

CORPORATIONS ACT  
INCORPORATED IN  
VICTORIA

CONSTITUTION

ULTIMATE POWER & ENERGY LIMITED

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New South Wales 2000 Australia  
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CORPORATIONS ACT 2001

A COMPANY LIMITED BY SHARES

CONSTITUTION

of

ULTIMATE POWER & ENERGY LIMITED

**1. PRELIMINARY**

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1.1 THE Replaceable Rules shall not apply to the Company.

1.2 The liability of the members is limited.

1.3 In this Constitution, unless the subject or context indicates a contrary intention, the following words and expressions shall have the meanings set out opposite them:

"Act" means the Corporations Act 2001;

"Alternate Director" means a person appointed as an alternate Director under Article 24.1;

"Articles" means these Articles of this Constitution and all supplementary, substituted or amending Articles for the time being in force;

"Associate" means a person who is an associate within the meaning of Division 2 of Part 1.2 of the Act;

"ASIC" means the Australian Securities and Investments Commission;

"ASTC" means the ASX Settlement and Transfer Corporation Pty Ltd ABN 49 008 504 532

"ASTC Business Rules" means the business rules of ASTC, or of any relevant organization which is an alternative or successor to, or replacement of, ASTC;

"ASTC Settlement Rules" means the operating rules of ASTC, or of any relevant organization which is an alternative or successor to, or replacement of, ASTC;

"Business Day" means a day that is not a Saturday, Sunday or a public holiday in the place of the Company's registration;

"Call" includes installments of a call;

"CHESS" means the Clearing House Electronic Subregister System operated by the ASTC;

"Committee of Directors" means a committee formed under Article 22.7;

"Company" means Ultimate Power & Energy Limited;

"Constitution" means this Constitution;

"Court" has the meaning given to it in section 9 of the Act;

"Director" includes any person occupying the position of a Director by whatever name called (including an Alternate Director but not an associate director) and "Managing Director" includes any acting Managing Director;

"Directors" means the Directors for the time being of the Company or such number of them as have authority to act for the Company;

"Divestment Notice" is a notice given under clause 39.1 to a Small Holding Shareholder of a New Small Holding Shareholder;

"Dividend" includes interim dividend;

"Exchange" means SIM Venture Securities Exchange Limited;

"Holding Company" means a body corporate which is the registered member of all of the Shares in the Company;

"Listing Rules" means the Listing Rules of the Exchange and any other rules of the Exchange which are applicable to the Company while the Company is admitted to the official list of the Exchange, each as amended or replaced from time to time, except to the extent of any express written waiver by the Exchange;

"Office" means the registered office for the time being of the Company;

"Officer" has the meaning given to it in section 9 of the Act except in the case of Article 36 where the definition does not include a Director;

"Official Seal" means a duplicate seal referred to in Article 30.2

"Paid Up" includes credited as paid up;

"Prescribed Rate" means the rate of interest known as the long term Commonwealth Bond rate prevailing at the date on which the rate is to be determined or such lesser rate as the Directors may determine;

"Register" means the Register of Members kept by the Company in accordance with the Act;

"Related Body Corporate" has the meaning given to it in section 9 of the Act;

"Relevant Period" is the period specified in the Divestment Notice;

"Relevant Shares" are the Shares specified in the Divestment Notice;

"Replaceable Rules" means the Replaceable Rules contained in the Act;

"Representative" means a person authorised in accordance with Section 250D of the Act to act as a representative of a body corporate holding Shares in the Company;

"Restricted Securities" has the same meaning as in the Listing Rules;

"Restriction Agreement" means a restriction agreement within the meaning and for the purposes of the Listing Rules;

"Seal" means the common seal of the Company;

"Secretary" includes the assistant or acting Secretary and any substitute for the time being for the Secretary;

"Shares" means shares in the capital of the Company and includes where relevant a Unit of a Share;

"Share Seal" means a duplicate seal referred to in Article 30.4;

"Small Holding" means a holding of Shares which does not constitute a marketable parcel of Shares as defined in the Listing Rules;

"Small Holding Shareholder" means a Shareholder who is the holder or a joint holder of a Small Holding;

"State" means the State or Territory of registration of the Company;

"Uncertificated Securities Holding" means securities of the Company which under the Corporations Act, the Listing Rules or any Uncertificated Transfer System may be held in uncertificated form;

"Uncertificated Transfer System" means any system operated under or recognized by the Corporations Act, the Listing Rules or the ASTC Settlement Rules which regulates the transfer or registration of, or the settlement of transactions affecting, securities of the Company in uncertificated form and includes CHES (as defined in the ASTC Settlement Rules) as it applies to securities in certificated and uncertificated form;

"Unit" has the meaning given in section 9 of the Act; and

"Writing" and "Written" shall include printing, lithography, photography, typewriting and any other mode of representing or reproducing words in a visible form.

1.4 In this Constitution, unless the context indicates a contrary intention:

- (a) words importing persons shall include companies, corporations, any association, body or entity whether incorporated or not and vice versa;
- (b) words denoting any gender shall include all genders;
- (c) words importing the singular shall include the plural and vice versa;
- (d) all monetary amounts are in Australian currency;

- (e) references to any legislation or to any section or provision of any legislation shall include any statutory modification, replacement or re-enactment of it or any statutory provision substituted for it, any ordinances, by-Acts, regulations and other statutory instruments issued under it and any determination, exemption or modification made pursuant to it;
  - (f) a reference to time refers to time in the place of the Company's registration;
  - (g) the word "month" means calendar month and the word "year" means 12 calendar months;
  - (h) a reference to writing includes any communication sent by post or facsimile transmission; and
  - (i) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning.
- 1.5 An expression or term used in this Constitution shall, unless the contrary intention appears, have the same meaning as that expression has in a Part, Chapter or Division of the Act dealing with the same matter if that expression has been given a special meaning for the purposes of the Part, Chapter or Division in question.
- 1.6 Unless the contrary intention appears an expression in a clause that deals with a matter dealt with by a provision of the Listing Rules or the ASTC Settlement Rules has the same meaning as in that provision;
- 1.7 The headings used in this Constitution shall not form part of or affect the construction or interpretation of this Constitution.
- 1.8 Subject to this Constitution, the Company may exercise, by resolution or special resolution as the Act requires, any power which under the Act may be exercised by a company limited by Shares if authorised by its constitution.
- 1.9 The guidance notes used in this Constitution shall not form part of or affect the construction or interpretation of this Constitution.

## **2. APPLICATION OF THE LISTING RULES**

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- 2.1 In this Constitution a reference to the Listing Rules only applies while the Company is on the official list of the Exchange.
- 2.2 While the Company is on the official list of the Exchange, the following clauses apply:
- (a) notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
  - (b) nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done;
  - (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

- (d) if the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (e) if the Listing Rules require the Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision;
- (f) if any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency';
- (g) if any of its securities are CHES approved securities, the Company must comply with the requirements of the ASTC Business Rules and Listing Rules regarding the maintenance of registers, the issuing of holding statements and transfers in relation to its CHES approved securities;
- (h) if the Company's securities are CHES approved securities, in addition to the CHES subregister, it must provide for an issuer sponsored subregister, or a certificated subregister, or both.

### 3. LEGAL CAPACITY

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- 3.1 In accordance with the provisions of Section 124 of the Act the Company shall have the legal capacity and powers of an individual both in and outside the State. The Company shall also have all the powers of a body corporate including the power to:
- (a) issue and cancel Shares in the Company;
  - (b) issue debentures;
  - (c) grant options over unissued Shares in the Company;
  - (d) distribute any of the Company's property among the members in kind or otherwise;
  - (e) give security by charging uncalled capital;
  - (f) grant a floating charge over the Company's property;
  - (g) arrange for the Company to be registered or recognised as a body corporate in any place outside the State;
  - (h) do anything that it is authorised to do by any Act (including a Act of a foreign country).

## **4. SHARES AND CAPITAL**

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### **4.1 Share capital under control of Directors**

Subject:

- (a) to any provision in this Constitution;
- (b) to the provisions of the Act;
- (c) to the provisions of the Listing Rules;
- (d) to any special rights previously conferred on the holders of any Shares or class of Shares,

Shares in the Company shall be under the control of Directors.

### **4.2 Directors' Power to Issue Shares**

In the exercise of the control conferred by Article 4.1 the Directors may:

- (a) issue and allot, or dispose of, Shares to persons on terms determined by the Directors;
- (b) grant options over unissued Shares;
- (c) issue and allot preference Shares that are, or at the option of the Company are, liable to be redeemed; and
- (d) issue and allot Shares, classified or designated in such manner as the Directors think fit, with preferred, deferred, qualified, guaranteed or other special rights, privileges, conditions, restrictions or limitations whether in regard to dividend, return of Share capital, distribution of assets, voting or otherwise as the Directors may from time to time determine.

### **4.3 Division into Classes**

Subject to the Listing Rules if the Directors determine that the capital of the Company should be divided into further classes of Shares the Directors shall also determine the rights to apply to those classes of Shares except that if the Shares are to be issued as preference Shares the rights attaching to those Shares must be approved of by special resolution of the members prior to their issue.

### **4.4 Rights attached to Preference Shares**

If the Company proposes to create and issue preference Shares, the rights of the holders of the preference Shares or any class of them (as the case may be) with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividend in relation to other Shares or other classes of preference Shares shall be clearly defined in this Constitution. Subject to the Listing Rules and Article 4.5, the Company may issue preference Shares which rank *pari passu* with or in priority to existing preference Shares.

#### 4.5 Variation of Rights

Any issue of securities ranking equally or in priority, or any conversion of existing securities to securities ranking equally or in priority, to an existing class of preference Shares is deemed to be a variation or abrogation of the rights attached to that existing class of preference Shares.

#### 4.6 Capital Paid in Advance of Calls

Capital paid on Shares in advance of Calls shall not confer the right to participate in profits.

#### 4.7 No Trust

Except as required by Act and whether or not the Company has notice, the Company shall not be bound to recognise:

- (a) any person as holding any Share upon any trust; or
- (b) any trust, equitable, contingent, future or partial interest in any Share or in any interest in, or any fractional part of, a Share; or
- (c) any other right in respect of any Share except an absolute right to the entirety of the Share in the registered holder.

#### 4.8 Brokerage or Commission

Subject to the Act and the Listing Rules, the Company (and the Directors on its behalf) may at any time make a payment by way of brokerage or commission or both to any person in consideration of the person subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares in the Company on the following terms and conditions:

- (a) provided that:
  - (i) the statutory conditions and requirements for the time being in force in relation to such payments are observed and complied with; and
  - (ii) the brokerage or commission does not exceed 10% of the price at which the Shares are allotted;
- (b) the brokerage or commission may be paid either in cash or in fully paid Shares of the Company of any class or in such other manner as the Directors may determine; and
- (c) the Company may grant to any person so subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions an option to require the Company to allot to that person or the person's nominee any further Shares of the Company.

#### 4.9 Surrender of Shares

To the extent permitted by Act, the Directors may in their discretion accept a surrender of any Shares (other than partly paid Shares) by way of compromise of

any dispute as to whether or not those Shares have been validly issued or in any other case where a surrender is within the powers of the Company and permitted by Act. Any Shares so surrendered may be sold or re-issued in the same manner as forfeited Shares.

#### 4.10 Share Buy-backs

The Company may buy Shares in itself in any manner permitted by the Act.

### 5. CERTIFICATES

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#### 5.1 Certificates under Seal

Subject to Article 5.4, the certificates of title to Shares shall be issued under the Seal or Share Seal in such form (subject to the provisions of the Act) as the Directors may from time to time prescribe. In the case of Shares on a branch register outside Australia certificates may be issued under an Official Seal in the form and manner from time to time prescribed by the Directors.

#### 5.2 Issue of Certificates

Subject to Article 5.3, every member shall be entitled free of charge to one certificate for all the Shares registered in his or her name or to several certificates in reasonable denominations each for a portion of his shareholding and joint holders are entitled to a single certificate in their joint names in respect of their holding and the certificate will be sent to the joint holder whose name appears first in the Register.

#### 5.3 Uncertificated holdings

If and for so long as dealings in securities of the Company take place under an Uncertificated Transfer System:

- (a) the Company need not issue any certificate in respect of securities held as an Uncertificated Securities Holding; and
- (b) the Register may distinguish between shares or other securities held in certificated form and shares or other securities held as an Uncertificated Securities Holding.

#### 5.4 Replacement and Duplicate Certificates

Subject to the Act, the Directors must issue a certificate in replacement of a certificate already issued within 7 days of:

- (a) receipt by the Company of the certificate to be replaced and cancellation of that certificate; or
- (b) receipt by the Company of satisfactory evidence that the certificate which was previously issued has been lost or destroyed and has not been pledged, sold or otherwise disposed of;

together with payment of a fee prescribed by the Directors (not exceeding the maximum fee permitted by the Act).

#### **5.5 Endorsement on duplicate certificates**

A certificate issued to replace a certificate which has been lost or destroyed shall be clearly endorsed: "Issued in lieu of lost or destroyed Certificate".

### **6. CALLS**

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#### **6.1 Directors power to make Calls**

Subject to the terms on which partly paid Shares are issued, the Directors may make Calls on the holders of Shares for any money unpaid on them. The Directors may require a Call to be paid by instalments.

#### **6.2 When Call made**

A Call is made when the resolution of the Directors authorising it is passed.

#### **6.3 Revocation or postponement**

The Directors may revoke or postpone a Call before its due date for payment.

#### **6.4 Notice of Call**

At least 14 days before the due date for payment of a Call the Company must send to members on whom the Call is made a notice specifying:

- (a) the amount of the Call; and
- (b) the due date for payment.

#### **6.5 Member must pay**

A member to whom notice of a Call is given in accordance with this Article 6 must pay to the Company the amount called in accordance with the notice.

#### **6.6 Failure to send notice**

Failure to send a notice of a Call to any member or the non-receipt of a notice by any member does not invalidate the Call.

#### **6.7 Joint and several liability**

Joint holders of Shares are jointly and severally liable to pay all Calls in respect of their Shares.

#### **6.8 Instalments**

If the whole or part of the issue price of any share is payable by instalments every instalment shall, when due, be payable to the Company by the person who is the

registered holder of the Share or their legal personal representative at the date on which payment is due and:

- (a) the amount of an instalment is payable as if it were a Call made by the Directors and as if they had given notice of it; and
- (b) the consequences of late payment or non-payment of an instalment are the same as the consequences of late payment or non-payment of a Call.

#### 6.9 Interest and expenses on Calls

If an amount called is not paid on or before the due date, the person liable to pay the amount must also pay:

- (a) interest at the Prescribed Rate on the amount from the due date to the time of actual payment; and
- (b) all expenses incurred by the Company as a consequence of the non-payment;

but the Directors may waive payment of the interest and expenses in whole or in part.

#### 6.10 Recovery of amounts due

On the hearing of any action for the recovery of money due for any Call, proof that:

- (a) the name of the person sued was, when the Call was made, entered in the Register as a holder or the holder of Shares in respect of which the Call was made;
- (b) the resolution making the Call is duly recorded in the Directors' minute book; and
- (c) notice of the Call was given to the person sued,

will be conclusive evidence of the debt.

#### 6.11 Payment of Calls in advance

The Directors may accept from a member the whole or part of the amount unpaid on a Share before the amount accepted has been called.

#### 6.12 Interest on advances

The Company may:

- (a) pay interest at the Prescribed Rate on any amount accepted in accordance with Article 6.11, until the amount is payable under a Call; and
- (b) subject to any contract between the Company and the member, repay all or any of the amount accepted in excess of the amount called on the share.

**6.13 No benefit or advantage**

Payment of an amount in advance of a Call does not entitle the paying member to any dividend, benefit or advantage, other than the payment of any interest under Article 6.12, to which the member would not have been entitled if the member had not made the advance payment.

**7. LIEN**

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**7.1 Company's lien**

Subject to the Act the Company has a first and paramount lien on every partly paid Share for every amount:

- (a) called, or payable to the Company at a fixed time, in respect of the Share;
- (b) presently payable by the holder of the Share, or the holder's estate, to the Company in respect of the Share; or
- (c) which the Company is required by Act to pay in respect of the Share.

**7.2 Lien extends to dividends**

The Company's lien extends to all dividends payable in respect of the Share.

**7.3 Transfer operates as waiver of lien**

Unless the Directors determine otherwise, the registration of a transfer of a Share operates as a waiver of the Company's lien on the Share.

**7.4 Exemption from lien**

The Directors may declare a Share to be wholly or partly exempt from a lien.

**7.5 Lien sale**

If:

- (a) the Company has a lien on a Share for money presently payable; and
- (b) the Company has given the member who holds the share written notice demanding payment of the money,

then 14 or more days after giving the notice, the Directors may sell the share in any manner determined by them and the provisions of Articles 8.10 to 8.13 (inclusive) shall apply to any such sale.

**7.6 Protection of Company's Lien**

The Company is entitled to do all acts and things as may be necessary or appropriate for it to do to protect any lien it has on a Share.

## 8. FORFEITURE OF SHARES

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### 8.1 Forfeiture notice

The Directors may at any time after a Call or instalment becomes payable and remains unpaid by a member, serve a notice on the member requiring the member to pay:

- (a) the unpaid amount;
- (b) any interest that has accrued; and
- (c) all expenses incurred by the Company as a consequence of the non-payment.

### 8.2 Contents of notice

The notice under Article 8.1 must:

- (a) specify a day (not earlier than 14 days after the date of the notice) on or before which the payment required by the notice must be made; and
- (b) state that if a member does not comply with the notice, the Shares in respect of which the Call was made or instalment is payable will be liable to be forfeited.

### 8.3 Forfeiture

If a member does not comply with a notice served under Article 8.1, then any or all of the Shares in respect of which the notice was given may be forfeited pursuant to a resolution of the Directors.

### 8.4 Forfeiture of Dividends

Dividends determined and unpaid in respect of forfeited Shares will also be forfeited.

### 8.5 Sale of forfeited Shares

On forfeiture, Shares become the property of the Company, the forfeited Shares may be offered for sale by public auction or otherwise sold, disposed of or cancelled with shareholder approval on terms determined by the Directors.

### 8.6 Cancellation of forfeiture

The Directors may, at any time before a forfeited Share is sold, disposed of or cancelled, annul the forfeiture of the Share on conditions determined by them.

### 8.7 Notice of forfeiture

Promptly after a Share has been forfeited:

- (a) notice of the forfeiture must be given to the member in whose name the Share was registered immediately before its forfeiture; and

- (b) the forfeiture and its date must be noted in the Register.

#### **8.8 Liability of former member**

A person who held Shares which are forfeited ceases to be a member but remains liable to pay:

- (a) all money (including interest and expenses) that was payable by the member to the Company at the date of forfeiture in respect of the forfeited Shares; and
- (b) interest at the Prescribed Rate from the date of forfeiture until payment.

#### **8.9 Cessation of liability**

A former member's liability to the Company under Article 8.8 ceases if and when the Company receives payment in full of all money (including interest and expenses) payable by the person in respect of the Shares.

#### **8.10 Transfer of forfeited Shares**

The Company may:

- (a) receive the consideration (if any) given on any sale or disposition of a forfeited share or a share sold to enforce a lien;
- (b) execute or effect a transfer of the share in favour of a person to whom the share is sold or disposed of; and
- (c) do all acts and things as may be necessary or appropriate to effect the transfer referred to in paragraph (b).

#### **8.11 Protection of purchaser**

The transferee of the share referred to in Article 8.10(b):

- (a) is not bound to check the regularity of the sale or disposition or the application of the purchase price;
- (b) obtains title to the Share despite any irregularity in the sale or disposition; and
- (c) will not be subject to complaint or remedy by the former holder of the Share in respect of the purchase or disposition.

#### **8.12 Statement by Directors**

A statement signed by a Director that the Share has been properly forfeited and sold or re-allotted, or properly sold without forfeiture to enforce a lien, is conclusive evidence of the matters stated as against all persons claiming to be entitled to the Share.

### 8.13 Application of proceeds

The net proceeds of any sale made to enforce a lien or on forfeiture must be applied by the Company in the following order:

- (a) in payment of the costs of the sale;
- (b) in payment of all amounts secured by the lien or all money that was payable in respect of the forfeited Share; and
- (c) in payment of any surplus to the former member whose Share was sold.

## 9. RIGHT OF INDEMNITY FOR TAX PAYMENTS

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Whenever in respect of or in connection with any Share registered in the name of a member (whether solely or jointly with others) or any dividends or bonus issue on those Shares and whether in consequence of the death of a member or for any reason, any Act (whether Australian or overseas) imposes or purports to impose any immediate, future or possible liability on the Company to make any payments to any government or taxing authority:

- (a) the Company shall be fully indemnified by the member and the member's legal personal representatives in respect of the liability;
- (b) any moneys paid by the Company in respect of the liability may be recovered by action from the member or the legal personal representatives as a debt due by the member or the member's estate to the Company with interest at the Prescribed Rate from the date when the moneys were paid by the Company until repayment;
- (c) the amount referred to in paragraph (b) may be deducted by the Company from any dividend or other moneys payable by it to the member or the legal personal representatives;
- (d) the provisions of Article 7.5 relating to the sale of Shares to enforce a lien shall apply to enable the Directors to sell the Shares of a member in order to enforce the right of indemnity which the Company has under this Article;
- (e) nothing in this Constitution shall prejudice or affect any right or remedy in respect of any payment made by the Company conferred or purported to be conferred on the Company by the Act under which the payment was made;
- (f) as between the Company and the member or the member's estate and legal personal representatives, any right or remedy referred to in paragraph (d) or (e) shall be enforceable by the Company as between the member and the Company and every member shall be deemed to agree, and bind his or her executors, administrators and estate, to submit to the legislative power and jurisdiction of the Commonwealth of Australia or of any Australian State or Territory or of any country or place imposing or purporting to impose the liability in question on the Company; and

- (g) the Company is entitled to do all acts and things as may be necessary or appropriate for it to do to protect any right or remedy it may have under this Article.

## 10. TRANSFER OF SHARES

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### 10.1 Right of transfer

Subject to this Constitution and to any restrictions attached to a member's Shares, a member may transfer any Share held by that member.

### 10.2 Method of transfer

The Company shall not register or give effect to a transfer of Shares unless the transfer is by:

- (a) a proper ASTC transfer;
- (b) a written transfer in any usual form or in any other form approved by the Directors; or
- (c) any other electronic system established or recognised by the Listing Rules in which the Company participates in accordance with the rules of that system.

### 10.3 Transfer to be stamped

A written instrument of transfer shall be stamped (if required by Act).

### 10.4 Transfer other than ASTC transfer

A transfer referred to in clause 10.2(b) must be:

- (a) signed by or on behalf of both the transferor and the transferee unless:
  - (i) the transfer relates only to fully paid shares and the Directors have dispensed with a signature by the transferee; or
  - (ii) the transfer of the shares is effected by a document which is, or documents which together are, a sufficient transfer of those shares under the Corporations Act;
- (b) if required by Act to be stamped, duly stamped; and
- (c) left for registration at the Company's Registered Office, or at any other place the Directors decide, with such evidence the Directors require to prove the transferor's title or right to the shares and the transferee's right to be registered as the owner of the shares.

#### 10.5 Transferor remains holder

Subject to the Act, a transferor of Shares shall be deemed to remain the holder of those Shares until the transferee is entered in the Register in respect of those Shares and a transfer of Shares does not pass the right to any dividends declared on the Shares until registration of the transfer.

#### 10.6 Refusal to register

The Directors may in their absolute discretion refuse to register a transfer of a Share and the Directors shall refuse to register a transfer of a Share where:

- (a) the transfer is not in registrable form;
- (b) the registration of the transfer would result in a contravention of or failure to observe the provisions of a Act of the Commonwealth of Australia or of any Australian State or Territory;
- (c) the transfer is of a Share over which the Company has a lien;
- (d) in the case of a Share not fully paid up:
  - (i) a Call has been made and is unpaid; or
  - (ii) if, after being required by the Directors to do so, the transferee refuses or fails within a reasonable time to satisfy the Company by a statutory declaration that he or she is financially able to meet any unpaid liability in respect of that Share..

#### 10.7 Directors' decision absolute

A decision of the Directors relating to the registration of a transfer shall be absolute. Written notice of refusal to register any transfer and the precise reasons for the refusal shall be given within 5 business days of the date on which the transfer was lodged with the Company.

#### 10.8 Transfers left at Office

Every instrument of transfer of a type referred to in Article 10.2(b) shall be left at the Office (or at such other place as the Directors may from time to time prescribe or accept) for registration accompanied by the certificate for the Shares to be transferred and such other evidence as the Directors may require to prove the title of the transferor or the transferor's right to transfer the Shares. The Directors may waive the production of any share certificate if satisfactory evidence of its loss or destruction is given to them or in any other circumstances they deem it appropriate to do so.

#### 10.9 Transfers to be retained

All instruments of transfer which are registered must be retained by the Company. Any instrument of transfer which the Directors decline to register must (except in case of fraud) be returned on demand to the person depositing it. When an instrument of transfer has been registered and a new share certificate issued the Directors may, subject to the provisions of any applicable stamp duty legislation or any other applicable Act, after the expiration of a period of not less than 3 months

from the date of registration of the instrument of transfer authorise the destruction of the instrument of transfer and the old share certificate.

#### **10.10 Closure of Register**

Subject to the provisions of the Act, the Listing Rules and the ASTC Settlement Rules, the registration of transfers may be suspended and the Register closed at such times and for such periods as the Directors think fit not exceeding an aggregate of 30 days in each calendar year.

#### **10.11 More than three registered holders**

Despite any other provision of this Constitution, except where the persons concerned are the personal representatives or trustees of a deceased member, the Company is entitled for all purposes to disregard the names of all persons registered as the holders of a share other than the first three names entered on the Register in respect of that share.

#### **10.12 Computerised Transfers**

The Directors may do anything that is necessary or desirable for the Company to participate in any computerised, electronic or other system for facilitating the transfer of shares or operation of the Company's registers that may be owned, operated or sponsored by the Exchange or a related body of the Exchange including any Uncertificated Transfer System.

#### **10.13 No Interference with proper ASTC Transfer**

The Directors must not in any way prevent, delay or interfere with the generation or registration of a proper ASTC transfer or the registration of a paper-based transfer in registrable form (which satisfies the requirements of clause 10.4) except as permitted by clause 10.6, the Listing Rules or ASTC Business Rules.

### **11. TRANSMISSION OF SHARES**

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#### **11.1 Title on death of a member**

If a member dies, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he or she was a sole holder, shall be the only persons recognised by the Company as having any title to his or her interest in the Shares. The estate of a deceased member shall not be released from any liability to the Company in respect of any Share held by the deceased (whether jointly or otherwise).

#### **11.2 Person becoming entitled**

Subject to the Act, any person becoming entitled to Shares in consequence of the death, liquidation or bankruptcy of any member or under the Act relating to mental health may, upon such evidence being produced as may from time to time be required by the Directors, elect either to be registered as holder of the Shares or to have a nominee registered as the transferee of the Shares but the Directors shall in either case have the same right to decline or suspend registration as they would

have had in the case of a transfer of the Shares of that member prior to such death, liquidation, bankruptcy or other event giving rise to the entitlement.

### **11.3 Registration on transmission**

If the person referred to in Article 11.2 elects to be registered the person shall deliver or send to the Company a notice in writing signed by the person to this effect. If the person elects to have another person registered the person shall testify this election by executing to that person a transfer of the Shares. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as if the death, liquidation or bankruptcy of the member or other event giving rise to the entitlement had not occurred and the notice of transfer were a transfer signed by that member.

### **11.4 Receipt of dividends**

A person entitled to Shares by transmission shall be entitled to receive and may give a discharge for dividends or other moneys payable in respect of the Shares but except as otherwise provided by this Constitution shall not be entitled to any of the rights or privileges of a member unless and until the person shall become registered in respect of the Shares.

## **12. ALTERATION OF CAPITAL**

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### **12.1 New Shares subject to Articles**

Subject to the terms of issue and this Constitution, any capital raised by the creation of new Shares shall be considered part of the Company's original share capital and shall be subject to the provisions of this Constitution.

### **12.2 Reductions of Capital**

Subject to the Act, the Company may from time to time by resolution of a type specified in Section 256C of the Act reduce its share capital in any way not otherwise provided under the Act provided the reduction is:

- (a) fair and reasonable to the Company's shareholders as a whole; and
- (b) does not materially prejudice the Company's ability to pay its creditors.

### **12.3 Alteration of Share Capital**

- (a) The Company may by resolution convert all or any of its Shares into a larger or smaller number of Shares;
- (b) The conversion takes effect on the date of the resolution or a later date specified in the resolution;
- (c) Any amount unpaid on Shares being converted is to be divided equally among the replacement Shares.

#### **12.4 Directors may settle difficulty**

For the purpose of giving effect to any conversion of its share capital, the Directors may settle any difficulty which arises as they think expedient and in particular may convert fractions of shares in to the nearest whole number by rounding up or down in their absolute discretion.

### **13. MODIFICATION OF RIGHTS**

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#### **13.1 Sanction of class members**

Subject to Sections 246B to 246E inclusive of the Act, whenever the capital is divided into different classes of Shares all or any of the rights attached to any class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three quarters of the issued Shares included in that class or with the sanction of a special resolution passed at a separate general meeting of the holders of Shares of that class.

#### **13.2 General meeting provisions to apply**

The provisions contained in this Constitution as to general meetings shall apply to every class meeting referred to in Article 13.1 except that the quorum for a class meeting shall be persons present holding or representing by proxy or Representative 5% of the issued Shares of the class.

### **14. GENERAL MEETINGS**

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#### **14.1 Time and place**

Subject to the Act, general meetings shall be held at the times and places determined by the Directors from time to time.

#### **14.2 Convening meetings**

The Directors may whenever they think fit, and shall upon a requisition made in accordance with Section 249D of the Act, convene a general meeting of the Company.

#### **14.3 Cancellation and postponement**

Subject to the provisions of the Act and this Constitution:

- (a) the Directors may cancel or postpone as they see fit any general meeting of the Company convened by the Directors other than a general meeting convened under Sections 249D or 249F of the Act;
- (b) the Directors may cancel or postpone a general meeting of the Company which has been convened by the Directors upon requisition by a member or members pursuant to Section 249D of the Act upon receipt of withdrawal of the requisition;

- (c) the member (or all of them if more than one) convening a meeting pursuant to Section 249D of the Act may cancel or postpone that meeting;
- (d) all of the members convening a meeting pursuant to Section 249F of the Act may cancel or postpone that meeting;
- (e) the cost of cancelling or postponing a general meeting under paragraph (b), (c) or (d) above shall be borne by the member or members withdrawing the requisition or cancelling or postponing the meeting.

#### 14.4 Notice of meeting

Subject to the provisions of the Act which permit shorter notice:

- (a) while the Company is not admitted to the Official List of the Exchange 21 clear days'; or
- (b) while the Company is admitted to the Official List of the Exchange 28 clear days' notice

(excluding both the date of service of the notice and the date of the meeting) of general meetings shall be given to members entitled to receive notice.

Each notice shall set out the place, day and time of the meeting and if Directors are to be elected, the names of the candidates for election.

#### 14.5 Proceedings not invalid

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

### 15. PROCEEDINGS AT MEETINGS

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#### 15.1 Conduct of Meeting

The Company may, when there are 2 or more members, hold a general meeting at 2 or more venues using any technology which gives the members as a whole a reasonable opportunity to communicate. A meeting held in 2 or more places using technology shall as a minimum allow each person who participates:

- (a) to hear each of the other participating members addressing the meeting; and
- (b) if a participating member wishes, to address each of the other members participating simultaneously.

At a meeting held in 2 or more places using technology:

- (a) a quorum shall be deemed to be present if the provisions set out in Article 15.2 regarding quorums are met in respect of the minimum number of members;

- (b) the meeting will be deemed to be held at the place where the largest group of participating members is assembled, or if no such group is identifiable, at the place at which the Chairman is attending;
- (c) no member may leave the conference by disconnecting his or her means of communication unless having obtained the express permission of the Chairman and the members shall be conclusively presumed to have been present and to have formed a quorum at all times during the meeting unless such express consent is obtained.

## 15.2 Quorum

No business shall be transacted at any general meeting unless a quorum is present at the time the meeting proceeds to business. Two members present in person or by proxy or Representative and entitled to vote shall be a quorum for all general meetings unless there is only one member of the Company, in which case a quorum will be that member present in person or by proxy or Representative.

## 15.3 Meeting adjourned if no quorum

If within half an hour from the time appointed for the meeting a quorum is not present the meeting, if convened upon the requisition of members, shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the Directors may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.

## 15.4 Chairman

The chairman of Directors, or in his absence the deputy chairman, shall be entitled to preside as chairman at every general meeting. If there is no chairman or deputy chairman or if neither is present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act as chairman of the meeting, the Directors shall choose another Director as chairman and if no other Director is so chosen or if all the Directors present decline to take the chair, the members present shall choose one of their number to be chairman.

## 15.5 Chairman's powers at meetings of members

The chairman of a meeting of members:

- (a) is responsible for the general conduct and procedures to be adopted at the meeting;
- (b) may adopt any procedure which, in the chairman's opinion, is necessary or desirable for proper and orderly debate or discussion and the proper and orderly casting of votes at the meeting;
- (c) may, subject to any applicable laws, prohibit the use of recording devices at the meeting; and
- (d) may prohibit any person who is not attending as a Director, Shareholder, proxy or corporate representative from attending the meeting.

## 15.6 Adjournments

A general meeting can be adjourned by the chairman of the meeting if:

- (a) a resolution has been passed consenting to the adjournment of the meeting;  
or
- (b) a resolution has been passed directing the chairman to adjourn the meeting.

No business shall be transacted at any adjourned meeting other than the business left unfinished at the initial meeting.

## 15.7 Adjournment for more than 30 days

When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given in accordance with Article 14.4 and set out the business left unfinished at the initial meeting but otherwise it is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

## 15.8 Demand for a poll

- (a) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or (other than on the election of the chairman of a meeting or the adjournment of a meeting) by:
  - (i) not less than 5 members having the right to vote at the meeting (unless there are less than 5 members of the Company in which case 2 members); or
  - (ii) by a member or members who are together entitled to not less than 5% of the total voting rights of all the members having the right to vote at the meeting.
- (b) A poll may be demanded:
  - (i) before a vote is taken;
  - (ii) before the voting results on a show of hands are declared; or
  - (iii) immediately after the voting results on a show of hands are declared.

## 15.9 Chairman's declaration conclusive

Unless a poll is demanded as provided in Article 15.7 a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously or carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

#### 15.10 Manner of poll

If a poll is duly demanded it shall be taken in the manner and at the time and place determined by the chairman of the meeting. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the meeting continuing to transact any business other than the question on which a poll has been demanded.

#### 15.11 Withdrawal of demand for a poll

The demand for a poll may be withdrawn.

#### 15.12 Dispute

The Chairman shall determine any dispute as to the admission or rejection of a vote on a show of hands or on a poll and that determination shall be final and conclusive.

#### 15.13 Written Resolutions

Where the Company has more than one shareholder, a resolution signed by all the members of the Company stating they are in favour of any resolution (other than a resolution to remove an auditor) which is required or permitted by the Act or this Constitution to be passed at a general meeting shall be as valid and effectual as if it had been passed at a meeting of members duly called and constituted. Any such resolution may consist of several documents each being signed by one or more members provided that the wording of the statement in favour of the resolution and the resolution are in identical form. The resolution will be deemed to have been passed at the time at which the resolution was last signed by a member, and if signed on different days, on the day of or at the time that the last member signed the resolution.

#### 15.14 Resolutions of Single Shareholders

Where the Company has a single shareholder and the shareholder records in writing their decision to a particular effect, the recording of the decision counts as the passing by the shareholder of a resolution to that effect.

### 16. VOTES OF MEMBERS

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#### 16.1 Voting rights

Subject to this Constitution, the Act and the Listing Rules and to any rights or restrictions for the time being attached to any class or classes of Shares:

- (a) every member present in person or represented by proxy or Representative shall on a show of hands have one vote;
- (b) where a person present represents as proxy or Representative more than one member, on a show of hands that person is entitled to one vote only despite the number of members the person represents; and

- (c) on a poll every member who is present in person or represented by proxy or Representative shall have one vote for every Share held by him, except that a partly paid Share shall be entitled to a fraction of a vote equivalent to the proportion which the amount paid up on the Share bears to the price at which the Share was issued.

**16.2 No voting rights**

Voting rights may be limited while any sum which is due and payable by a member in accordance with this Constitution remains unpaid, that member shall not be entitled to any voting rights in respect of the Shares held by that member.

**16.3 Chairman's casting vote**

In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting at which the show of hands is taken or at which the poll is demanded shall not be entitled to a casting vote in addition to the vote or votes to which the chairman may be entitled to as a member, or proxy or representative.

**16.4 Votes of joint holders**

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

**16.5 Votes of member of unsound mind**

A member of unsound mind or whose person or estate is liable to be dealt with in any way under the Act relating to mental health may vote whether on a show of hands or on a poll by his committee or by such other person as properly has the management of the member's estate or by the Public Trustee (as the case may be) and any such committee, other person or trustee may vote by proxy or Representative.

**16.6 Votes of persons entitled on transmission**

A person who has satisfied the Directors not less than 24 hours before a general meeting that the person is entitled to a Share by operation of Act may exercise all rights attached to the Share in relation to a general meeting, as if the person were the registered holder of the Share.

**17. PROXIES**

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**17.1 Not more than 2 proxies**

A member may appoint not more than 2 proxies neither of whom need be a member of the Company. A member may not appoint 2 or more persons to act as joint proxy.

#### 17.2 Written instrument

The instrument appointing a proxy must be in writing signed by the appointor or the appointor's attorney duly authorised in writing or if the appointor is a corporation either under seal or signed by an officer or attorney of the corporation.

#### 17.3 Deposit of instrument

Not less than 48 hours before the time for holding the meeting, the adjourned meeting or the poll at which a person proposes to vote by proxy or attorney, there shall be deposited at the Office or such other place as is specified for that purpose in the notice of meeting, or be transmitted to a fax number at the Company's registered office or a fax number or electronic address specified for that purpose in the notice of meeting:

- (a) the written instrument of appointment as proxy or attorney; and
- (b) any authority or power under which the document referred to in paragraph (a) was signed or a notarially certified copy of that power or authority.

#### 17.4 Form of proxy

An instrument appointing a proxy shall be valid if it contains the following information:

- (a) the members' name and address;
- (b) the Company's name;
- (c) the proxy's name or the office held by the proxy; and
- (d) the meetings at which the proxy may be used.

An appointment of a proxy may be a standing proxy.

An undated proxy shall be taken to be dated on the day that it is received by the Company.

Any instrument of proxy in which the name of the appointee is not filled in shall be deemed to be given in favour of the chairman of the meeting to which it relates.

#### 17.5 Authority to demand a poll

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

#### 17.6 Validity

A vote cast in accordance with the terms of an instrument of proxy or power of attorney shall be valid even if before the vote was cast the appointer:

- (a) died;
- (b) became of unsound mind;

- (c) revoked the proxy or power; or
- (d) transferred the Shares in respect of which the vote was cast,

unless written notification of the relevant event is received at the Office before the meeting, adjourned meeting or the taking of the poll at which the relevant instrument was used.

#### **17.7 Attendance by appointer**

A proxy shall not be revoked by the appointor attending and taking part in any meeting. However, if the appointor votes on any resolution either on a show of hands or on a poll the person acting as proxy for the appointor shall have no vote in that capacity on the resolution.

#### **17.8 Member overseas**

A member who is permanently or temporarily outside the Commonwealth of Australia may execute an instrument appointing a proxy valid for all meetings during the member's absence from the Commonwealth and until revocation that member may appoint a proxy for any particular meeting by facsimile transmission and such facsimile transmission may be in any form and shall be deemed to be authentic if it purports to be signed by the relevant member.

#### **17.9 Proof of identify**

The chairman of a meeting may require any person acting as a proxy or Representative to establish to the satisfaction of the chairman that the person is the person nominated as proxy or Representative in any instrument of appointment. If that person is unable to do so the person may be excluded by the chairman from voting either on a show of hands or on a poll.

#### **17.10 Notation**

If any member executes or proposes to execute any instrument or to do any act by or through an attorney that member shall produce or cause to be produced to the Company for noting the power of attorney and shall pay the prescribed fee (if any) for such noting and shall (if required) file with the Company a certified copy of the power of attorney which shall be retained by the Company. The Directors may on the first production of a power of attorney and from time to time subsequently require such evidence as they may think fit that it is effective and continues to be in force.

### **18. DIRECTORS**

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#### **18.1 Number of Directors**

The number of Directors, excluding any Managing Director, shall be not less than three nor more than ten (or such other minimum or maximum number of Directors as the Company may from time to time resolve).

## 18.2 No share qualification

There shall be no share qualification for a Director of the Company.

## 18.3 Appointment and removal of Directors by the Company

The Company may by resolution:

- (a) appoint new Directors;
- (b) increase or reduce the maximum number of Directors;
- (c) remove any Director before the end of the Director's term of office; and
- (d) appoint another person in place of a Director who has been removed from office and the replacement Director shall hold office for the term for which the Director who has been replaced would have held office if that Director had not been replaced.

## 18.4 Casual vacancies

Subject to Article 18.1, the Directors shall have power to appoint any person as a Director either to fill a casual vacancy or as an addition to their number. A person (other than the Managing Director) appointed as a Director pursuant to this Article 18.4, holds office until the conclusion of the next annual general meeting, and is eligible for election at that meeting.

## 18.5 Rotation of Directors

- (a) A director who has held office for three years or three annual general meetings (whichever is longer) must retire and is eligible for re-election at the next annual general meeting.
- (b) In determining the Directors to retire, no account is to be taken of a Director who only holds office until the conclusion of the meeting in accordance with clause 18.4 or the Managing Director who is exempt from retirement by rotation.
- (c) A retiring Director holds office until the conclusion of the meeting at which that Director retires, but is eligible for re-election.

## 18.6 Vacation of Office

The office of a Director shall immediately be vacated if the Director:

- (a) ceases to be or is removed as a Director pursuant to the provisions of the Act;
- (b) becomes an insolvent under administration or makes any composition or arrangement with his or her creditors or any class of them;
- (c) becomes of unsound mind or a person whose estate is liable to be dealt with in any way under the Act relating to mental health;
- (d) resigns his or her office by notice in writing to the Company;

- (e) the period for which the Director is appointed expires; or
- (f) without the permission of the other Directors absents himself or herself from the meetings of the Directors for a continuous period of 6 months.

#### 18.7 Less than minimum number

If the number of Directors falls below the minimum number of Directors referred to in Article 18.1, then the remaining Directors may only act for the purpose of:

- (a) increasing the number of Directors to the minimum number of Directors referred to in Article 18.1;
- (b) summoning a general meeting of the Company; or
- (c) dealing with an emergency.

#### 18.8 Consent

A person shall not be appointed as a Director, including as an Alternate Director of the Company, unless the Company has received from the person a written consent to their appointment.

#### 18.9 Eligibility for Election

Except for:

- (a) a person who is eligible for re-election under clauses 18.3(d) or 18.5; or
- (b) a person whose office as a Director becomes vacant by operation of section 201C(3) of the Corporations Act,

a person is not eligible for election as a Director at a general meeting of the Company unless a consent to nomination signed by the person has been lodged at the Office at least:

- (c) in the case of a person recommended for election by the Directors, 20 Business Days before the general meeting; and
- (d) in any other case, 30 Business Days before the general meeting.

### 19. REMUNERATION OF DIRECTORS

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#### 19.1 Remuneration of non-executive Directors

The Directors (other than the Managing Director or a Director occupying an executive position) may in aggregate be paid as remuneration for their services the maximum sum from time to time determined by the Company in general meeting.

## 19.2 Division of remuneration

The remuneration will be divided between the non-executive Directors in such proportion and manner as they agree and, in default of agreement, equally.

## 19.3 Additional services

If a Director is required to perform services for the Company which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, then the Company may pay the Director a fixed sum determined by the Directors in addition to or instead of the Director's remuneration under Articles 19.1 and 19.2. Any such additional amount shall not be taken into account for the purpose of calculating the total remuneration paid under Article 19.1.

## 19.4 Reimbursement of expenses

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the Company's business.

## 19.5 Remuneration of Executive Directors

The remuneration of a Managing Director or of a Director occupying an executive position may from time to time be fixed by the Directors.

## 19.6 Payment to former Directors

Subject to the Act, the Directors may:

- (a) pay a gratuity, pension or allowance, on retirement or other vacation of office, to a Director or to any relative of a Director; and
- (b) make contributions to any fund and pay any premiums for the purchase or provision of any such gratuity, pension or allowance.

## 20. POWERS AND DUTIES OF DIRECTORS

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### 20.1 Directors' power of management

Subject to the Act, the Listing Rules and this Constitution, the management of the business and affairs of the Company shall be vested in the Directors who may exercise all powers of the Company that this Constitution and the Act do not require to be exercised by the Company in general meeting.

### 20.2 Delegation of Power

Subject to the Act and any other Articles which regulate the delegation of Directors powers, the Directors may by resolution or in writing delegate any of their powers to:

- (a) a committee of Directors; or

- (b) a Director; or
- (c) an employee of the Company; or
- (d) any other person.

Any power exercised by the delegates shall be as effective as if it had been exercised by the Directors. Any delegation shall specify the powers delegated, any restrictions on the exercise of the powers and the period within which such delegation shall be in force.

### 20.3 Attorneys

The Directors may by resolution, power of attorney or writing appoint any firm, company, corporation or person or body of persons to be the attorney or agent of the Company:

- (a) for the purposes;
- (b) with the powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution);
- (c) for the period; and
- (d) subject to such conditions,

as the Directors may from time to time think fit.

### 20.4 Protection of third parties

Any resolution, power of attorney or written instrument under Article 20.3 may contain provisions for the protection and convenience of persons dealing with the attorney or agent as determined by the Directors and may also authorise the attorney or agent to delegate all or any of the powers, authorities and discretions for the time being vested in the attorney or agent.

### 20.5 Execution of cheques

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed (as the case may be) by the persons and in the manner determined by the Directors.

## 21. INTERESTED DIRECTORS

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### 21.1 Restriction on Director

A Director (including any Alternate Director) who has, directly or indirectly, a material personal interest in any matter that relates to the affairs of the Company that is being considered at a meeting of the Directors will only be prohibited or excluded from:

- (a) voting on the matter; or

- (b) being counted in a quorum for the purposes of the meeting; or
  - (c) being present while the matter is being considered,
- if the Director is so prohibited or excluded by the Act.

#### **21.2 Director not disqualified**

Subject to Article 21.1 and the Act, but despite any rule of Act or equity to the contrary, if a Director has disclosed the nature of his or her interest in any matter that relates to the affairs of the Company in accordance with sections 191 and 192 of the Act:

- (a) any transactions that relate to the interest may proceed; and
- (b) the transactions may not be avoided by the Company by reason of the Director's position or interest; and
- (c) the Director shall not be liable to account to the Company for any profit or benefit made under the transactions.

#### **21.3 Director may hold any other office**

A Director may hold any other office or place of profit under the Company (except the office of Auditor) in conjunction with the office of Director for such period and on such terms as the Directors may determine.

#### **21.4 Directors conflicts of interest**

A Director of the Company who holds any office or possesses any property where, whether directly or indirectly, duties or interests might be created in conflict with his or her duties or interests as a Director shall give the other Directors standing notice of the interest in accordance with section 192 of the Act and at the first meeting of Directors held after the relevant facts come to the Director's knowledge declare the fact, nature, character and extent of the conflict.

### **22. MANAGING DIRECTOR**

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#### **22.1 Appointment**

The Directors may appoint a Director to the office of Managing Director for the period and on the terms as they think fit and may revoke and renew the appointment. The appointment of a Director as Managing Director shall be automatically determined if the Director ceases for any reason to be a Director. The Managing Director shall not be required to retire in accordance with Article 18.5 and shall continue in office until they vacate their position as a Director or are removed as Managing Director by the Board.

#### **22.2 Control of Board**

A Managing Director shall at all times be subject to the control of the Board of Directors. The Directors may entrust to and confer on a Managing Director any of

the powers exercisable by them, subject to any terms and restrictions determined by the Directors. The Directors may at any time revoke, withdraw, alter or vary all or any of the powers conferred under this Article. Powers so conferred on any Managing Director shall be collateral with the powers of the other Directors and not to the exclusion of those powers.

## **23. PROCEEDINGS OF DIRECTORS**

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### **23.1 Directors to regulate meetings**

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit and proceedings including the use of technology to which each Director at the meeting consents (such consent may be a standing consent) and may from time to time determine the quorum necessary for the transaction of business. Subject to the Act, until otherwise determined 2 Directors present and entitled to vote at the meeting shall form a quorum.

### **23.2 Convening meetings**

A Director may at any time, and any Secretary shall, upon the request of a Director, convene a meeting of Directors.

### **23.3 Notice**

Notice of a meeting of Directors must be given to all Directors however the non-receipt of a notice of meeting by a Director, whom the person giving notice to other Directors reasonably believes to be outside Australia, shall not invalidate the proceedings at the meeting subject to the quorum requirements in clause 23.1 being met. It shall not be necessary to give notice of meeting to any Alternate Director unless notice is not given to the Director by whom the Alternate Director was appointed or the Director who appointed the Alternate Director requests the Alternate Director receive the notices.

### **23.4 Conference meetings**

Without limiting the discretion of the Directors to regulate their meetings under Article 23.1, a meeting of the Directors may consist of a conference between Directors some or all of whom are in different places provided that each Director who participates is able:

- (a) to hear each of the other participating Directors addressing the meeting;
- (b) and if he or she wishes, to address each of the other participating Directors simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when this Article 23 is adopted or developed subsequently) or by a combination of those methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number of Directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of participating Directors is assembled or, if no such group is readily identifiable, at the place from where the

chairman of the meeting participates. Any Director may, by prior notice to the Company, indicate that he or she wishes to participate in the meeting in this manner, in which event, the Directors shall procure that an appropriate conference facility is arranged at the expense of the Company.

No Director may leave the conference by disconnecting his or her means of communication unless he or she has previously obtained the express consent of the chairman of the meeting and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting by telephone or other means of communication unless the Director has previously obtained the express consent of the chairman to leave the conference.

### **23.5 Chairman**

The Directors may elect a chairman and a deputy chairman of their meetings and determine the period for which each such person is to hold office. If no chairman or deputy chairman is elected or if at any meeting neither the chairman nor the deputy chairman is present at the time appointed for holding the meeting or if both decline to chair the meeting, the Directors present shall elect one of their number to be Chairman of the meeting.

### **23.6 Majority decision**

Questions arising at any meeting of Directors shall be decided by a majority of votes. Each Director entitled to attend the meeting shall have one vote and a determination by a majority of the Directors shall for all purposes be deemed a determination of the Directors. The chairman shall have a second or casting vote on a resolution where there is an equality of votes.

### **23.7 Committees**

Any Committee of Directors must conform to any regulations that may be imposed on it by the Directors.

### **23.8 Proceedings of Committees**

The meetings and proceedings of any Committee of Directors consisting of more than one person shall be governed by the provisions of this Constitution for regulating the meetings and proceedings of the Directors so far as they are applicable and are not superseded by any regulations made by the Directors under Article 23.7.

### **23.9 Not invalid**

If it is discovered that:

- (a) there was a defect in the appointment of any Director, alternate Director or member of a Committee of Directors; or
- (b) a person appointed to one of those positions was disqualified or had vacated office or was otherwise not entitled to vote on a matter,

all acts of the Directors or Committee of Directors (as the case may be) before the discovery was made are as valid as if the person had been duly appointed, was

not disqualified, had not vacated office and was entitled to vote (as the case may be).

#### 23.10 Written resolutions

A resolution or declaration in writing shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted if it is signed:

- (a) where the Company has a single Director, by that Director; or
- (b) in any other case, by a majority of the Directors (not including any Alternate Director unless the Director who appointed an Alternate Director is not in Australia) for the time being in Australia (not being less than a quorum).

Any such resolution or declaration may consist of several documents in the same form each signed by one or more Directors.

#### 23.11 Authorisation to vote

A Director who is unable to attend any meeting of the Directors may authorise any other Director to vote for him or her at that meeting and the Director so authorised shall have a vote for each Director by whom he or she is so authorised in addition to his or her own vote. Any such authority must be in writing or by facsimile transmission which must be produced at the meeting at which it is to be used and retained with the Company's records.

### 24. BORROWING POWERS

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The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, assets and uncalled capital or any part of it and to issue debentures, debenture stock and other securities whether outright or as security for any debt, contract, guarantee, engagement, obligation or liability of the Company or of any third party and on such terms and conditions as the Directors think fit.

### 25. ALTERNATE DIRECTORS

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#### 25.1 Appointment

A Director may, with the approval of the Directors, appoint any person who consents as his or her alternate for a period determined by that Director.

#### 25.2 Rights of Alternate Director

An Alternate Director is:

- (a) entitled to receive notices of Directors' meetings if notice has not been given to his or her appointor or his or her appointor requires that the Alternate Director receives notices;

- (b) entitled to be present at a Directors' meeting if his or her appointor is not present but would have been entitled to be present;
- (c) entitled to be counted in a quorum for a Directors' meeting if his or her appointor is not present but would have been entitled to be counted in a quorum for the particular meeting; and
- (d) entitled to vote on any resolution at a Directors' meeting if his or her appointor is not present but would have been entitled to vote on the particular resolution.

### **25.3 Officer of the Company**

An Alternate Director is an officer of the Company and is not an agent of the appointor.

### **25.4 Provisions to apply**

Subject to the Article 25.2, the provisions of this Constitution which apply to Directors also apply to Alternate Directors, except that Alternate Directors are not entitled to any remuneration from the Company.

### **25.5 Revocation of appointment**

The appointment of an Alternate Director may be revoked at any time by the appointor or by the other Directors. An Alternate Director's appointment ends automatically when his or her appointor ceases to be a Director.

### **25.6 Notice of revocation**

Any appointment or revocation under this Article must be effected by written notice delivered to the Company at the office.

## **26. ASSOCIATE DIRECTORS**

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### **26.1 Appointment**

The Directors may appoint a person to be an associate director and may remove a person so appointed.

### **26.2 Duties and powers**

The Directors may define and limit the duties and powers of associate directors and their remuneration for their services as associate directors.

### **26.3 Associate Director not a Director**

A person appointed as an associate director is not a Director for any of the purposes of this Constitution and accordingly:

- (a) is not a member of the board of Directors or of any Committee of Directors;

- (b) is not entitled to be present at any meeting of the Directors or of any Committee of Directors except at the request of the Directors or particular Committee of Directors; and
- (c) if present at any meeting of the Directors or Committee of Directors may not vote or form part of a quorum.

## **27. MINUTES**

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### **27.1 Keeping the Minutes**

The Directors shall cause to be kept in accordance with the Act:

- (a) minutes stating:
  - (i) the names of the Directors present at each meeting of the Directors and of any Committee of Directors; and
  - (ii) all resolutions and proceedings of general meetings and of meetings of Directors and of Committees of Directors; and
- (b) resolutions in writing of the members or the Directors and declarations by the Directors.

### **27.2 Signed by Chairman**

Minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

## **28. LOCAL MANAGEMENT**

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### **28.1 Power to provide for local management**

The Directors may from time to time provide for the management of the affairs of the Company in any part of Australia or elsewhere in any manner they think fit and the provisions contained in Article 28.2 shall be without prejudice to the general powers conferred by this Article.

### **28.2 Branch offices**

The Directors may establish agencies, branch offices and local boards as they think fit and may do all acts, matters and things as may be necessary for that purpose. The Directors may make regulations for the management of any agency, branch office or local board so established as they may from time to time think proper. The Directors may authorise payment of remuneration to members of any agency, branch office or local board and may authorise payment of any expenses incurred in the establishment, maintenance or operation of any agency, branch office or local board. The Directors may from time to time discontinue any agency, branch office or local board or the appointment of any person holding office in it.

## 29. SECRETARY

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### 29.1 Appointment by Directors

One or more Secretaries may, in accordance with the Act, be appointed by the Directors for the term, at the remuneration and upon the conditions as the Directors may think fit and any Secretary so appointed may be removed by them in their absolute discretion.

### 29.2 Consent

A person shall not be appointed as a Secretary of the Company unless the Company has received from the person a written consent to their appointment.

### 29.3 Removal

A person ceases to be a Secretary of the Company if the person becomes disqualified from managing corporations under Part 2D.6 of the Act unless ASIC or the Court allows such person to manage the Company.

## 30. SEAL

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### 30.1 Seal

Where the Company has a seal the Directors shall provide for the safe custody of the Seal which shall only be used by the authority of the Directors or of a Committee of Directors authorised by the Directors. Every instrument to which the Seal is affixed must be signed:

- (a) where the Company has a single director who is also the only Secretary of the Company, by that person;
- (b) where the Company has a single director and there is no Secretary, by that person; or
- (c) in any other case, by a Director and shall be countersigned by a Secretary or by a second Director or by some other person appointed by the Directors for that purpose.

In the case of share certificates this Article is subject to Article 30.4.

### 30.2 Official Seal

The Company may have for use in any place outside the State an Official Seal which must be a facsimile of the Seal with the addition on its face of the name of every place where it is to be used. The person affixing any Official Seal must certify on the instrument to which it is affixed the date on which and the place at which it is affixed.

### 30.3 Use of Official Seal

The Directors may exercise all the powers of the Company in relation to any Official Seal for use outside the State and in relation to branch registers.

### 30.4 Share Seal

For the purpose of sealing share certificates or other interests in the Company, the Company may have a duplicate common seal which is a facsimile of the Seal with the addition on its face of the words "Share Seal". A certificate under the duplicate seal shall be deemed to be sealed with the Seal. Such certificates must bear the manual or facsimile signatures of a person or persons authorised to witness the affixation of the Seal of the Company under Article 30.1.

## 31. EXECUTION OF DOCUMENTS BY HAND

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The Company may execute documents without the Seal. Where a deed is executed by the Company without using the Seal it must be signed by:

- (a) where the Company has a single Director who is also the only Secretary of the Company, by that person; or
- (b) where the Company has a single Director and there is no Secretary by that person; or
- (c) in any other case, by a Director and shall be counter signed by a Secretary or another Director.

## 32. DIVIDENDS

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### 32.1 Declaration of dividend

The Directors may from time to time determine to pay such dividends as appear to the Directors to be justified provided that:

- (a) the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; and
- (b) the payment of the dividend is fair and reasonable to the Company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

### 32.2 Payment

Subject always to the provisions of this Article, any dividends may be paid, credited or otherwise distributed as determined by the Directors.

### **32.3 Directors' declaration conclusive**

The determination of the Directors as to the matters set out in Article 32.1 shall be conclusive.

### **32.4 Reserves**

The Directors may set aside out of the profits of the Company such sums as they think proper as reserves which shall at the discretion of the Directors be applicable for any purpose to which the profits of the Company may be properly applied and pending any such application may either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing them to reserve carry forward any profits which they may think prudent not to divide.

### **32.5 Dividends in proportion**

Subject to Article 32.7 and to the rights of persons (if any) entitled to Shares with special rights, dividends payable to persons entitled to those dividends shall be paid equally in respect of each fully paid Share held by them and in the case of partly paid Shares shall be paid in proportion to the percentage of which each partly paid Share is paid up.

### **32.6 Books close**

A transfer of Shares registered after the books close for dividend purposes but before a dividend is payable shall not pass the right to any dividend declared on those Shares before the registration of the transfer.

### **32.7 Transmissions**

The Directors may retain the dividends payable on Shares in respect of which any person is under Article 10 entitled to become a member or which any person under that Article is entitled to transfer until that person becomes a member in respect of the Shares or duly transfers them.

### **32.8 Lien**

The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien or the registered owner of which is indebted to the Company and may apply the dividend or other moneys in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists or in or towards satisfaction of the relevant indebtedness.

### **32.9 Distribution of Assets**

Without prejudice to Article 32.12:

- (a) any dividend may, with the sanction of a general meeting, be paid wholly or in part by the distribution of specific assets including paid or partly paid up Shares, debentures or debenture stock of any other corporation; and
- (b) the Directors may settle any difficulty which arises with regard to such distribution as they think expedient and in particular, in order to adjust the

rights of all members may make provision in the case of fractions and may fix the value for distribution of the specific assets or any part of them and may determine that cash payments shall be made to any members and may vest the specific assets in trustees upon trust for all the members entitled to the dividend.

#### **32.10 Payment by Cheque**

Any dividend, interest or other money payable in cash in respect of Shares shall be dispatched to all members entitled to it at the same time and may be paid by cheque or bankers draft sent through the post directed to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to the person and to the address as the holder or joint holders may in writing direct. Every cheque or bankers draft shall, unless the holder otherwise directs, be made payable to the order of the member to whom it is sent. Any joint holder may give effectual receipts for any dividends, bonuses or other moneys payable in respect of the Shares held by them as a joint holder.

#### **32.11 Bonus Issues**

The Company may, upon recommendation of the Directors, resolve:

- (a) that any sum available for dividend in respect of the ordinary Shares be capitalised and distributed to the holders of Shares conferring rights to participate in bonus issues entered on the Register on a date determined by the Directors conferring rights to participate in bonus issues pro rata to the amount paid up on their Shares; and
- (b) that the amount referred to in paragraph (a) be applied in paying up in full Shares (including redeemable Shares), debentures or debenture stock of the Company or partly in one way and partly in the other to be allotted and issued on the basis and to the persons referred to in paragraph (a).

#### **32.12 Directors' Powers**

Whenever a resolution as referred to in Article 32.11 is passed the Directors shall do and shall be empowered to do all acts and things required to give effect to the resolution with full power to the Directors to:

- (a) make such provision in the case of fractions as they think fit; and
- (b) authorise any person on behalf of all persons entitled to participate in the bonus issue to enter into an agreement with the Company providing for the allotment to them respectively of the Shares, debentures or debenture stock referred to in Article 32.11 and any agreement made under this authority shall be effective and binding on all the members.

#### **32.13 Dividend Re-investment**

The Directors may with the prior approval of the Company in general meeting determine that each member shall be entitled to elect to re-invest all or any part of dividends paid or payable by the Company to them in cash by subscribing for fully paid ordinary Shares in accordance with the plan. The Directors may be

authorised to vary the terms and conditions of the plan as and when they consider appropriate and to suspend or terminate it.

### **33. NEW SHARE ALLOTMENT ELECTION**

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#### **33.1 Election to reinvest**

The Directors may resolve that any member may elect for a stipulated period or for a period to be determined by stipulated notice that dividends shall not be declared on all or some of the ordinary Shares held by that member and designated for the purposes of the election.

#### **33.2 Allotment**

The Directors may allot and issue upon the terms and conditions they from time to time deem appropriate to any member who makes an election pursuant to a resolution under Article 32.1 in respect of designated Shares the number of fully paid ordinary Shares as they think fit. The Shares shall be issued by capitalising any sum Actfully available for distribution to members and not required for the payment of dividends upon any preference Shares or other Shares issued upon any special conditions.

#### **33.3 Directors' powers**

The Directors shall make all appropriations of the sums resolved to be capitalised, and all allotments and issues of fully paid Shares and generally shall do all things necessary to give effect to the resolution and, in particular, may:

- (a) issue fractional certificates; or
- (b) make payments in cash.

### **34. ACCOUNTS**

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#### **34.1 Accounting records**

The Directors must cause proper accounting and other records to be kept and shall distribute copies of accounts as required by the Act.

#### **34.2 Inspection**

The Directors must determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open for the inspection by members who are not Directors or former Directors. Subject to the Act, no member (who is not a Director or former Director) shall have any right to inspect any account or book or paper of the Company unless authorised by the Directors or by the Company in general meeting.

### **34.3 Issue of Annual Report**

The interval between the close of a financial year of the Company and the issue of the printed Annual Report and audited accounts relating to it shall not exceed the period (if any) prescribed by the Act.

## **35. NOTICES**

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### **35.1 Method of sending notices**

A notice may be given by the Company to any member either personally or by sending it by post to the member's registered address.

### **35.2 Time of service**

Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and to have been effected on the day after the date of posting.

### **35.3 Notice by facsimile or other electronic means**

The Directors may resolve that a notice may be sent by facsimile transmission or other electronic means to any member. Any notice sent before 5pm by facsimile transmission or other electronic means shall be taken to have been given on the day it is sent (or, if that is not a Business Day, on the next Business Day). A notice sent after 5pm by facsimile transmission or other electronic means shall be taken to have been given on the next Business Day.

### **35.4 Joint holders**

A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.

### **35.5 Notices to legal representatives**

A notice may be given by the Company to the persons entitled to a share in consequence of the death, liquidation or bankruptcy of a member or under the Act relating to mental health by sending it through the post in a prepaid letter addressed to them by name or by their title as representatives of the relevant member or at the address (if any) within the Commonwealth of Australia supplied for the purpose by the persons claiming to be entitled or (until such an address has been supplied) by giving the notice in any manner in which it might have been given if the death, lunacy, liquidation or bankruptcy had not occurred.

### **35.6 Notices to foreign residents**

Subject to Article 35.4, notices and other documents for members outside the Commonwealth of Australia shall be forwarded to those members by airmail or by facsimile at the address or facsimile number outside the Commonwealth of Australia supplied to the Company by them.

### 35.7 Notices of general meetings

Notice of every general meeting shall be given in any manner authorised to:

- (a) every member;
- (b) every person entitled to a share in consequence of the death, liquidation or bankruptcy of a member or under the Act relating to mental health; and
- (c) the Auditor (if any) for the time being of the Company.

### 35.8 Signature on notices

The signature to any notice to be given by or on behalf of the Company may be written, printed or stamped.

## 36. WINDING UP

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### 36.1 Distribution

Subject to Article 36.3, and without prejudice to the rights of the holders of Shares issued upon special terms and conditions, if the Company is wound up, the assets available for distribution among the members shall be distributed amongst the shareholders entitled to the assets in proportion to the Shares held by them respectively irrespective of the amounts paid up on the Shares.

### 36.2 Liquidator

Subject to Article 36.3, if the Company is wound up the liquidator may with the sanction of a special resolution of the Company:

- (a) divide amongst the members in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be divided and may determine how the division shall be carried out as between the members or different classes of members provided that no member shall be compelled to accept any Shares or other securities on which there is any liability; or
- (b) vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit.

### 36.3 Payment to Liquidator

On a voluntary winding up of the Company no commission or fee shall be paid to the liquidator unless the proposed payment of the commission or fee has been approved by a resolution of the Company in general meeting and the amount of the proposed payment is specified in the notice calling the meeting.

## 37. INDEMNITY

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### 37.1 Indemnity of Directors

Every Director shall be indemnified by the Company against a liability incurred as a Director other than:

- (a) a liability owed to the Company or a related body corporate;
- (b) a liability for a pecuniary penalty order under section 1317G of the Act or a compensation order under section 1317H of the Act; or
- (c) a liability that is owed to someone other than the Company or a related body corporate and did not arise out of conduct in good faith.

### 37.2 Indemnity of Auditors Officers or Employees

Every Auditor and other Officer or employee of the Company may by resolution of the Directors be indemnified by the Company against a liability incurred as an Auditor, an Officer or an employee of the Company other than:

- (a) a liability owed to the Company or a related body corporate;
- (b) a liability for a pecuniary penalty order under section 1317G of the Act or a compensation order under section 1317H of the Act; or
- (c) a liability that is owed to someone other than the Company or a related body corporate and did not arise out of conduct in good faith.

### 37.3 Indemnity for legal costs

Every Director, Auditor and other Officer or employee of the Company may by resolution of the Directors be indemnified out of the assets of the Company against a liability for legal costs incurred by that person as a Director, Auditor, other Officer or employee of the Company in defending an action for liability incurred in that capacity **unless** the costs arise:

- (a) in defending or resisting proceedings in which the person is found to have a liability for which they could not be indemnified under Article 37.1 or 37.2;
- (b) in defending or resisting criminal proceedings in which the person is found guilty;
- (c) in defending or resisting proceedings brought by ASIC or a liquidator for a court order if the grounds for making the order are found by the court to have been established (other than costs incurred in responding to actions taken by ASIC or a liquidator as part of an investigation before commencing proceedings for the court order); or
- (d) in connection with proceedings for relief to the person under the Act in which the Court denies the relief.

The outcome of the proceedings is the outcome of the proceedings and any appeal in relation to the proceedings.

#### **37.4 Payment for Insurance Premiums**

The Company or a related body corporate may following a resolution of the Directors pay, or agree to pay, either directly or indirectly through one or more interposed entities, a premium in respect of a contract insuring a person who is or has been a Director, Auditor or other Officer or employee of the Company against:

- (a) a liability for legal costs; or
- (b) any other liability except a liability incurred by the person as such a Director, Auditor or other Officer or employee and arising out of:
  - (i) conduct involving a wilful breach of duty in relation to the Company; or
  - (ii) a contravention of sections 182 or 183 of the Act.

### **38. RESTRICTED SECURITIES**

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#### **38.1 Disposal during Escrow Period**

- (a) Restricted Securities may only be disposed of during the Escrow Period in accordance with the Listing Rules or with the permission of the Exchange.
- (b) The Company will only allow a transfer of Restricted Securities during the Escrow Period in accordance with the Listing Rules or with the permission of the Exchange.

#### **38.2 Breach of Restriction Agreement or Listing Rules**

The holder of the Restricted Securities is not entitled to any dividend or distribution, or to exercise any rights attaching to the Restricted Securities during any breach of the Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement, covering the Restricted Securities.

### **39. SMALL HOLDINGS**

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#### **39.1 Divestment Notice**

If the Directors determine that a shareholder is a Small Holding Shareholder, the Company may give the Shareholder a Divestment Notice to notify the shareholder:

- (a) that the shareholder is a Small Holding Shareholder, the number of Shares making up and the market value of the Small Holding and the date on which the market value was determined;
- (b) that the Company intends to sell the Relevant Shares in accordance with this clause 39 after the end of the Relevant Period specified in the Divestment Notice; and

- (c) that the shareholder may at any time before the end of the Relevant Period notify the Company in writing that the shareholder desires to retain the Relevant Shares and that if the Shareholder does so the Company will not be entitled to sell the Relevant Shares under that Divestment Notice.

**39.2 Divestment Notice to comply with ASTC Business Rules**

If the ASTC Business Rules apply to the Relevant Shares, the Divestment Notice must comply with the ASTC Business Rules.

**39.3 Relevant Period**

The Relevant Period must be at least six weeks from the date the Divestment Notice is given, in the case of a Divestment Notice given to a Small Holding Shareholder.

**39.4 Company can sell Relevant Shares**

At the end of the Relevant Period the Company is entitled to sell on-market or in any other way determined by the Directors the Relevant Shares of a shareholder who is a Small Holding Shareholder, unless that shareholder has notified the Company in writing before the end of the Relevant Period that the shareholder desires to retain the Relevant Shares, in which event the Company must not sell those Relevant Shares under that Divestment Notice.

**39.5 No obligation to sell**

The Company is not bound to sell any Relevant Shares which it is entitled to sell under this clause 39 but if the Relevant Shares are not sold within six weeks after the end of the Relevant Period, the Company's right to sell the Relevant Shares under the Divestment Notice relating to those Shares lapses and it must notify the shareholder to whom the Divestment Notice was given accordingly.

**39.6 Company as Shareholder's attorney or agent**

The shareholder appoints the Company and each Director and Secretary jointly and severally as the shareholder's attorney or agent in the shareholder's name and on the shareholder's behalf to do all acts and things which the Company considers necessary or appropriate to effect the sale or transfer of the Relevant Shares in accordance with this clause 39 including executing on behalf of the shareholder all deeds, instruments or other documents necessary to transfer the Relevant Shares and to deliver any such deeds, instruments or other documents to the purchaser.

**39.7 Conclusive Evidence**

A statement in writing by or on behalf of the Company under this clause 39 is binding on and, in the absence of manifest error, conclusive against a shareholder. In particular, a statement that the Relevant Shares specified in the statement have been sold in accordance with this clause 39 is conclusive against all persons claiming to be entitled to the Relevant Shares and discharges the purchaser from all liability in respect of the Relevant Shares.

### **39.8 Registering the purchaser**

The Company must register the purchaser of Relevant Shares sold and transferred by the Company under this clause 39 as the holder of those shares. The purchaser is not bound to see to the application of any money paid as consideration. The title of the purchaser to the Relevant Shares transferred to the purchaser is not affected by any irregularity or invalidity in connection with the actions of the Company under this clause 39.

### **39.9 Payment of proceeds**

Subject to clause 39.10 where:

- (a) Relevant Shares of a shareholder are sold by the Company under this clause 39; and
- (b) the certificate for the Relevant Shares (unless the Company is satisfied that the certificate has been lost or destroyed or the Relevant Shares are an Uncertificated Securities Holding) has been received by the Company,

the Company must, within 60 days of the completion of the sale, send the proceeds of sale to the shareholder entitled to those proceeds by sending a cheque payable to the shareholder through the post to the address of the shareholder shown in the Register, or in the case of joint holders, to the address shown in the Register as the address of the shareholder whose name first appears in the Register. Payment of any money under this clause 39.9 is at the risk of the shareholder to whom it is sent.

### **39.10 Costs**

The Company or purchaser must bear the costs of sale of the Relevant Shares. The costs of sale include all stamp duty, brokerage and government taxes and charges (except for tax on income or capital gains of the shareholder) payable by the Company in connection with the sale and transfer of the Relevant Shares.

### **39.11 Remedy limited to damages**

The remedy of a shareholder in respect of the sale of Relevant Shares of that shareholder under this clause 39 is limited to a right of action in damages against the Company in respect to any breach by the Company of the requirements of this clause 39 to the exclusion of any other right, remedy or relief against any other person or in relation to any other matter.

### **39.12 12 month limit**

If the Listing Rules require and subject to clause 39.13, the Company must not give a Small Holding Shareholder more than one Divestment Notice in any 12 month period.


### **39.13 Effect of takeover bid**

From the date of the announcement of a takeover bid for the Shares until the close of the offers made under the takeover bid, the Company's powers under this clause 39 to sell Relevant Shares of a shareholder cease. After the close of offers under the takeover bid, the Company may give a Divestment Notice to a Small

Holding Shareholder, despite clause 39.3 even if it is less than 12 months since the Company last gave a Divestment Notice to that shareholder.

We the undersigned agree:

- (a) to take the number and class of shares in the capital of the Company on registration of the Company at an issue price of \$0.007227 per Share; and
- (b) to the foregoing constitution.

Name of Subscriber	Number & Class of Shares	Signature of Subscriber or Authorised Representative of Subscriber
Zeming Yang	9,000,000 Fully Paid Ordinary Shares	

11 / 07 / 2012