



REGIONAL AUSTRALIA BANK LIMITED

(ABN 21 087 650 360)

Constitution

Approved at the Annual General Meeting held on 23 November 2023

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Preamble

Regional Australia Bank Ltd (*company*) is a public company limited by shares which is regulated under the *Corporations Act*. The company is licensed as an Authorised Deposit Taking Institution (ADI) and is required to comply with the prudential standards issued by the Australian Prudential Regulation Authority (APRA). The company operates on the basis of the following Principles of Mutuality:

Principles of Mutuality

Customers Must be Members

1. Subject to the exceptions in Principles 2 and 3, the company may not accept a deposit from, or grant financial accommodation to, a person who is not a member.
2. The company may accept deposits from, or grant financial accommodation to, a body that does not have the power to acquire, or that the law prohibits from acquiring, the company's shares.
3. The company may accept deposits from, or grant financial accommodation to:
 - (a) another ADI; or
 - (b) any person or class of persons as determined by the board in its absolute discretion.

Membership and Member Shares

How to become a member

4. A person can only become a member by subscribing for a member share or MCIs.

How many member shares the company may issue a person

5. Subject to the exception in Principle 6, the company may only issue one member share to any person.
6. A trustee for an unincorporated association may be issued 1 member share in the trustee's own right, and 1 member share as trustee for the unincorporated association.

Consideration paid for membership shares

7. The company may issue member shares as wholly paid or partly paid.
8. The company may only issue a member share to a person in return for valuable consideration.
9. The person must provide consideration in cash or, in relation to partly paid member shares, partly or wholly in the form of an obligation to pay cash.

Voting

10. A member share must confer the right to 1 vote, and only 1 vote, at meetings of the company's members.

Dividends and Surplus

11. A member share may confer a right to participate in the company's profits through payment of dividends.
12. A member share must confer a right to participate in surplus when the company is wound up.
13. Any participation in profit or surplus must be on equitable terms.

Redemption and Transfer

14. A member share must confer on the member a right to redeem the member share on request, subject only to:
 - (a) compliance with prudential standards or prudential regulations; and
 - (b) any period of notice set out in the company's constitution.
15. Subject to the exceptions in Principle 16, member shares may not be transferred.
16. A trustee for an unincorporated association may transfer the member share that the trustee holds on trust for the unincorporated association.

Additional Shares*Definition*

17. All shares issued by the company other than member shares and MCIs are additional shares.

Issue of additional shares only to members

18. The company may only issue additional shares to a person who has been a member of the company continuously for the past 6 months.

Voting

19. Subject to the exceptions in Principle 20, an additional share must not confer the right to vote.
20. Additional shares may confer the right to vote, at meetings of the holders of additional shares, on questions affecting the continuing existence of the company.

Dividends and Surplus

21. An additional share may confer the right to participate in the company's profits through payment of dividends.
22. An additional share may confer a right to participate in surplus when the company is wound up but only to the extent of:
 - (a) repayment of capital paid on the additional shares; and
 - (b) payment of arrears of cumulative dividends.
23. The right to participate in profits and surplus conferred by additional shares may be preferred, equal or deferred to the rights conferred by the member shares.

Redemption and Transfer

24. An additional share may confer on the holder of the additional share a right to redeem or, subject to Principle 25, to transfer the additional share.
25. The holder of additional shares may only transfer additional shares to a person who has been a member of the company continuously for the past 6 months.

Accumulation of Securities

26. Accumulation of securities issued by the company must be restricted so that no person, or group of associated persons, may exercise a significant degree of influence over the affairs of the company.

Directors

27. Only a member of the company may be a director of the company.

These Principles of Mutuality are not binding, except to the extent that the Constitution expressly provides otherwise.

Constitution

Division 1. — Introductory Matters

1.1 Definitions

In this Constitution, unless the context requires otherwise:

ADI means a body corporate that **APRA** has authorised to conduct banking business in Australia under the *Banking Act 1959* (Cth)

APRA means the Australian Prudential Regulation Authority

ASIC means the Australian Securities and Investments Commission

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

board means the board of **directors**

company means the company described in this Constitution

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

demutualisation event means an event that triggers the application of the provisions of clause 29(1) of Part 5 of Schedule 4 to the *Corporations Act 2001* (Cth) (except to the extent ASIC has exempted the company from the operation of that Part in relation to that event) or is a demutualisation for the purposes of section 63 of the *Banking Act 1959* (Cth)

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

director means a director for the time being of the **company**

Director Nominations Committee means the committee appointed by the **board** in accordance with Appendix 5

direct vote means a vote cast using a **direct voting system**

direct voting system means a system as determined by the **board** in accordance with Rule 12.8 which enables **members** to vote by electronic means either:

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

electronic meeting system means a system as determined by the **board** in accordance with Rule 12.8 which enables **members** to participate by electronic means, and to cast **direct votes**, in **general meetings** or meetings of a class of **members**

Electronic Transactions Act means the Electronic Transactions Act 2000 (NSW)

financial accommodation means:

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

general meeting means a general meeting of the **members**

material personal interest has the same meaning as in Part 2D.1 of the *Corporations Act*

MCI mutual entity has the meaning given by section 176AC of the *Corporations Act*

MCI and **mutual capital instrument** means a share that is a Mutual Capital Instrument for the purposes of section 167AD of the *Corporations Act* as described in Appendix 1 Division 3

MCI holder means a person who holds an MCI and whose name the **bank** has entered for the time being in the **register of members**

MEI means a share in the capital of the company issued or arising from the conversion of a **regulatory capital security** and which meets the requirements of the **mutual equity requirements**

member means a person who is the holder of a **member share** whose name the **company** has entered for the time being in the Register of Members it keeps under the *Corporations Act*

member share means a share as described in Appendix 1 Division 1.

mutual equity requirements means the requirements of APRA's prudential standards for a mutual equity interest and the requirements of ASIC for the issue of the MEI not to be a **demutualisation event**

prudential standard means:

- (a) any prudential standard that **APRA** determines under the *Banking Act* 1959 (Cth);
- (b) any prudential regulation made under *Banking Act* 1959 (Cth); and

- (c) any **APRA** transitional prudential standard applying to the **company** under the *Financial Sector Reform (Amendments and Transitional Provisions) Regulations 1999* (Cth).

regulatory capital security means a share, note or other security eligible for inclusion as Tier 1 Capital or Tier 2 Capital, in each case as defined by APRA from time to time

secretary means a secretary for the time being of the **company**

share means a share in the capital of the **company**

shareholder means the holder of a **share**

subscription price means:

- (a) in relation to a **member share**, the amount payable by a person on subscription for a **member share**; and
- (b) in relation to an **MCI** or a **Tier 1 share**, the amount payable by a person on subscription for it or, if the **MCI** or **Tier 1 share** is created on conversion of a capital instrument in accordance with **prudential standards**, the nominal dollar value of that capital instrument prior to conversion into the **MCI** or **Tier 1 share**.

Tier 1 share means a share (other than a **member share** or **MCI**) which is eligible for inclusion as Tier 1 Capital as defined by APRA from time to time as described in Appendix 1 Division 2

1.2 Interpretation

- (1) In this Constitution, unless the context requires otherwise:
- (a) the singular includes the plural and vice versa;
- (b) where an expression is defined in this Constitution, any other grammatical form of the expression has a corresponding meaning;
- (c) words and expressions defined in the *Corporations Act* or the *Banking Act* have the same meaning in this Constitution;
- (d) headings are for purposes of convenience only and do not affect the interpretation of this Constitution;
- (e) a reference to a statute or regulation includes all amendments, consolidations or replacements of the statute or regulation;
- (f) a reference to this Constitution or another instrument includes all amendments or replacements of the Constitution or the other instrument; and
- (g) a reference to a statutory or other body that ceases to exist or the powers and functions of which are transferred to another body includes a reference to the body:
- (i) that replaces it; or
- (ii) to which substantially all the powers and functions relevant to this Constitution are transferred.

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- (2) The notes to this Constitution are for purposes of convenience only and do not affect the interpretation of this Constitution. The notes do not form part of this Constitution and may be removed or modified without the company complying with the *Corporations Act* requirements that apply to removal or modification of constitutional provisions.

1.3 Time

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

1.4 Replaceable Rules do not Apply

The replaceable rules in the *Corporations Act* do not apply.

1.5 Notices

- (1) This Rule applies to all notices and documents that the *Corporations Act* or this Constitution requires a party to this Constitution to send to another party to this Constitution.
- (2) In this Rule, **business day** means a day that is not:
- (a) a Saturday or Sunday; or
 - (b) a public holiday or bank holiday in the place where the notice is received.
- (3) Subject to any other provision of the Constitution to the contrary, a person sending a notice must do so in writing and must address it to the recipient at the following respective addresses:
- (a) if to the **company** — at its registered office or such other address as the **company** specifies to **members** from time-to-time; and
 - (b) if to a **shareholder** — in any manner permitted by the *Electronic Transactions Act* or the **Corporations Act** and in accordance with any relevant terms of issue of the **share**.

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

- (4) A person may send a notice or other document to another person in any of the ways set out in column 2 of the table (or in any manner permitted by the **Corporations Act** and in accordance with any relevant terms of issue of any **share**). The other person receives the notice at the time set out in column 3:

Delivery Method		Time Person Receives Notice
1	Hand delivering the notice personally	The other person receives the notice: <ul style="list-style-type: none"> (i) if hand delivered before 4:00pm on a business day — on that business day (ii) if hand delivered after 4:00pm on a business day — on the next business day (iii) if hand delivered on a day other than a business day — on the next business day
2	Sending the notice by pre-paid post	The other person receives the notice on the fifth business day after posting unless it is actually delivered earlier
3	Sending the notice by electronic means	The other person receives the notice: <ul style="list-style-type: none"> (i) if sent before 5:00pm on a business day — on that business day (ii) if sent after 5:00pm on a business day — on the next business day (iii) if sent on a day other than a business day — on the next business day <p>This rule does not apply where the person sending the notice by electronic means has evidence that the notice did not reach the other person's electronic address</p>
If a person sends a member a notice in accordance with this Rule, any person to whom that member transfers or transmits a share is taken to receive the notice when the first person sent the member the notice.		

- (5) If a person gives a **shareholder** a notice in accordance with this Rule, any person to whom that **shareholder** transfers or transmits a **share** is taken to receive the notice when the first person gave the **shareholder** the notice.

Division 2. — Objects & Limit on Powers

2.1 Customers Must be Members

- (1) Subject to Subrule 2.1(2), the **company** may only accept **deposits** from, or provide **financial accommodation** to, its **members**.
- (2) Subrule 2.1(1) does not apply to the following persons who are not **members**:
 - (a) bodies that do not have the power to acquire, or that the law prohibits from acquiring, the **company's member shares**; or
 - (b) **ADIs**; or
 - (c) any person or class of persons as determined by the **board** in its absolute discretion.

2.2 Intention to be an MCI mutual entity

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

Division 3. — Membership

3.1 Admission to Membership

- (1) Subject to any other Rule allowing admission of **members**, the **company** may admit a person as a **member** only if:
 - (a) the person makes an application in a form and with the content the **company** requires;
 - (b) the person applies for a **member share**; and
 - (c) the **subscription price** for the **member share** is paid.

Note: The **company** may also admit a person as a **member** by registering a transfer or transmission of a **member share** to the person under Rule 9.3, Rule 10.1, Rule 10.2 or Rule 10.3.

- (2) The **board** has an absolute discretion in exercising the **company's** power to admit **members** without any obligation to give a reason for not admitting a person as a **member**.
- (3) When the **company** admits a person as a **member**, the **company** must:
 - (a) issue the **member share** to the person;
 - (b) enter the person's particulars in the Register of Members as required by the *Corporations Act*; and
 - (c) give the person notice that it has admitted the person as a **member**.

3.2 Delegation of Power to Admit Members

The **board** may delegate its power to admit **members** to officers of the **company**. The delegation must not include authority:

- (a) to further delegate the power to admit **members**.

3.3 Joint Members

- (1) The **company** may admit 2 or more persons eligible for admission under Subrule 3.1(1) as a joint **member** of the **company**.
- (2) The persons constituting the joint **member** may determine the order in which their names appear in the Register of Members. If the persons constituting the joint **member** do not do so, the **company** may determine the order in which their names appear in the Register of Members.
- (3) The person named first in the Register of Members is the primary joint **member**. The **company** may duly send any notice, certificate or other document to the joint **member** by sending it to the primary joint **member**. Only the primary joint **member** is entitled to vote on behalf of the joint **member**.
- (4) At any time, the joint **member** may give the **company** a notice requiring the **company** to change the primary joint **member** or otherwise change the order in which their names appear in the Register of Members. Each person constituting the joint **member** must sign the notice. The **company** must change the Register of Members as soon as practicable after receiving the notice.
- (5) Any person constituting a joint **member** may give an effective receipt for any dividend, distribution on winding-up or return of capital in relation to the jointly held **member shares**.
- (6) The **company** may accept **deposits** from, or provide **financial accommodation** to, the joint **member** or to any person constituting the joint **member**.
- (7) The persons constituting a joint **member** are jointly and individually liable for any liability that the joint **member** may have in relation to the joint **member's** shares.
- (8) In this Constitution, the joint **member** is taken to be a person separate to the persons constituting the joint **member**.

Division 4. — Termination of Membership

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

The **company** can remove the **member's** name from the Register of Members if:

- (a) the **company** redeems their **member share** under Rule 4.2, Rule 4.3 or Rule 4.4;
- (b) the **company** forfeits their **member share** under Subrule 6.3(2);
- (c) the **member** surrenders their **member share** under Subrule 6.3(5);
- (d) being an individual — the **member**:
 - (i) dies;
 - (ii) becomes a bankrupt and the **company** registers the **member's** trustee in bankruptcy as the holder of the **member's member share** under Rule 10.2; or
 - (iii) becomes mentally incapable and the **company** registers the **member's** trustee or guardian as the holder of the **member's member share** under Rule **Error! Reference source not found.**;
- (e) being a body corporate — the **member** is deregistered or dissolved; or
- (f) being a trustee for an unincorporated association — the **company** registers the transfer of their **member share** to another person who is to act as trustee for the unincorporated association;

Note: Rule 2.2 restricts the **company** from accepting further **deposits** from, or providing further **financial accommodation** to, persons who cease to be **members**.

4.2 Member's Request for Termination

- (1) A **member** may request termination of membership but only upon withdrawing all **deposits** and repaying all **financial accommodation**.
- (2) If a **member** makes a request under Subrule (1), the **company** must redeem their **member share** as soon as practicable after receiving the request. However, the **company** may defer redeeming the their **member share** until the **board** is satisfied that the **member** has withdrawn all **deposits** and repaid all **financial accommodation**.

4.3 Termination by the Board

- (1) The **company** may redeem a **member share** by **board** resolution if the **member**:
 - (a) fails to discharge their obligations to the **company**;
 - (b) is guilty of conduct that the **board** reasonably considers to be detrimental to the **company**; or
 - (c) obtains membership by misrepresentation or mistake.
- (2) The **company** must give notice of the proposed resolution under Subrule (1) to the **member** at least fourteen (14) days before considering the proposed resolution.
- (3) At the time the **board** considers the proposed resolution, the **member** is entitled:
 - (a) to be present with or without their legal representative; and
 - (b) to be heard, either in person or through their legal representative.
- (4) On redeeming the **member share**, the **company** may pay the amount payable on redemption to the **member** by either:
 - (a) sending a cheque to their address as set out in the Register of Members; or
 - (b) crediting any of their accounts with the **company**,at the time the **member share** is redeemed.

4.4 Termination Where Accounts Dormant

- (1) This Rule does not apply to a retirement savings account to the extent that the *Retirement Savings Account Act 1997* (Cth) provides otherwise.
- (2) The **company** may:
 - (a) determine that the **member's deposit** accounts are dormant; and
 - (b) redeem the **member's member share**,by board resolution if they have not initiated any transactions in relation to any **deposit** account in the twelve (12) month period before the date of the resolution.
- (3) The **company** must send notice of the proposed resolution under Subrule (2) to the **member** at their last known address as shown on the Register of Members at least twenty eight (28) days before considering the proposed resolution.
- (4) On redemption of the **member share**, the **company** must pay the amount payable on redemption into the **member's** account.

- (5) If the **company** redeems a person's **member share** under this Rule, the person may require the **company** to reinstate their **deposit** accounts at any time before the **company** pays the money in the **deposit** account in accordance with the relevant unclaimed money legislation. If the person requires the **company** to reinstate the person's **deposit** accounts:
- (a) the **company** must reinstate the person's **deposit** accounts as soon as practicable; and
 - (b) the **company** must issue a **member share** to the person and may debit the **member's deposit** account for the subscription amount.

4.5 Delegation of Power to Terminate Members

The **board** may delegate its power to terminate the membership of a **member** to the Chief Executive Officer of the **company**. The delegation must not include authority to further delegate the power to terminate.

Division 5. — Issue of Shares

5.1 Classes of Shares

The **company** may only issue:

- (1) **member shares**; and
- (2) **Tier 1 Shares**; and
- (3) **MCI**s

5.2 Board Power to Issue Shares

The **board** may exercise the **company's** power to issue **shares** on an ongoing basis to the exclusion of the **general meeting**.

5.3 Restrictions on Issue of Member Shares

- (1) The **company** must not issue:
 - (a) options to subscribe for **member shares**;
 - (b) securities that may be converted to **member shares**; or
 - (c) securities with pre-emptive rights to **member shares**.
- (2) The **company** may only issue **member shares** in accordance with Subrule 3.1(3).
- (3) The **company** may only issue **member shares** on the basis that the **subscription price** is paid on issue.
- (4) The **company** may only issue 1 **member share** to any person. However, the **company** may issue to a trustee for an unincorporated association:
 - (a) 1 **member share** to the trustee in the trustee's own right; and
 - (b) 1 **member share** to the trustee as trustee for the unincorporated association.

Note: The **company** can issue a **member share** to a person who already constitutes a joint **member**. See Rule 3.3

Division 6. — Calls, Forfeiture and Liens

6.1 Payment of Calls on Shares

- (1) This Rule applies if some or all of the **subscription price** for a share is payable on the **company** calling up payment of some or all of the unpaid **subscription price**. This Rule applies in relation to a share subject to:
 - (a) any restriction in the terms of issue for the share; and
 - (b) any **special resolution** providing that the **company** can only call up some or all of the **subscription price** for shares if the **company** becomes an externally-administered body corporate
- (2) The **company** may call for payment of any amount of the unpaid **subscription price** for a share by **board** resolution. The **company** must give a **member** holding a share on which the **company** has made a call a notice setting out how much, when and how the **member** must make the payment. The **company** must give the notice at least 14 days before the time the **member** must pay the call.
- (3) The **company** may revoke or postpone a call on a share by **board** resolution. The **company** must give each **member** holding a share for which the **company** has revoked or postponed a call notice as soon as practicable after the **board** resolution.
- (4) In any proceeding to recover unpaid instalments, a **member** is conclusively presumed to be liable for a call if:
 - (a) the **company's** minutes record the **board** resolution calling for payment of the amount of the call;
 - (b) the **member's** name appeared in the Register of Members as holder of the share on the date of the **board** resolution; and
 - (c) the **company** gave the **member** a notice in accordance with Subrule (2).
- (5) At any time, the **company** may accept from a **member** prepayment of any amount of the unpaid **subscription price** on a share.

6.2 Effect of Failure to Pay Unpaid Amounts

- (1) This Rule applies if a **member** does not pay any amount of the unpaid **subscription price** for a share at the time the amount becomes due. This Rule does not limit any other remedies that the **company** may have against the **member**.

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- (2) The **member** must pay:
- (a) the amount due on the share; and
 - (b) all costs and expenses that the **company** incurs (including, without limitation, legal expenses on a solicitor and own client basis or full indemnity basis, whichever is the higher) because the **member** did not pay the amount when it became due.

The **company** may waive all or part of the expenses payable under this Subrule by **board** resolution.

- (3) At any time while the amount payable under Subrule (2) remains unpaid in respect of a share, the **company** may give the **member** a default notice:
- (a) setting out:
 - (i) how much is due; and
 - (ii) when the **member** must pay the amount due; and
 - (b) stating that, if the **member** does not pay the amount due by that date, the **member** will forfeit the share.

The date for payment must be at least 14 days after the date on which the **company** gives the **member** the default notice. In the absence of any manifest error, the default notice is conclusive evidence of the amount that the **member** must pay the **company** as at the date the **company** issues the default notice.

6.3 Forfeiture and Surrender

- (1) If a **member** does not comply with the default notice issued under Rule 6.2(3), the **company** may forfeit any share to which the default notice relates by **board** resolution. However, the **member** may always comply with the default notice at any time before forfeiture occurs.
- (2) The **company** may give the **member** a notice of forfeiture. In the absence of a manifest error, the notice is conclusive evidence of the facts stated in the notice against all persons claiming to be entitled to the share.
- (3) The forfeited shares become the **company's** property. The **company** may redeem, sell or otherwise dispose of the forfeited shares on the terms and in the manner that the **board** determines.
- (4) The transferee's title is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the shares. The transferee is not required to see the application of the purchase money.
- (5) A **member** may surrender any share to which a default notice relates. The **company** may deal with surrendered shares in the same way as it deals with forfeited shares.
- (6) A **member** whose shares have been forfeited remains liable to pay the **company** the amounts due:

- (a) less any amount that the **company** must pay the **member** on redemption of the shares; and
- (b) less any amount that the **company** receives on sale or disposal of the forfeited shares.

6.4 Liens

- (1) The **company** may at any time exempt a share wholly or in part from this Rule by **board** resolution.
- (2) The **company** has a first and paramount lien on:
 - (a) every partly-paid share that a **member** holds; and
 - (b) the proceeds of sale of every partly paid share that the **member** holds; and
 - (c) dividends payable on every partly-paid share that the **member** holds, for all amounts, whether presently due or not:
 - (d) payable in relation to the share; or
 - (e) that the **member** or the **member's** estate otherwise owes to the **company**.
- (3) If an amount secured by a lien in Subrule (2) is presently due, the **company** may give the holder of the share a sale notice:
 - (a) setting out:
 - (i) how much is due; and
 - (ii) when the **member** must pay the amount due; and
 - (b) stating that, if the **member** does not pay this amount by that date, the **company** may sell the share.

The date for payment must be at least 14 days after the date on which the **company** gives the **member** the sale notice. In the absence of any manifest error, the sale notice is conclusive evidence of the amount that the **member** must pay the **company** as at the date the **company** issues the sale notice.

- (4) If a **member** does not pay the amount due by the date stated in the sale notice under Subrule (3), the **company** may sell the shares on the terms and in the manner that the **board** determines. The **company** may:
 - (a) execute a share transfer to give effect to a sale of the shares; and
 - (b) register the transferee as the holder of the shares.

The transferee's title is not affected by any irregularity or invalidity in connection with the sale of the shares. The transferee is not required to see the application of the purchase consideration.

- (5) A **member** whose shares have been sold remains liable to pay the **company** all amounts that the **member** or the **member's** estate owes to the **company**, whether or not presently due, less any consideration that the **company** receives on sale of the shares.

Division 7. – Dividends

7.1 Payment of Dividends

- (1) The **board** may determine that the **company** pay a dividend on **shares** to which a right to participate in dividends attaches and may determine:
- (a) the amount of the dividend;
 - (b) the time for payment of the dividend; and
 - (c) the method of payment of the dividend.

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

- (2) If the terms of issue for a share require the **general meeting's** approval to any payment of a dividend on a share, the **board's** determination under Subrule (1) is effective only if the **general meeting** approves the dividend before the time for payment of the dividend arrives. The **general meeting** may not vary the **board's** determination.

7.2 Differential Dividends

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

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

7.3 Interest on Dividends

Interest is not payable on a dividend.

Division 8. — Share Certificates

8.1 Share Certificates

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

Division 9. — Transfer of Shares

9.1 Form of Share Transfer

Subject to this Constitution, a **member** wishing to transfer **shares** that are capable of transfer must use a share transfer that complies with the following requirements:

- (a) the share transfer relates to 1 class of shares only;
- (b) the share transfer is in writing; and
- (c) the share transfer is:
 - (i) in a form and / or manner that the **board** approves; or
 - (ii) in any other usual or common form

Note: Subrule 9.3(1) prevents the company registering share transfers in some situations, even though the share transfer complies with the requirements set out in this Rule.

9.2 Ownership of Share Transfer

On receiving a share transfer (or a document that appears to be a share transfer), the **company** becomes the owner of the share transfer (but not the **shares**) and has a right to exclusive possession of the share transfer on delivery.

9.3 Registration of Share Transfer

- (1) The **company** must not register a share transfer if:
 - (a) the terms of issue for the **shares** prohibit the transfer to the transferee; and
 - (b) the share transfer does not comply with the requirements of Rule 9.
- (2) The **company** may refuse to register a share transfer unless:
 - (a) the shares are fully-paid;
 - (b) the **company** does not have a lien on the shares;
 - (c) the transferor has executed the share transfer;
 - (d) the transferee has executed the share transfer;
 - (e) a certificate for the shares accompanies the share transfer;
 - (f) the **board** has all information that it reasonably requires to establish the right of the transferor to transfer the shares; and
 - (g) the **board** has all information that it reasonably requires to establish that the transferee agrees to be a **member** of the **company**.

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- (3) The transferor of shares remains the holder of those shares until the **company** enters the transferee's name as holder of those shares in the Register of Members.

9.4 Powers of Attorney

- (1) The **company** may assume, as against the holder of the **share** that a power of attorney authorising the attorney to transfer some or all of the **shares** that a **member** appears to have granted:
- (a) is a valid and effective grant of the power it appears to grant; and
 - (b) continues in full force and effect.
- (2) The **company** may rely on the power of attorney until it receives a notice informing it that:
- (a) the power of attorney has been revoked; or
 - (b) the death, dissolution or insolvency of the **member**.

9.5 Suspension of Registration

The **board** may suspend the registration of share transfers at the times and for the periods it determines. The periods of suspension must not exceed 30 days in any 1 calendar year.

9.6 Clearing and Settlement (CS) Facility

Subject to the **Corporations Act**, the provisions of Rules 9.1 to 9.5 (inclusive) do not apply to a transfer of an **MCI** effected through a licensed CS facility (as defined in the **Corporations Act**) to the extent provided in the terms of issue applicable to the **MCI**.

Division 10 — Transmission of Shares

10.1 Transmission of Shares on Death

- (1) On the death of a **member**, the **company** may recognise either the personal representative of the deceased **member** or another person who appears to the **board** to be entitled to their estate as being entitled to the deceased's interest in the **shares**.
- (2) If the personal representative gives the **board** the information it reasonably requires to establish an entitlement to be registered as holder of the **shares**, the personal representative may elect to be registered as the holder of the **shares**.

10.2 Transmission of Shares on Bankruptcy or Mental Incapacity

Subject to the *Bankruptcy Act 1966*, if a person entitled to the **MCI** because of the insolvency or mental incapacity of a **shareholder** gives the **board** the information it reasonably requires to establish the person's entitlement to be registered as the holder

- (a) the person may require the **bank** to register that person as the **shareholder**; and
- (b) whether or not registered as the holder of the **share** has the same rights and obligations and restrictions as the insolvent or incapable **shareholder**.

10.3 Clearing and Settlement (CS) Facility

Subject to the *Corporations Act*, the provisions of Rules 10.1 and 10.2 do not apply to a transmission of an **MCI** effected through a licensed CS facility (as defined in the *Corporations Act*) to the extent provided in the terms of issue applicable to the **MCI**

Division 11. — Holding General meetings

11.1 Calling Meetings of Members

The **board** may call a **general meeting**.

Members may call a **general meeting** in ways provided for in the *Corporations Act*.

11.2 Adjourning Meetings of Members

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

11.3 Proceedings at General Meetings

- (1) The quorum for a **general meeting** is fifteen (15) **members** present in person, by proxy or through an **electronic meeting system**
- (2) If a quorum is not present within 30 minutes after the time for the **general meeting** set out in the notice of meeting, the meeting is adjourned to the date, time and place the **board** specifies. If the **board** does not specify one (1) or more of those things, the meeting is adjourned to:
 - (a) if the date is not specified — the same day in the next week;
 - (b) if the time is not specified — the same time; and
 - (c) if the place is not specified — the same place.

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

- (3) The chair of **general meetings** is:
 - (a) the chair of meetings of the **board**; or
 - (b) if the chair of meetings of the **board** is not present or declines to act for the meeting (or part of it) then another director of the **board** will act as chair.

If the chair or another member of meetings of the **board** is not available within 30 minutes of the appointed start of the meeting, or declines to act, the **members** must elect an individual present to chair the meeting.

- (4) The Conduct of General Meetings in Appendix 2 apply to the conduct of debate at **general meetings** with such modifications the **board** may determine in order to facilitate the use of an **electronic meeting system**.
- (5) **General meetings** may be held at any one or more places and / or held using an **electronic meeting system**.
- (6) The provisions of this Constitution relating to **general meetings** apply with any necessary modification to meetings of a class of **members**.

Division 12. – Voting at General Meetings

12.1 Voting

- (1) A resolution put to the vote at a **general meeting** must be decided on a show of hands unless a poll is demanded.
- (2) If the **company** has a **direct voting system** on a show of hands or a poll, a **direct vote** cast during the **general meeting** is taken to have been cast on the show of hands or poll and is to be counted accordingly.
- (3) If a **member** has cast a **direct vote** prior to a **general meeting** the **member** may not cast another vote on the resolution at the **general meeting** whether in person, by proxy, attorney or representative.
- (4) Before a **general meeting** poll is taken, the chair must inform the meeting:
 - (a) how many proxy documents the **company** had received that validly appointed a person present at the meeting as proxy;
 - (b) how many of these proxy documents direct the proxies how to vote on the resolution;
 - (c) how the proxies were directed to vote on the resolution (which is limited to resolutions notified in the Notice of Meeting); and
 - (d) if the **board** has approved the use of a **direct voting system** – the number of valid **direct votes** cast before the **general meeting**:
 - (i) on the resolution in total;
 - (ii) in favour of the resolution;
 - (iii) against the resolution; and
 - (iv) abstaining from voting.
- (5) A member will not be eligible to vote by **direct vote** where the resolution relates to an item under Appendix 4;
- (6) The **general meeting** passes an ordinary resolution only if more than half the total number of votes cast on the resolution are in favour of it.
- (7) The chair does not have a casting vote in addition to his or her deliberative vote.
- (8) If a **member** is also an **MCI holder** that **member** has no more than one vote at a **general meeting**, regardless of the terms of issue of the **MCI**.

12.2 Voting on a Show of Hands

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

12.3 Voting on a Poll

- (1) A poll cannot be demanded on any resolution concerning the election of a person to chair the **general meeting**.
- (2) A poll on the question of an adjournment must be taken immediately. The chair may direct when and the manner in which any other poll must be taken.
- (3) The **general meeting** may conduct other business even though a poll is demanded on a resolution.

12.4 Direct Voting

- (1) The **board** may determine that **members** may cast votes to which they are entitled on any or all of the resolutions (including any special resolutions) proposed to be considered, and outlined in the notice of meeting, at a **general meeting** of members, by **direct vote**.
- (2) If the **board** determines that votes may be cast by **direct vote**, the board may develop such procedures as they consider appropriate for the casting of **direct vote**, including procedures for:
 - (a) the form, method, timing and manner of voting by **direct vote**; and
 - (b) the time by which the votes of members to be cast by **direct vote** must be received by the **company** in order for the **direct vote** to be effective. This time must be no later than the time appointed for the commencement of the **general meeting** or, in the case of an adjournment, the resumption of the **general meeting**.
- (3) A valid **direct vote** cast by a **member** has the same effect as if the **member** had cast the vote in person at the meeting.
- (4) Receipt of a **direct vote** from a **member** has the effect of revoking the appointment of a proxy, attorney or representative made by the **member** under an instrument received by the **company** before the **direct vote** was received.
- (5) A **direct vote** received by the company may be withdrawn by the **member** by notice, given to the **company** in writing or in electronic form, before the time appointed for commencement of the **general meeting** or, in the case of an adjournment, the resumption of the **general meeting**.

12.5 Body Corporate Representatives

- (1) A **member** that appoints a body corporate representative must give the **company**:
 - (a) if the **member** appointed the representative by board resolution — a certified copy of the board resolution appointing the representative; and
 - (b) otherwise — a copy of the instrument appointing the representative,

as soon as practicable after appointing the representative, and in any event before any **general meeting** at which the representative may exercise the **member's** rights.

- (2) In addition to the rights and powers a **member's** representative may exercise under the *Corporations Act*, the representative may exercise the **member's** right to vote in a ballot to appoint **directors** by election.

12.6 Proxies

- (1) An appointment of a proxy is not invalid merely because it does not contain all the information required for a valid proxy appointment, so long as it contains:
 - (a) the **member's** name, address and signature;
 - (b) the company's name;
 - (c) the proxy's name or the name of the office held by the proxy; and
 - (d) the meeting(s) at which the appointment may be used.
- (2) A proxy does not have a right to vote on a show of hands.
- (3) If a **member** appoints the chair as the **member's** proxy and directs the chair to vote either in favour of or against the resolution, the chair must demand a poll on the resolution.
- (4) Unless the **company** receives written notice of the matter before the meeting at which a proxy votes starts or resumes, the proxy's vote at that meeting will be valid if, before the proxy votes:
 - (a) the appointing **member** dies; or
 - (b) the **member** is mentally incapacitated;
 - (c) the **member** revokes the proxy's appointment;
 - (d) the **member** revokes the authority under which the proxy was appointed by a third party; or
 - (e) the **member** transfers the **share** in respect of which the **member** or a third party appointed the proxy.

12.7 Objections

An objection to the qualification of a voter:

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

12.8 Electronic Meeting System and Direct Voting System

- (1) If the **board** determines to use a **direct voting system** or an **electronic meeting system** the **board** may develop such procedures as they consider appropriate including procedures for:
 - (a) the form, method, and the manner of access and use; and
 - (b) the time by which the **direct votes** cast before a **general meeting** must be received by the **company** in order for the **direct vote** to be effective. This time must be no later than the time appointed for the commencement of the **general meeting** or, in the case of an adjournment, the resumption of the **general meeting** and in the case of an election of **directors** when the ballot closes in accordance with Appendix 3.
- (2) If the **board** allows a **direct vote** in an election of **directors**:
 - (a) the order in which the **candidates** appear on the **direct voting** instrument must be the same as the ballot papers; and
 - (b) the **board** must have procedures in place to prevent a **member** voting more than once in the election;
- (3) A **direct vote** cast by a **member** before a **general meeting** has the same effect as if the **member** had cast the vote in person at the meeting or in the case of the election of **directors** as if the member had completed a ballot paper.
- (4) Receipt of a **direct vote** from a **member** has the effect of revoking the appointment of a proxy, attorney or representative made by the **member** under an instrument received by the **company** before the **direct vote** was received.
- (5) A **direct vote** received by the company before a **general meeting** may be withdrawn by the **member** by notice, given to the **company** in writing or in electronic form, before the time appointed for commencement of the **general meeting** or, in the case of an adjournment, the resumption of the **general meeting**. A **direct vote** in an election of **directors** can be withdrawn at any time up to the close of the ballot in accordance with Appendix 3.
- (6) Where an **electronic meeting system** is used for a **general meeting**, a **direct vote** cast by a **member** during the **general meeting** has the effect of revoking the appointment of a proxy, attorney or representative made by the **member** under an instrument received by the **company** before the **general meeting** commenced.

Division 13. — Directors — Appointment & Vacation of Office

13.1 Number of Directors

The **company** must have a minimum number of 5 **directors**, or such greater number as the **board** may determine from time to time.

13.2 Eligibility to be a Director

- (1) An individual is eligible to be a **director** if the person:
 - (a) is a **member**;
 - (b) has not had a personal representative or trustee appointed to administer the person's estate or property because of their mental incapacity; and
 - (c) is not, or has not been, disqualified by law from being or acting as a **director**; and
 - (d) is registered as an "accountable person" under the *Banking Act*.
- (2) A person is not eligible to be appointed **director** under Rule 13.3 if:
 - (a) the **Director Nominations Committee** has determined that the person does not have the appropriate fitness and propriety to be and act as a **director**, by reference to the **board's** Fit and Proper Policy.

13.3 Appointment by Members

- (1) The **members** may appoint a person to be a **director** by election held under the provisions of Appendix 3.
- (2) Subject to the *Corporations Act* the **company** may at any time, by resolution passed in **general meeting**, remove any **director** from office.

13.4 Appointment by Board

- (1) The **board** may appoint **directors** provided always that the majority shall be appointed in accordance with Rule 13.3.
- (2) The **board** may appoint a person to be a **director**:
 - (a) if a **director's** office becomes vacant other than because the **director's** term of office has ended; and
 - (b) if, for any other reason, the number of **directors** is less than 5, or such greater number that the **board** has determined under Rule 13.1.

The **board** may only appoint a person who is eligible to be a **director** under Rule 13.2(1).

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- (3) The term of office for a **director** appointed to fill a vacancy in paragraph (2)(a) ends:
- (a) if the **general meeting** approves the appointment before the end of the next AGM after the **director's** appointment — at the end of the term of office of the **director** whose office has become vacant; and
 - (b) otherwise — at the end of the next AGM after the **director's** appointment.
- (4) The term of office for a **director** appointed in accordance with Subrule 13.4(1) must not exceed three (3) years, but nothing in this Subrule prevents the Board from re-appointing such a **director** for a further term or terms.

13.5 Term of Office

- (1) This rule only applies to **directors** who are elected by **members**.
- (2) Subject to the *Corporations Act* and the rotation provisions in this Rule, a **director's** term of office:
- (a) starts either:
 - (i) at the end of the AGM at which the **director's** election is announced but only if the person is registered as an "accountable person" under the *Banking Act* at the time of the announcement; or
 - (ii) on the date, no later than 30 days after the AGM, when the person becomes registered as an "accountable person" under the *Banking Act* however, if registration is not obtained within that period the person is treated as never having been appointed as a **director** and it is taken that the announcement was never made and that a casual vacancy exists for that position to be dealt with under Rule 13.4;
- and
- (b) ends at the end of the third AGM after the AGM at which the **director's** election is announced.
- (3) If the number of **directors** that **members** appoint is more than a third of the maximum number of **directors** on the **board** in Rule 13.1:
- (a) the term of office for the third of the **board** that receives the most votes at the election, ends at the end of the third AGM after the AGM at which the **directors'** election is announced; and
 - (b) the term of office for the remainder ends at the end of earlier AGMs where less than a third of the **board** is due to retire at those earlier AGMs.
- Directors** with less votes retire at earlier AGMs than those with more votes.
- (4) For purposes of Subrule (2):
- (a) if the number of **directors** on the **board** is not divisible by 3 — round fractions up to the nearest whole number in determining how many **directors** there are in a third or in two thirds of the **board**; and

- (b) if 2 or more **directors** have the same number of votes — the order of retirement amongst them is determined by lot.

13.6 Automatic Vacation of Office

The office of a **director** automatically becomes vacant if the **director**:

- (a) dies;
- (b) ceases to be eligible to be a **director** under Rule 13.2(1);
- (c) is absent from 3 consecutive ordinary meetings of the **board** without leave; or
- (d) is 3 months in arrears in relation to money due to the **company** and has failed to make arrangements for payment satisfactory to the **company**.

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

13.7 Resignation

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

13.8 Director Nominations Committee

The **board** must establish a **Director Nominations Committee** in accordance with Appendix 5.

Division 14. — Directors' Powers

14.1 Powers and Duties of the Board

The **board**:

- (a) manages the **company's** business; and
- (b) may exercise all the powers of the **company** except any powers that the *Corporations Act* or this Constitution expressly allocates to the **general meeting**.

14.2 Negotiable Instruments

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

14.3 Delegation

- (1) The **board** may delegate any of its powers to any committee or any other person or persons, subject to Rule 3.2. The **board** may permit the delegate to sub-delegate any powers delegated to them.
- (2) The **board** must establish policies for the guidance of delegates in the exercise of any powers so delegated.
- (3) Without limiting its powers, the **board** may appoint a person to be the **company's** attorney for purposes, with powers (being the **board's** powers), for the period and on terms the **board** determines. In particular, the power of attorney may:
 - (a) include terms protecting persons dealing with the attorney, as the **board** determines; and
 - (b) authorise the attorney to delegate any or all of the attorney's powers.

Division 15. — Directors' Meetings

15.1 Calling and Conduct of Board Meetings

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

15.2 Quorum of Board

- (1) The quorum for a **board** meeting is not less than one half the number of **directors** or such other number as the **board** determines and the quorum must be present at all times during the meeting.
- (2) If, at any time, the number of **directors** is less than the quorum:
 - (a) the **board** may meet only for the purpose of filling any casual vacancies or for calling a general meeting of **members**; and
 - (b) the **board** may conduct business by circulating resolution under Rule 15.5.

15.3 Chair of Board

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

15.4 Passing of Directors' Resolutions

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

15.5 Circulating Resolutions

- (1) A resolution in writing signed by all **directors**, or a resolution in writing of which notice has been given to all **directors** and which is signed by a majority of the **directors** entitled to vote on the resolution (not being less than the number required for a quorum at a meeting of the **board**), is a valid resolution of the **board**. The resolution may consist of several documents in the same form each signed by one or more of the **directors**.

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- (2) For the purposes of rule 15.5(1) a reference to "all **directors**" does not include a reference to:
 - (a) a **director** who, at a meeting of **directors**, would not be entitled to vote on the resolution;
 - (b) a **director** who disqualifies himself or herself from considering the resolution in question; and
 - (c) any **director** on leave of absence approved by the **board**.
 - (3) For the purposes of rule 15.5(1):
 - (a) a message sent electronically by a **director** to an agreed electronic address stating that they are in favour of a specified resolution shall be taken to be a document containing that statement and duly signed by the **director**. Such document shall be taken to have been signed by the **director** at the time of its receipt at the agreed electronic address and / or at the time they signify consent of a specified resolution via a software application on an electronic device; and
 - (b) a **director** may consent to a resolution by telephoning the **secretary** and signifying assent to the resolution and clearly identifying its terms.
 - (4) A resolution in writing under this Rule shall be deemed to have been passed at a meeting of the **directors** held on the day and at the time at which the document was last signed or consented to by a **director** and the document shall be deemed to constitute a minute of that meeting and shall be recorded by the **secretary**.

15.6 Committees of Directors

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

Division 16. — Conflicts of Interest

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

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

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

- (1) This Rule applies if a **director** with a **material personal interest** in relation to a matter:
 - (a) complies with the requirements of the *Corporations Act* in relation to disclosure of the nature and extent of the interest and its relation to the **company's** affairs; but
 - (b) must not be present and vote on the matter under the *Corporations Act*.
- (2) The **director** is not in breach of duty to the **company** merely because he or she does not act in relation to the matter.
- (3) The **board** may vote on matters that relate to the **director's** interest in the **director's** absence.

- (4) In relation to any transactions that relate to the **director's** interest:
- (a) the transactions may proceed;
 - (b) the **company** cannot avoid the transactions merely because of the **director's** interest; and
 - (c) the **director** may retain benefits under the transactions despite the **director's** interest.

16.3 Execution of Instruments

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

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

Division 17. — Remuneration, Indemnity and Insurance

17.1 Remuneration of Directors

- (1) The **board** may determine **director's** remuneration in accordance with the *Corporations Act*.

17.2 Travelling Expenses and Insurance

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

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

17.3 Indemnities for Officers and Former Officers

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

Division 18. – Administration

18.1 Secretary

Subject to Rule 18.2, the **board** may determine a **secretary's** terms of appointment, powers, duties and remuneration. At any time, the **board** may vary or revoke a determination, or an appointment, whatever the terms of the appointment.

18.2 Resignation of Secretary

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

Appendix 1 – Shares

Division 1 – Member Shares

A1-1 Subscription Price

The **subscription price** for a **member share** after 29 November 2017 is \$1.00

A1-2 Rights, Obligations and Restrictions Attaching to Member Shares

- (1) The following rights attach to each **member share**:
 - (a) the right to vote on the terms set out in clause A1-3;
 - (b) the right to participate in the distribution of profits or assets on a winding-up on the terms set out in clause A1-4; and
 - (c) the right to redeem the **member shares** on the terms set out in clause A1-5.
- (2) The obligation to pay any unpaid **subscription price** on the terms set out in clause A1-6 attaches to each **member share**.
- (3) The restriction on transfer of **member shares** in clause A1-7 attaches to each **member share**.
- (4) The **company** may issue more **member shares** at any time. The issue of more **member shares** does not vary the rights attached to **member shares** that the **company** has already issued.

Note: For the holder of a **member share's** entitlement to make **deposits** with, and receive **financial accommodation** from, the **company**, see Rule 2.1 and Subrule 3.1(3).

A1-3 Voting Rights

- (1) Holders of **member shares**, (other than a **member** who is a minor) may participate and vote:
 - (a) at a **general meeting**;
 - (b) at a meeting of the class of holders of **member shares**; and
 - (c) in a ballot to appoint **directors** by election.
- (2) At a **general meeting** or a meeting of the class of holders of **member shares** whether on a poll or a show of hands:
 - (a) each holder of **member shares** (other than a **member** who is a minor) regardless of the number of shares held has one (1) vote;
 - (b) a **member** who is a minor (under the age of 18) has no vote; and
 - (c) despite (a) a representative of a body corporate member can vote both as a **member** and as a representative of the body corporate.

A1-4 Distribution on Winding-Up

- (1) On a winding-up of the **company** the holder of a **member share** is entitled:
 - (a) to payment of the **subscription price** for the **member share** when the **member** subscribed for the **member share**; and
 - (b) if any assets remain after the payments in paragraph (a) — to any surplus assets of the **company**, subject to the other provisions of this Constitution.
- (2) Subject to the other provisions of this Constitution, each **member share** carries a right to participate in surplus assets equally with every other **member share**.
- (3) The **company** may offset against the amount payable under this clause:
 - (a) any amount unpaid on the **member share**; and
 - (b) any other amount payable by the **member** to the **company**.
- (4) The entitlements of holders of **member shares** to payment on winding-up are subject to any preferred entitlements to payment on winding-up that holders of any other class of shares may have.

A1-5 Redemption of Member Shares

- (1) The **company** may redeem a **member share** only if the following conditions are satisfied:
 - (a) either:
 - (i) the **member** has given the **company** notice requesting termination of the **member's** membership of the **company** under Rule 4.2;
 - (ii) the **board** has resolved to terminate the **member's** membership of the **company** under Rule 4.3; or
 - (iii) the **board** has determined that the **member's deposit** accounts with the **company** are dormant under Rule 4.4;
 - (b) the **company** can redeem the **member share** out of:
 - (i) the profits of the **company**; or
 - (ii) the proceeds of a new issue of shares made for the purpose of the redemption.
- (2) On redemption, the **company** must pay the **member** an amount equal to the **subscription price** for the **member share** when the **member** subscribed for the **member share** less any amount unpaid on the **member share**.
- (3) On redemption, the **member share** is cancelled.
- (4) This Rule does not affect the terms on which **member shares** may be cancelled under a reduction of capital or a share buy-back under *Corporations Act* Part 2J.1.

A1-6 Payment for Member Shares by Minors

- (1) This clause applies to a **member** who is a minor and who became a **member** prior to 29 November 2017 and was admitted to membership on payment of 20% of the then applicable subscription price for the **member share**.
- (2) While the **member** remains a minor, except when the **company** is being wound up, the **company** must not:
 - (a) call for payment of the unpaid amount in respect of the minor's **member share**;
 - (b) credit any dividend to the unpaid amount in respect of the minor's **member share**; or
 - (c) otherwise set off against the unpaid amount any amounts owing by the **company** to the minor.
- (3) After reaching the age of 18, the **member** must pay the remaining 80% of the **subscription price** for the **member share** applicable as at the time he or she became a **member**. Any time after the **member** reaches the age of 18, the **board** may:
 - (a) call for payment of all or part of the unpaid amount in respect of the **member share**;
 - (b) credit any dividend to the unpaid amount in respect of the **member share**; or
 - (c) debit any of the **member's** deposit accounts with the **member's** consent.
- (4) After reaching the age of 18, the **member** may not exercise any of the rights attaching to his or her **member share** until the **member** pays the amount of the unpaid **subscription price**.

Note: In relation to calls, see Rule 6.1, Rule 6.2 and Rule 6.3.

A1-7 Transfer of Member Shares

- (1) Subject to Subclause (2), a **member** may not transfer their **member share**.
- (2) A trustee for an unincorporated association may transfer the **member share** that they hold as trustee for the unincorporated association to another person who is to act as trustee for the unincorporated association.

Division 2 – Tier 1 Shares (including MEI)

A1-8 Terms of Issue

The **company** may issue **Tier 1 shares** on terms the **board** approves, but subject to the rights and restrictions contained in this Division.

A1-9 Rights, Obligations and Restrictions Attaching to Tier 1 Shares

The following rights attach to each **Tier 1 share**:

- (a) the right to vote on the terms set out in clause A1-10;
- (b) the right to participate in dividends on the terms set out in clause A1-11; and
- (c) the right to participate in the distribution of profits or assets on a winding-up on the terms set out in clause A1-12.

A1-10 Voting Rights

Except as required by law, **Tier 1 shares** carry no voting rights.

A1-11 Dividend Entitlements

- (1) Each **Tier 1 share** carries a right to participate in dividends as specified in its terms of issue.
- (2) Dividends on the **Tier 1 shares** are non-cumulative.
- (3) Each **Tier 1 share** (other than an MEI) confers a right to receive dividends in priority to dividends (if any) which may become payable on **member shares**.
- (4) Each MEI confers a right to receive a dividend payable if and when determined by the directors in their discretion ranking equally with any dividends which may become payable on member shares (or such lesser right, if any, as may be provided in the terms of issue of the MEI).
- (5) Each **Tier 1 share** (other than an MEI) may be entitled to payment of dividends equally with or behind any other share, the terms of whose issue specify a ranking equally with, or in priority to, the **Tier 1 share**.
- (6) The dividend rate applicable in respect of an MEI shall be the rate specified in the terms of issue and shall be limited to the amount determined in accordance with the Mutual Equity Requirements.

A1-12 Distribution on Winding-Up

- (1) On a winding-up of the **company** each **Tier 1 share**:
 - (a) (other than an MEI) is entitled to repayment of the amount of capital paid up on the **Tier 1 share** equally with every other **Tier 1 share** and is not otherwise entitled to share in any surplus assets of the **company**; and

- (b) in the case of an MEI, is entitled to a share in the surplus assets of the company which remain after the repayment of the subscription price on any member share and after the repayment of capital paid up on any Tier 1 Share which is not an MEI, such share to be determined in accordance with the Mutual Equity Requirements and to be paid from such surplus equally and proportionately with payments from such surplus on member shares.
- (2) **Tier 1 shares** rank behind **member shares** for repayment of capital on a winding-up.
- (3) **Tier 1 shares** may rank equally with or behind any other shares the terms of whose issue specify a ranking equally with, or in priority to, the **Tier 1 shares**.

A1-13 Conversion

The terms of a Tier 1 Share (other than an MEI) may provide for it to convert into an MEI (and for further MEIs to be issued in connection with that conversion) as approved by the **board** in the terms of issue.

Division 3 - MCI Shares

A1-14 Share Capital from MCI Shares Conversion

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

A1-15 Terms of Issue

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

A1-16 Rights of MCI Holders

- (1) Subject to the terms of issue of an **MCI**, and the requirements of this Constitution, an **MCI holder** is entitled to a claim on the surplus assets of the **company** on winding-up after all senior claims, including the aggregate subscription price paid for **member shares** have been paid and:
 - (a) the **MCI holders** claim ranks equally and proportionately with the claims of all other **MCI holders**; and
 - (b) the amount of the **MCI holder's** claim cannot exceed the subscription price for the **MCI**.
- (2) Notwithstanding anything to the contrary in this Constitution, but subject to the requirements of the **Corporations Act**, the **board** may determine that the terms of issue of any **MCI** contain such terms and conditions or attach such rights as the **board** considers necessary for **MCI**s to be eligible to be included as regulatory capital under the **prudential standards**.

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- (3) The rights attached to **MCI**s (or a class of **MCI**s) may only be varied or cancelled:
- (a) by special resolution passed by a **general meeting** and:
 - (b) by a special resolution passed at a meeting of **MCI holders** of the relevant class of **MCI shares** or with the written consent of **MCI holders** holding at least 75% of the relevant class of **MCI**s; and
 - (c) with the prior written approval of **APRA** but only if the variation affects the eligibility of the **MCI**s being counted towards common equity Tier 1 capital of the **company**.
- (4) If a **voting MCI shareholder** is also a **member shareholder** they have no more than one vote on each motion put to the **general meeting** regardless of the terms of issue of the **MCI shares** and clause A1-3.

A1-17 Registration as Holder of MCIs

- (1) Except as provided by the rules of a CS facility (as defined in the **Corporations Act**) which apply to an **MCI**, a person becomes registered as the holder of the **MCI** upon entry of their holding in the **register of members**.

Appendix 2 — Conduct of General Meetings

A2-1 Conduct of the General Meeting

The chair of a **general meeting**:

- (1) must ensure that the **general meeting** is properly convened and constituted and that a quorum is present;
- (2) has ultimate control of the general conduct of the meeting;
- (3) may, subject to the **Corporations Act** and this Constitution:
 - (a) determine that the adoption of any procedure of the meeting which is, in the chair's opinion, necessary for proper and orderly debate or discussion and the proper and orderly casting and / or recording of votes at the meeting; and.
 - (b) conduct and finalise discussion or debate on any matter whenever the chair considers it necessary for the proper conduct of the meeting,

with any decision by the chair made under the general meeting deemed to be final.

Appendix 3 — Election of Directors

Ballot at AGM

A3-1 Election

- (1) An election of **directors** is held by secret ballot to which the provisions of this Division apply or as may be modified by the **board** under Rule 12.8 to allow a **direct vote**.
- (2) The following table sets out the timetable for election of **directors** by **members**:

Steps in Election Procedure	Time
Call for nominations (see clause A3-2(1))	At least 56 days before AGM
Nominations close (see clause A3-2(2))	At least 21 days after call for nominations
Conduct of ballot and announcement of directors (see clause A3-9(3))	AGM

A3-2 Nominations

- (1) Subject to any other provisions of the Constitution to the contrary, the **board** must give **members** a notice calling for **members** to nominate **candidates** not less than 56 days before the AGM. The **board** may give this notice, in addition to the methods allowed in Subrule 1.5 by advertisement:
 - (a) at the **company's** offices;
 - (b) in newspapers;
 - (c) on the **company's** website; or.
 - (d) electronic communication of the notice (or of the existence of the notice) in any media, including but not limited to, electronic communication.
- (2) The date nominations close:
 - (a) is determined by the **board**;
 - (b) must be no earlier than 21 days after notice is given under paragraph (1);
 - (c) must be specified in the notice given under paragraph (1).
- (3) 2 **members** together have the right to nominate a **candidate**. To nominate a **candidate**, the 2 **members** must give the **company** a notice of nomination before nominations close. The notice of nomination must:

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- (a) declare that, subject to being registered as an “accountable person” under the *Banking Act*, the **candidate** is eligible to be a **director** under Rule 13.2(1);
 - (b) declare that the **candidate** is at least 18; and
 - (c) be signed by the nominating **members** and the **candidate**.
- (4) The **candidate** must:
- (a) provide the **company** with all information and consents the **company** reasonably requests to determine if the **candidate** is disqualified by law from acting as a **director**;
 - (b) provide the **Director Nominations Committee** with all information and documentation that the **Director Nominations Committee** reasonably requests to assess the fitness and propriety of the **candidate** to be and act as a **director** by reference to the **board’s** Fit and Proper Policy.
- (5) If the **Director Nominations Committee** determines that a **candidate** does not have the appropriate fitness and propriety to be and act as a **director**, by reference to the **board’s** Fit and Proper Policy, that **candidate** immediately ceases to be a **candidate**.

A3-3 Proceeding with Election

- (1) If the number of **candidates** is equal to or less than the number of positions to be filled:
- (a) the **general meeting** may appoint each **candidate** as a **director** by passing a separate resolution at the AGM;
 - (b) the election process otherwise set out in this Appendix is discontinued; and
 - (c) the **company** must give each **member** a notice that:
 - (i) states that the election process has been discontinued;
 - (ii) sets out the name of each **candidate**; and
 - (iii) states that the **general meeting** will vote on the appointment of each **candidate** as a **director** by a separate ordinary resolution at the AGM.

A3-4 Appointment of Returning Officers

- (1) The **board** must appoint a returning officer, who may appoint assistant returning officers, none of whom can be a **director** or a **candidate** as a **director** .
- (2) The **secretary** must prepare and give the returning officer a roll of **members**.

A3-5 Appointment of Scrutineer

- (1) A **candidate** may appoint a scrutineer.
- (2) The duties and responsibilities of scrutineers are:
 - (a) to observe the sorting, counting and recording of ballot papers;
 - (b) to ensure that the votes of unrejected ballot papers are correctly credited to the appropriate **candidates**; and
 - (c) to raise any query with the returning officer regarding any of the ballot papers.

A3-6 Ballot Papers

- (1) After nominations have closed, the returning officer must prepare ballot papers for the election.
- (2) The order in which the **candidates** appear on the ballot paper is to be determined by the returning officer by lot.
- (3) The returning officer must ensure some authenticating mark appears on each ballot paper before issuing them to the **members** at the Annual General Meeting.
- (4) On issuing each ballot paper, the returning officer must mark the member's name off the roll of **members**.
- (5) If the **board** has determined to allow a **direct vote** the returning officer shall make available an interactive copy of the ballot paper in a secure online system to facilitate voting by electronic means and make available to **members** all information reasonably necessary to facilitate voting by electronic means. Requirements for an authenticating mark of the returning officer on the ballot paper shall not apply, but the returning officer must ensure that a **member** cannot submit a **direct vote** more than once in the election.
- (6) a **member** who votes by **direct vote** must ensure that their vote is submitted to the returning officer in accordance with any instructions given for voting by electronic means.

A3-7 Conduct of Ballot

- (1) The returning officer must conduct the ballot at the AGM.
- (2) The returning officer must provide secured ballot boxes. The ballot boxes must remain secured until the closure of the ballot.

A3-8 Closure of the Ballot

The ballot closes at the time the returning officer specifies.

A3-9 Procedures After Close of the Ballot

- (1) As soon as practicable after the ballot closes, the returning officer must ensure that the ballots are dealt with as follows:
 - (a) in respect of any **direct vote** received, the returning officer must record the details of the **member** who lodged the **direct vote**
 - (b) supervise the scrutinising of the ballot papers and reject informal ballot papers and if a **member** has lodged a **direct vote** and is also present at the AGM the returning officer must only count the **direct vote**.
 - (c) count the votes including any **direct vote** received;
 - (d) sign a declaration of the ballot as to the:
 - (i) names of the **candidates** who, subject to Rules 13.2 and 13.5 and being or becoming registered as an "accountable person" under the *Banking Act* are appointed as **directors**;
 - (ii) votes cast for each **candidate**; and
 - (iii) number of votes rejected as informal; and
 - (e) deliver the declaration to the **secretary**.
- (2) A ballot paper is informal if:
 - (a) it is not authenticated by the returning officer; or
 - (b) it has no vote indicated on it or it does not indicate the **member's** preference for a **candidate**.
- (3) The **secretary** must announce the results of the ballot at the AGM.
- (4) If a **member** gives the **company** a written request, the **company** must make available to any **member** a copy of the returning officer's declaration of the ballot.
- (5) The returning officer must destroy the ballot papers three months after the declaration of the ballot.

A3-10 Voting System

- (1) The **candidates** with the highest number of votes in accordance with the number of vacancies are appointed as **directors**.
- (2) If 2 or more **candidates** have the same number of votes, the **candidate** appointed as a **director** is determined by lot.

A3-11 Direct Votes

- (1) The **board** may determine:
 - (a) that **members** entitled to vote in the election may cast a vote in the election by **direct vote**; and
 - (b) the form, method and timing of giving a **direct vote** in order for the vote to be valid and formal in the election.
- (2) If the **board** allows **direct votes** in the election:
 - (a) the order in which the **candidates** appear on the **direct voting** instrument must be the same as the ballot papers;
 - (b) the **board** must have procedures in place to prevent a **member** voting more than once in the election;
 - (c) the **board** must ensure the anonymity of the voter; and
 - (d) the **board** must determine the role of scrutineers in relation to the **direct votes**.
- (3) If a member cast a **direct vote** in the election the **member** is not entitled to vote in the ballot at the AGM, whether in person or by proxy.
- (4) A valid and formal **direct vote** cast by a **member** has the same effect as if the **member** has cast a valid and formal ballot paper in the election at the AGM.
- (5) The returning officer must destroy any submitted direct voting instrument, or records of submitted **direct votes**, in relation to the election three months after the declaration of the ballot.

A3-12 Irregularity in the Conduct of an Election

- (1) The **candidates** that the returning officer declares to have been appointed are appointed unless the **secretary** receives an objection to the ballot within 7 days of the **secretary's** notifying **members** of the result of the ballot.
- (2) If the **board** is of the opinion that the objection is reasonable, it may resolve to declare the returning officer's declaration void.
- (3) The returning officer must then conduct a further scrutiny in accordance with the Constitution the results of which prevail unless the **board** resolves to call a new poll by a unanimous resolution of all **directors** other than those appointed as a result of the ballot to which the objection relates.

Appendix 4 — Mutuality Protection Rule

Division 1 — Introduction

A4-1 When the Mutuality Protection Rule Applies

(1) This Appendix applies in the following situations:

(1)	Modification or Repeal of Constitution	<p>In the event that the company proposes to modify or repeal this Constitution where the effect of the modification or repeal is:</p> <p>(a) to vary any of:</p> <p style="padding-left: 20px;">(i) the terms on which it issues shares; or</p> <p style="padding-left: 20px;">(ii) the rights and restrictions attaching to its shares, so that they are inconsistent with those set out in the Principles of Mutuality;</p> <p>(b) to enable the company to issue shares where:</p> <p style="padding-left: 20px;">(i) the terms on which it issues the shares; or</p> <p style="padding-left: 20px;">(ii) the rights and restrictions attaching to the shares, are inconsistent with those set out in the Principles of Mutuality (whether or not any shares are so issued);</p> <p>(c) to vary any of the rights, obligations or restrictions attaching to membership so that they are inconsistent with those set out in the Principles of Mutuality;</p> <p>(d) to enable the company to admit members where the rights, obligations or restrictions attaching to membership are inconsistent with those set out in the Principles of Mutuality (whether or not any members are so admitted); or</p> <p>(e) that the company's Constitution is otherwise inconsistent with the Principles of Mutuality.</p>
(2)	Issue of Shares or Admission of Members	<p>In the event that the company (whether acting through its board, its members or otherwise) proposes:</p> <p>(a) to issue additional shares where:</p> <p style="padding-left: 20px;">(i) the terms on which it issues them; or</p> <p style="padding-left: 20px;">(ii) the rights and restrictions attaching to them, are inconsistent with those set out in the Principles of Mutuality;</p> <p>(b) to issue securities which confer the right or obligation to subscribe for additional shares (whether on conversion of the securities or exercise of any option) where:</p> <p style="padding-left: 20px;">(i) the terms on which it issues them; or</p> <p style="padding-left: 20px;">(ii) the rights and restrictions attaching to them, are inconsistent with those set out in the Principles of Mutuality; or</p> <p>(c) to admit members with rights, obligations or restrictions attaching to membership inconsistent with those set out in the Principles of Mutuality.</p>
(3)	Restructure	<p>In the event that the company (whether acting through its board, its members or otherwise) proposes to conduct a reduction of capital, scheme of arrangement, deed of arrangement, transfer of business, or any other form of corporate restructure, where after completion of the restructure:</p> <p>(a) the company no longer complies with the Principles of Mutuality;</p> <p>(b) one person, other than a person entitled to use either the words 'credit union', 'credit society' or 'credit co-operative' in their name, holds more than 90% of the shares in the company other than shares fitting the description of 'additional shares' in the Principles of Mutuality;</p> <p>(c) a group of associates, other than a group all of the members of which are entitled to use either the words 'credit union', 'credit society' or 'credit co-operative' in their name, between them hold more than 90% of the shares in the company other than shares fitting the description of 'additional shares' in the Principles of Mutuality;</p> <p>(d) a person not entitled to use either the words 'credit union', 'credit society' or 'credit co-operative' in their name has a legal or equitable</p>

		<p>interest in more than 20% of the company's gross assets, based on the latest report that the company has given the Australian Prudential Regulation Authority as at the time of the transfer;</p> <p>(e) a group of associates, other than a group all of the members of which are entitled to use either the words 'credit union', 'credit society' or 'credit co-operative' in their name, between them have a legal or equitable interest in more than 20% of the company's gross assets, based on the latest report that the company has given the Australian Prudential Regulation Authority as at the time of the transfer; or</p> <p>(f) the successor to the company's business is not entitled to use either the words 'credit union', 'credit society' or 'credit co-operative' in its name.</p>
(4)	Modification or Repeal of this Appendix	<p>In the event that the company proposes to modify or repeal:</p> <p>(a) any of the Clauses in this Appendix;</p> <p>(b) any of the Principles of Mutuality; or</p> <p>(c) this Constitution where the effect of the modification or repeal is to modify, exclude or restrict the operation of the Clauses in this Appendix.</p>

(2) This Appendix does not apply to proposed modifications or repeals set out in item (4) of the Table in Subclause A4-1(1) that:

- (a) increase the range of **proposed transactions** (including any changes to this Appendix so that it applies to the increased range of **proposed transactions**);
- (b) impose, modify or repeal additional restrictions on the conduct of **proposed transactions** other than those set out in this Appendix;
- (c) impose, modify or repeal additional obligations that must be complied with in relation to **proposed transactions** other than those set out in this Appendix;
- (d) require disclosure of additional types of information other than those set out in Clause A4-5 to Clause A4-8; or
- (e) modify or repeal any requirement specified in this Constitution, apart from this Appendix or the **Principles of Mutuality**, in relation to a **proposed transaction**.

However, this Appendix does apply to:

- (f) a proposed modification or repeal that makes more than 1 change, and 1 or more of the changes is within the scope of item (4) of the Table in Subclause A4-1(1) but not excluded by this Clause; or
- (g) a proposed modification or repeal where some other Rule in this Constitution applies this Appendix to the modification or repeal.

(3) This Appendix, other than Subclause A4-1(4), ceases to have effect immediately upon the following conditions both being met:

- (a) the Australian Securities and Investments Commission publishes a written notice that this Appendix ceases to have effect in relation to the **company**; and
- (b) the Australian Securities and Investments Commission delivers a copy of the written notice to the **company**.

This Subclause is subject to any terms and conditions in the written notice.

(4) If this Appendix ceases to have effect by reason of Subclause A4-1(3), it will again come into effect by **board** resolution upon the Australian Securities and Investments Commission doing any of the following:

- (a) withdrawing the written notice referred to in Subclause A4-1(3)(a);
- (b) making an order or exemption that permits the **company** to adopt or recommence the operation of this Appendix or provisions to the effect of this Appendix; or
- (c) otherwise permitting the **company** to recommence the operation of this Appendix.

A4-2 Definitions

(1) In this Appendix:

associate means, in relation to a primary person:

- (a) a spouse or de facto spouse of the primary person;
- (b) a parent, son or daughter of the primary person, spouse or de facto spouse;
- (c) a person who is a partner of the primary person;
- (d) a person who is a director of a body of which the primary person is a director;
- (e) a person who is a trustee of a trust in relation to which a person or entity of a kind referred to in paragraphs (a), (b), (c), (d), (f) or (g) benefits or is capable of benefiting;
- (f) any **entity**, other than the **company**, over which:
 - (i) a person of a kind referred to in paragraphs (a), (b), (c), (d) or (e) has **control**;
 - (ii) 2 or more persons of a kind referred to in paragraphs (a), (b), (c), (d) or (e) together have **control**;
- (g) any **entity**, other than the **company**, in which:
 - (i) a person of a kind referred to in paragraphs (a), (b), (c), (d), (e) or (f) is beneficially entitled to more than 20% of any class of **securities**;
 - (ii) 2 or more persons of a kind referred to in paragraphs (a), (b), (c), (d) or (f) together are beneficially entitled to more than 20% of any class of **securities**

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

- (a) whether direct or indirect;
- (b) whether or not enforceable; and
- (c) whether presently exercisable by means of, in breach of or by revocation of any combination of the following:
 - (i) trusts;
 - (ii) relevant agreements; and
 - (iii) practices,

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

entity means any:

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

independent expert means an expert who is not an officer of the **company** or an associate of an officer of the **company**

Principles of Mutuality refers to Principles 4 to 25 and 27 of the Principles of Mutuality in the Preamble to this Constitution to the extent that any of those Principles are not inconsistent with ASIC Policy Statement 147: Mutuality – Financial Institutions

proposed transaction means any of the modifications, repeals, issues, admissions, restructures or other transactions referred to in Subclause A4-1(1)

securities has the same meaning as in the *Corporations Act* from time to time, but also includes options

- (2) Unless the context requires otherwise, terms that are not expressly defined in this Constitution, but that are defined in the *Corporations Act* from time to time, have the same meaning as in the *Corporations Act*.

A4-3 Demutualisation Approval Procedure

- (1) If this Appendix applies, the **company** must comply with the procedure set out in Divisions 2 and 3 before:
- (a) convening a meeting of members to vote on the proposed modification or repeal of the Constitution set out in items (1) and (4) of the Table in Subclause A4-1(1);
 - (b) issuing the **securities** or admitting the members as set out in item (2) of the Table in Subclause A4-1(1); or
 - (c) either convening, or, where relevant, applying for a court or other order to convene, one or more meetings (whichever is the earlier) to vote on the proposed restructuring or to appoint an administrator as set out in item (3) of the Table in Subclause A4-1(1).
- (2) If a meeting of members approves a proposed modification of the Constitution set out in items (1) and (4) of the Table in Subclause A4-1(1):
- (a) the resolution is of no effect until the procedure set out in Divisions 2 and 3 is complied with; and
 - (b) the **company** must send each member a notice that the resolution has been passed in breach of this Appendix, together with the other documents required to be sent in Clause A4-5.
- (3) The procedures in this Appendix apply in addition to any requirements specified in the *Corporations Act* or this Constitution in relation to the **proposed transaction**.
- (4) If the **proposed transaction** is proposed by:
- (a) the **board** — the **company** bears all costs associated with disclosure and conduct of the postal ballot;
 - (b) a member or a group of members — the member or group of members must pay all costs associated with disclosure, including printing and postage.
- The **board** is not required to assist any member or group of members proposing the **proposed transaction** unless they give the **company** an indemnity in a form satisfactory to the **board**.
- (5) If Subclause A4-3(4)(b) applies, members in general meeting may resolve that:
- (a) the **company** pay all costs associated with disclosure and conduct of the postal ballot;
 - (b) the **company** reimburse the members proposing the **proposed transaction** for the costs associated with disclosure and conduct of the postal ballot they incur.

A4-4 Approval of Demutualisation

- (1) If this Appendix applies, the **company** may only act upon the **proposed transaction** if:
- (a) it has complied with the procedure set out in Divisions 2 and 3; and
 - (b) if the **company** has only one class of members:
 - (i) not less than 25% of the members have voted at the postal ballot conducted under Division 3; and
 - (ii) not less than 75% of the members who have voted approved of the proposed transaction;
 - (c) if the **company** has more than one class of members:
 - (i) not less than 25% of the members in each class have voted at the postal ballot conducted under Division 3; and
 - (ii) not less than 75% of the members who have voted in each class approved of the proposed transaction.

Division 2 – Disclosure

A4-5 Disclosure Documents Sent With Ballot Paper

The **company** must send the following documents with the ballot paper that it must send each member under Clause A4-14:

- (a) a disclosure statement as described in Clause A4-6;
- (b) a director's statement from each director as described in Clause A4-7; and
- (c) an **independent expert's** report, commissioned by the **company**, as described in Clause A4-8.

A4-6 Disclosure Statement

- (1) The disclosure statement must adequately set out or explain the following (if relevant):
- (a) the procedural steps required in relation to the **proposed transaction**;
 - (b) how members' rights will change as a result of the proposed transaction and the consequences of the **proposed transaction** for members, including any:
 - (i) loss of rights;
 - (ii) change as to voting rights and rights to participate in the reserves and profits of the **company**;
 - (c) what benefits (if any) will be offered to members if the **proposed transaction** occurs, and why the benefits are considered appropriate, taking into account, among other things, the extent to which the benefits compensate the members for loss of rights;
 - (d) the basis upon which members' entitlement to the benefits will be determined, including:
 - (i) any minimum period of membership that a member must satisfy to receive benefits;
 - (ii) whether members must pay any amount or provide other value to receive benefits;
 - (e) any preferential allocation of benefits to members, or a class of members, and how that allocation is to be determined;
 - (f) any benefits that officers of the **company** (including retiring officers) or any **associates** of any officers may receive (whether directly or indirectly) in connection with the **proposed transaction**, other than in their capacity as a member on the same terms as are available to other members, including without limitation:
 - (i) any money or goods;

- (ii) any preferential allocation of **securities**;
 - (iii) any retirement or superannuation benefits;
 - (iv) any compensation for loss of office;
 - (v) any concessional loans or other favourable or non-arms length transactions;
- (g) the implications of the **proposed transaction** in relation to:
- (i) the continuation of the **company's** business;
 - (ii) any major changes to be made to the **company's** business; and
 - (iii) changes to benefits, products and services;
 - (iv) the future employment of the present employees of the **company**;
- (h) whether the **company's** financial position has changed materially since the last balance sheet put before members at the last AGM;
- (i) the availability and consequences of other alternatives; and
 - (j) any other information that the members and their professional advisers would reasonably require to make an informed assessment whether to approve the **proposed transaction**.
- (2) If the **proposed transaction** involves the allocation of **securities** (whether by the **company** or some other entity) the disclosure statement must adequately set out or explain the following (if relevant):
- (a) who will and will not be allocated **securities**;
 - (b) the rights and obligations attaching to the **securities** being allocated, including voting rights and rights to participate in the reserves and profits;
 - (c) the class and approximate number of **securities** being allocated;
 - (d) the allocation formula for the **securities** (including the implications of any undersubscription or oversubscription of **securities** offered), including, without limitation:
 - (i) the manner in which the allocation formula will apply as between members; and
 - (ii) the basis on which the allocation formula has been determined;
 - (e) if rights to **securities** are allocated — whether the rights are renounceable or non-renounceable;
 - (f) the consideration payable for the **securities**, including, if the **securities** are partly paid, any call dates and amounts payable on calls;
 - (g) if the allocation of **securities** is underwritten:
 - (i) the name of the underwriters;
 - (ii) the amount of the underwriting fee or commission payable;
 - (iii) details of clauses in the underwriting agreement that may affect the underwriter's rights and obligations under the underwriting agreement;
 - (h) whether the **securities** will be listed on a securities exchange or exempt market; and
 - (i) the implications of allocation of **securities** for the structure of the **company**.
- (3) If the **proposed transaction** involves the modification or repeal, as set out in item (4) of the Table in Subclause A4-1, and the person proposing the modification or repeal is aware of any proposal to conduct any of the transactions set out in items (1) to (3) of the Table in Subclause A4-1(1), then the disclosure statement must disclose the matters set out in Subclause A4-6(1) and Subclause A4-6(2) in relation to:
- (a) the proposed modification or repeal; and
 - (b) each proposed transaction set out in items (1) to (3) of the Table in Subclause A4-1(1) of which the person is aware (to the extent that the person is aware of the matters relating to those transactions).

A4-7 Director's Statement

The director's statement must contain:

- (a) a statement:
 - (i) recommending that the **proposed transaction** be approved or not approved, and giving reasons for the recommendation; or
 - (ii) giving reasons why a recommendation is not made;
- (b) a statement whether the director proposes to approve or not approve the **proposed transaction**;
- (c) a statement confirming that neither the director nor any **associate** of the director will receive any pay, other valuable consideration or any other benefit in connection with the **proposed transaction** other than as disclosed in the disclosure statement; and
- (d) particulars of any agreement between the director and any other person in connection with, or conditional upon, the outcome of the **proposed transaction**.

A4-8 Independent Expert's Report

- (1) The **independent expert's** report must adequately set out or explain the following (if relevant):
 - (a) whether, in the **independent expert's** opinion, the **proposed transaction** is in the best interests of the members, and giving reasons for that opinion;
 - (b) whether, in the **independent expert's** opinion, the benefits being provided to the members are fair and reasonable, having regard to any:
 - (i) loss of rights; and
 - (ii) change as to voting rights and rights to participate in the reserves and profits of the **company**;
 and giving reasons for that opinion; and
 - (c) details of:
 - (i) any relationship between the **independent expert** and the **company**, including any circumstances in which the **independent expert** gives it advice or acts on its behalf, in the proper performance of the functions attaching to the **independent expert's** professional capacity or business relationship with the **company**;
 - (ii) any financial or other interest of the **independent expert** that could reasonably be regarded as being capable of affecting the **independent expert's** ability to give an unbiased opinion; and
 - (iii) any benefit that the **independent expert** or any **associate** of the **independent expert** may receive (whether directly or indirectly) in connection with making the report or in connection with the **proposed transaction**.
- (2) If the **company** commissions more than 1 **independent expert's** report, all of the reports must be sent to each member.

Division 3 – Postal Ballot

A4-9 Appointment of Returning Officer

- (1) The **board** must appoint as returning officer for the ballot a person having the qualifications, experience or standing appropriate for appointment.

- (2) The returning officer may, if necessary, appoint 1 or more persons to act as assistant returning officers or clerical assistants.
- (3) A member is not eligible to be appointed as a returning officer or assistant returning officer.
- (4) The returning officer may delegate any of the returning officer's functions in this Division to an assistant returning officer having the qualifications, experience or standing to exercise those functions.
- (5) A person ceases to hold office as a returning officer or assistant returning officer if the person:
 - (a) dies; or
 - (b) resigns by notice of resignation delivered to the **company**; or
 - (c) is removed from office by the members.

A4-10 Roll

As soon as practicable after the **board** appoints the returning officer for the postal ballot, the secretary must give the returning officer a roll showing, as at the time the roll is given:

- (a) the members and the number of shares each member holds; and
- (b) if the shares are divided into different classes — the members who hold shares in each class and the number of shares of each class each member holds.

A4-11 Notice of Proposed Postal Ballot

- (1) As soon as practicable after being appointed as returning officer for a postal ballot, the returning officer must cause notice of the proposed ballot to be:
 - (a) sent to each member entitled to vote; or
 - (b) published in a newspaper circulating generally throughout all jurisdictions in which the **company** has members.
- (2) The notice must:
 - (a) state that a postal ballot is to be held;
 - (b) state the proposed transaction that is to be put to voters at the ballot; and
 - (c) state the closing date for the ballot.

A4-12 Postponement of Closing Date

- (1) The returning officer may postpone (for not more than 7 days on any 1 occasion) the date for the close of the ballot by notice published in a newspaper circulating generally throughout all jurisdictions in which the **company** has members.
- (2) The returning officer may exercise the power conferred by this Clause more than once in respect of a ballot.

A4-13 Printing of Ballot Papers

The returning officer must ensure that a sufficient number of ballot papers is printed for the purposes of the ballot.

A4-14 Postal Voting Procedures

- (1) Postal voting will be conducted according to procedure specified by the returning officer as approved by the **board**.
- (2) In approving postal voting procedures the **board** must have regard to these matters:
 - (a) the extent to which the procedures are efficient in enabling the returning officer to detect any fraud or impropriety in the voting process;
 - (b) the extent to which the procedures protect the anonymity of the voter;
 - (c) instructions for voting are legible and clearly expressed so as to accurately inform members how to complete and lodge a ballot paper;
 - (d) provisions for issuing a duplicate ballot paper when the original has been lost or spoiled;
 - (e) the extent to which procedures for receiving, checking, scrutinising and counting ballot papers are efficient; and
 - (f) the conduct and functions of scrutineers appointed by candidates.
- (3) The **board** must cause the postal voting procedures, as approved, to be displayed at the **company's** registered office and every branch office from the day before ballot papers are sent to members until the day after closure of the ballot.
- (4) A member is entitled to a copy of the postal voting procedures, on request

A4-15 Distribution of Ballot Papers

Not less than 28 days before the closing date for the ballot, the returning officer must cause to be sent to each member on the roll, at the address specified in respect of the member in the roll:

- (a) a ballot paper that bears the initials of the returning officer or a deputy returning officer;
- (b) any other documents as required by the postal voting procedure.

A4-16 Replacement of Ballot Papers

- (1) If any member to whom a ballot paper has been sent satisfies the returning officer that the ballot paper has been spoilt, lost or destroyed, the returning officer may issue the member with a replacement ballot paper.
- (2) The returning officer must keep a record of all replacement ballot papers so issued.

A4-17 Voting

- (1) A member who wishes to vote in a postal ballot must:
 - (a) complete the ballot papers in accordance with the postal voting procedures; and
 - (b) subsequently deal with the ballot paper in accordance with the postal voting procedures.

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- (2) A member's vote in the postal ballot may be counted only if:
 - (a) the member has voted in the way required by this Clause; and
 - (b) the returning officer receives the ballot paper in accordance with the postal voting procedures on or before the date for the close of the postal ballot.

A4-18 Appointment of Scrutineers

- (1) The **board** may appoint a scrutineer to monitor the scrutiny and the counting of postal votes.
- (2) Any other interested person, with the consent of the returning officer, may appoint a scrutineer to monitor the scrutiny and counting of the postal votes.
- (3) A scrutineer is entitled to be present at the scrutiny and counting of postal votes.

A4-19 Scrutiny

- (1) As soon as practicable after the ballot closes, the returning officer must check, scrutinise and deal with the ballots in accordance with the postal voting procedures.
- (2) A ballot paper is informal if:
 - (a) it is not authenticated as required by the postal voting procedures;
 - (b) it has not been completed so as to show a vote.

A4-20 Counting of Votes

- (1) The returning officer must then proceed to count the votes.
- (2) The returning officer may make use of electronic data processing equipment in the counting of votes.
- (3) On completing the count, the returning officer must make out a return to the **company** certifying:
 - (a) if the **company** has only one class of members:
 - (i) the number and percentage of members who voted in the postal ballot; and
 - (ii) the number and percentage of votes in favour of the proposed transaction; and
 - (b) if the **company** has more than one class of members:
 - (i) the number and percentage of members in each class who voted in the postal ballot; and
 - (ii) the number and percentage of votes in each class in favour of the proposed transaction.

Appendix 5 — Director Nominations Committee

A5-1 Appointment of Director Nominations Committee

- (1) The **Director Nominations Committee** will comprise the members of the boards Corporate Governance Committee and up to two (2) appropriately qualified independent persons appointed by the Board who are not a director or officer of the **company**. These independent persons must have relevant qualifications and / or experience to undertake this role.
- (2) Employees of the **company** are not eligible to be appointed to the **Director Nominations Committee**.
- (3) Each person on the **Director Nominations Committee** must enter into an agreement with the **company** to keep confidential their assessments under Clause A5-2, during and after their appointment.

A5-2 Role of Committee

The **Director Nominations Committee** must assess all persons, including existing **directors**, prior to appointment or election as **director** under Rule 13.3, as to their fitness and propriety to be and act as a **director**, by reference to the **board's** Fit and Proper Policy.

A5-3 Duty of Confidentiality

Each **director** must keep confidential any assessment of any other **director**, or person seeking appointment as **director**; during and after their term of office, except to the extent where disclosure is required by law, for example, to **APRA**.