

# The Constitution of *Avant Mutual Group Limited*

ACN 123 154 898

A company limited by guarantee



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# Table of contents

<b>1. Interpretation</b>	<b>6</b>
1.1 Definitions	6
1.2 Interpretation	7
1.3 Corporations Act	7
1.4 Replaceable rules not to apply	7
<b>2. Objects of the Company</b>	<b>8</b>
2.1 Objects	8
2.2 Intention to be an MCI mutual entity	8
<b>3. Membership</b>	<b>9</b>
3.1 Classes of Membership	9
3.2 Voting Members	9
3.3 Student Members	9
3.4 Other classes of Members	9
3.5 Directors may vary classes and class rights	9
3.6 No transfer of Membership	9
3.7 Limited liability	9
<b>4. Membership Arrangements</b>	<b>10</b>
4.1 Application for Membership	10
4.2 Admission as a Member	10
4.3 Register of Members	10
4.4 Application Fee	10
4.5 Annual Subscription Fee	10
4.6 Ceasing to be a Member	10
4.7 Resignation	10
4.8 Non-payment of Annual Subscription Fee	10
4.9 Termination of membership	11
<b>5. General meetings</b>	<b>12</b>
5.1 Annual general meeting	12
5.2 Convening a general meeting	12
5.3 Use of technology at general meetings	12
5.4 Notice of general meeting	12
5.5 Calculation of period of notice	12
5.6 Cancellation or postponement of general meeting	12
5.7 Notice of cancellation, postponement or change of place of general meeting	12
5.8 Contents of notice postponing general meeting	12
5.9 Number of clear days for postponement of general meeting	12
5.10 Business at postponed general meeting	12
5.11 Non-receipt of notice	12
5.12 Proxy, attorney or Representative at postponed general meeting	12
5.13 Director entitled to notice of meeting	12

<b>6. Proceedings at general meetings</b>	<b>13</b>
6.1 Number for a quorum	13
6.2 Requirement for a quorum	13
6.3 If quorum not present	13
6.4 Adjourned meeting	13
6.5 Appointment of chairman of general meeting	13
6.6 Absence of chairman at general meeting	13
6.7 Conduct of general meetings	13
6.8 Adjournment of general meeting	13
6.9 Notice of adjourned meeting	14
6.10 Questions decided by majority	14
6.11 No casting vote for the chairman	14
6.12 Voting on show of hands	14
6.13 Demanding a poll	14
6.14 Poll	14
6.15 Entitlement to vote	14
6.16 Validity of vote in certain circumstances	14
6.17 Objection to voting qualification	14
6.18 Right to appoint attorney	15
6.19 Suspension or if any Application Fee or Annual Subscription Fee not paid	15
<b>7. Control Transaction</b>	<b>16</b>
7.1 Supermajority Resolution	16
7.2 Control Transaction Approval Procedure	16
7.3 Procedure for Control Transaction recommended by Directors	16
7.4 Control Transaction	16
<b>8. Directors</b>	<b>17</b>
8.1 Number of Directors	17
8.2 Filling vacancies	17
8.3 Election of Directors	17
8.4 Retirement of Directors	17
8.5 Non-Member Directors	17
8.6 Vacation of office	17
8.7 Removal from office	17
8.8 Eligibility for election as a Voting Member Director	18
8.9 Casual vacancy	18
8.10 Replacement of Voting Member Director	18
8.11 Remuneration for services as a Director	18
8.12 Reimbursement of expenses	18
8.13 Payments to former Directors	18
8.14 Director's interests	18

<b>9. Powers and duties of Directors</b>	<b>19</b>
9.1 Directors to manage the Company	19
9.2 Specific powers of Directors	19
9.3 Appointment of attorney	19
9.4 Provisions in power of attorney	19
9.5 Signing of cheques	19
9.6 Committees	19
9.7 Powers delegated to Committees	19
9.8 Meetings of Committee	19
9.9 Determination of questions	19
9.10 Powers of delegation	19
<b>10. Proceedings of Directors</b>	<b>20</b>
10.1 Directors' meetings	20
10.2 Director may convene a meeting	20
10.3 Notice of meeting	20
10.4 Waiver of notice	20
10.5 Use of technology for Directors' meetings	20
10.6 Questions decided by majority	20
10.7 Alternate Director or proxy and voting	20
10.8 Chairman of Directors' meetings	20
10.9 Absence of chairman at a Directors' meeting	20
10.10 Appointment of Alternate Director	20
10.11 Alternate Director and meetings	20
10.12 Alternate Director's powers	20
10.13 Alternate Director responsible for own acts and defaults	20
10.14 Alternate Director – expenses and remuneration	20
10.15 Termination of appointment of Alternate Director	20
10.16 Appointment or termination	21
10.17 Alternate Director and number of Directors	21
10.18 Director attending and voting by proxy	21
10.19 Quorum for Directors' meeting	21
10.20 Continuing Directors may act	21
10.21 Chairman of Committee	21
10.22 Circulating resolutions	21
10.23 Validity of acts of Directors	21
<b>11. Secretary</b>	<b>22</b>
11.1 Appointment of Secretary	22
11.2 Suspension and removal of Secretary	22
11.3 Powers, duties and authorities of Secretary	22

<b>12. Dividends and distributions</b>	<b>23</b>
12.1 Payment of dividend or distribution	23
12.2 No interest on dividends or distributions	23
12.3 Reserves	23
12.4 Distributions otherwise than in cash	23
12.5 Power to capitalise Profits	23
12.6 Payments	24
12.7 Resolution of distribution difficulties	24
12.8 Right of set-off	24
12.9 Unclaimed dividends and distributions	24
12.10 Ancillary powers in relation to dividends and other distributions	24
<b>13. Seals</b>	<b>25</b>
13.1 Safe custody of common seals	25
13.2 Use of common seal	25
<b>14. Inspection of records</b>	<b>26</b>
14.1 Inspection by Members	26
14.2 Right of a Member to inspect	26
<b>15. Service of documents</b>	<b>27</b>
15.1 Document includes notice	27
15.2 Form of document	27
15.3 Methods of service	27
15.4 Post	27
15.5 Fax or electronic transmission	27
15.6 Electronic notification	27
15.7 Evidence of service	27
<b>16. Indemnity and insurance</b>	<b>28</b>
16.1 Indemnity	28
16.2 Insurance	28
16.3 Contract	28
<b>17. Winding up</b>	<b>29</b>
17.1 Contributions on winding up	29
17.2 Application of property on winding up	29
<b>18. Accounts</b>	<b>30</b>

<b>19. MCIs</b>	<b>31</b>
19.1 Share capital from MCIs	31
19.2 Issue	31
19.3 Rights of MCI Holders	31
19.4 Other MCI Holders	31
19.5 Registration as holder of MCIs	31
19.6 Share Certificates	32
19.7 Right to appoint attorney	32
19.8 Inspection of Records by MCI Holders	32
19.9 Right of a MCI Holder to inspect Records	32
19.10 Method of Service	32
19.11 Evidence of service	32
<b>Appendix</b>	<b>33</b>
Control Transaction Approval Procedure	33
A1 Notice of meeting	33
A2 Disclosure Statement	33
A3 Director's Statement	34
A4 Independent Expert's Report	34
A5 Cost of Meeting	35
A6 Indemnity	35
A7 MCIs	35

# 1. Interpretation

## 1.1 Definitions

In this Constitution unless the contrary intention appears:

**Alternate Director** means a person appointed as an alternate Director under article 10.10.

**Annual Subscription Fee** means any amount determined in accordance with article 4.5.

**Application Fee** means any amount determined in accordance with article 4.4.

**Committee** means a committee of Directors constituted under article 9.6.

**Company** means Avant Mutual Group Limited ACN 123 154 898.

**Constitution** means this constitution and a reference to an article is a reference to an article of this constitution.

**Control Transaction** has the meaning given to that term in article 7.4.

**Corporations Act** means the *Corporations Act 2001 (Cwlth)*.

**Director** means a person holding office as a director of the Company, and where appropriate includes an Alternate Director.

**Directors** means all or some of the Directors acting as a board or a board committee.

A person is **Insolvent** if:

- a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller (as defined in the Corporations Act), liquidator, provisional liquidator, receiver, receiver and manager or similar officer appointed to it or any of its property; or
- c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Directors); or
- d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- f) it is the subject of an event described in section 459C(2) (b) or section 585 of the Corporations Act (or it makes a statement from which the Directors reasonably deduce it is so subject); or
- g) it is otherwise unable to pay its debts when they fall due; or

- h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

**Insurance Board** means the directors of Avant Insurance Limited ACN 003 707 471.

**Member** means a person as described in article 3.1 whose name is entered in the Register of Members as a member of the Company and who has not ceased to be a member of the Company in accordance with this Constitution.

**MCI** means 'Mutual Capital Instrument' being a share as described in article 19.

**MCI Holder** means a person who is the holder of an MCI and whose name is for the time being entered in the Register of Members.

**Non-Member Director** has the meaning given to that term in article 8.1(b).

**Objects** means the objects specified in article 2.1.

**Register** of Members means the register of members of the Company (including any register of MCI Holders) for the purposes of the Corporations Act.

**Registered Office** means the registered office of the Company.

**Representative** means a person appointed to represent a corporate Member at a general meeting of the Company in accordance with the Corporations Act.

**Secretary** means any person appointed under article 11 as a secretary of the Company, and where appropriate, includes an acting secretary and a person appointed by the Directors to perform all or any of the duties of a secretary of the Company.

**Student Member** means any person admitted by the Directors to membership who:

- a) is studying to become a health practitioner at a university or other educational institution; and
- b) meets any criteria for membership established by the Directors from time to time and is not otherwise prevented from being a Member by any other provision of this Constitution.

**Tax Act** means the *Income Tax Assessment Act 1936 (Cwlth)* or the *Income Tax Assessment Act 1997 (Cwlth)*, as the context requires.

**Voting Member** means any health practitioner admitted by the board to membership who:

- a) is practising, or entitled to practise, as such in accordance with the laws of Australia or any of its States or Territories or the laws of another country; and
- b) meets any criteria for membership as established by the Directors from time to time and is not otherwise prevented from being a Member by any other provision of this Constitution.

**Voting Member Director** has the meaning given to that term in article 8.1(a).

## 1.2 Interpretation

In this Constitution unless the contrary intention appears:

- a) words importing any gender include all other genders;
- b) the word person includes a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association or an authority;
- c) a reference to a particular person includes the person's executors, administrators, successors, substitutes and permitted assigns;
- d) the singular includes the plural and vice versa;
- e) a reference to a document (including this Constitution) includes any variation or replacement of it;
- f) the meaning of general words is not limited by specific examples introduced by "including", "for example" or "such as" or similar expressions;
- g) a reference to legislation includes regulations and other instruments under it and any variation or replacement of any of them;
- h) a power, an authority or a discretion given to a Director, the Directors, the Company (including by way of issuing MCIs) in general meeting or a Member may be exercised at any time and from time to time;
- i) "writing" and "written" includes printing, typing and other modes of reproducing words in a visible form including any representation of words in a physical document or in an electronic communication or form or otherwise;
- j) the word "present" in the context of a person being present at a meeting includes participating using technology approved by the Directors in accordance with this Constitution;
- k) a reference to dollars or \$ is a reference to Australian dollars;
- l) the word "law" includes common law, principles of equity and legislation, and a reference to legislation includes regulations and other instruments under it and any variation or replacement of any of them; and
- m) a chairman appointed under this Constitution may be referred to as a chairperson, chairwoman or as chair, as appropriate.

## 1.3 Corporations Act

In this Constitution unless the contrary intention appears:

- a) a word or expression defined or used in the Corporations Act has the same meaning when used in this Constitution in a similar context; and
- b) "section" means a section of the Corporations Act.

## 1.4 Replaceable rules not to apply

The provisions of the Corporations Act that apply as replaceable rules are displaced by this Constitution and do not apply to the Company.



## 2. Objects of the Company

### 2.1 Objects

The Company is established to:

- a) be a health services organisation;
- b) provide membership services, professional indemnity insurance, other insurance, products and services to health practitioners and their related organisations, employees and associates and those studying to be health practitioners and their associates;
- c) facilitate through its licensed insurers stable and competitive premiums calculated on a long-term sustainable basis;
- d) assist in supporting and protecting the professional reputation of Members;
- e) promote honourable and contemporary practice in the health services industry;
- f) the extent permitted by law, to advise and assist Members in defending, settling and meeting the costs of legal or other proceedings or charges involving issues of professional principle or practice or of material interest to the health services industry.
- g) the extent permitted by law, to indemnify in its absolute discretion Members, former Members and the estates of deceased Members against claims made in respect to their professional work;
- h) raise money to further the aims of the Company and to secure sufficient funds for the objects of the Company;
- i) receive any funds and to manage and distribute these funds in a manner that best attains the objects of the Company;
- j) engage in any other activities as determined by the Directors to be in the best interests of the Company from time to time; and
- k) do all such things as are incidental or conducive to the attainment of all or any of the above objects of the Company.

### 2.2 Intention to be an MCI mutual entity

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

The Company has the power to issue MCIs. The Company does not have the power to issue any shares other than MCIs.

## 3. Membership

### 3.1 Classes of Membership

The membership of the Company is divided into the following classes of Members:

- a) Voting Members;
- b) Student Members; and
- c) any other class of Members determined by the Directors from time to time.

### 3.2 Voting Members

Each Voting Member has the right:

- a) to receive notices of and to attend and be heard at any general meeting;
- b) subject to this Constitution and the Corporations Act, to exercise one vote at any general meeting (including, for the avoidance of doubt, a meeting convened for purposes of article 7.1); and
- c) to any dividends and distributions which may be payable to Voting Members in accordance with articles 12 or 17 of this Constitution.

### 3.3 Student Members

Each Student Member:

- a) has the right to receive notices of and to attend and be heard at any general meeting; and
- b) does not have the right to vote at any general meeting (including, for the avoidance of doubt, a meeting convened for the purposes of article 7).

### 3.4 Other classes of Members

The Directors may, subject to this Constitution and the Corporations Act, determine a new class of membership and specify the rights attaching to that class, including the rights of that class as to:

- a) whether or not the Member is entitled to the receipt of notices of and to attend and be heard at any general meeting;
- b) whether or not the Member is entitled to vote at any general meeting; and
- c) any entitlement of the Member to dividends or distributions.

### 3.5 Directors may vary classes and class rights

The Directors may, subject to this Constitution and the Corporations Act:

- a) prescribe, revoke and amend the criteria for membership and any class of membership (but are not obliged to accept persons fulfilling those criteria as Members or Members of a class); and
- b) vary or cancel the rights, restrictions and obligations of Members in any class, if:
  - i. at least 75% of the Members of that class give their written consent; or
  - ii. a special resolution to that effect is passed at a separate meeting of those Members.

The articles relating to general meetings apply to meetings of a class of Members in so far as they are capable of application and with the necessary changes to every separate meeting.

### 3.6 No transfer of Membership

A Member must not sell, transfer or dispose of any interest in the Company to another Member or a third party. A Member must not permit any third party to have a relevant interest (as that term is defined in the Corporations Act) in their interest in the Company. Any breach of this article may result in termination of membership pursuant to article 4.9.

### 3.7 Limited liability

A Member has no liability as a Member except as set out in article 4 or article 17.1.

## 4. Membership Arrangements

### 4.1 Application for Membership

A person who meets the criteria required of a Member may apply to become a Member by submitting to the Company a properly completed application in the form prescribed by the Directors from time to time that is:

- a) accompanied by such documents or evidence of qualification for the category of membership for which the applicant has applied, as determined by the Directors; and
- b) accompanied by the Application Fee (if any).

By completing an application form, if accepted, the applicant agrees to be bound by this Constitution and any other rules, by-laws, policies or other standards prescribed by the Directors from time to time.

### 4.2 Admission as a Member

The Directors must determine whether to accept or reject each application for membership and, within a reasonable time, notify the applicant of their decision. The Directors are not required to give reasons for rejection of an application for membership of the Company. If an application for membership is rejected, any Application Fee and any Annual Subscription Fee received by the Company will be refunded to the applicant.

The Directors may determine, in their sole discretion, the class of membership to which a person will be admitted.

### 4.3 Register of Members

Upon admission as a Member, that person's details will be recorded in the Register of Members by the Company.

The Register of Members must record any information in relation to Members as the Directors and/or the Corporations Act require from time to time.

A Member must promptly notify the Company of any change in the Member's details which are recorded in the Register of Members.

### 4.4 Application Fee

The Directors may resolve from time to time that any person applying to become a Member must pay an Application Fee and, if so, how much and when and how it is to be paid.

### 4.5 Annual Subscription Fee

The Directors may determine whether there will be an Annual Subscription Fee and, if so, the annual amount payable for each Member or class of Members.

Annual Subscription Fees are due and payable in advance of the period to which they relate unless otherwise determined by the Directors.

The Directors may waive the payment of all or any part of an Annual Subscription Fee for a Member or any class of Members.

### 4.6 Ceasing to be a Member

A person ceases to be a Member on:

- a) resignation;
- b) non-payment in accordance with article 4.8;
- c) termination of the person's membership by the Directors in their absolute discretion as provided for in article 4.9;
- d) in the case of a natural person:
  - i. death;
  - ii. becoming bankrupt or insolvent or making an arrangement or composition with creditors of the person's joint or separate estate generally;
  - iii. ceasing to satisfy any membership criteria established by the Directors from time to time; or
  - iv. becoming of unsound mind or a person whose person or estate is liable to be dealt with in any way under a law relating to mental health; or
- e) in the case of a body corporate:
  - i. being dissolved or otherwise ceasing to exist; or
  - ii. becoming Insolvent.

No pro-rata refund of the Annual Subscription Fee will be payable to a Member who ceases to be a Member. A Member remains liable after cessation for all money due by the Member to the Company at the date of cessation, in addition to any sum for which the Member is liable as a Member under article 17.1.

### 4.7 Resignation

A Member may by written notice to the Company resign from membership with immediate effect or with effect from a specified date occurring not more than one month after the service of the notice.

### 4.8 Non-payment of Annual Subscription Fee

If an Annual Subscription Fee for a Member remains unpaid for three months after it becomes due, the Member's membership automatically terminates and the Member ceases to be a Member. The Annual Subscription Fee remains a debt due by the Members to the Company and the Company may sue the Member to recover all arrears of Annual Subscription Fees.

The Directors may, but need not, reinstate a Member whose membership is terminated if the Member pays all overdue Annual Subscription Fees.

## 4.9 Termination of membership

The Directors, in their absolute discretion, may resolve to terminate the membership of a Member.

The Company must give a Member notice of the proposed resolution to terminate their membership under this article at least 21 days before the Directors consider the resolution.

At the Directors' meeting at which the Directors consider the proposed resolution, prior to the time that the Directors consider and vote on the proposed resolution, the Member is entitled:

- a) to be present with or without the Member's legal representative; and
- b) to address the Directors, either in person or through the Member's legal representative.

If the Directors resolve to terminate the Member's membership, the termination takes effect immediately, or with effect from such other date as the Directors may determine.

## 5. General meetings

### 5.1 Annual general meeting

Annual general meetings of the Company are to be held in accordance with the Corporations Act and this Constitution.

### 5.2 Convening a general meeting

The Directors may convene and arrange to hold a general meeting of the Company when they think fit and must do so if required to do so under the Corporations Act.

### 5.3 Use of technology at general meetings

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

### 5.4 Notice of general meeting

Notice of a general meeting must be given in accordance with article 15 and the Corporations Act.

### 5.5 Calculation of period of notice

In calculating the period of notice for a general meeting, both the day on which the notice is given or taken to be given and the day of the meeting convened by it are to be disregarded.

### 5.6 Cancellation or postponement of general meeting

Where a general meeting (including an annual general meeting) is convened by the Directors, they may by notice, whenever they think fit, cancel the meeting or postpone the holding of the meeting to a date and time determined by them or change the place for the meeting.

This article does not apply to a meeting convened in accordance with the Corporations Act by Members, by the Directors on the request of Members, or to a meeting convened by order of a court.

### 5.7 Notice of cancellation, postponement or change of place of general meeting

Written notice of cancellation or postponement or change of place of a general meeting must be given to all persons entitled to receive notices of general meetings from the Company.

A notice of a change of place of a general meeting must specify the different place for the holding of the meeting.

### 5.8 Contents of notice postponing general meeting

A notice postponing the holding of a general meeting must specify:

- a) a date and time for the holding of the meeting;

- b) a place for the holding of the meeting, which may be either the same as or different from the place specified in the notice convening the meeting; and
- c) if the meeting is to be held in two or more places, the technology that will be used to facilitate the holding of the meeting in that manner.

### 5.9 Number of clear days for postponement of general meeting

The number of clear days from the giving of a notice postponing the holding of a general meeting to the date specified in that notice for the holding of the postponed meeting must not be less than the number of clear days' notice of the general meeting required to be given by this Constitution or the Corporations Act.

### 5.10 Business at postponed general meeting

The only business that may be transacted at a postponed general meeting is the business specified in the original notice convening the meeting.

### 5.11 Non-receipt of notice

The non-receipt of, or accidental omission to give, a notice of a general meeting or cancellation, postponement or change of details for a general meeting to a person entitled to receive notice does not invalidate any resolution passed at the general meeting or at a postponed meeting or the cancellation or postponement of a meeting.

### 5.12 Proxy, attorney or Representative at postponed general meeting

Where by the terms of an instrument appointing a proxy or attorney or of an appointment of a representative:

- a) the appointed person is authorised to attend and vote at a general meeting or general meetings to be held on or before a specified date; and
- b) the date for holding the meeting is postponed to a date later than the date specified in the instrument of proxy, power of attorney or appointment of Representative,

then that later date is substituted for and applies to the exclusion of the date specified in the instrument of proxy, power of attorney or appointment of Representative unless the Member appointing the proxy, attorney or Representative gives to the Company, at its Registered Office, written notice to the contrary not less than 48 hours before the time to which the holding of the meeting has been postponed.

### 5.13 Director entitled to notice of meeting

A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of any class of Members and, subject to article 6.7, is entitled to speak at those meetings.

## 6. Proceedings at general meetings

### 6.1 Number for a quorum

Subject to articles 6.3 and 7.1, twenty Voting Members present in person or by proxy, attorney or Representative are a quorum at a general meeting. In determining whether a quorum is present, each individual attending as a proxy, attorney or Representative is to be counted, except that:

- a) where a Voting Member has appointed more than one proxy, attorney or Representative, only one is to be counted; and
- b) where an individual is attending both as a Voting Member and as a proxy, attorney or Representative, that individual is to be counted once for that Voting Member and once for each Voting Member for whom that individual is attending as proxy, attorney or Representative.

### 6.2 Requirement for a quorum

An item of business may not be transacted at a general meeting unless a quorum is present when the meeting proceeds to consider it. If a quorum is present at the time the first item of business is transacted, it is taken to be present when the meeting proceeds to consider each subsequent item of business unless the chairman of the meeting (on the chairman's own motion or at the request of a Voting Member, proxy, attorney or Representative who is present) declares otherwise.

### 6.3 If quorum not present

If within 30 minutes after the time appointed for a general meeting a quorum is not present, the meeting:

- a) if convened at the request of Voting Members, is dissolved; and
- b) in any other case, stands adjourned to the same day in the next week and the same time and place, or to such other day, time and place as the Directors appoint by providing not less than seven days' notice to the Members and others entitled to notice of the meeting.

### 6.4 Adjourned meeting

Subject to article 7.1, at a meeting adjourned under article 6.3(b), twenty persons each being a Voting Member, proxy, attorney or Representative present at the meeting are a quorum. If a quorum is not present within 30 minutes after the time appointed for the adjourned meeting, the meeting is dissolved.

### 6.5 Appointment of chairman of general meeting

If the Directors have elected one of their number as chairman of their meetings, that person is entitled to preside as chairman at every general meeting.

### 6.6 Absence of chairman at general meeting

If a general meeting is held and:

- a) a chairman has not been elected by the Directors; or
- b) the elected chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

the following may preside as chairman of the meeting (in order of precedence):

- c) a Director chosen by a majority of the Directors present;
- d) the only Director present; or
- e) a Voting Member chosen by a majority of the Voting Members present in person or by proxy, attorney or Representative.

### 6.7 Conduct of general meetings

The chairman of a general meeting:

- a) has charge of the general conduct of the meeting and of the procedures to be adopted at the meeting;
- b) may require the adoption of any procedure which is in the chairman's opinion necessary or desirable for proper and orderly debate or discussion and the proper and orderly casting or recording of votes at the general meeting;
- c) may expel any Member, Director, or MCI Holder
- d) (if applicable) from a general meeting, in his or her discretion, if the chairman reasonably considers that the Member's, Director's, or MCI Holder's (if applicable) conduct is inappropriate; and
- e) having regard where necessary to the Corporations Act, may terminate discussion or debate on any matter whenever the chairman considers it necessary or desirable for the proper conduct of the meeting,

and a decision by the chairman under this article is final.

### 6.8 Adjournment of general meeting

The chairman of a general meeting may at any time during the meeting adjourn the meeting or any business, motion, question, resolution, debate or discussion being considered or remaining to be considered by the meeting either to a later time at the same meeting or to an adjourned meeting at any time and any place, but:

- a) in exercising this discretion, the chairman may, but need not, seek the approval of the Voting Members present in person or by proxy, attorney or Representative; and
- b) only unfinished business is to be transacted at a meeting resumed after an adjournment.

Unless required by the chairman, a vote may not be taken or demanded by the Voting Members present in person or by proxy, attorney or Representative in respect of any adjournment.

### 6.9 Notice of adjourned meeting

It is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting unless a meeting is adjourned for one month or more. In that case, notice of the adjourned meeting must be given as in the case of an original meeting.

### 6.10 Questions decided by majority

Subject to the requirements of the Corporations Act and article 7, a resolution is taken to be carried if a simple majority of the votes cast on the resolution by persons eligible to vote are in favour of it.

### 6.11 No casting vote for the chairman

If there is an equality of votes, whether on a show of hands or on a poll, the chairman of the general meeting is not entitled to a casting vote in addition to any votes to which the chairman is entitled as a person eligible to vote or proxy, attorney or Representative of a Member.

### 6.12 Voting on show of hands

At any general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is validly demanded in accordance with the Corporations Act and this Constitution and the demand is not withdrawn. A declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact. Neither the chairman nor the minutes need state, and it is not necessary to prove, the number or proportion of the votes recorded in favour of or against the resolution.

### 6.13 Demanding a poll

At a general meeting of the Company, a poll may be demanded by:

- a) at least five Voting Members entitled to vote on the resolution; or
- b) the chairman of the meeting.

### 6.14 Poll

If a poll is validly demanded in accordance with article 6.13:

- a) it must be taken in the manner and at the date and time directed by the chairman and the result of the poll is a resolution of the meeting at which the poll was demanded;
- b) on the election of a chairman or on a question of adjournment, it must be taken immediately;
- c) the demand may be withdrawn; and
- d) the demand does not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

### 6.15 Entitlement to vote

Subject to the Corporations Act and to this Constitution and to any rights and any restrictions attached to any class of Members:

- a) on a show of hands, each Voting Member present in person and each other person present as proxy, attorney or Representative of a Voting Member has one vote; and
- b) on a poll, each Voting Member present in person has one vote and each person present as proxy, attorney or Representative of a Voting Member has one vote for each Voting Member that the person represents.

### 6.16 Validity of vote in certain circumstances

If a Member appoints a person to vote as a proxy, attorney or Representative at a meeting ("Appointee") and the appointing Member:

- a) ceases to be a Member;
- b) dies;
- c) is mentally incapacitated; or
- d) revokes the appointment or authority,

before the start or the resumption of the meeting, a vote cast by the Appointee at the meeting is not valid.

### 6.17 Objection to voting qualification

An objection to the right of a person to attend or vote at a general meeting or adjourned general meeting:

- a) may not be raised except at that meeting or adjourned meeting; and
- b) must be referred to the chairman of the meeting, whose decision is final. A vote not disallowed under the objection is valid for all purposes.

### **6.18 Right to appoint attorney**

A Member may by power of attorney appoint an attorney to act on the Member's behalf at all or any meetings of the Company or of any class of Members.

To be effective, an instrument appointing an attorney under this article, together with any evidence of non-revocation the Directors require, must be received by the Company at least 48 hours before the meeting.

### **6.19 Suspension or if any Application Fee or Annual Subscription Fee not paid**

In addition to any other rights of the Company, if:

- a) any Application Fee or Annual Subscription Fee is due and payable by a Member and is not paid; or
- b) a Member is suspended,

the Member has no right to be present at, be counted among the quorum for, or vote, whether in person or by proxy, attorney or Representative, at a general meeting of the Company.



## 7. Control Transaction

### 7.1 Supermajority Resolution

The Company must not enter into, and the Directors must not authorise a Control Transaction unless prior to doing so, Members have approved the Control Transaction by resolution at a general meeting in accordance with this article. For the purposes of that approval:

- a) the required quorum to consider the resolution approving the Control Transaction is 20% in number of all Members of the Company entitled to vote on the relevant resolution(s); and
- b) the required majority to approve the resolution approving the Control Transaction is at least 75% of the votes that are cast on the relevant resolution(s).

A Member may be represented or grant approval of such a resolution for purposes of this article in person or by proxy, attorney or Representative.

### 7.2 Control Transaction Approval Procedure

A resolution to approve a Control Transaction under this article 7 is only effective if the procedure set out in the Appendix (Control Transaction Approval Procedure) to this Constitution has first been complied with, unless a Control Transaction is recommended by not less than 75% of Directors, in which case the procedure in article 7.3 will instead apply.

### 7.3 Procedure for Control Transaction recommended by Directors

Where 75% or more of the Directors recommend a Control Transaction:

- a) the Directors recommending the Control Transaction will, subject to any requirements imposed by law, determine what, if any, information will be provided to Members to enable them to vote on the relevant resolution(s) at a general meeting in accordance with article 7.1; and
- b) for the avoidance of doubt, the procedure set out in the Appendix (Control Transaction Approval Procedure) to this Constitution will not apply.

### 7.4 Control Transaction

"Control Transaction" means any proposal that directly or indirectly has one of the following effects:

- a) the conversion of the Company to a company limited by shares; or
- b) a members' scheme of arrangement of the Company; or
- c) any reorganisation or restructure of the Company or its capital, including issue of shares or reduction of capital or share buy-back where as part of that transaction any person would become the holder of voting power (as that term is defined in the Corporations Act) of 5% or more of the issued capital of the Company; or
- d) a sale or other transfer of the main undertaking, business or assets of the Company; or
- e) a sale or other transfer of the main undertaking, business or assets of a subsidiary of the Company, where the undertaking, business or assets to be sold or transferred constitute 50% or more of the gross assets or revenue of the Company's Consolidated Group (as that term is defined in the *Income Tax Assessment Act 1997 (Cwlth)*) as reflected in the most recent consolidated annual financial statements of the Company; or
- f) the grant of a power of attorney or a proxy by Members (whether by scheme of arrangement or otherwise, but excluding a proxy given and personally executed by individual members for the purpose of an approval under this article 7) to implement a transaction of the type described in any of articles 7.4(a) to 7.4(e) above; or
- g) a resolution to amend the Constitution to remove or amend article 7 or the Appendix to this Constitution.

## 8. Directors

### 8.1 Number of Directors

The board of Directors will be comprised of:

- a) up to six Directors who must each be Voting Members ("Voting Member Director") with:
  - i. at least one Voting Member Director and not more than three Voting Member Directors resident in New South Wales;
  - ii. at least one Voting Member Director and not more than three Voting Member Directors resident in Victoria; and
  - iii. at least one Voting Member Director and not more than three Voting Member Directors resident in Queensland; and
- b) up to three Directors appointed by the Directors who must not be Members and must be independent of the Company ("Non-Member Director"). For the avoidance of doubt, a Director can be a director of any subsidiary of the Company and still be a Non-Member Director, provided the Director does not have a material personal relationship with the Company or a subsidiary of the Company, other than being appointed a director of the subsidiary.
  - i. the chair of the Insurance Board;
  - ii. another director of the Insurance Board; and
  - iii. one other person, who need not be a director of the Insurance Board or of any other subsidiary of the Company.

### 8.2 Filling vacancies

If a Voting Member Director retires or otherwise vacates office, the Company may, subject to article 8.1, by resolution fill the vacated office by electing a person to that office.

### 8.3 Election of Directors

- a) The rules and procedures and any eligibility or other criteria or requirements for election and appointment of Directors will be determined by the Directors or a Committee from time to time.
- b) Without limiting articles 9.6 and 9.7, the Directors may form and take recommendations from a Board Election Committee. The Board Election Committee will consider and assess the eligibility of, and may recommend, nominees for election as a Director.
- c) The Directors may, but are not required to, recommend or endorse any eligible person for election as a Director.

### 8.4 Retirement of Directors

- a) Subject to article 8.6 Voting Member Directors will be elected for a term of four years.
- b) At each annual general meeting of the Company, Voting Member Directors whose terms have expired must retire from office but are eligible for re-election.
- c) A Voting Member Director retiring at an annual general meeting, who is not otherwise disqualified by law from being reappointed, is eligible for re-election.

- d) A retiring Voting Member Director holds office until the conclusion of the general meeting.

### 8.5 Non-Member Directors

- a) Notwithstanding anything to the contrary in this Constitution, but subject to article 8.6, Non-Member Directors continue in office for a term of four years, or such other term as agreed by the Directors, from the date of their appointment, and may be re-appointed at the end of each term for a further four years, or such other term as agreed by the Directors.
- b) The Directors may at any time appoint a person to fill a casual vacancy of a Non-Member Director.

### 8.6 Vacation of office

In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act or article 8.7, the office of a Director becomes vacant if the Director:

- a) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under a law relating to mental health;
- b) resigns office by notice in writing to the Company;
- c) being a Voting Member Director, is removed from office in accordance with article 8.7;
- d) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of the interest as required by the Corporations Act, unless such failure is excused by the remaining Directors within 30 days after the remaining Directors become aware of the failure;
- e) being a Voting Member Director, ceases to be a Voting Member;
- f) is not present personally at meetings of the Directors for three consecutive Directors' meetings without the approval of the Directors (for this purpose a Director is not present personally if voting by proxy pursuant to article 10.18); or
- g) is determined by the Directors or a Committee to not be a "fit and proper" person or to meet any comparable standards for officers or other people with designated responsibilities (by reference to any eligibility or other applicable criteria published, issued or otherwise determined by any Australian governmental or regulatory body) to hold the office of Director.

### 8.7 Removal from office

The Voting Members may, by ordinary resolution:

- a) remove a Director from office; and
- b) subject to the residency requirements in article 8.1(a), if the Director is a Voting Member Director, appoint another Voting Member Director in their place to hold office for a period equal to the notional balance of the term of the Director who they replace. If the notional term is zero then the term will be three years.

## 8.8 Eligibility for election as a Voting Member Director

Except for a person who is eligible for election under article 8.9, a person is not eligible for election as a Voting Member Director (to take office as part of the general meeting process) unless a consent to nomination signed by the person has been lodged at the Registered Office at least 45 business days before the general meeting or any other period permitted under the Corporations Act but no more than 180 business days before the general meeting.

In addition to the above, in order to be eligible for election as a Voting Member Director:

- a) the person must be a Voting Member and must have been a Voting Member for a period of at least three consecutive years on the date which is 3 months before the general meeting; and
- b) the person must have complied with applicable procedures for election and appointment of Directors.

## 8.9 Casual vacancy

The Directors may at any time appoint a person eligible to be a Voting Member Director to fill a casual vacancy of a Voting Member Director. That person holds office until the conclusion of the next general meeting after that appointment. That person is then eligible for re-election.

## 8.10 Replacement of Voting Member Director

Following an appointment of a Voting Member Director to fill a casual vacancy under article 8.9, at the next general meeting after such appointment, an election will be held for a Voting Member Director to hold office for a period equal to the notional balance of the term of the Voting Member Director who they replace (calculated as if there had been no casual vacancy). If the notional term is zero, then the term will be four years.

## 8.11 Remuneration for services as a Director

- a) The Directors may be paid remuneration for their services as a Director. The amount, if any, will be determined from time to time by the Directors or a Committee appointed at the Directors' discretion.
- b) Any payment to a Director (including a payment permitted under article 8.12) must be approved by the Directors.

## 8.12 Reimbursement of expenses

A Director is entitled to be reimbursed out of the funds of the Company for all travelling, accommodation and other expenses that they properly incur:

- a) in attending Directors' meetings or any meetings of committees of Directors;
- b) in attending general meetings of the Company; or
- c) in connection with the Company's business.

## 8.13 Payments to former Directors

Subject to the Corporations Act, and to the extent permitted by law, the Directors may in the event of, or following, a Director's death or disablement resolve to:

- a) pay to the Director, or to the Director's estate, or to any one of his or her relatives, a gratuity, pension or allowance; and
- b) make contributions to any fund and pay any premiums for the purchase or provision of that gratuity, pension or allowance.

## 8.14 Director's interests

Subject to the provisions of this Constitution and to complying with the Corporations Act regarding disclosure of and voting on matters involving material personal interests, a Director may:

- a) hold any office or place of profit in the Company, except that of auditor;
- b) hold any office or place of profit in any other company, body corporate, trust or entity promoted by the Company or in which it has an interest of any kind;
- c) enter into a contract or arrangement with the Company;
- d) participate in any association, institution, fund, trust or scheme for past or present employees or Directors of the Company or persons dependent on or connected with them;
- e) act in a professional capacity (or be a member of a firm which acts in a professional capacity) for the Company, except as auditor;
- f) despite having an interest in a matter that is being considered at a meeting of Directors, be present at, participate in, vote on and be counted in a quorum at the meeting;
- g) despite having an interest in a document, sign or participate in the execution of a document by or on behalf of the Company; and
- h) do any of the above despite the fiduciary relationship of the Director's office:
  - i. without any liability to account to the Company for any benefit accruing to the Director; and
  - ii. without affecting the validity of any contract or arrangement.

If there are not enough Directors to form a quorum as a result of one or more Directors having an interest which disqualifies him or her from voting under paragraph (f), above, then one or more of the Directors (including those who have the disqualifying interest in the matter) may call a general meeting of the Company and the general meeting may pass a resolution to deal with the matter.

A reference to the Company in this article is also a reference to any related body corporate of the Company.

## 9. Powers and duties of Directors

### 9.1 Directors to manage the Company

The Directors are to manage the business of the Company and may exercise all the powers of the Company that are not, by the Corporations Act or by this Constitution, required to be exercised by the Company in general meeting or otherwise.

### 9.2 Specific powers of Directors

Without limiting the generality of article 9.1, the Directors may exercise all the powers of the Company to create by-laws, to borrow or raise money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

### 9.3 Appointment of attorney

The Directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for the purposes and with the powers, authorities and discretions vested in or exercisable by the Directors for the period and subject to the conditions they think fit.

### 9.4 Provisions in power of attorney

A power of attorney granted under article 9.3 may contain any provisions for the protection and convenience of persons dealing with the attorney that the Directors think fit and may also authorise the attorney to delegate (including by way of appointment of a substitute attorney) all or any of the powers, authorities and discretions vested in the attorney.

### 9.5 Signing of cheques

The Directors may determine the manner in which and persons by whom cheques, promissory notes, bankers' drafts, bills of exchange and other negotiable instruments, and receipts for money paid to the Company, may be signed, drawn, accepted, endorsed or otherwise executed.

### 9.6 Committees

The Directors may as they think fit delegate, and revoke the delegation of, any of their powers, other than powers required by law to be dealt with by Directors as a board, to a Committee or Committees consisting of one or more of their number and such other persons as they determine.

### 9.7 Powers delegated to Committees

A Committee to which any powers have been delegated under article 9.6 must exercise those powers in accordance with any directions of the Directors.

### 9.8 Meetings of Committee

A Committee may meet and adjourn as it thinks proper.

### 9.9 Determination of questions

Questions arising at a meeting of a Committee are to be determined by a majority of votes of the members of the Committee entitled to vote.

### 9.10 Powers of delegation

The Directors may delegate any of their powers to any persons they select for any period, to be exercised for any objects and purposes on any terms and subject to any conditions and restrictions as they think fit, and may revoke, withdraw, alter or vary the delegation of any of those powers.

The powers of delegation expressly or impliedly conferred by this Constitution on the Directors are conferred in substitution for, and to the exclusion of, the power conferred by section 198D of the Corporations Act.

## 10. Proceedings of Directors

### 10.1 Directors' meetings

The Directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.

### 10.2 Director may convene a meeting

A Director may at any time, and the Secretary must on the written request of a Director, convene a meeting of the Directors.

### 10.3 Notice of meeting

Ordinarily, notice of each meeting of the Directors must be given to each Director at least seven days before the meeting. However, the chairman may determine that extraordinary circumstances exist and may authorise shorter, but no less than 24 hours, notice be given to each Director.

It is not necessary to give a notice of a Directors' meeting to a person who is not in Australia or who has been given leave of absence by the Directors.

### 10.4 Waiver of notice

Notwithstanding the requirements in article 10.3 any Director who is present in Australia and not on a leave of absence granted by the Directors may waive in writing the required period of notice for a particular meeting.

### 10.5 Use of technology for Directors' meetings

A Directors' meeting may be called or held using any technology that gives the Directors a reasonable opportunity to participate in the meeting.

### 10.6 Questions decided by majority

A question arising at a meeting of Directors is to be decided by a majority of votes of Directors present and entitled to vote and that decision is for all purposes a decision of the Directors.

### 10.7 Alternate Director or proxy and voting

A person who is present at a meeting of Directors as an Alternate Director or as a proxy for another Director has one vote for each absent Director who would be entitled to vote if present at the meeting and for whom that person is an Alternate Director or proxy. If that person is also a Director, they have one vote as a Director in that capacity.

### 10.8 Chairman of Directors' meetings

The Directors may elect one of their number as chairman of their meetings and may also determine the period for which the person remains as chairman.

### 10.9 Absence of chairman at a Directors' meeting

If a Directors' meeting is held and:

- a) a chairman has not been elected under article 10.8; or
- b) the chairman is not present within 10 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

the Directors present must elect one of their number to be a chairman of the meeting.

### 10.10 Appointment of Alternate Director

Subject to the Corporations Act, a Director may appoint a person approved by a majority of the other Directors, to be an Alternate Director in the Director's place for such period as the Director thinks fit.

### 10.11 Alternate Director and meetings

An Alternate Director is entitled to notice of all meetings of the Directors and, if the appointor does not participate in a meeting, the Alternate Director is entitled to participate and vote in the appointor's place.

### 10.12 Alternate Director's powers

An Alternate Director may exercise all the powers of the appointor except the power to appoint an Alternate Director and, subject to the Corporations Act, may perform all the duties of the appointor except to the extent that the appointor has exercised or performed them.

### 10.13 Alternate Director responsible for own acts and defaults

Whilst acting as a Director, an Alternate Director:

- a) is an officer of the Company and not the agent of the appointor; and
- b) is responsible to the exclusion of the appointor for the Alternate Director's own acts and defaults.

### 10.14 Alternate Director – expenses and remuneration

Articles 8.11 and 8.12 apply to an Alternate Director as if they were a Director.

### 10.15 Termination of appointment of Alternate Director

The appointment of an Alternate Director may be terminated at any time by the appointor even if the period of the appointment of the Alternate Director has not expired, and terminates in any event if the appointor ceases to be a Director.

### 10.16 Appointment or termination

An appointment, or the termination of an appointment, of an Alternate Director must be effected by a notice signed by the Director who makes or made the appointment and delivered to the Company.

### 10.17 Alternate Director and number of Directors

An Alternate Director is not to be taken into account separately from the appointor in determining the number of Directors.

### 10.18 Director attending and voting by proxy

A Director may participate in and vote by proxy at a meeting of the Directors if:

- a) the proxy is another Director; and
- b) the appointment is signed by the appointor.

The appointment may be general or for one or more particular meetings.

### 10.19 Quorum for Directors' meeting

At a meeting of Directors, the number of Directors whose presence in person or by proxy is necessary to constitute a quorum is as determined by the Directors from time to time and, unless so determined, is five.

### 10.20 Continuing Directors may act

The continuing Directors may act despite a vacancy in their number. If their number is reduced below five, the continuing Directors may, except in an emergency, act only for the purpose of filling vacancies to the extent necessary to bring their number up to that minimum or to convene a general meeting.

### 10.21 Chairman of Committee

The members of a Committee may elect one of their number as chairman of their meetings.

If a meeting of a Committee is held and:

- a) a chairman has not been elected; or
- b) the chairman is not present within 10 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

the members involved may elect one of their number to be chairman of the meeting.

### 10.22 Circulating resolutions

The Directors may pass a resolution without a Directors' meeting being held if all of the Directors entitled to vote on the resolution, excluding any Director who is not in Australia or has been given a leave of absence, 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.

In relation to a resolution in writing, a document generated by electronic means which purports to be a resolution of the Directors is to be treated as a resolution in writing and a document generated electronically bearing a copy of a signature is to be treated as signed.

### 10.23 Validity of acts of Directors

All acts done at a meeting of the Directors or of a Committee, or by a person acting as a Director are, even if it is afterwards discovered that:

- a) there was a defect in the appointment or continuance in office of a person as a Director or of the person so acting; or
- b) a person acting as a Director was disqualified or was not entitled to vote,

as valid as if the relevant person had been duly appointed or had duly continued in office and was qualified and entitled to vote.

# 11. Secretary

## 11.1 Appointment of Secretary

The Company must have at least one Secretary who is to be appointed by the Directors, and may appoint more than one Secretary.

## 11.2 Suspension and removal of Secretary

The Directors may suspend or remove a Secretary from that office.

## 11.3 Powers, duties and authorities of Secretary

A Secretary holds office on the terms and conditions (including as to remuneration) and with the powers, duties and authorities, as determined by the Directors.



## 12. Dividends and distributions

### 12.1 Payment of dividend or distribution

Subject to the Corporations Act, this Constitution and the terms of any class of Member or MCI Holder with any special rights as to dividends or distributions, the Directors may:

- a) declare or determine that a dividend or distribution is payable that, in the Directors' judgment, the financial position of the Company justifies;
- b) fix the amount and the time for payment of that dividend or distribution; and
- c) authorise the payment or crediting by the Company to, or at the direction of, each Member and/or MCI Holder entitled to that dividend or distribution.

A Member and/or MCI Holder is entitled to dividends and distributions which are declared or determined and payable to Members or MCI Holders as determined by the Directors, or in the case of a MCI Holder as set out in the terms of issue of the MCIs, subject to any other considerations or criteria as the Directors may determine from time to time.

As a result, the Directors may declare or determine to pay dividends and/or may make distributions that are of different amounts and differentiate among Members whether those Members are of the same class or of different classes and between Members and MCI Holders.

The Company does not incur a debt merely by fixing the amount or time for payment of a dividend and/or a distribution. A debt arises only when the time fixed for payment arrives. The decision to pay a dividend and/or make a distribution may be revoked by the Directors at any time before then.

### 12.2 No interest on dividends or distributions

Interest is not payable by the Company on a dividend or distribution.

### 12.3 Reserves

Before paying or making any dividends or distributions to Members and MCI Holders, the Directors may:

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

### 12.4 Distributions otherwise than in cash

When resolving to pay a dividend or make any distribution the Directors may direct payment of the dividend or distribution wholly or in part by the distribution of specific assets or documents of title and in particular by the issue or transfer of paid up shares, debentures or debenture stock or options of the Company or any other company.

For the avoidance of doubt, any dividends on MCIs must not be paid other than in the form of cash.

### 12.5 Power to capitalise Profits

The Directors may resolve that the whole or any portion of the sum forming part of the undivided profits of the Company or standing to the credit of any reserve or other account, and which is available for distribution, be capitalised and distributed to Members:

- a) in the same proportions in which they would be entitled to receive it if distributed by way of dividend; or
- b) in accordance with either:
  - i. the terms of their class of Membership; or
  - ii. the terms of any plan for the issue of securities for the benefit of officers or employees.



## 12.6 Payments

Subject to article 12.4, payment of any dividend or distribution may be made in any way determined by the Directors including by applying different methods of payment to different Members or groups of Members (such as overseas Members).

Without prejudice to any other method of payment which the Directors may adopt, in each case at the risk of the Member and MCI Holder, payment may be made to the Member entitled to the dividend or distribution.

## 12.7 Resolution of distribution difficulties

To give effect to any resolution to reduce the capital of the Company, to satisfy a dividend or to capitalise any amount under this article 12, the Directors may:

- a) settle the matter as they consider expedient;
- b) fix the value for distribution of the specific assets or any part of those assets;
- c) determine that cash payments will be made to, or at the direction of, any Members and/or MCI Holders on the basis of the value so fixed in order to adjust the rights of all parties; and
- d) vest any such specific assets in trustees as the Directors consider expedient.

If a distribution of specific assets to, or at the direction of, a particular Member or Members, or MCI Holder or MCI Holders is illegal or, in the Directors' opinion, impracticable the Directors may make a cash payment to the Member or Members, or MCI Holder or MCI Holders on the basis of the cash amount of the dividend instead of the distribution of specific assets.

## 12.8 Right of set-off

The Directors may deduct any unpaid Annual Subscription Fees or overdue premiums or fees for any product or service provided by the Company or any of its subsidiaries from a dividend or distribution payable to a Member.

## 12.9 Unclaimed dividends and distributions

Unclaimed dividends and distributions may be invested by the Directors as they think fit for the benefit of the Company until claimed or until required to be dealt with in accordance with any applicable law relating to unclaimed moneys.

## 12.10 Ancillary powers in relation to dividends and other distributions

If the Company distributes to Members or MCI Holders (either generally or to specific Members or MCI Holders):

- a) securities in the Company or in another body corporate or trust; or
- b) other specific assets, whether as a dividend or otherwise and whether or not for value,

each of those Members or MCI Holders irrevocably appoints the Company to be his or her attorney to do anything needed including, but not limited to, signing any documents to give effect to that distribution (including agreeing to become a shareholder of that other body corporate).

## 13. Seals

### 13.1 Safe custody of common seals

The Directors must provide for the safe custody of any seal of the Company.

### 13.2 Use of common seal

If the Company has a common seal or duplicate common seal:

- a) it may be used only by the authority of the Directors, or of a Committee authorised by the Directors to authorise its use; and
- b) every document to which it is affixed must be signed by a Director and be countersigned by another Director, a Secretary or another person appointed by the Directors to countersign that document or a class of documents.

## 14. Inspection of records

### 14.1 Inspection by Members

Subject to the Corporations Act, the Directors may determine whether and to what extent, and at what times and places and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of Members (other than Directors).

### 14.2 Right of a Member to inspect

A Member (other than a Director) does not have the right to inspect any document of the Company except as provided by law or authorised by the Directors.

## 15. Service of documents

### 15.1 Document includes notice

In this article 15, a reference to a document includes a notice and a notification by electronic means.

### 15.2 Form of document

Unless expressly stated otherwise in this Constitution, all notices, certificates, statements, demands, appointments, directions and other documents referred to in this Constitution must be in writing.

### 15.3 Methods of service

The Company may give a document to a Member:

- a) personally;
- b) by delivering it or sending it by post to the address for the Member in the Register or an alternative address nominated by the Member;
- c) by sending it to a fax number or electronic address nominated by the Member;
- d) by notifying the Member by an electronic means nominated by the Member that:
  - i. the document is available; and
  - ii. how the Member may use the nominated access means to access the document; or
- e) any other form of communication permitted by law.

### 15.4 Post

A document sent by post:

- a) if sent to an address in Australia, may be sent by ordinary post and is taken to have been received on the day after the date of its posting; and
- b) if sent to an address outside Australia, must be sent by airmail and is taken to have been received five days after the date of its posting.

### 15.5 Fax or electronic transmission

A document sent or given by fax or to an electronic address:

- a) is taken to be effected by properly addressing and transmitting the fax or electronic transmission; and
- b) is taken to have been delivered on the day following its transmission.

### 15.6 Electronic notification

A document made available by electronic means is taken to have been given and received on the day after the date of transmission of the notification specifying that the document is available and how it can be accessed.

### 15.7 Evidence of service

A certificate signed by a Director or a Secretary stating that a document was sent, delivered or given to a Member by post, fax or other electronic means on a particular date is evidence that the document was sent, delivered or given on that date and by that means.

## 16. Indemnity and insurance

### 16.1 Indemnity

To the maximum extent permitted by law, the Company indemnifies any current or former Director or other officer of the Company out of the assets of the Company against:

- a) any liability incurred by the person in that capacity (except a liability for legal costs);
- b) reasonable legal costs incurred in defending or resisting or otherwise in connection with proceedings, whether civil or criminal or of an administrative or investigatory nature against the person or in which the person becomes involved because of that capacity; and
- c) reasonable legal costs incurred in good faith in obtaining legal advice on issues relevant to the performance of their functions and discharge of their duties as an officer of the Company.

### 16.2 Insurance

To the maximum extent permitted by law, the Company may pay a premium for a contract insuring a person who is or has been a Director or other officer of the Company against liability incurred by the person in that capacity, including a liability for legal costs.

### 16.3 Contract

The Company may enter into an agreement with a Director or other officer of the Company with respect to the matters referred to in articles 16.1 and 16.2 and including provisions relating to rights of access to the books of the Company.

## 17. Winding up

### 17.1 Contributions on winding up

Each Member undertakes to contribute to the Company's property an amount not exceeding \$10 if the Company is wound up during, or within one year after the cessation of, the Member's membership, on account of:

- a) payment of the Company's debts and liabilities contracted before they ceased to be a Member;
- b) the costs of winding up; and
- c) adjustment of the rights of the contributories among themselves.

### 17.2 Application of property on winding up

If any property or funds remain on the winding-up or dissolution of the Company and after satisfaction of all its debts and liabilities, the Members are entitled to any surplus on the winding up, subject to article 19.3. Each Member is entitled to such surplus in proportion to the Member's financial contribution to the Company, and/ or to one or more related bodies corporate of the Company as determined by the Directors, subject to any other considerations or criteria as the Directors may determine from time to time in their absolute discretion, at the date of winding up. As a result, the Directors may distribute different amounts of surplus to different Members.

## 18. Accounts

The Directors must cause the accounts and records of the Company to be maintained and, if required, audited in accordance with the requirements of the Corporations Act.

## 19. MCIs

### 19.1 Share capital from MCIs

- a) Subject to compliance with the Corporations Act, the Company may raise capital by issuing MCIs or capital instruments which are convertible into MCIs.
- b) The company may create or issue more MCIs at any time. The creation or issue of more MCIs does not vary the rights attached to MCIs or any other shares that the Company has already issued.

### 19.2 Issue

- a) The subscription price for an MCI, or a capital instrument convertible to an MCI, will be determined by the Directors.
- b) Each MCI must be issued as a fully paid up share.
- c) Any dividends in respect of an MCI are non-cumulative.

### 19.3 Rights of MCI Holders

- a) Unless expressly stated otherwise in this Constitution:
  - i. an MCI Holder is not a Member of the Company merely by virtue of holding an MCI;
  - ii. an MCI Holder may be (or become) a Member of the Company if he or she is otherwise admitted to membership in accordance with this Constitution; and
  - iii. an MCI Holder who is also a Member is not deemed to be a Member (and the provisions of this Constitution relating to membership do not apply) in respect of any MCIs held by that person.
- b) The terms of issue of an MCI (including any terms, conditions or rights attaching to the MCI) will be determined by the Directors in their sole discretion, subject to the requirements of this Constitution and the requirements for MCIs in the Corporations Act.
- c) Subject to the terms of issue of an MCI, an MCI Holder is entitled to a claim on the surplus assets and profits of the Company in a winding-up of the Company after all senior claims have been satisfied and:
  - i. the MCI Holder's claim ranks equally and proportionately with the claims of all other MCI Holders; and
  - ii. the amount of the MCI Holder's claim cannot exceed the subscription price of the MCI.

- d) Notwithstanding anything to the contrary in this Constitution, but subject to the requirements for MCIs in the Corporations Act, the Directors may determine that the terms of issue of any MCIs contain such terms and conditions or attach such rights as the Directors consider necessary or desirable. For the avoidance of doubt (but without limiting the powers of the Directors set out anywhere in this Constitution), this discretion includes the power to set eligibility criteria which operate as conditions to holding MCIs (including with respect to the number of MCIs required to be held by an MCI Holder, the length of time for which MCIs must be held by an MCI Holder, or any other requirement).
- e) The rights attached to MCIs (or a class of MCIs) may only be varied or cancelled by special resolution of the Company and:
  - i. by a special resolution passed at a meeting of MCI Holders holding MCIs in the relevant class; or
  - ii. with the written consent of MCI Holders of at least 75% of the issued MCIs of that class.

### 19.4 Other MCI Holders

The Directors may (subject to this Constitution, the Corporations Act and the terms of issue of MCIs) determine new MCI Holders and specify the rights attaching to the MCI Holders, including the rights of the MCI Holders as to:

- a) whether or not the MCI Holder is entitled to the receipt of notices of, and to attend and be heard at, any general meeting;
- b) whether or not the MCI Holder is entitled to vote at any general meeting; and
- c) any entitlement of the MCI Holder to dividends or distributions.

### 19.5 Registration as holder of MCIs

MCIs are transferable in accordance with the term of issue applicable to the MCI. Except as otherwise provided by the rules of a licensed CS facility (as defined in the Corporations Act) which apply in relation to an MCI, a person becomes registered as the MCI Holder of that MCI upon entry by the Company in its Register of Members of the person's particulars in relation to the MCI as required by the Corporations Act.



### 19.6 Share Certificates

If the Company is required by the Corporations Act to issue a share certificate to an MCI Holder in respect of one or more MCIs, the MCI Holder may require the Company to issue to the MCI Holder without charge one certificate for each class of MCIs in the Company that the MCI Holder holds, unless the terms of issue of the MCIs otherwise provide.

### 19.7 Right to appoint attorney

A MCI Holder may by power of attorney appoint an attorney to act on the MCI Holder's behalf at all or any meetings of the Company or of any class of MCI Holder.

To be effective, an instrument appointing an attorney under this article, together with any evidence of non-revocation the Directors require, must be received by the Company at least 48 hours before the meeting.

### 19.8 Inspection of Records by MCI Holders

Subject to the Corporations Act, the Directors may determine whether and to what extent, and at what times and places and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of MCI Holders (other than Directors).

### 19.9 Right of a MCI Holder to inspect Records

A MCI Holder does not have the right to inspect any document of the Company except as provided by law or authorised by the Directors.

### 19.10 Method of Service

The Company may give a document to a MCI Holder:

- a) personally; or
- b) in any manner permitted by the relevant terms of issue of the MCIs.

### 19.11 Evidence of service

A certificate signed by a Director or a Secretary stating that a document was sent, delivered or given to a MCI Holder by post, fax or other electronic means on a particular date is evidence that the document was sent, delivered or given on that date and by that means.

# Appendix

## Control Transaction Approval Procedure

### A1 Notice of meeting

1. A resolution to approve a Control Transaction under article 7 is only effective if the notice of meeting for the general meeting includes all of the following documents when sent to each Member:
  - a) a disclosure statement as described in article A2 of this Appendix;
  - b) a Director's statement from each Director as described in article A3 of this Appendix; and
  - c) an independent expert's report from an independent expert, commissioned by the Company, as described in article A4 of this Appendix.

### A2 Disclosure Statement

1. The disclosure statement must adequately set out or explain the following (if relevant):
  - a) the procedural steps required in relation to the Control Transaction;
  - b) how Members, including each class of Member's, rights will change as a result of the Control Transaction and the consequences of the Control Transaction for Members, and each class of Members, including any:
    - i. loss of rights;
    - ii. change as to voting rights and rights to participate in any surplus, reserves or profits of the Company;
  - c) what benefits (if any) will be offered to Members, including to each class of Members, if the Control Transaction occurs, and why the benefits are considered appropriate, taking into account, among other things, the extent to which the benefits compensate the Members, or class of Members, for any loss of rights;
  - d) the basis upon which Members, including each class of Members, entitlement to the benefits will be determined, including:
    - i. Member's tenure;
    - ii. Member's financial contributions to the Company and one or more related bodies corporate of the Company;
    - iii. any minimum period of membership that a Member must satisfy to receive benefits;
    - iv. whether Members must pay any amount or provide other value to receive benefits;
  - e) any preferential allocation of benefits to Members, or a class of Members, and how that allocation is to be determined;
  - f) any benefits that officers of the Company (including retiring officers) or any associates of any officers may receive (whether directly or indirectly) in connection with the Control Transaction, other than in their capacity as a Member on the same terms as are available to other Members, including without limitation:
    - i. any money or goods;
    - ii. any preferential allocation of securities;
    - iii. any retirement or superannuation benefits;
    - iv. any compensation for loss of office;
    - v. any concessional loans or other favourable or non-arm's length transactions;
  - g) the implications of the Control Transaction in relation to:
    - i. the continuation of the Company's business;
    - ii. any material changes to be made to the Company's business;
    - iii. changes to benefits, products and services; and
    - iv. the future employment of the present employees of the Company;
  - h) whether the Company's financial position has changed materially since the date of the immediately preceding audited financial statements of the Company;
  - i) the suitability, availability and consequences of other alternatives, transactions, or courses of action; and
  - j) any other information that the Members, or a class of Members, would reasonably require to make an informed assessment about whether to approve the proposed Control Transaction.
2. If the Control Transaction involves the allocation of securities (whether by the Company or some other entity) the disclosure statement must adequately set out or explain the following (if relevant):
  - a) who will and will not be allocated securities;
  - b) the rights and obligations attaching to the securities being allocated, including voting rights and rights to participate in reserves and profits;
  - c) the class and approximate number of securities being allocated;
  - d) the allocation formula for the securities (including the implications of any undersubscription or oversubscription of securities offered), including, without limitation:

- i. the manner in which the allocation formula will apply as between Members and between classes of Members; and
    - ii. the basis on which the allocation formula has been determined;
  - e) if rights to securities are allocated – whether the rights are renounceable or non-renounceable;
  - f) the consideration payable for the securities, including, if the securities are partly paid, any call dates and amounts payable on calls;
  - g) if the allocation of securities is underwritten:
    - i. the name of any underwriters;
    - ii. the amount of any underwriting fee or commission payable;
    - iii. details of clauses in any underwriting agreement that may affect the underwriter's rights and obligations under the underwriting agreement;
  - h) whether the securities will be listed on a securities exchange or other market; and
  - i) the implications of the allocation of securities for the structure of the Company.
3. If the Control Transaction involves an amendment to the Control Transaction provisions in article 7 or this Appendix, and the person proposing the amendment is aware of any proposal to conduct a Control Transaction of a type described in articles 7.4(a) to 7.4(f), then the disclosure statement must disclose the matters set out in articles A2(1) and A2(2) of this Appendix to the Constitution in relation to:
- a) the proposed modification or repeal; and
  - b) each Control Transaction of which the person proposing the amendment is aware (to the extent that the person is aware of the matters relating to those transactions).

### A3 Director's Statement

1. Each Director's statement must contain:
- a) a statement:
    - i. recommending that the Control Transaction be approved or not approved, and giving reasons for the recommendation; or
    - ii. giving reasons why a recommendation is not made;
  - b) a statement whether the Director proposes to vote to approve or not approve the proposed Control Transaction;

- c) a statement confirming that neither the Director nor any associate of the Director will receive any payment, other valuable consideration or any other benefit in connection with the Control Transaction other than as disclosed in the disclosure statement; and
- d) particulars of any agreement between the Director and any other person in connection with, or conditional upon, the outcome of the Control Transaction.

### A4 Independent Expert's Report

1. The independent expert's report must adequately set out or explain the following (if relevant):
- a) whether, in the independent expert's opinion, the Control Transaction is in the best interests of the Members, including each class of Members, and giving reasons for that opinion;
  - b) whether, in the independent expert's opinion, the benefits being provided to the Members, including each class of Members, are fair and reasonable, having regard to any:
    - i. loss of rights; and
    - ii. change as to voting rights and rights to participate in the reserves and profits of the Company; and giving reasons for that opinion; and
  - c) details of:
    - i. any relationship between the independent expert and the Company, including any circumstances in which the independent expert or an associate of the independent expert gives or has given it advice or acts on its behalf, in the proper performance of the functions attaching to the independent expert's professional capacity or business relationship with the Company;
    - ii. any financial or other interest of the independent expert or an associate of the independent expert that could reasonably be regarded as being capable of affecting the independent expert's ability to give an unbiased opinion; and
    - iii. any benefit that the independent expert or any associate of the independent expert may receive (whether directly or indirectly) in connection with making the report or in connection with the Control Transaction.
2. If the Company commissions more than one independent expert's report, all of the reports must be sent to each Member.
3. No independent expert's report is required for a Control Transaction under article 7.4(g) unless article A2(3) of this Appendix applies.

## A5 Cost of Meeting

1. If a Control Transaction is proposed by:
  - a) the Directors – the Company bears all costs associated with complying with this Appendix, including disclosure, printing and postage, and the conduct of the meeting;
  - b) a Member or group of Members – the Member or group of Members must pay all costs associated with complying with this Appendix, including disclosure, printing and postage, and the conduct of the meeting.
2. If article A5(1)(b) of this Appendix applies, Members in general meeting may resolve that:
  - a) the Company pay all costs associated with disclosure and conduct of the meeting; and
  - b) the Company reimburse the Member or group of Members proposing the Control Transaction for the costs associated with disclosure and conduct of the meeting they incur.
3. For the purposes of a resolution at a general meeting in accordance with article A5(2) of this Appendix:
  - a) the required quorum to consider the resolution is 20% in number of all Members of the Company entitled to vote on the relevant resolution(s); and
  - b) the required majority to approve the resolution is at least 75% of the votes that are cast on the relevant resolution(s).

## A6 Indemnity

1. The Directors are not required to assist any Member or group of Members proposing a Control Transaction unless they give the Company an indemnity for the costs referred to in article A(5)(1)(b) of this Appendix in a form satisfactory to the Directors.

## A7 MCIs

1. The provisions of this Appendix and article 7 will not apply in relation to:
  - a) the creation or issuance of, or the agreement to create or issue MCIs; or
  - b) the cancellation or variation of any rights attached to or reduction in capital in relation to, any MCIs or capital instruments convertible to MCIs (including, in each case, MCIs of different classes and with different rights), or class of them.
2. The provisions of this Appendix and article 7 will not apply to the extent any amendment to this Constitution relates to or facilitates anything referred to in article A7.
3. A resolution passed at a general meeting, that would result in the Company ceasing to be an MCI mutual entity (as defined in the Corporations Act) can only take effect if:
  - a) there are no MCIs in the Company; or
  - b) subject to article 19.3(d), the resolution provides for each MCI to be cancelled at or before the time the Company ceases to be an MCI mutual entity (as defined in the Corporations Act) (whether or not the holders of the MCIs to be cancelled are to receive other securities in respect of those MCIs).



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