions on issue

The Company must not issue shares or grant options if the issue or grant would result in a breach of the Listing Rules.

23.4 Brokerage and commissions

The Company may pay brokerage or commissions to a person in respect of that person or another person agreeing to take up shares in the Company.

23.5 Surrender of shares

The Board may accept a surrender of shares:

- (a) to compromise a question as to whether those shares have been validly issued; or
- (b) if surrender is otherwise within the Company's powers.

The Company may sell or re-issue surrendered shares in the same way as forfeited shares.

24. CERTIFICATES

24.1 Uncertificated securities

Unless the Listing Rules and the ASTC Settlement Rules allow the Company to issue a certificate for particular securities, the Company:

- (a) must not issue a certificate for those securities; and
- (b) may cancel a certificate for them without issuing another certificate.

Rules 24.3 and 24.4 apply only if there is a current certificate for particular securities.

24.2 **Certificated shares**

Unless rule 24.1 applies, the Company must issue a certificate of title to shares that complies with the Act and deliver it to the holder of those shares in accordance with the Act. The Company must not charge any fee to issue a certificate.

24.3 **Multiple certificates and joint holders**

Subject to rule 24.1, if a member requests the Company to issue several certificates each for a part of the shares registered in the member's name, the Company must do so. For this purpose, joint holders of shares are a single member. The Company may issue only one certificate that relates to each share registered in the names of two or more joint holders and may deliver the certificate to any of those joint holders.

24.4 **Lost and worn out certificates**

Subject to rule 24.1, if a certificate:

- (a) is lost or destroyed and the owner of the relevant securities applies in accordance with the Act, the Company must; or
- (b) is defaced or worn out and is produced to the Company, the Company may, issue a new certificate in its place.

25. **REGISTER**

25.1 **Joint holders**

If the Register names two or more joint holders of a share, the Company must treat the person named first in the Register in respect of that share as the sole owner of it for all purposes (including the giving of notice) except in relation to:

- (a) delivery of certificates (to which rule 24.3 applies);
- (b) the right to vote (to which rule 16.4 applies);
- (c) the power to give directions as to payment of, or a receipt for, dividends (to which rules 28.8 and 28.9 apply);
- (d) liability for instalments or calls (which subject to section 1072E(8) is joint and several);
- (e) sale of Unmarketable Parcels under rule 32.1; and
- (f) transfer.

25.2 **Non-beneficial holders**

Subject to the Act, unless otherwise ordered by a court of competent jurisdiction or required by statute, the Company:

- (a) may treat the registered holder of any share as the absolute owner of it; and
- (b) need not recognise any equitable or other claim to or interest in a share by any person except a registered holder.

25.3 Overseas branch register

Subject to the Act, the Company may keep a branch register of members at a place outside Australia.

26. PARTLY PAID SHARES

26.1 Fixed instalments

If a share is issued on terms that some or all of the issue price is payable by instalments, the registered holder of the share must pay every instalment to the Company when due. If, having been given notice of the instalment in accordance with rule 26.4, the registered holder does not pay it when due, rules 26.7 to 26.16 apply as if the registered holder had failed to pay a call.

26.2 Prepayment of calls

The Board may:

- (a) accept prepayment of some or all of the amount unpaid on a share above the sums actually called as a payment in advance of calls;
- (b) agree to payment by the Company of interest at a rate no higher than the Interest Rate on that part of the advance payment which for the time being exceeds the aggregate amount of the calls then made on the shares in respect of which it was paid; and
- (c) unless otherwise agreed between the member and the Company, repay the sum or part of it.

26.3 Calls made by Board

Subject to the terms of issue of a share and to the Act, the Board may:

- (a) make calls on a member for some or all of the money unpaid on a share held by that member;
- (b) make a call payable by instalments; and
- (c) revoke or postpone a call before the due date for payment.

26.4 Notice of call

The Company must give a member on whom a call has been made or from whom an instalment is due, written notice of the call or instalment within the time limits and in the form required by the Listing Rules.

26.5 **Classes of shares**

The Board may issue shares on terms as to the amount of calls to be paid and the time for payment of those calls which are different as between the holders of those shares. The Board may make different calls on different classes of shares.

26.6 **Obligation to pay calls**

Subject to the Act, a member subject to a call must pay the amount of the call to the payee named in the notice of call no later than the time specified in the notice. Joint holders of a share are jointly and severally liable for calls.

26.7 **Called Amounts**

If a call is not paid on or before the day specified for payment, the Board may require the member liable for the call to pay:

- (a) interest on the amount of the call at the Interest Rate from that day until payment is made; and
- (b) all costs and expenses incurred by the Company because payment was not made on that day.

26.8 **Proof of call**

If on the hearing of an action for recovery of a Called Amount it is proved that:

- (a) the minute books of the Company record the Board's resolution making the call;
- (b) notice of the call was given under rules 26.4 and 36.1; and
- (c) the person sued appears in the Register as a holder of the share in respect of which the call was made,

proof of those matters is conclusive proof of the debt.

26.9 **Forfeiture notice**

At any time until a Called Amount is paid, the Board may give the relevant member a notice which:

- (a) requires the member to pay the Called Amount;
- (b) states the Called Amount at the date of the notice;
- (c) specifies how to calculate the Called Amount when payment is made;
- (d) specifies a date at least 14 days after the date of the notice by which and a place at which payment must be made; and

- (e) states that if payment is not made at that place on or before that date, the share to which the call relates is liable to be forfeited.

26.10 Forfeiture

If the requirements of a notice given under rule 26.9 are not satisfied, the Board may forfeit the share in respect of which that notice was given (and all dividends, interest and other money payable in respect of that share and not actually paid before the forfeiture) by resolution passed before the Called Amount is paid.

26.11 Disposal and re-issue of forfeited shares

A share forfeited under rule 26.10 immediately becomes the property of the Company. Subject to the Listing Rules, the Board, on behalf of the Company, may:

- (a) re-issue the share with or without any money paid on it by any former holder credited as paid; or
- (b) sell or otherwise dispose of the share, and execute and register a transfer of it, to the person and on the terms it decides.

26.12 Notice of forfeiture

The Company must promptly:

- (a) give notice of the forfeiture of a share to the member who held the share immediately before the resolution for forfeiture was passed; and
- (b) enter the forfeiture and its date in the Register.

A written declaration that a share was forfeited on a specified date and notice of forfeiture was given in accordance with this document signed by a Director or Secretary is, in the absence of proof to the contrary, evidence of those facts and of the Company's right to dispose of the share.

26.13 Cancellation of forfeiture

The Board may cancel the forfeiture of a share on any terms at any time before it disposes of that share under rule 26.11.

26.14 Effect of forfeiture

A person who held a share which has been forfeited under rule 26.10 ceases to be a member in respect of that share but remains liable to pay the Called Amount until it is paid in full. The Board may elect not to enforce payment of an amount due to the Company under this rule.

26.15 Application of proceeds

The Company must:

- (a) apply the net proceeds of any re-issue, sale or disposal of a forfeited share under rule 26.11 (after payment of all costs and expenses) to satisfy the Called Amount; and
- (b) subject to the terms of issue of the share, pay any surplus to the person who held the share immediately before forfeiture.

26.16 Title of new holder

The title of the new holder of a forfeited share is not affected by any irregularity in the forfeiture or the re-issue, sale or disposal. The sole remedy of any person previously interested in the share is damages which may be recovered only from the Company. The new holder is not liable for the Called Amount.

26.17 Mortgage of uncalled capital

If the Company grants a mortgage or charge over uncalled capital, the Board may delegate its power to make calls to:

- (a) the person in whose favour the mortgage or charge is granted; or
- (b) a trustee or agent for that person,

on the terms and subject to any restrictions the Board decides. If the Board does so, a call made in accordance with the delegation is treated as made by the Board.

This rule does not limit rule 8.

27. COMPANY LIENS

27.1 Existence of liens

Unless the terms of issue provide otherwise, the Company has a first and paramount lien on each share for:

- (a) all money called or payable at a fixed time in respect of that share (including money payable under rule 26.7) that is due but unpaid; and
- (b) amounts paid by the Company for which the Company is indemnified under rule 27.4.

The lien extends to all dividends payable in respect of the share and to proceeds of sale of the share.

27.2 Sale under lien

If:

- (a) the Company has a lien on a share;
- (b) an amount secured by the lien is due and payable;
- (c) the Company has given notice to the member registered as the holder of the share:
 - (i) requiring payment of the amount which is due and payable and secured by the lien;
 - (ii) stating the amount due and payable at the date of the notice;
 - (iii) specifying how to calculate the amount due when payment is made; and
 - (iv) specifying a date (at least 10 business days after the date of the notice) by which and a place at which payment of that amount must be made; and
- (d) the requirements of the notice given under paragraph (c) are not fulfilled,

the Company may sell the share as if it had been forfeited under rule 26.10.

Rules 26.11, 26.15 and 26.16 apply, to the extent practical and modified as necessary, as if the Called Amount in respect of that share were the aggregate of the amount referred to in paragraph (b) and the costs and expenses incurred by the Company because that amount was not paid when due.

27.3 Protection of lien

The Company may do anything necessary or desirable under the ASTC Settlement Rules to protect a lien or other interest in shares to which it is entitled by law or under this document.

27.4 Indemnity for payments required to be made by the Company

If the law of any jurisdiction imposes or purports to impose any immediate, future or possible liability on the Company, or empowers or purports to empower any person to require the Company to make any payment, on account of a member or referable to a share held by that member (whether alone or jointly) or a dividend or other amount payable in respect of a share held by that member, the Company:

- (a) is fully indemnified by that member from that liability;
- (b) may recover as a debt due from the member the amount of that liability together with interest at the Interest Rate from the date of payment by the Company to the date of repayment by the member; and
- (c) subject to rule 30.5, may refuse to register a transfer of any share by that member until the debt has been paid to the Company.

Nothing in this document in any way prejudices or affects any right or remedy which the Company has (including any right of set off) and, as between the Company and the member, any such right or remedy is enforceable by the Company.

28. **DIVIDENDS**

28.1 **Accumulation of reserves**

Before paying any dividend to members, the Board may:

- (a) set aside out of profits of the Company reserves to be applied, in the Board's discretion, for any purpose it decides and use any sum so set aside in the business of the Company or invest it in investments selected by the Board and vary and deal with those investments as it decides; or
- (b) carry forward any amount out of profits which the Board decides not to distribute without transferring that amount to a reserve; or
- (c) do both.

28.2 **Not used**

28.3 **Declaration of dividends**

Subject to the Act, rules 28.4 and 28.10, and the terms of issue of shares, the Board may resolve to pay any dividend or interim dividend it thinks appropriate and fix the time for payment.

28.4 **Dividend not on all classes of shares**

Subject to the terms of issue of shares, the Act and the Listing Rules, the Company may pay a dividend on one class of shares to the exclusion of another class.

28.5 **Amount of dividend**

Subject to rules 28.4 and 28.6, each share of a class on which the Board resolves to declare a dividend carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share bears to the total issue price of the share.

28.6 **Prepayments, payments during dividend period and credits without payment**

For the purposes of rule 28.5:

- (a) an amount paid in advance of calls is not taken into account as part of the amount for the time being paid on a share;
- (b) if an amount was paid on a share during the period to which a dividend relates, the Board may resolve that only the proportion of that amount which is the same as the proportion which the period from the date of payment to the end of the period to

which the dividend relates bears to the total period to which the dividend relates, counts as part of the amount for the time being paid on the share; and

- (c) an amount credited on a partly paid share without payment in money or money's worth being made to the Company is not taken into account as a part of the amount for the time being paid on a share.

28.7 Dividends in kind

The Board may resolve to pay a dividend (either generally or to specific members) in cash or, subject to this rule 28.7 satisfy it by distribution of specific assets (including shares or securities of any other corporation), the issue of shares or the grant of options. If the Board satisfies a dividend by distribution of assets the Board may:

- (a) fix the value of any asset distributed;
- (b) make cash payments to members on the basis of the value fixed so as to adjust the rights of members between themselves; and
- (c) vest an asset in trustees.

28.8 Method of payment

The Company may pay any cash dividend, interest or other money payable in respect of shares by cheque sent, and may distribute assets by sending the certificates or other evidence of title to them, through the post directed to:

- (a) the address of the member (or in the case of a jointly held share, the address of the joint holder named first in the Register); or
- (b) to any other address the member (or in the case of a jointly held share, all the joint holders) directs in writing,

or by any other method of payment or distribution the Board decides.

28.9 Joint holders' receipt

Any one of the joint holders of a share may give an effective receipt for any dividend, interest or other money payable in relation to that share.

28.10 Retention of dividends by Company

The Company may retain the dividend payable on a share:

- (a) of which a person seeks to be registered as the holder under rule 31.2 or 31.3, until that person is registered as the holder of that share or transfers it;
- (b) on which the Company has a lien, to satisfy the liabilities in respect of which the lien exists; and

- (c) that is comprised in an Unmarketable Parcel which the Company may sell under rule 32.4.

28.11 No interest on dividends

No member may claim, and the Company must not pay, interest on a dividend (either in money or kind).

29. SHARE PLANS

29.1 Implementing share plans

The Company in general meeting may by ordinary resolution authorise the Board to implement one or more of:

- (a) a re-investment plan under which any dividend or other cash payment in respect of a share or convertible security may, at the election of the person entitled to it, be:
 - (i) retained by the Company and applied in payment for fully paid shares issued under the plan; and
 - (ii) treated as having been paid to the person entitled and simultaneously repaid by that person to the Company to be held by it and applied in accordance with the plan; or
- (b) any other plan under which members or security holders may elect that dividends or other cash payments in respect of shares or other securities:
 - (i) be satisfied by the allotment of shares or other securities of the Company or a related body corporate, or that issues of shares or other securities of the Company or a related body corporate be made in place of dividends or other cash payments;
 - (ii) be paid out of a particular reserve or from a particular source; or
 - (iii) be forgone in consideration of another form of distribution from the Company, another body corporate or a trust.

29.2 Board obligations and discretions

The Board:

- (a) must do everything necessary or desirable to give effect to a plan implemented under rule 29.1 and the rules governing it; and
- (b) may:
 - (i) (subject to the Listing Rules) vary the rules governing; or
 - (ii) suspend or terminate the operation of,

a plan implemented under rule 29.1 as it thinks appropriate.

29.3 **Capital reconstruction reserve**

- (a) Subject to the Act, the Board may resolve that any moneys investments or other assets of the Company standing to the credit of a capital reconstruction reserve (being a reserve representing moneys which were previously paid up capital of the Company) be distributed among such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital. For the purposes of determining entitlements to any distribution pursuant to this paragraph the provisions of rule 28.3 shall apply as if entitlement to the said distribution were entitlement to a dividend.
- (b) Subject to the Act, the Board may resolve that any capital to be distributed among members pursuant to paragraph (a) be applied on behalf of such members in paying up in full any unissued shares of the Company which shall be distributed to those members accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be in satisfaction of their interest in such capital

30. **TRANSFER OF SHARES**

30.1 **Modes of transfer**

Subject to this document, a member may transfer a share by any means permitted by the Act or by law.

The Company must not charge any fee on transfer of a share.

30.2 **Market obligations**

The Company:

- (a) may do anything permitted by the Act, the Listing Rules and the ASTC Settlement Rules that the Board thinks necessary or desirable in connection with the Company taking part in a computerised or electronic system established or recognised by the Act, the Listing Rules, or the ASTC Settlement Rules for the purpose of facilitating dealings in shares; and
- (b) must comply with obligations imposed on it by the Listing Rules or the ASTC Settlement Rules in relation to transfers of shares.

30.3 **Delivery of transfer and certificate**

A document of transfer must be:

- (a) delivered to the registered office of the Company or the address of the Register last notified to members by the Company;

- (b) accompanied by the certificate (if any) for the shares to be transferred or evidence satisfactory to the Board of its loss or destruction; and
- (c) marked with payment of any stamp duty payable.

Property in and title to a document of transfer that is delivered to the Company (but not the shares to which it relates) passes to the Company on delivery.

30.4 **Restricted securities**

If any securities of the Company are classified as restricted securities under the Listing Rules:

- (a) during the escrow period set by the restriction agreement required by ASX in relation to those securities:
 - (i) the member who holds the restricted securities may not dispose of them; and
 - (ii) the Company must not register a transfer of the restricted securities or otherwise acknowledge a disposal of them,except as permitted by the Listing Rules or ASX; and
- (b) if there is a breach of the Listing Rules or of the relevant restriction agreement in relation to a restricted security, the holding of that security does not entitle a member:
 - (i) to be present, speak or vote at, or be counted in the quorum for, a meeting of members; or
 - (ii) to receive any dividend or other distribution,while the breach continues.

In this rule 30.4 "dispose" (and other grammatical forms of it) has the meaning given by the Listing Rules.

30.5 **Refusal to register transfer**

The Board:

- (a) may refuse to register a transfer of shares only if that refusal would not contravene the Listing Rules or the ASTC Settlement Rules;
- (b) without limiting paragraph (a), subject to the Act, the Listing Rules and the ASTC Settlement Rules, may refuse to register a transfer of shares where the registration of the transfer would create a new holding of an Unmarketable Parcel;
- (c) subject to the Act, must not register a transfer to a subsidiary of the Company; and

- (d) must not register a transfer if the Act, the Listing Rules or the ASTC Settlement Rules forbid registration.

If the Board refuses to register a transfer, the Company must give the lodging party notice of the refusal and the reasons for it within 5 business days after the date on which the transfer was delivered to it.

30.6 **Transferor remains holder until transfer registered**

The transferor of a share remains the holder of it until:

- (a) if the transfer is under the ASTC Settlement Rules, until the time those rules specify as the time that the transfer takes effect; and
- (b) otherwise, the transfer is registered and the name of the transferee is entered in the Register in respect of it.

30.7 **Powers of attorney**

The Company may assume, as against a member, 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 Company 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.

31. **TRANSMISSION OF SHARES**

31.1 **Death of joint holder**

The Company must recognise only the surviving joint holders as being entitled to shares registered jointly in the names of a deceased member and others. The estate of the deceased joint holder is not released from any liability in respect of the shares.

31.2 **Death of single holder**

The Company must not recognise any one except the legal personal representative of the deceased member as having any title to shares registered in the sole name of a deceased member. If the personal representative gives the Board the documents described in section 1071B(9) or 1071B(13) or other information that satisfies the Board of the representative's entitlement to be registered as holder of the shares:

- (a) subject to rules 30.5 and 31.4, the Company must register the personal representative as the holder of the shares as soon as practical after receipt of a written and signed notice to the Company from the representative requiring it to do so; and

- (b) whether or not registered as the holder of the shares, the personal representative:
 - (i) may, subject to rule 30, transfer the shares to another person; and
 - (ii) has the same rights as the deceased member.

31.3 **Transmission of shares on insolvency or mental incapacity**

Subject to the *Bankruptcy Act* 1966 (Cth), if a person entitled to shares because of the insolvency or mental incapacity of a member gives the Board the information it reasonably requires to establish the person's entitlement to be registered as holder of the shares:

- (a) subject to rules 30.5 and 31.4 the Company must register that person as the holder of the shares as soon as practical after receipt of a written and signed notice to the Company from that person requiring it to do so; and
- (b) whether or not registered as the holder of the shares, that person:
 - (i) may, subject to rule 30, transfer the shares to another person; and
 - (ii) has the same rights as the insolvent or incapable member.

If the provisions of the Act dealing with rights of trustees of estates of bankruptcy apply, this rule is supplemental to them.

31.4 **Refusal to register holder**

The Company has the same right to refuse to register a personal representative or person entitled to shares on the insolvency or mental incapacity of a member as it would have if that person were the transferee named in a transfer signed by a living, solvent, competent member.

32. **UNMARKETABLE PARCELS**

32.1 **Board power of sale**

The Board may sell a share that is part of an Unmarketable Parcel if it does so in accordance with this rule.

The Board's power to sell lapses if a takeover (as defined in the Listing Rules) is announced after the Board gives a notice under rule 32.2 and before the Board enters into an agreement to sell the share, until the offer period under the takeover ends.

32.2 **Notice of proposed sale**

Once in any 12 month period, the Board may give written notice to a member who holds an Unmarketable Parcel:

- (a) stating that it intends to sell the Unmarketable Parcel; and

- (b) specifying a date at least 6 weeks (or any lesser period permitted under the Act or the Listing Rules) after the notice is given by which the member may give the Company written notice that the member wishes to retain the holding.

Subject to rule 32.3, the Company may sell the Unmarketable Parcel after the date specified in the notice.

If the Board's power to sell lapses under rule 32.1, any notice given by the Board under this rule is taken never to have been given and the Board may give a new notice after the close of the offers made under the takeover.

32.3 **No sale where member gives notice**

The Company must not sell an Unmarketable Parcel if, in response to a notice given by the Company under this rule 32.1, the Company receives a written notice that the member wants to keep the Unmarketable Parcel.

32.4 **Divestment without notice**

Subject to the Act and the Listing Rules, the Company may sell the shares comprised in an Unmarketable Parcel without giving notice to the holder of the Unmarketable Parcel if the Unmarketable Parcel was created by a transfer of shares comprising less than a marketable parcel (within the meaning of the Listing Rules) at the time that, in the case of a proper ASTC transfer, the transfer was initiated and, in the case of a paper-based transfer, the transfer was lodged.

32.5 **Terms of sale**

A sale of shares under this rule includes all dividends payable on and other rights attaching to them. The Company must pay the costs of the sale. Otherwise, the Board may decide the manner, time and terms of sale.

32.6 **Share transfers**

For the purpose of giving effect to this rule each Director and Secretary has power to effect or execute a transfer of a share

as agent for a member who holds an Unmarketable Parcel.

32.7 **Application of proceeds**

- (a) In the case of sale under rule 32.2, the Company must:
 - (i) deduct any Called Amount in respect of the shares sold under this rule from the proceeds of sale and pay the balance into a separate bank account it opens and maintains for the purpose only;
 - (ii) hold that balance in trust for the previous holder of the shares (the "**Divested Member**");
 - (iii) as soon as practical give written notice to the Divested Member stating:

- (A) what the balance is; and
 - (B) that it is holding the balance for the Divested Member while awaiting the Divested Member's instructions and return of the certificate (if any) for the shares sold or evidence of its loss or destruction;
- (iv) if the shares sold were certificated, not pay the proceeds of sale out of the trust account until it has received the certificate for them or evidence of its loss or destruction; and
 - (v) subject to paragraph (iv), deal with the amount in the account as the Divested Member instructs.
- (b) In the case of a sale under rule 32.4, the Company must:
 - (i) deduct any Called Amount in respect of the shares sold and, where permitted by the Listing Rules and the Board so decides, the costs of sale from the aggregate of the proceeds of sale and any dividends retained under rule 28.10(c); and
 - (ii) pay the balance, if any, to the previous holder of the shares.

32.8 Protections for transferee

The title of the new holder of a share sold under this rule is not affected by any irregularity in the sale. The sole remedy of any person previously interested in the share is damages which may be recovered only from the Company.

33. ALTERATION OF SHARE CAPITAL

33.1 Capitalisation of profits

The Company may capitalise profits, reserves or other amounts available for distribution to members. Subject to the terms of issue of shares and rule 33.4, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

33.2 Adjustment of capitalised amounts

The Board may settle any difficulty that arises in regard to a capitalisation of profits or a distribution under rules 28.7 or 29 as it thinks appropriate and necessary to adjust the rights of members among themselves including:

- (a) fix the value of specific assets;
- (b) make cash payments to members on the basis of the value fixed for assets or in place of fractional entitlements so as to adjust the rights of members between themselves;
- (c) disregard fractional entitlements; and

- (d) vest cash or specific assets in trustees.

33.3 Conversion of shares

Subject to the Act, the Listing Rules and rule 22 the Company may convert:

- (a) shares into a larger or smaller number of shares;
- (b) an ordinary share into a preference share; and
- (c) a preference share into an ordinary share,

but, in the case of a conversion of partly paid shares into a larger or smaller number of shares the proportion between the amount paid and the amount unpaid on each share must be the same as before the conversion.

33.4 Adjustments on conversion

The Board may do anything it thinks appropriate and necessary to give effect to a resolution converting shares including, if a member becomes notionally entitled to a fraction of a share as a result of the conversion:

- (a) make a cash payment or disregard fractional entitlements so as to adjust the rights of members between themselves; or
- (b) vest fractional entitlements in a trustee to be dealt with as determined by the Board; or
- (c) round up fractional entitlements to the nearest whole share by capitalising an amount under rule 33.1 even though not all members participate in the capitalisation.

33.5 Reduction of capital

Subject to the Listing Rules, the Company may reduce its share capital:

- (a) by reduction of capital in accordance with the Act;
- (b) by buying back shares in accordance with the Act; or
- (c) in any other way for the time being permitted by the Act.

34. CURRENCY FOR PAYMENTS

34.1 Board may decide currency

The Board may determine that any dividends or other amounts (including repayments of capital and distributions of capitalised amounts) payable to some or all of the members registered on a branch register of members kept at a place outside Australia are to be paid in a currency of a country other than Australia.

The Board may also make such a determination if the recipient of the amount agrees, or the terms of issue of the shares provide, that the amount is to be paid in currency of a country other than Australia.

34.2 **Conversion to Australian dollars**

If the Board decides to make a payment in a currency other than Australian dollars and it is necessary, for the purposes of these rules or for any other purpose, to calculate the Australian dollar equivalent of the payment, the Board must determine a time (earlier than the time for payment) and specify the buying or selling rate quoted by a particular body corporate authorised under the *Banking Act 1959* (Cth) to carry on banking business, as the time and rate that apply for that purpose.

35. **WINDING UP**

35.1 **Entitlement of members**

Subject to the terms of issue of shares and this rule 35, the surplus assets of the Company remaining after payment of its debts are divisible among the members in proportion to the number of fully paid shares held by them and, for this purpose, a partly paid share is counted as a fraction of a fully paid share equal to the proportion which the amount paid on it bears to the total issue price of the share.

35.2 **Distribution of assets generally**

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- (a) divide the assets of the Company among the members in kind;
- (b) for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different classes of members; and
- (c) vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

35.3 **No distribution of liabilities**

The liquidator cannot compel a member to accept marketable securities in respect of which there is a liability as part of a distribution of assets of the Company.

35.4 **Distribution not in accordance with legal rights**

If the liquidator decides on a division or vesting of assets of the Company under rule 35.2 which does not accord with the legal rights of the contributories, any contributory who would be prejudiced by it may dissent and has ancillary rights as if that decision were a special resolution passed to approve the liquidator entering into an arrangement under which, in compensation or part compensation for the sale or transfer of the whole or a part of the business or property of the Company to a body corporate, the liquidator is to receive shares, debentures, policies or like interests in the body for distribution among the members of the Company.

36. NOTICES

36.1 Notices by Company

A notice is properly given by the Company to a person if:

- (a) it is in writing signed on behalf of the Company (by original or printed signature);
- (b) it is addressed to the person to whom it is to be given; and
- (c) it is :
 - (i) delivered personally;
 - (ii) sent by prepaid mail (by airmail, if the addressee is overseas) to that person's address;
 - (iii) sent by fax to the fax number (if any) nominated by that person; or
 - (iv) sent by electronic message to the electronic address (if any) nominated by that person.

36.2 Overseas members

A member whose registered address is not in Australia may notify the Company in writing of an address in Australia to which notices may be sent.

36.3 When notice is given

A notice to a person by the Company is regarded as given and received:

- (a) if it is delivered personally - on the day on which it is delivered if delivered before 5.00pm (local time) on a business day, or otherwise, on the next business day;
- (b) if it is sent by prepaid mail, fax or electronic message to an address within Australia - on the next business day after it is posted or sent; and
- (c) if it is sent by airmail to an address outside Australia - on the fifth business day after it is posted.

A certificate in writing signed by a Director or Secretary stating that a notice was sent is conclusive evidence of service.

36.4 Notice to joint holders

Notice to joint holders of shares must be given to the joint member named first in the Register. Every person who becomes entitled to a share is bound by every notice in respect of that share that was properly given to a person registered as the holder the share before the transfer or transmission of the share was entered in the Register.

36.5 **Counting days**

If a specified period must pass after a notice is given before an action may be taken, neither the day on which the notice is given nor the day on which the action is to be taken may be counted in reckoning the period.

36.6 **Notices to "lost" members**

If:

- (a) on two or more consecutive occasions a notice served on a member in accordance with this rule is returned unclaimed or with an indication that the member is not known at the address to which it was sent; or
- (b) the Board believes on other reasonable grounds that a member is not at the address shown in the Register or notified to the Company under rule 36.2,

the Company may give effective notice to that member by exhibiting the notice at the Company's registered office for at least 48 hours.

This rule ceases to apply if the member gives the Company notice of a new address.

37. **UNCLAIMED MONEY**

The Company must deal with unclaimed dividends and distributions and unclaimed proceeds of shares sold or reissued under this document in accordance with the law relating to unclaimed money in the Company's jurisdiction of registration.