

# Constitution

Cara Constance Pty Ltd

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**Constitution**

**Cara Constance Pty Ltd  
ACN 642 261 667  
("Company")**

**1 Definitions and interpretation**

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**1.1 General definitions**

In this document, unless the context otherwise requires:

- 1 **"Acceptance Notice"** has the meaning given to that term in clause 13.6.
- 2 **"Accepting Member"** has the meaning given to that term in clause 13.6.
- 3 **"Accounting Standards"** means the accounting standards issued by the Australian Accounting Standards Board and, where not inconsistent with those, accounting standards and the Corporations Act, generally accepted accounting principles and practices applied in Australia for a company similar to the Company.
- 4 **"Affiliate"** means,
- 5 (a) in relation to any entity, any other entity that:
- (i) is a Related Body Corporate of the first mentioned entity; or
  - (ii) Controls, is Control by, or is under common Control with the first mentioned entity; and
- (b) in relation to an individual, a person who is:
- (i) a spouse, parent, child or sibling of the individual; or
  - (ii) an entity Controlled by the individual or a person referred to in paragraph (i); or
  - (iii) a trust or company in which the individual or any person referred to in paragraph (i) or (ii) is a beneficiary or member.
- 6 **"Announcement"** has the meaning given to that term in clause 21.
- 7 **"Board"** means the board of Directors for the time being of the Company.
- 8 **"Business"** means the business being developed by the Company and its subsidiaries of creating and marketing a dating App and related services and such other business as the Company may carry on from time to time.
- 9 **"Business Day"** means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.
- 10 **"Business Plan"** means a business plan for the Company which includes a budget and the details of the proposed activities and marketing plans of the Company.
- 11 **"Chairperson"** means the person elected by the Board to the office of Chairperson from time to time in accordance with clause 28.8.
- 12 **"Claim"** means any claim, notice, demand, action, proceeding, litigation, investigation or judgment, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.
- 13 **"Company Proxy"** has the meaning given to that term in clause 23.17.
- "Competitor"** means a direct competitor in respect of all or any part of the Business conducted by the Company (as determined by the Board from time to time).
- "Change in Control"** means, in relation to a Member, where any of the following occurs:

- (a) an entity that Controls the Member ceases to Control the Member; or
- (a) an entity that does not Control the Member comes to Control the Member.

**“Control”** means a power or control:

- (a) that is direct or indirect; or
- (b) that is or can be exercised as a result of, by means of or by the revocation or breach of a trust, agreement, practice or combination of any of them, whether or not they are enforceable;

and it does not matter whether the power is express or implied, formal or informal, exercisable alone or jointly with someone else.

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

15 **“CSF”** means crowd-sourced funding within the meaning of the Act.

16 **“CSF Offer”** means an offer of Securities that is made under the CSF Regime.

17 **“CSF Regime”** means the statutory regime for crowd-sourced funding in Part 6D.3A of the Act regulating CSF Offers.

18 **“CSF Member”** means a Member that holds one or more eligible Securities in the Company as a result of:

- 19 (a) being issued eligible Securities under a CSF Offer; or
- 20 (b) acquiring eligible Securities that were originally issued under a CSF Offer.

21 **“Defaulting Member”** means a Member who commits an Event of Default that is continuing.

22 **“Deputy Chairperson”** means the person elected by the Board to the office of Deputy Chairperson from time to time in accordance with clause 28.8.

23 **“Director”** means a person appointed or elected from time to time to the office of director of the Company in accordance with this document and includes any alternate Director duly acting as a Director.

24 **“Dispose”** means to sell, agree to sell, transfer, grant any swap, option, hedge, forward, futures, derivative or similar transaction or right of first refusal, or make any offer in respect of any of the foregoing.

25 **“Drag Along Notice”** has the meaning given to that term in clause 15.1.

26 **“Drag Purchaser”** has the meaning given to that term in clause 15.1.

27 **“Eligible Member”** means a Member who holds a Marketable Parcel of Shares.

28 **“Employee”** means an employee or contractor of the Company.

29 **“Encumbrance”** means any mortgage, lien, restriction against transfer, pledge, claim, encumbrance and any third party interest.

30 **“Event of Default”** in respect of a Member, means:

- 31 (a) the Member becomes an Insolvent Member; or
- 32 (b) a Change in Control occurs with respect to that Member.

33 **“Financial Year”** means each period of 12 months commencing on 1 July and ending on the following 30 June or such other period as the Board determines and includes the period commencing on the last 1 July before the date of termination of this document and ending on that date of termination.

- 34     **“Fully Diluted Basis”** means on a basis as if all Securities convertible into Ordinary Shares had been converted into Ordinary Shares.
- 35     **“Independent Valuer”** means a chartered accountant, a firm of chartered accountants or an investment or merchant banker appointed under clause 17.
- 36     **“Insolvency Event”** means the happening of any of the following events:
- (36a) an order is made by a court appointing a liquidator, provisional liquidator in respect of a Member (or a resolution passed for any of those things);
  - (36b) an order is made by a court or any effective resolution is passed for the winding up or similar process of any Member;
  - (36c) except to reconstruct or amalgamate while solvent on terms approved by the non-insolvent Members, a Member enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any class of its creditors;
  - (36d) a controller is appointed to or over or takes possession of all or a substantial part of the assets or undertakings of a Member;
  - (36e) a Member is or is deemed or presumed by law or a court to be insolvent;
  - (36f) subject to clause 16, a Member who is a natural person dies, becomes permanently mentally incapacitated or disabled, or becomes a bankrupt;
  - (36g) a Member takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to any Member; or
  - (36h) anything analogous or having a substantially similar effect to any of the events specified above happens in respect of a Member under the law of any applicable jurisdiction.
- 37     **“Insolvent Member”** in respect of a Member means an Insolvency Event occurs in relation to that Member.
- 38     **“Intellectual Property”** means all intellectual property and proprietary rights (whether registered or unregistered) owned by the Company including:
- (38a) business names;
  - (38b) trade marks;
  - (38c) patents, patent applications, discoveries, inventions, improvements, know-how, trade secrets, technical data or formulae;
  - (38d) computer programs or databases;
  - (38e) know-how, logos or marks;
  - (38f) drawings, designs or design rights;
  - (38g) copyright or any material in which copyright exists; and
  - (38h) any similar industrial or intellectual property rights.
- 39     **“Majority Sellers”** has the meaning given to that term in clause 15.1.
- 40     **“Marketable Parcel of Shares”** means the holding of a minimum number of Shares as specified by the Board from time to time and if the Board has not specified a particular number of Shares then such number of Shares as have an aggregate value as determined by reference to the last capital raising round undertaken by the Company of not less than \$5,000.
- 41     **“Member”** means any person who qualifies as a member of the Company and includes any person who is the holder of a share in the capital of the Company.
- 42     **“Member Information”** has the meaning given to that term in clause 20.1.



- 43 **"Members present"** means Members present at a general meeting of the Company in person or by duly appointed Representative, proxy or attorney.
- 44 **"New Shares"** has the meaning given to that term in clause 5.1.
- 45 **"Ordinary Share"** means a Share which is an ordinary share.
- 46 **"Participating Member"** has the meaning given to that term in clause 5.1(c).
- 47 **"Prescribed Rate"** means the rate of 5% per annum or such other rate as may from time to time be fixed by the Directors.
- 48 **"Register"** means the register of Members kept by the Company in accordance with the Corporations Act.
- 49 **"Registered Office"** means the registered office of the Company.
- 50 **"Related Body Corporate"** has the meaning given in the Corporations Act.
- 51 **"Related Entity"** has the meaning given in the Corporations Act.
- 52 **"Related Party"** has the meaning given to that term in the Corporations Act.
- 53 **"Relevant Proportion"** means in relation to a Member the proportion that:
- (53a) (where the Member's proportion is being determined relative to all Members), the number of Shares held by that Member bears to the total number of Shares on issue (and where the context permits, on a Fully Diluted Basis); and
- (53b) (where the Member's proportion is being determined relative to some, but not all, Members (such as when an Eligible Member's proportion is being determined relative to all Eligible Members)), the number of Shares held by that Member bears to the total number of Shares held by all of those Members.
- 54 **"Remaining New Shares"** has the meaning given to that term in clause 5.1(f).
- 55 **"Representative"** means a person authorised to act as a representative of a corporation under section 250D of the Corporations Act.
- 56 **"Seal"** means the common seal of the Company (if any).
- 57 **"Secretary"** means any person appointed to perform the duties of a secretary of the Company.
- 58 **"Securities"** means Shares or other securities that are convertible into Shares, including, without limitation, options and convertible notes.
- 59 **"Share"** means a share in the capital of the Company.
- 60 **"Simple Majority Vote"** means a vote or resolution passed by:
- (60a) in the case of a vote or resolution of Members, Members who together hold more than 50% of the issued Voting Shares (voting as a single class) and who are present and vote;
- (60b) in the case of a vote or resolution of the Board, more than 50% of votes cast by Directors.
- 61 **"Special Resolution"** means a vote or resolution of Members, in respect of which Members who together hold more than 75% of the issued Voting Shares (voting as a single class) and who are present and vote;
- "Super Majority Vote"** in the case of a vote or resolution of the Board, a vote or resolution passed by more than two-thirds of the votes cast by Directors.
- 62 **"Strategic Placement"** has the meaning given to that term in clause 5.4.
- 63 **"Subsidiary"** has the meaning given in Division 6 of Part 1.2 of the *Corporations Act*.

**“Tag Along Notice”** has the meaning given to that term in clause 14.3.

64 **“Third Party”** has the meaning given to that term in clause 14.1(a).

65 **“Third Party Offer”** has the meaning given to that term in clause 5.1(f).

66 **“Third Party Transfer Notice”** has the meaning given to that term in clause 14.2.

67 **“Third Party Transfer Shares”** has the meaning given to that term in clause 14.2.

**“Transfer Closing Date”** has the meaning given to that term in clause 13.5.

**“Transfer Notice”** has the meaning given to that term in clause 13.2.

**“Transfer Price”** has the meaning given to that term in clause 13.2.

**“Transfer Shares”** has the meaning given to that term in clause 13.2.

**“Transferor”** has the meaning given to that term in clause 13.1.

**“Voting Member”** means each person who is registered as the holder of a Voting Share in the capital of the Company.

**“Voting Share”** means an Ordinary Share;

## **1.2 Interpretation**

In this document unless the context otherwise requires:

- (a) clause and subclause headings are for reference purposes only;
- (b) the singular includes the plural and vice versa;
- (c) words denoting any gender include all genders;
- (d) reference to a person includes any other entity recognised by law and vice versa;
- (e) a reference to writing includes any method of representing words, figures or symbols in a permanent and visible form;
- (f) where a word or phrase is defined its other grammatical forms have a corresponding meaning;
- (g) any reference to a person referred to in this document includes its successors and permitted assigns;
- (h) any reference to any agreement or document includes that agreement or document as amended at any time;
- (i) a reference to “\$”, “A\$” or “dollar” is a reference to Australian currency;
- (j) the use of the word **includes** or **including** is not to be taken as limiting the meaning of the words preceding it;
- (k) the expression **at any time** includes reference to past, present and future time and the performance of any action from time to time;
- (l) when a thing is required to be done or money required to be paid under this document on a day which is not a Business Day, the thing must be done and the money paid on the immediately preceding Business Day; and
- (m) reference to a statute includes all regulations and amendments to that statute and any statute passed in substitution for that statute or incorporating any of its provisions to the extent that they are incorporated.

## **1.3 Replaceable rules**

The replaceable rules in the Corporations Act do not apply to the Company except so far as they are repeated or contained in this document

## **2 Company type, Members and activities**

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### **2.1 Proprietary company**

The Company is a proprietary company.

### **2.2 Members**

The number of Members of the Company must not exceed 50, excluding Employee Members CSF Members and other Members not required to be counted towards the 50 shareholder limit by reason of the Act and counting joint holders of Shares as one Member.

### **2.3 Activities**

The Company must not engage in any activity that would require disclosure to investors under the Corporations Act, except as authorised by the Corporations Act.

## **3 Shares**

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### **3.1 Rights of Ordinary Shares**

Subject to this Constitution and the terms of issue of Shares, all Ordinary Shares attract the following rights, privileges and conditions:

- (a) the right to receive notice of and to attend and vote at all general meetings of the Company;
- (b) the right to receive dividends; and
- (c) in a winding up, the right to participate in the distribution of the assets of the Company (both capital and surplus) in accordance with clause 36, subject only to any amounts unpaid on the Ordinary Shares.

### **3.2 Power to issue**

Subject to this Constitution (in particular clause 5) and the Corporations Act, the Board may issue or dispose of Shares to persons on the terms, at the issue price and at the times the Board determines. This includes the power to:

- (a) issue Shares with:
  - (i) any preferential, deferred or special rights, privileges and conditions; and
  - (ii) any restrictions in regard to dividend, voting, return of capital or otherwise;
- (b) grant options to have Shares issued;
- (c) issue preference Shares that are liable to be redeemed; and
- (d) reclassify any Share.

### **3.3 Power to buy back**

The Company may, in accordance with the Corporations Act, buy back its own Shares.

## **4 Brokerage and commission**

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The Company may pay brokerage or commissions to a person in respect of that person or another person agreeing to take up Shares or debentures in the Company. Any brokerage or commissions paid may be made by cash, the issue of Shares, the issue of debentures, or a combination of those methods.

### 5.1 Additional equity funding

The Company may only issue additional Securities in accordance with this clause 5 and on the following terms:

- (a) Where the Board resolves to issue or allot new Securities for the purposes of raising additional funds ("**New Shares**"), the Company must offer the New Shares to each Eligible Member on the terms provided for in paragraph (b).
- (b) An offer under paragraph (a) must:
  - (i) state the price at which the New Shares are being offered;
  - (ii) invite the Eligible Members to state the number of New Shares that they would like to subscribe for; and
  - (iii) remain open for a minimum of 10 Business Days and may be extended by resolution of the Board.
- (c) Any Eligible Member ("**Participating Member**") may by notice ("**Acceptance Notice**") to the Company accept an offer in respect of all or some of the New Shares offered by the Company under paragraph (b) by stating the number of New Shares that the Participating Member is willing to subscribe for. Acceptance Notices pursuant to this paragraph (c) must be unconditional and irrevocable.
- (d) If an Eligible Member fails to give an Acceptance Notice by no later than the time specified in the Offer, that Member will be taken to have waived its right to participate in the issue of New Shares.
- (e) If there are sufficient New Shares to satisfy all Acceptance Notices, the Company will allocate the number of New Shares requested in each Acceptance Notice. If there are insufficient New Shares to satisfy all Acceptance Notices, the New Shares will be apportioned between the Participating Members as nearly as may be in proportion to the lower of the number of New Shares specified in their Acceptance Notices and their Relevant Proportions.
- (f) If a Member does not take up all of its entitlement to New Shares, the Company may allocate the remaining New Shares to each Participating Member who requested a number of New Shares in excess of their entitlement in accordance with the lower of the number of New Shares for which that Participating Member accepted the offer and that Participating Member's Relevant Proportion.
- (g) If the Members do not accept all the New Shares offered to them under paragraph (b), then the Company may procure the subscription for the remaining New Shares ("**Remaining New Shares**") by third parties ("**Third Party Offer**") within 6 months of the date on which the offer of New Shares to Members closed, provided that the terms of the Third Party Offer are not materially more beneficial than the terms offered to Eligible Members under paragraph (a).
- (h) If the Company receives an over-subscription for the Remaining New Shares, in response to the Third Party Offer, the Company shall allocate the Remaining New Shares to those third party applicants in such proportions as the Board thinks fit.

### 7.2 Fractions

If any allocation process under this clause 5 would result in the allocation of a fraction of a Security, the Board will, in its absolute discretion, determine how to deal with that fraction.

### 7.3 No obligation to contribute additional funds

No Member will be required to subscribe for any Securities, contribute additional funds or capital, extend credit, provide any security or guarantee or otherwise make any financial accommodation available in relation to the Company.

### 7.4 Exceptions

Clause 5.1 does not apply in relation to an issue of Shares by the Company:

- (a) pursuant to an employee share plan approved pursuant to clause 26.4 or pursuant to a share payment plan approved pursuant to clause 26.5;

- (b) pursuant to a listing on a recognised stock exchange;
- (c) pursuant to a bona fide reconstruction of the Company in respect of which no consideration is provided or received for the issue of Shares by the Company; or
- (d) pursuant to a bona fide Third Party being an issue that the Board considers to be of strategic benefit to the Company ("**Strategic Placement**") so long as:
  - (i) the Strategic Placement has been approved by a Super Majority Vote of the Board and the number of Shares issued in the Strategic Placement does not exceed 10% of the issued capital of the Company immediately prior to the Strategic Placement on a Fully Diluted Basis; or
  - (ii) the Strategic Placement is otherwise approved by a Majority Vote of the Members.

## **8 Certificates**

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### **8.1 Issue**

Every person whose name is entered as a Member in the Register is entitled to receive (without payment) a certificate in respect of the Shares held by that person duly executed in accordance with the Corporations Act and in such form as the Board may from time to time prescribe.

### **8.2 Form and delivery**

Every certificate must specify the number of Shares in respect of which it is issued and the amount paid up for those Shares. In the case of joint holders the delivery of the certificate to one of them will constitute sufficient delivery to all of them.

### **8.3 Replacement certificates**

If a certificate is defaced, lost or destroyed, subject to the Corporations Act, the Board must issue a new certificate to the Member entitled to the defaced, lost or destroyed certificate on such terms and conditions as the Board may decide.

## **9 Ownership of Shares**

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### **9.1 Non-beneficial holders**

Except as required by law or as otherwise provided by this Constitution, the Company:

- (a) may treat the registered holder of a Share as the absolute owner of it; and
- (b) need not recognise any equitable, contingent, future, partial or other claim to or interest in a Share by any person other than the registered holder.

### **9.2 Notice**

Clause 7.1 applies even if the Company has notice of the relevant claim or interest.

## **10 Joint holders**

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If the Register names two or more joint holders of a Share, they are taken to hold the Share as joint tenants with the benefits of survivorship and the person listed first in the Register is the only joint holder entitled to receive notices from the Company.

## **11 Variation of rights**

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### **11.1 Procedure**

If there are different classes of Shares, the rights attached to any class may not, unless their terms of issue state otherwise, be varied or cancelled without the written consent of the holders of not less than 75% of the issued Shares of that class.

## **11.2 Effect of further or new issue**

Unless otherwise provided by their terms of issue, the rights attached to a class of Shares are not treated as varied by the issue of any further or new Shares that rank equally with them.

## **12 Calls**

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### **12.1 Power to make calls**

Subject to the terms on which any Shares have been issued, the Board may make calls from time to time upon the Members in respect of all money unpaid on their Shares. Each Member must pay the amount of each call in the manner, at the time and at the place specified by the Board. The Board may determine that calls be payable by instalments and the amount of each such instalment.

### **12.2 When a call is made**

A call is deemed to have been made at the time when the resolution of the Board authorising the call was passed. The call may be revoked or postponed at the discretion of the Board at any time prior to the date on which payment in respect of the call is due.

### **12.3 Interest on the late payment of calls**

If any sum payable in respect of a call is not paid on or before the date for payment, the Member from whom the sum is due must pay interest at the Prescribed Rate on the unpaid amount from the due date to the date of payment, both dates inclusive. The Board may waive the whole or part of any interest paid or payable under this clause.

### **12.4 Instalments**

If, by the terms of an issue of Shares, any amount is payable in respect of any Shares by instalments, every instalment is payable as if it is a call duly made by the Board of which due notice had been given, and all provisions of this document with respect to the payment of calls and of interest or to the forfeiture of Shares for non-payment of calls or with respect to liens or charges apply to the instalment and to the Shares in respect of which it is payable.

### **12.5 Payments in advance of calls**

If the Board thinks fit, it may receive from any Member all or any part of the money unpaid on all or any part of the Shares held by that Member beyond the amount actually called up and then due and payable either as a loan repayable or as a payment in advance of calls. The Company may pay interest on the money advanced at the rate and on the terms agreed by the Board to the Member paying the money in advance.

### **12.6 Non receipt of notice of any call**

The non-receipt of a notice of any call by, or the accidental omission to give notice of any call to, any Member does not invalidate the call.

### **12.7 Proceedings for recovery of calls**

In an action or other proceeding for the recovery of a call, or interest or costs or expenses incurred in relation to the non-payment or late payment of a call, proof that:

- (a) the name of the defendant is entered in the Register as the holder or one of the holders of the Share in respect of which the call is claimed;
- (b) the resolution making the call is recorded in the minute book; and
- (c) notice of the call was given to the defendant in accordance with this document,

is conclusive evidence of the debt and it is not necessary to prove the appointment of the Directors who made the call or any other matter.

**13.1      Failure to pay money**

If a Member fails to pay any money payable on or in respect of any Shares, either for allotment money, calls or instalments or with respect to any loan which the Company has made to that Member to enable the Member to acquire or reclassify those Shares, on or before the day for payment, the Board may, at any time after the day specified for payment whilst any part of the money remains unpaid, serve a notice on the Member requiring that Member to pay the money together with interest accrued and all expenses incurred by the Company by reason of the non-payment.

**13.2      Time and place for payment**

The notice referred to in clause 11.1 must name a day on or before which the money, interest and expenses (if any) are to be paid and the place where payment is to be made. The notice must also state that, in the event of non-payment at or before the time and at the place specified, the Shares in respect of which the money is payable will be liable to be forfeited. If the notice referred to in clause 11.1 relates to a payment which has not been made with respect to any loan which the Company has made to a Member to enable that Member to acquire or reclassify any Shares, the notice may be given in accordance with the terms of the relevant loan agreement and will be deemed to have been given in accordance with this clause 11.2.

**13.3      Forfeiture on non-compliance with notice**

If there is non-compliance with the requirements of any notice given under clause 11.1, any Shares in respect of which notice has been given may, at any time after the day specified in the notice for payment whilst any part of allotment money, calls, instalments, interest and expenses (if any) remains unpaid, be forfeited by a resolution of the Board. The forfeiture includes all dividends, interest and other money payable by the Company in respect of the forfeited Shares and not actually paid before the forfeiture.

**13.4      Notice of forfeiture**

When any Share is forfeited, notice of the resolution of the Board must be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture and the date of forfeiture must be made in the Register. Failure to give notice or make an entry as required by this rule does not invalidate the forfeiture.

**13.5      Disposal of forfeited Shares**

Any forfeited Share is deemed to be the property of the Company and the Board may sell or otherwise Dispose of or deal with the Share in any manner it thinks fit and with or without any money paid on the Share by any former holder being credited as paid up.

**13.6      Annulment of forfeiture**

The Board may, at any time before any forfeited Share is sold or otherwise dispose of, annul the forfeiture of the Share upon any condition it thinks fit.

**13.7      Liability despite forfeiture**

Any Member whose Shares have been forfeited is, despite the forfeiture, liable to pay and must immediately pay to the Company all money, interest and expenses owing upon or in respect of the forfeited Shares at the time of forfeiture, together with expenses and interest from that time until payment at the Prescribed Rate. The Board may enforce the payment or waive the whole or any part of the money paid or payable under this rule as it thinks fit.

**13.8      Company's lien or charge**

The Company has a first and paramount lien or charge for unpaid calls, instalments, interest due in relation to any calls or instalments and any amounts the Company is called upon by law to pay in respect of the Shares of a Member upon Shares registered in the name of the Member in respect of which the calls, instalments and interest are due and unpaid (whether presently payable or not) or in respect of which the amounts are paid and upon the proceeds of sale of the Shares. The lien or charge extends to all dividends and bonuses from time to time declared in respect of the Shares. If the Company registers a transfer of any Shares upon which it has a lien or charge without giving the transferee notice of any claim it may have

at that time, the Shares are freed and discharged from the lien or charge of the Company in respect of that claim.

### **13.9 Sale of Shares to enforce lien**

For the purpose of enforcing a lien or charge, the Board may sell the Shares which are subject to the lien or charge in any manner it thinks fit and with or without giving any notice to the Member in whose name the Shares are registered.

### **13.10 Title of Shares forfeited or sold to enforce lien**

The following provisions apply in connection with a sale or re-allotment of Shares that have been forfeited or sold to enforce a lien or charge.

- (a) In a sale or a re-allotment of forfeited Shares or in the sale of Shares to enforce a lien or charge, an entry in the Board's minute book that the Shares have been forfeited, sold or re-allotted in accordance with this document is sufficient evidence of that fact as against all persons entitled to the Shares immediately before the forfeiture, sale or re-allotment of the Shares. The Company may receive the purchase money or consideration (if any) given for the Shares on any sale or re-allotment.
- (b) In a re-allotment, a certificate signed by a Director or the Secretary to the effect that the Shares have been forfeited and the receipt of the Company for the price of the Shares constitutes a good title to them.
- (c) In a sale, the Board may appoint a person to execute, or may otherwise effect, a transfer in favour of the person to whom the Shares are sold.
- (d) Upon the issue of the receipt or the transfer being executed or otherwise effected the person to whom the Shares have been re-allotted or sold must be registered as the holder of the Shares and is discharged from all calls or other money due in respect of the Shares prior to the re-allotment or purchase. The person is not bound to see to the regularity of the proceedings or to the application of the purchase money or consideration. The person's title to the Shares is not affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale or re-allotment.
- (e) The net proceeds of any sale or re-allotment must be applied first in payment of all costs of or in relation to the enforcement of the lien or charge or the forfeiture (as the case may be) and of the sale or re-allotment, next in satisfaction of the amount in respect of which the lien exists as is then payable to the Company (including interest) and the residue (if any) paid to, or at the direction of, the person registered as the holder of the Shares immediately prior to the sale or re-allotment or to the person's personal representative or assign upon the production of any evidence as to title required by the Board.

## **14 Transfer of Shares**

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### **14.1 Transfers**

A Member must not sell, transfer or create any legal or beneficial interest in its Shares (including any interest pursuant to a derivative instrument) except in the following ways:

- (a) in the case of Ordinary Shares, in accordance with clauses 13, 14 or 16;
- (b) in accordance with clause 15;
- (c) a sale pursuant to a share sale facility established by the Board for Members who do not hold a Marketable Parcel of Shares; or
- (d) the Board agrees in writing.

### **14.2 Encumbrances**

A Member must not provide its Shares as security or create any Encumbrance over them in favour of any person, except with the approval of the Board.



### 14.3 Restrictions on transfers

- (a) A Member must not transfer any legal or beneficial interest in its Shares if the transfer would breach or be an event of default under any provision of the Company's lending facilities.
- (b) Despite any provision of this document to the contrary, a Member must not transfer any legal or beneficial interest in its Shares to a Competitor, without the approval of the Board.

## 15 Pre-emptive rights

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### 15.1 Compliance

A Member proposing to transfer any of its Shares ("**Transferor**") may do so by complying with the procedures set out in this clause 13.

### 15.2 Transfer Notice

The Transferor must give the Company a written notice ("**Transfer Notice**") specifying:

- (a) the number of Shares to be transferred ("**Transfer Shares**");
- (b) the cash price per Transfer Share at which the Transferor wishes to transfer the Transfer Shares ("**Transfer Price**"); and
- (c) any other relevant and reasonable terms.

### 15.3 Agent

The Transfer Notice constitutes the Company as agent of the Transferor to transfer the Transfer Shares at the Transfer Price on the terms of this clause 13.

### 15.4 Transfer Notice irrevocable

A Transfer Notice is not revocable except with the prior written consent of the Board.

### 15.5 Transfer offer

- (a) If the number of Transfer Shares specified in a Transfer Notice is less than 10% of the issued Shares then the Board may offer the Transfer Shares to any existing Member or Third Party as the Board thinks fit.
- (b) If the number of Transfer Shares specified in a Transfer Notice is equal to or is greater than 10% of the issued Shares then within five Business Days of receiving a Transfer Notice, the Board must offer ("**Eligible Member Offer**") the Transfer Shares in writing to all Eligible Members other than the Transferor. The offer must specify:
  - (i) all of the matters set out in the Transfer Notice; and
  - (ii) the closing date of the offer ("**Transfer Closing Date**"), which must be a date 20 Business Days from the date of the offer.

### 15.6 Acceptance of an Eligible Member Offer

An Eligible Member may accept an Eligible Member Offer for all of the Transfer Shares by giving the Company written notice ("**Acceptance Notice**") on or before the Transfer Closing Date. Each Acceptance Notice is unconditional and irrevocable. Each Eligible Member who accepts an Eligible Member Offer for a stated number of Transfer Shares ("**Accepting Member**") is also deemed to have accepted the Eligible Member Offer for a lesser number of those Shares allocated to it under this clause 13. Acceptance Notices must be unconditional and irrevocable. If an Acceptance Notice is not received from an Eligible Member on or before the Transfer Closing Date, the Eligible Member will be deemed to have rejected the Eligible Member Offer.

### 15.7 Allocation of Transfer Shares

If there are sufficient Transfer Shares to satisfy all Acceptance Notices, the Board will allocate the number of Transfer Shares requested in each Acceptance Notice. If there are insufficient Transfer Shares to satisfy all Acceptance Notices, the Transfer Shares will be apportioned between the Accepting Members as nearly as may be in proportion to the lower of the number of Transfer Shares specified in their Acceptance Notices and their Relevant Proportions.

### **15.8 Further Allocation**

If an Eligible Member does not take up all of its entitlement to the Transfer Shares specified in an Eligible Member Offer, the Company may allocate the remaining Transfer Shares to each Accepting Member who requested a number of Transfer Shares in excess of their entitlement in accordance with the lower of the number of the Transfer Shares for which that Accepting Member accepted the Eligible Member Offer and that Accepting Member's Relevant Proportion.

### **15.9 Fractions**

If the allocation process under clause 13.7 would result in the allocation of a fraction of a Share, the Board will, in its absolute discretion, determine how to deal with that fraction.

### **15.10 Notification**

Within two Business Days of the Transfer Closing Date, the Company must notify the Transferor and each Accepting Member of the number of Transfer Shares allocated to each Accepting Member.

### **15.11 Completion**

Completion of the transfer will take place at the Registered Office (or any other location agreed upon by the Transferor and Accepting Members) within 10 Business Days of the Transfer Closing Date. On completion:

- (a) each Accepting Member must purchase the Transfer Shares allocated to it under clause 13.7 and pay the Transferor the Transfer Price for those Shares;
- (b) the Transferor must transfer the Transfer Shares allocated to each Accepting Member free from any Encumbrances and deliver to each of them the relevant Share certificates and duly executed transfers; and
- (c) the Company must register the transfers.

### **15.12 Default**

If a Transferor defaults in transferring Transfer Shares to an Accepting Member in accordance with clause 13.11:

- (a) each of the Directors is irrevocably appointed as the joint and several attorney of the Transferor to execute all documents, receive all money and do all other things on the Transferor's behalf to effect compliance of the Transferor's obligations; and
- (b) the Transferor ratifies and confirms all such actions.

### **15.13 Conditional Transfer Notice**

If:

- (a) the Transfer Notice contained a condition that unless all Transfer Shares were sold, none of the Transfer Shares would be sold; and
- (b) all of the Transfer Shares are not allocated pursuant to clause 13.7,

the Transferor will not be obliged to transfer any Transfer Shares to an Accepting Member and clause 13.12 will not apply.

### **15.14 Transfer to Third Party**

Subject to clause 14, if, after the procedures set out in this clause 13 have been complied with:

- (a) the Company does not receive acceptances in respect of all the Transfer Shares on or before the Transfer Closing Date; or
- (b) the Transfer Notice contains a condition of the type described in clause 13.13 and all of the Transfer Shares are not sold,

the Transferor may, within a period of 60 days after the date of the Transfer Notice, transfer the remaining Transfer Shares or all of them as applicable to any person, including any Member, on terms no more favourable to that person than the terms contained in the Transfer Notice unless the Board nominates a purchaser for those Transfer Shares who is willing to acquire the Transfer Shares on the terms offered by the Transferor, in which case the Transferor shall transfer the Transfer Shares to the person nominated by the Board.

**16.1 Additional requirement for Third Party transfers**

If, after the procedures set out in clauses 13.2 to 13.13 have been complied with:

- (a) the Transferor wishes to transfer any Transfer Shares not transferred to Accepting Members to a person who is not a Member or Related Entity of a Member ("**Third Party**"); and
- (b) the transfer would result in that Third Party acquiring 75% or more of the total number of Shares, the Transferor may only transfer the Shares in accordance with this clause 14.

**16.2 Third Party Transfer Notice**

The Transferor must give the Company and each other Member a written notice ("**Third Party Transfer Notice**") specifying:

- (a) the number of Shares to be transferred ("**Third Party Transfer Shares**");
- (b) the cash price per Share at which the Transferor wishes to transfer them;
- (c) the proposed completion date (which must be no later than the end of the 60 day period specified in clause 13.14);
- (d) the identity of the Third Party; and
- (e) the entitlements of the other Members under this clause 14 to require the Third Party to purchase all or a proportion of their Shares.

**16.3 Tag Along Notice**

Within 20 Business Days of receipt of a Third Party Transfer Notice, each of the Members may give the Transferor a written notice ("**Tag Along Notice**") stating that the Member wishes to transfer the same proportion of its Shares as the Third Party Transfer Shares bear to the total number of Shares of the Transferor.

**16.4 Tag Along Notice irrevocable**

A Tag Along Notice is not revocable except with the prior written consent of the Board.

**16.5 Tag along**

If a Tag Along Notice is given, the Transferor may only transfer the Third Party Transfer Shares to the Third Party if the Transferor ensures that, at the same time, the Third Party acquires, from each of the Members who delivers a Tag Along Notice, the same proportion of its Shares as the Third Party Transfer Shares bear to the total number of Shares of the Transferor at the same price and on the same terms and conditions as the Third Party is to acquire the Third Party Transfer Shares from the Transferor.

**16.6 Completion**

On the completion date specified in the Third Party Transfer Notice:

- (a) the Transferor and each Member who delivered a Tag Along Notice must, in exchange for payment of the purchase price by the Third Party:
  - (i) transfer the relevant Shares to the Third Party free from any Encumbrances; and
  - (ii) deliver to the Third Party the relevant Share certificates and duly executed transfers; and
- (b) the Company must register the transfers.

**16.7 Default**

If any Member defaults in transferring Shares in accordance with clause 14.6:

- (a) each of the Directors is irrevocably appointed as the joint and several attorney of the Member to execute all documents, receive all money and do all other things on the Member's behalf to effect compliance of its obligations; and
- (b) the Member ratifies and confirms all such actions.

## **16.8 Exclusion of pre-emptive rights**

A Member exercising its tag along rights under this clause 14 may transfer its Shares to the Third Party without the need to comply with the pre-emptive rights provisions in clause 13.

## **17 Drag along rights**

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### **17.1 Third Party buy out**

If a Third Party ("**Drag Purchaser**") makes a bona fide offer to purchase all of the Shares and one or more Members decide to accept that offer in relation to Shares that comprise 75% or more of the issued Shares in the Company ("**Majority Sellers**"), the Majority Sellers must give the Company and each other Member a written notice ("**Drag Along Notice**") specifying:

- (a) the proposed cash purchase price or other consideration per Share (provided that, if the proposed consideration is not cash, the offer must provide for alternative consideration of equivalent value in the form of cash);
- (b) the proposed completion date (which must be at least 20 Business Days after the date of the Drag Along Notice);
- (c) the identity of the Drag Purchaser;
- (d) that the Majority Sellers wish to transfer their Shares to the Drag Purchaser on these terms; and
- (e) that the Drag Purchaser is entitled to compulsorily acquire the Shares of each other Member in accordance with this clause 15, subject to a Member making an alternative buy out offer in accordance with clause 15.3.

### **17.2 Drag Along Notice irrevocable**

A Drag Along Notice is not revocable unless the Third Party withdraws its buy out offer.

### **17.3 Eligible Member may make alternative offer**

An Eligible Member who has received a Drag Along Notice pursuant to clause 15.1 may, within 20 Business Days of receipt, elect by written notice to the Majority Sellers to acquire all of the Majority Sellers' Shares on the terms and conditions specified in the Drag Along Notice. The notice must be accompanied by a deposit of 20% of the consideration payable in aggregate to the Majority Sellers for their Shares, based on the terms and conditions of the Drag Along Notice.

### **17.4 Sale to Member**

If one Eligible Member complies with clause 15.3:

- (a) the Majority Sellers must transfer their Shares to that Eligible Member; and
- (b) completion of the transfer must take place before the date that is 20 Business Days after the date of the Drag Along Notice.

If more than one Eligible Member complies with clause 15.3:

- (c) the Majority Sellers must transfer their Shares to those Eligible Members in the proportions that would be determined by the pre-emptive rights allocation process set out in clause 13.7 (subject to any necessary changes); and
- (d) completion of the transfer must take place before the date that is 20 Business Days after the date of the Drag Along Notice.

### **17.5 Sale to Third Party**

If no Eligible Member elects to acquire the Majority Sellers' Shares under clause 15.3 or a Drag Along Notice has been issued pursuant to clause 15.1:

- (a) each Member will be deemed to have accepted the Drag Purchaser's offer and must transfer its Shares to the Drag Purchaser; and
- (b) completion of the transfer must take place on the completion date specified in the Drag Along Notice.

## **17.6 Completion**

On completion of the transfers under clause 15.4 or 15.5:

- (a) each Member transferring Shares must, in exchange for payment of the cash purchase price or provision of the offered alternative consideration by the relevant purchaser:
  - (i) transfer the relevant Shares to the purchaser free from any Encumbrances; and
  - (ii) deliver to the purchaser the relevant Share certificates and duly executed transfers; and
- (b) the Company must register the transfers.

## **17.7 Default**

If any Member defaults in transferring Shares in accordance with clause 15.6:

- (a) each of the Directors is irrevocably appointed as the joint and several attorney of the Member to execute all documents, receive all money and do all other things on the Member's behalf to effect compliance of its obligations; and
- (b) the Member ratifies and confirms all such actions.

## **17.8 Exemption from pre-emptive rights**

A Member may transfer Shares to the Drag Purchaser in accordance with this clause 15 without the need to comply with the pre-emptive rights provisions in clause 13.

## **18 Transmission of securities**

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### **18.1 Transmission upon death**

The personal representative of a deceased Member (who is not one of several joint holders) is the only person recognised by the Company as having any title to securities registered in the name of the deceased Member. However, the Board may, subject to compliance by the transferee with this document, register any transfer signed by a Member prior to the Member's death despite the Company having notice of the Member's death.

### **18.2 Transmission by operation of law**

A person ("transmittee") who establishes to the satisfaction of the Board that the right to any securities has devolved on the transmittee by will or by operation of law may be registered as a Member in respect of the securities or may (subject to the provisions in this document relating to transfers) transfer the securities. However, the Board has the same right to refuse to register the transmittee as if the transmittee was the transferee named in an ordinary transfer presented for registration.

## **19 Independent valuation**

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### **19.1 Application of schedule**

This clause applies if the Board is required to obtain an independent valuation of Shares.

### **19.2 Appointment of Independent Valuer**

- (a) If this clause applies, the Board by Simple Majority Vote must appoint an Independent Valuer to determine the value of each Share in accordance with this clause.
- (b) If the Board fails to agree, the Independent Valuer will be appointed by the President for the time being of the Institute of Chartered Accountants in Australia.
- (c) In determining the independence of an Independent Valuer desired to be appointed, regard must be had to the extent to which the Independent Valuer and any firm or company of which the Independent Valuer is an employee, partner, director or consultant, has had substantial business dealings with any Member in the 2 years before the proposed date of appointment.

### **19.3 Valuation**

The Independent Valuer must be instructed to determine the fair market value of the Shares by valuing the Company (including any Subsidiary of the Company) as a whole on a going concern basis as at the end of the month before the month in which the Independent Valuer is appointed under clause 17.2. The fair market value of each Share will be the proportionate amount of the value of the Company, without any regard to any premium for control.

### **19.4 Access to information**

The Board must ensure that the Independent Valuer has a right of access at all reasonable times to the accounting records and other records of the Company (including any Subsidiary of the Company) and is entitled to require from any officer of the Company such information and explanation as the Independent Valuer requires to value the Company.

### **19.5 Period of determination**

The Board must use its reasonable endeavours to ensure that the Independent Valuer makes a determination as soon as practicable and in any event within 20 days after receiving instructions.

### **19.6 Process**

In determining a value for the Shares under this clause, the Independent Valuer:

- (a) will act as an expert and not as an arbitrator;
- (b) may obtain or refer to any documents, information or material and undertake any inspections or enquiries as they determine appropriate;
- (c) must provide the Board with a draft of their determination and must give the Board an opportunity to comment on the draft determination before it is finalised; and
- (d) may engage such assistance as they reasonably believe is appropriate or necessary to make a determination.

### **19.7 Final and binding**

The Independent Valuer's determination will be final and binding on the Board and all Members.

### **19.8 Costs**

The Company must pay the reasonable costs and expenses of the Independent Valuer.

## **20 Defaulting Members**

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### **20.1 Consequence of default**

If any Event of Default occurs in respect of a Member ("**Defaulting Member**"), at the election of any other Member by giving written notice to all Members:

- (a) all rights attaching to Shares held by the Defaulting Member will be suspended indefinitely; and
- (b) the Defaulting Member will be deemed to have notified the Board that it wishes to transfer the Shares held by it in accordance with clause 13, at the value of the Shares as determined by the Board or if the number of Shares held by the Defaulting Member exceeds 10% of the issued Shares then at the value of the Shares as determined by an Independent Valuer in accordance with clause 17.

### **20.2 Right of first refusal**

On receiving the determination by the Independent Valuer of the independent valuation of the Shares, the Board must offer the Shares held by the Defaulting Member to all other Eligible Members at a price equal to the independent valuation of the Shares in accordance with the procedure set out in clause 13.

## **21 Power of attorney**

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### **21.1 Purpose**

The appointments of attorney in clause 19.2:

- (a) are for the purposes only of any of the transactions contemplated by clauses 13, 14, 15 and 18; and
- (b) take effect from the date set for completion of a transfer of Shares.

### **21.2 Power of attorney**

- (a) Each Member irrevocably appoints each Director severally as its attorney for the purpose of clauses 13, 14, 15 and 18 to complete and sign any documents under hand or under seal, on its behalf which the attorney requires to give effect to a transaction under clauses 13, 14, 15 and 18.
- (b) Each attorney may exercise or concur in exercising its powers even if the attorney has a conflict of duty in exercising powers or has a direct or personal interest in the means or result of that exercise of powers.
- (c) Each appointor agrees to ratify and confirm whatever the attorney lawfully does under the appointment or causes to be done under the appointment.
- (d) Each appointor agrees to indemnify the attorney against any Claim, arising directly or indirectly from the attorney's lawful exercise of a power under that appointment.
- (e) Each appointor must give to the Company on demand by the Company any power of attorney, instrument of transfer or other instruments as the Company requires for the purposes of any of the transactions contemplated by clauses 13, 14, 15, and 18.

## **22 Confidentiality**

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### **22.1 Rights to information**

Subject to clause 20.2, each Member is entitled to copies of information in relation to the Business and the Company as provided for in clause 31.2 ("**Member Information**").

### **22.2 Confidentiality**

The Member Information is confidential and each Member must:

- (a) keep confidential the Member Information;
- (b) use the Member Information solely in relation to or in the best interests of the Business; and
- (c) may disclose any Member Information in respect of which it has an obligation of confidentiality under clause 20.2(a) only:
  - (i) to its Related Bodies Corporate, its officers, employees or advisers who:
    - (A) have a need to know for the purposes of this document and the transactions contemplated by it; and
    - (B) undertake to that Member a corresponding obligation of confidentiality to that undertaken by that Member under clause 20.2(a);
  - (ii) if required to do so by law or the rules of any securities exchange (whether in Australia or elsewhere); or
  - (iii) with the prior written approval of the Board.

### **22.3 Exceptions**

The obligations of confidentiality under this document do not extend to information that:

- (a) is disclosed to a Member under this document, but at the time of disclosure is rightly known to that Member and is not subject to an obligation of confidentiality on that Member;
- (b) at the time of disclosure is within the public domain or after disclosure comes into the public domain other than by a breach or breaches of any obligation under this clause; or

- (c) is required by law or the rules of any securities exchange (whether in Australia or elsewhere) to be disclosed and the Member required to make the disclosure ensures that information is disclosed only to the extent required.

## **23 Publicity**

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No Member will make or authorise a press release or public announcement relating to the Business, or the Company (“**Announcement**”) unless:

- (a) it is required to do so by law or rules of any securities exchange (whether in Australia or elsewhere) and before it is made, that Member has:
  - (i) notified the Board; and
  - (ii) given the Board a reasonable opportunity to comment on the contents of, and the requirement for, the Announcement; or
- (b) it has the prior written consent of the Board.

## **24 General meetings**

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### **24.1 Convening of general meetings of Members**

The Board may call a general meeting at any time. The ability of Members to:

- (67a) request that the Board call a general meeting; and
  - (67b) call and arrange to hold a general meeting themselves,
- is limited to the powers set out in the Corporations Act.

### **24.2 Notice**

Subject to the requirements of sections 249H and 249L of the Corporations Act, a notice of a general meeting may be given by the Board in the form, in the manner and at the time the Board thinks fit. The non-receipt of a notice of a general meeting by, or the accidental omission to give notice to, any person entitled to notice does not invalidate any resolution passed at that meeting.

### **24.3 Venue**

- (a) Despite any other rule, the Company may hold a general meeting of Members at 2 or more venues using technology that gives the Members as a whole a reasonable opportunity to participate in the meeting.
- (b) If technology is used and fails part way through the general meeting:
  - (i) that part of the general meeting that is not affected by the technology failure is valid; and
  - (ii) that part of the general meeting affected by the technology failure is valid unless a Member did not have a reasonable opportunity to participate in the meeting.

## **25 Proceedings at general meetings**

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### **25.1 Quorum**

- (a) No business may be transacted at any general meeting unless a quorum is present at the commencement of the meeting. A quorum is two Members present.
- (b) For the purpose of determining whether a quorum is present:
  - (i) if a Member has appointed more than one Representative, proxy or attorney, only one of those persons may be counted; and
  - (ii) if an individual is attending both as a Member and as a Representative, proxy or attorney, the individual may only be counted once.
- (c) If a quorum is not present within 15 minutes after the time appointed for a general meeting, the general meeting, if called upon a requisition, is dissolved, but in any other case, is adjourned to the



date, time and place the Directors specify, and if at the adjourned meeting a quorum is not present with 30 minutes after the time specified (or otherwise determined under this clause 23.1(c)) for holding the meeting, the meeting is dissolved. If the Directors do not specify one or more of those things, the meeting is adjourned to:

- (i) if the date is not specified - the same day in the next week;
- (ii) if the time is not specified - the same time; and
- (iii) if the place is not specified - the same place.

## **25.2 Business at general meetings**

The business of an annual general meeting is to receive and consider the accounts and reports required by the Corporations Act to be laid before each annual general meeting, to elect Directors in the place of those retiring under this document, when relevant to appoint an auditor, and to transact any other business which, under this document, is required to be transacted at any annual general meeting. All other business transacted at an annual general meeting and all business transacted at other general meetings is deemed to be special. Except with the approval of the Board or of the Chairperson or pursuant to the Corporations Act, no person may move at any meeting any resolution or any amendment of any resolution of which notice has not been given under clause 22.2.

## **25.3 Persons entitled to attend a general meeting**

The persons entitled to attend a general meeting are:

- (a) the Members;
- (b) the Directors and the Secretary;
- (c) the Company's auditor; and
- (d) any other person approved by the Chairperson.

## **25.4 Chairperson**

If the Directors have elected one of their number as Chairperson of Directors' meetings that Director must if willing preside as Chairperson at every general meeting. Where a general meeting is held and a Chairperson has not been so elected, or the Chairperson is not present within 15 minutes after the time appointed for the holding of the general meeting or is unwilling to act, the Directors present must elect one of their number to be Chairperson of the general meeting, but failing an election by the Directors, the Voting Members present must elect one of their number to be Chairperson of the general meeting.

## **25.5 Adjournment**

The Chairperson may, with the consent of the general meeting, and must, if so directed by the general meeting, adjourn the general meeting from time to time and from place to place. No business may be transacted on the resumption of any adjourned general meeting other than the business left unfinished at the general meeting from which the adjournment took place.

## **25.6 Notice of resumption of adjourned general meeting**

When a general meeting is adjourned for 30 days or more, notice of the resumption of the meeting must be given in the same manner as for the original general meeting. When a general meeting is adjourned for less than 30 days, notice of any adjournment or of the business to be transacted on the resumption of the adjourned general meeting need not be given.

## **25.7 Voting rights**

Subject to restrictions on voting from time to time affecting any class of securities, at general meetings of Members:

- (a) subject to clause 23.7(b), on a show of hands, each Voting Member present has one vote;
- (b) where a Voting Member has appointed more than one person as Representative, proxy or attorney for that Voting Member, none of the Representatives, proxies or attorneys is entitled to vote on a show of hands;
- (c) on a poll, each Voting Member present:

- (i) has one vote for each fully paid Voting Share held; and
- (ii) for each other Voting Share held has a fraction of a vote equivalent to the proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited) for the Voting Share. When calculating this proportion, amounts paid in advance of a call are to be ignored.

## **25.8 Voting - show of hands**

At any general meeting a resolution put to the vote of the general meeting must be decided on a show of hands unless a poll is demanded in accordance with clause 23.10.

## **25.9 Results of voting**

Unless a poll is so demanded, a declaration by the Chairperson that a resolution has on a show of hands been carried or carried unanimously or by a particular majority, or lost is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

## **25.10 Poll**

A poll may be demanded before a vote is taken or before or immediately after the declaration of the result of a resolution decided on a show of hands by:

- (a) the Chairperson of the general meeting;
- (b) at least 5 Voting Members entitled to vote on the resolution; or
- (c) any one or more Voting Members who are together entitled to at least 5% of the votes that may be cast on the resolution.

## **25.11 Manner of taking poll**

If a poll is duly demanded, it must be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairperson directs, and the result of the poll must be the resolution of the general meeting at which the poll was demanded. A poll demanded on the election of a Chairperson or on a question of adjournment must be taken immediately.

## **25.12 Meeting may continue**

A demand for a poll does not prevent the continuation of the general meeting for the transaction of other business.

## **25.13 Voting by joint holders**

In the case of joint holders of securities, the vote of the senior holder who tenders a vote, whether in person or Representative, proxy or attorney must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the Register.

## **25.14 Member under disability**

If a Voting Member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, the Voting Member's personal representative or such other person as properly has the management of the Voting Member's estate may exercise any rights of the Voting Member in relation to a general meeting as if the personal representative or other person were the Voting Member.

## **25.15 Payment of calls**

A Voting Member is not entitled to any vote at a general meeting in relation to securities with respect to which all calls and other sums presently payable by the Voting Member have not been paid. Nothing in this rule prevents such a Voting Member from voting at a general meeting in relation to any other securities held by that Voting Member provided all calls and other sums payable by the Voting Member have been paid on those other securities.

## **25.16 Objection to voting**

An objection may be raised to the qualification of a voter only at the general meeting or adjourned general meeting at which the vote objected to is given or tendered. Any such objection must be referred to the Chairperson of the general meeting, whose decision is final. A vote not disallowed pursuant to such an objection is valid for all purposes.

## **25.17 Proxies**

- (a) A Voting Member who is entitled to attend and cast a vote at a general meeting of the Company may appoint a person as a proxy to attend and vote for the Voting Member in accordance with the Corporations Act but not otherwise. A proxy appointed to attend and vote in accordance with the Corporations Act may exercise the rights of the Voting Member on the basis and subject to the restrictions provided in the Corporations Act but not otherwise.
- (b) A form of appointment of a proxy is valid if it is in accordance with the Corporations Act or in any form (including electronic) which the Board may prescribe or accept.
- (c) The Board may issue with any notice of general meeting of Members or any class of Voting Members forms of proxy for use by the Voting Members. Each form may include the names of any of the Directors or of any other persons as suggested proxies.
- (d) Voting instructions given by a Voting Member to a Director or employee of the Company who is held out by the Company in material sent to Voting Members as willing to act as proxy and who is appointed as proxy ("**Company Proxy**") are valid only if contained in the form of appointment of the Company Proxy. If a Voting Member wishes to give a Company Proxy appointed by the Voting Member new instructions or variations to earlier instruction, the new instructions or variations are only valid if received at the Registered Office at least 24 hours before the meeting or adjourned meeting by a notice in writing signed by the Voting Member or validated by the Voting Member in a form acceptable to the Board.

## **25.18 Validity and revocation of proxies**

- (a) The validity of any resolution is not affected by the failure of any proxy or attorney to vote in accordance with instructions (if any) of the appointing Voting Member.
- (b) A vote given in accordance with the terms of a proxy or power of attorney is valid despite, prior to the relevant meeting, the death or mental incapacity of the appointing Voting Member, revocation of the proxy or power of attorney or transfer of the Shares in respect of which the vote is given, unless notice in writing of the death, mental incapacity, revocation or transfer has been received at the Registered Office at least 48 hours before the relevant meeting or adjourned meeting.
- (c) A proxy is not rendered ineffective by reason only of the adjournment of the meeting in respect of which the proxy is appointed.
- (d) A proxy is not revoked by the appointing Voting Member attending and taking part in the meeting, unless the appointing Voting Member votes at the meeting on the resolution for which the proxy is proposed to be used.

## **25.19 Attorneys of Members**

By properly executed power of attorney, any Member may appoint an attorney to act on the Member's behalf at all or certain specified meetings of the Company. Before the attorney is entitled to act under the power of attorney, the power of attorney or proof of the power of attorney to the satisfaction of the Board must be produced for inspection at the Registered Office or any other place the Board may determine together, in each case, with evidence of the due execution of the power of attorney as required by the Board. The attorney may be authorised to appoint a proxy for the Member granting the power of attorney.

## **25.20 Special meetings**

All the provisions of this document as to general meetings apply to any special meeting of any class of Members which may be held under the operation of this document or the Corporations Act so far as they are capable of application except that the necessary quorum will be 2 persons holding or representing by proxy one-third of the issued Shares of that class and that any holder of Shares of the class present in person or by proxy may demand a poll. Where there is only one Member holding Shares in that class, that Member will constitute a quorum.

Except as otherwise specified in this document or the Corporations Act, the Board will be responsible for the overall management of the Company and will have full power to do so. The Board must manage the Business in accordance with the Business Plan.

**27 The Directors**

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**27.1 Number of Directors**

The minimum number of Directors is three and the maximum number of Directors is seven unless otherwise determined by the Board.

**27.2 Appointment and removal by Members**

- (a) Each Member or group of members who between them holds more than 15% of the shares on issue in the Company may appoint a director for each 15% of the issued shares held by that member or group of members.
- (b) Subject to clause 25.1 the Company may by resolution passed in general meeting:
  - (i) appoint a person to be a Director;
  - (ii) remove a Director from office;
  - (iii) appoint another person in a Director's place;
  - (iv) fix the maximum number of Directors and increase or reduce that number; and
  - (v) determine any rotation and retirement policies for Directors.

**27.3 Appointment of Directors by the Board**

Subject to clause 25.1, the Board may appoint up to two independent Directors by a Super Majority Vote of the Board, provided that the total number of Directors does not at any time exceed the maximum number specified by clause 25.1. Any independent Director appointed under this clause 25.3 may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting.

**27.4 Termination of office of Director**

- (a) If a Director:
  - (i) is appointed pursuant to clause 25.3(a) and the appointor ceases to be a Member;
  - (ii) becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) becomes of unsound mind or a person whose person or estate is administered under laws relating to mental health; or
  - (iv) is absent for more than 6 months, without permission of the Board, from meetings of the Board held during that period,

the Board may convene a meeting of Members to remove that Director.

- (b) The office of a Director is automatically terminated if the Director:
  - (i) ceases to be a Director by virtue of any provision of the Corporations Act;
  - (ii) becomes prohibited from being a Director by reason of any order made pursuant to the Corporations Act;
  - (iii) dies;
  - (iv) resigns the Director's office by notice in writing to the Company; or
  - (v) is removed from office in accordance with the Corporations Act.

### **30.9 Alternate Directors**

A Director may appoint any person to be an alternate Director in the place of the Director during such period as the Director thinks fit, with the prior consent of the Board, which must not be unreasonably withheld, and the following provisions apply with respect to any alternate Director:

- (a) the alternate Director is entitled to notice of Directors' meetings and, if the alternate Director's appointor Director is not present at such a Directors' meeting, the alternate Director is entitled to attend and vote in the place of the absent Director;
- (b) the alternate Director may exercise any powers that the alternate Director's appointor Director may exercise, and the exercise of any such power by the alternate Director is deemed to be the exercise of the power by the alternate Director's appointor Director;
- (c) the alternate Director is not required to hold any Shares in the capital of the Company;
- (d) the alternate Director's appointment may be terminated at any time by the alternate Director's appointor Director despite the period of the appointment of the alternate Director not having expired, and the appointment must terminate in any event if the alternate Director's appointor Director vacates office as a Director; and
- (e) the appointment or the termination of an appointment of an alternate Director must be effected by a written notice signed by the Director who made the appointment given to the Company.

### **30.10 Observers**

The Board may permit an observer to attend meetings of the Board and receive materials distributed in connection with such meetings. An observer will not be entitled to vote on matters brought before the meeting.

### **30.11 Remuneration**

The remuneration of the Directors will from time to time be determined by the Board.

### **30.12 No Share qualification**

A Director is not required to hold any Shares in the capital of the Company.

### **30.13 Interests of Directors**

- (a) A Director is not disqualified from holding any other office or place of profit with the Company or any company in which the Company is a member or otherwise interested and the Director will not be liable to account to the Company for any profit arising from that office or place of profit.
- (b) If a Director has a material personal interest in a matter that relates to the affairs of the Company, the Director must disclose the nature and extent of the interest in accordance with the Corporations Act at a meeting of the Board and:
  - (i) the Director may vote on matters that relate to that material personal interest;
  - (ii) unless the other Directors determine otherwise, the Director may be present at any meeting which considers matters that relate to that material personal interest.
- (c) Subject to clause 26.1, if the disclosure is made before the transaction is entered into:
  - (i) the Director may retain benefits under the transaction even though the Director has the interest; and
  - (ii) the Company cannot avoid the transaction merely because of the existence of the interest.
- (d) A Director who has any personal interest in a matter that relates to the affairs of the Company may execute (whether by attesting the affixing of the Seal or by signature) any document relating to that matter.
- (e) It is the duty of the Secretary to record in the minutes of each meeting any disclosures made or notices given by an interested Director.

## **31 Decision making**

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### **31.8 Voting generally**

Except as otherwise specified in this document or the Corporations Act, all decisions of the Members and all decisions of the Board will be made by Simple Majority Vote.

### **31.9 Board decisions requiring a Super Majority Vote**

The following decisions can be made only with a Super Majority Vote of the Directors present at a Board meeting and entitled to vote:

- (a) sale, disposal or encumbrance of all or substantially all of the Company's assets or business or any merger, consolidation or other corporate reorganisation;
- (b) the establishment of any new business or a major alteration in the nature and/or direction of the business of the Company, including the establishment of any new line of business or the establishment of a joint venture or partnership;
- (c) any decision to incur debt, give any guarantee or grant any security in respect of a liability that equals or is greater than \$100,000;
- (d) any transaction that is undertaken on a basis that is not an arms' length basis or is entered into with a Related Party of the Company;
- (e) the appointment of a CEO; and
- (f) any proposal to cease to carry on the business or a substantial part of the business of the Company or to wind up or dissolve the Company.

### **31.10 Business Plan**

The Business Plan must be submitted by the CEO to the Board at least one month prior to the end of a Financial Year and may only be adopted or amended by a Simple Majority Vote of the Board.

### **31.11 Employee Share Plan**

Any employee share plan put to the Board for approval may only be adopted if the resolution is approved by a Super Majority Vote of the Board.

### **31.12 Share Payments**

Any payment plan under which the Company is permitted to pay key staff, Directors and advisers with Shares or Options in lieu of cash up to a maximum of 4% of the issued Shares per annum, may only be adopted if the resolution is approved by a Super Majority Vote of the Board.

### **31.13 Member decisions**

- (a) Members may, by Special Resolution passed in general or special meeting:
  - (i) amend the Company's constitution; or
  - (ii) vary or cancel any rights attaching to any Ordinary Shares.
- (b) When required by Chapter 2E and section 738ZK, the Company must obtain approval from Members before giving a financial benefit to a Related Party of the Company.

### **31.14 Seal**

The Company may have a Seal and a duplicate common seal which are to be used by the Company as determined by the Board.

## **32 Secretary**

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### **32.8 Appointment**

Subject to the Corporations Act, the Board must appoint one or more persons to be Secretary. The appointment may be made for a specified period or without specifying a period and the Board may remove the Secretary from office at any time.

### **32.9 Terms**

The appointment of a Secretary will be on the terms and at the remuneration that the Board determines.

### **32.10 Cessation of appointment**

A person automatically ceases to be a Secretary if:

- (a) the person is not permitted by the Corporations Act (or an order made under the Corporations Act) to be a Secretary;
- (b) the person becomes bankrupt or enters into or becomes subject to any arrangement or composition with one or more of its creditors;
- (c) the person becomes mentally incapable or a person whose estate or property is liable to be dealt with in any way under any law relating to mental health;
- (d) the person resigns by notice in writing to the Company;
- (e) the person is removed from office under clause 27.1; or
- (f) the term for which the person was appointed expires.

## **33 Proceedings of directors**

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### **33.8 Board meetings**

- (a) At least 4 meetings of the Board must take place each Financial Year.
- (b) A Director may at any time by written request, and a Secretary must, whenever requested in writing to do so by one or more Directors, call additional Directors' meetings.
- (c) Meetings of the Board, other than those conducted as described in clause 28.4, will be held in Melbourne, Victoria.
- (d) If a Board meeting is being convened for the purpose of voting on any matter requiring a Super Majority Vote of the Directors present at the Board meeting and entitled to vote, at least 14 days' notice of that Board meeting must be given to all Directors either by personal telephone contact or in writing, unless all Directors agree to receive shorter notice of that Board meeting.
- (e) Subject to clause 28.1(d), at least 24 hours' notice of each Board meeting must be given to all Directors either by personal telephone contact or in writing, unless otherwise agreed by approval of the Directors.
- (f) The agenda for Board meetings must be determined by the Chairperson, except for Board meetings convened at the request of a Director where the agenda may be determined by that Director.
- (g) No resolution of the Board can be passed in respect of any matter of which notice was not given in the agenda for that meeting, unless otherwise agreed.

### **33.9 Quorum**

A quorum for meetings of the Board will be constituted by the attendance (in person or by alternate) of more than half of the Directors, then appointed.

### **33.10 Quorum not present**

If a quorum is not present within 30 minutes of the time specified for a meeting of the Board the meeting will be adjourned to a date and time 7 days after the original time of the meeting and at the same place as the original meeting by written notice to all Directors. Any Directors in attendance (in person or by alternate) at that adjourned meeting will constitute a quorum.

### **33.11 Meetings by telephone or other means of communication**

The Board may meet either in person or by telephone, audio visual link or by using any other technology consented to by all Directors. A consent may be a standing one. A meeting conducted by telephone or other means of communication is considered to be held at the place agreed on by the Directors attending

the meeting if at least one of the Directors present at the meeting was at that place for the duration of the meeting.

### **33.12 Procedure at meetings**

The Directors may meet together for the dispatch of business and adjourn and, subject to this clause 28, otherwise regulate the Directors' meetings as they think fit.

### **33.13 Votes**

Each Director appointed in accordance with this document has one vote.

### **33.14 Continuing Directors may act**

In the event of a vacancy in the office of a Director, the remaining Directors may act but, if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of Directors, they may act only for the purpose of increasing the number of Directors to a number sufficient to constitute such a quorum, or in order to call a general meeting of the Company.

### **33.15 Chairperson**

- (a) The Board may elect from among their number a Chairperson and Deputy Chairperson of their meetings and determine the period for which each is to hold office.
- (b) If no Chairperson or Deputy Chairperson is elected or if at any meeting the Chairperson and the Deputy Chairperson are not present at the time specified for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.
- (c) The Chairperson will not have a casting vote.

### **33.16 Written resolutions passed by multiple Directors**

The Directors may pass a resolution without holding a Board meeting if all the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. Separate copies of a document may be used for signing by Directors if the wording of the resolution and statement is identical in each copy. The resolution is passed when the last Director signs.

### **33.17 Written resolutions passed by a single Director**

If the Company only has one Director, that Director may pass a resolution without holding a Board meeting by recording it and signing it.

### **33.18 Signing written resolutions**

For the purposes of clause 28.9, the Company may accept a copy of a signed document sent by facsimile or electronic means.

### **33.19 Valid proceedings**

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

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

## **34 Dividends**

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### **34.8 Determination of dividend**

Subject to the requirements of section 254T of the Corporations Act, the Board may (at its sole discretion) determine that a dividend (including an interim dividend on account of the next forthcoming dividend) is payable and fix the amount, time for payment and method of payment. The methods of payment may include the payment of cash, the issue of securities, the grant of options and the transfer of assets.



### **34.9 Apportionment of dividends**

Any dividend or interim dividend is payable on each Share on the basis of the proportion which the amount paid or agreed to be considered to be paid bears to the amount of total issue price for the time being paid or agreed to be considered as paid or payable in respect of the Share. The dividend may be fixed at a rate per annum in respect of a specified period but no amount paid on a Share in advance of calls is to be treated as paid on the Share.

### **34.10 Effect of transfer of Share**

A transfer of a Share only passes the right to any dividend determined but not paid on the Share at the time of transfer if the transfer is effected by the relevant record date.

### **34.11 Retention of dividends**

The Board may retain the dividends payable on Shares which any person is under this document entitled to transfer until the person becomes registered as a Member in respect of the Shares or properly transfers them. All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed or otherwise Disposed of according to law.

### **34.12 How dividends are payable**

Payment of any dividend may be made in any manner and by any means as determined by the Board. Without affecting any other method of payment which the Board may adopt, payment of any dividend may be made to the Member entitled to the dividend or, in the case of joint holders, to the Member whose name appears first in the Register in respect of the joint holding.

## **35 Capitalisation**

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### **35.8 Capitalisation**

The Board may resolve that the whole or any portion of any sum forming part of the undivided profits, any reserve or other account of the Company and which is available for distribution, be capitalised and distributed to Members in the same proportions in which they would be entitled to receive it if distributed by way of dividend or in accordance with either the terms of issue of any Shares or the terms of any employee share plan and that all or any part of the sum be applied on their behalf either in paying up the amounts for the time being unpaid on any issued Shares held by them, or in paying up in full unissued Shares or other securities of the Company to be issued to them accordingly, or partly in one way and partly in the other.

### **35.9 Determining entitlements**

The Board may specify the manner in which any fractional entitlements and any difficulties relating to distribution are to be dealt with and, without limitation, may specify that fractions are to be disregarded or that any fractional entitlements are to be increased to the next whole number or that payments in cash instead of fractional entitlements be made.

### **35.10 Appropriations**

The Board may make all necessary appropriations and applications of the amount to be capitalised under clause 30.1 and all necessary issues of fully paid Shares or debentures.

### **35.11 Contracts**

Where required, the Board may appoint a person to sign a contract on behalf of the Members entitled on a capitalisation to any Shares or debentures, which provides for the issue to them, credited as fully paid, of any further Shares or debentures or for the payment by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing Shares by the application of their respective proportions of the sum resolved to be capitalised.

## **36 Accounts and audit**

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### **36.8 Accounts and records**

The Board and the Members must ensure that the accounts, records and accounting information of the Company are:

- (a) maintained in accordance with the Corporations Act and all other applicable laws;
- (b) if required by the Corporations Act, audited annually by the Company's auditor; and
- (c) reflect the Accounting Standards.

### **36.9 Reporting**

The Board must make available on its website its

- (a) annual financial report or a concise report within 180 days after the end of each Financial Year; and
- (b) reports which are required to be provided under section 314 of the Corporations Act within the time limits expressed by section 315 of the Corporations Act.

## **37 Indemnities, insurance and access**

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### **37.8 Indemnities**

- (a) The Company must indemnify each officer of the Company out of the assets of the Company to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer.
- (b) Where a Director is employed by or provides services to the Company in some capacity other than that of Director, nothing in this clause will limit or affect the liability of that Director to the Company and the indemnity contained in this clause will not apply to that Director in any other capacity

### **37.9 Documentary indemnity**

Where the Board considers it appropriate, the Company may execute a documentary indemnity in any form in favour of any officer of the Company.

### **37.10 Insurance**

Where the Board considers it appropriate, and to the extent to which the Company is not precluded by law from doing so, the Company may:

- (a) make payments of amounts by way of premium in respect of any contract effecting insurance on behalf or in respect of an officer of the Company against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer; and
- (b) bind itself in any contract or deed with any officer of the Company to make the payments.

### **37.11 Access to board papers**

Where the Board considers it appropriate, the Company may:

- (a) give a Director or former Director access to certain papers, including documents provided or available to the Board and other papers referred to in those documents; and
- (b) bind itself in any contract with a Director or former Director to give the access.

## **38 Intellectual Property**

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The Members must only use Company Intellectual Property on behalf of the Company. If a Member creates any Company Intellectual Property, it must:

- (a) promptly disclose to the Company full details of that Company Intellectual Property;
- (b) not publicise details of that Company Intellectual Property;
- (c) at the request of the Company, do all things, at the expense of the Company, necessary to:

- (i) vest all right and title to and interest in that Company Intellectual Property in the Company absolutely as legal and beneficial owner; and
- (ii) secure and preserve full protection in respect of that Company Intellectual Property in favour of the Company.

## **39 Restriction on activities**

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### **1.1 Restriction**

Each Member agrees and undertakes that, except as agreed by the Board, it will not and each of its Related Parties will not:

- (a) directly;
  - (b) by themselves or jointly with or on behalf of any other person, corporation or trust;
  - (c) through an agent, independent contractor or employee; or
  - (d) on any account or pretext or by any means whatsoever;
- conduct any of the Restricted Activities within the Restriction Area for the Restriction Period.

### **1.2 Restricted Activities**

The Restricted Activities are:

- (a) carrying on, assisting, promoting or otherwise being engaged or concerned in any business or activity which is or may be competitive with the Business or any material part of it (whether as a Member, optionholder, unitholder, director, adviser, direct financier, contractor, manager, employee, proprietor, , trustee or beneficiary,);
- (b) canvassing, soliciting, inducing, or encouraging any employee, contractor, supplier or customer of the Business to:
  - (i) leave the employment of or to terminate their engagement, contract or dealings with the Business; or
  - (ii) reduce the amount of business that the person would normally do with the Business, or accepting an approach from any employee, contractor, supplier or customer of the Business that would have the same effect;
- (c) engaging or employing any person who at any time during the preceding 12 months was employed or engaged in the Business; and
- (d) interfering with the relationship between the Company and its employees, contractors, suppliers or customers.

### **37.3 Restriction Area**

Subject to clause 34.5, the Restriction Area is any of the following areas:

- (a) worldwide,
- (b) Australia, the United Kingdom, the United States of America and Canada;
- (c) Australia, the United States of America and Canada;
- (d) Australia and the United States of America;
- (e) Australia; and
- (f) Victoria, New South Wales and Queensland.

### **37.4 Restriction Period**

Subject to clause 34.5, the Restriction Period is any of the following periods:

- (a) from the date the Member becomes a Member until 12 months after the Member ceases being a Member;

- (b) from the date the Member becomes a Member until six months after the Member ceases being a Member; and
- (c) from the date the Member becomes a Member until 3 months after the Member ceases being a Member.

### **37.5 Effective Restriction Area and Restriction Period**

Unless the resulting covenants and restrictions are or become invalid or unenforceable for any reason, the Restriction Area and Restriction Period that will be effective between the parties in relation to any Restricted Activity will be those referred to in clauses 34.3(a) and 34.4(a). If a covenant and restriction is or becomes invalid or unenforceable because the Restriction Area or Restriction Period applying to a Restricted Activity is considered unreasonably large or long, the Restriction Area or Restriction Period will be reduced to the subsequent area or period listed in clause 34.3 or 34.4.

### **37.6 Severability**

In this clause 34:

- (a) each of the restrictions resulting from the various combinations of a Restricted Activity, Restriction Area and Restriction Period has effect as a separate and independent covenant and restriction; and
- (b) if any of those covenants and restrictions are or become invalid or unenforceable for any reason, they will be severed from this document without affecting the validity or enforceability of any other covenant and restriction.

### **37.7 Exceptions**

Nothing in this clause 34 will prevent a Member from:

- (a) holding up to five per cent (in aggregate) of the share capital or any debentures or other securities of any company the shares of which are listed on a securities exchange; or
- (b) recruiting a person through a recruitment agency (except if the agency targets employees of the Company) or in response to a newspaper, web page or other public employment advertisement.

### **37.8 Acknowledgements**

Each Member agrees and acknowledges that:

- (a) each covenant and restriction in this clause 34 is reasonable in the circumstances and necessary to protect the goodwill of the Business; and
- (b) monetary damages may not be a sufficient remedy for a breach of this clause 34 and that the Company or another Member may seek and is entitled to remedies such as injunctive relief to prevent the breach and orders of specific performance to compel compliance.

### **37.9 Termination**

If the Company ceases to trade, is wound-up or is deregistered, this clause 34 will cease to operate.

## **38 Notices**

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### **38.2 Notices**

A notice may be given by the Company to any Member, or in the case of joint holders to the Member whose name appears first in the Register, personally, by leaving it at the Member's registered address or by sending it by prepaid post or facsimile transmission addressed to the Member's registered address or by other electronic means determined by the Board and previously notified to Members. If the notice is signed, the signature may be original or printed.

### **38.3 When notice taken to be served**

- (a) Any notice sent by post is taken to have been served at the end of 24 hours after the envelope containing the notice is posted and, in proving service, it is sufficient to prove that the envelope containing the notice was properly addressed and posted. Any notice served on a Member personally or left at the Member's registered address is taken to have been served when delivered.

Any notice served on a Member by facsimile or other electronic transmission is taken to have been served when the transmission is sent.

- (b) Where a given number of days' notice or notice extending over any other period is required to be given the day of service and the day of the notified event are not to be counted in the number of days or other period.

#### **38.4 Member not known at registered address**

Where a Member does not have a registered address or where the Company has reason to believe that a Member is not known at the Member's registered address, all future notices are taken to be given to the Member if the notice is exhibited in the Registered Office for a period of 48 hours (and is taken to be served at the commencement of that period) unless and until the Member informs the Company of a registered place of address.

#### **38.5 Notice to transferor binds transferee**

Every person who, by operation of law, transfers or by any other means becomes entitled to be registered as the holder of any Shares is bound by every notice which, prior to the person's name and address being entered in the Register in respect of those Shares, was properly given to the person from whom the person derives title to those Shares.

#### **38.6 Service on deceased Members**

A notice served in accordance with this document is (despite the fact that the Member is then dead and whether or not the Company has notice of the Member's death) taken to have been properly served in respect of any registered Shares, whether held solely or jointly with other persons by the Member, until another person is registered in the Member's place as the holder or joint holder. The service is sufficient service of the notice or document on the Member's personal representative and any person jointly interested with the Member in the Shares.

### **39 Winding-up & distribution of capital**

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#### **39.2 Distribution of assets**

Subject to the terms of issue of Shares, if the Company is wound up, the liquidator may, with the sanction of a Special Resolution of the Company:

- (a) divide the surplus assets of the Company remaining after payment of its debts among the Members in proportion to the number of Shares held by them (with partly paid Shares counted as fractions of fully paid Shares);
- (b) for that purpose, fix the value of assets and determine how the division is to be carried out between the Members and different classes of Members; and
- (c) vest assets of the Company in trustees on any trusts determined by the liquidator for the benefit of the contributories.

#### **39.3 Distribution in kind**

If the Company is wound up, whether voluntarily or otherwise, the liquidator may divide among all or any of the contributories as the liquidator thinks fit in specie or kind any part of the assets of the Company, and may vest any part of the assets of the Company in trustees on any trusts for the benefit of all or any of the contributories as the liquidator thinks fit.

#### **39.4 Variation of rights of contributories**

If thought expedient, any division may be otherwise than in accordance with the legal rights of the contributories and, in particular, any class may be given preferential or special rights or may be excluded altogether or in part, but in case any division otherwise than in accordance with the legal rights of the contributories is determined, any contributory who would be prejudiced by the division has a right to dissent and ancillary rights as if the determination were a Special Resolution passed under the Corporations Act relating to the sale or transfer of the Company's assets by a liquidator in a voluntary winding up.

### **39.5 Liability to calls**

If any Shares to be divided in accordance with clause 36.2 involve a liability to calls or otherwise, any person entitled under the division to any of the Shares may by notice in writing within ten business days after the passing of the Special Resolution, direct the liquidator to sell the person's proportion and pay the person the net proceeds and the liquidator is required, if practicable, to act accordingly.