

# CONSTITUTION

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AdAlta Limited ACN 120 332 925

Adopted on 27<sup>th</sup> February 2016

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## 1. DEFINED TERMS & INTERPRETATION

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### 1.1 Definition

In this Constitution:

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

**ASX** means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as operated by ASX Limited (as the context requires).

**ASX Settlement** means ASX Settlement Pty Ltd ACN 008 504 532.

**ASX Settlement Operating Rules** means the ASX Settlement Operating Rules issued by ASX Settlement from time to time.

**Business Day** means a day on which the major trading banks are open for ordinary business in Melbourne, Victoria and excludes a Saturday, Sunday or public holiday.

**CHESS** means the clearing house electronic sub-register system as defined in the ASX Settlement Operating Rules.

**CHESS approved securities** means securities approved under the ASX Settlement Operating Rules to participate in CHESS.

**CHESS sub-register** means the CHESS subregister part of the register for the Company's securities which is administered by ASX Settlement and records uncertificated holdings in accordance with the ASX Settlement Operating Rules.

**Company** means AdAlta Limited ACN 120 332 925.

**Constitution** means this constitution as amended from time to time.

**Director** means a director of the Company from time to time.

**Executive Director** means a Director appointed under clauses 19.1(a) or 19.1(b).

**Issuer Sponsored Sub-register** means that part of the Company's register for the Company's securities which is administered by the Company (and not ASX Settlement) and records uncertificated holdings of securities.

**Listed** means the securities of the Company are admitted to the Official List of the ASX.

**Listing Date** means the date on which the Company is Listed.

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

**Ordinary Shareholder** means a registered holder of ordinary shares in the Company.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**Representative** means a representative appointed by a Shareholder under section 250D of the Act.

**Secretary** means a company secretary of the Company from time to time.

**Series A Preference Shares** means the preference shares the terms of which approved by special resolution of the members on 16 December 2010;

**Series A Shareholder** means a registered holder of Series A Preference Shares.

**Shareholder** means a registered holder of shares in the Company from time to time.

**SRN** (Shareholder Reference Number) means a number allocated by the Company to identify a Shareholder on an Issuer Sponsored Sub-Register.

## 1.2 Interpretation

- (a) Words and expressions used in this Constitution which are also used in the Act, *Corporations Regulations 2001*, Listing Rules or ASX Settlement Operating Rules, have the same meanings given to them under the Act, *Corporations Regulations 2001*, Listing Rules or ASX Settlement Operating Rules, respectively.
- (b) A reference in this Constitution to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision.
- (c) A reference to a clause is to a clause of this Constitution.
- (d) A reference in this Constitution to a Shareholder being present at a meeting of Shareholders is a reference to:
  - (i) a Shareholder present in person; or
  - (ii) a Shareholder present by proxy, attorney or Representative; or
  - (iii) other than in relation to any clause which specifies a quorum, a Shareholder who has duly lodged a valid direct vote in relation to the general meeting in accordance with clause 15.13.

## 2. CORPORATIONS ACT AND LISTING RULES

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### 2.1 Corporations Act

The provisions of this Constitution are subject to the Act and any act which is permitted or prescribed in this Constitution may only be carried out in accordance with and subject to the applicable requirements of the Act.

### 2.2 Replaceable rules do not apply

The replaceable rules in the Act do not apply to the Company.

### 2.3 Compliance with Listing Rules

While the Company is Listed:

- (a) the provisions of this Constitution are subject to the Listing Rules;

- (b) notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- (c) nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done;
- (d) 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);
- (e) 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;
- (f) if the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and
- (g) 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.

#### **2.4 Compliance with ASX Settlement Operating Rules**

- (a) While any of the securities in the Company are CHESS approved securities, the Company must comply with the ASX Settlement Operating Rules. While all of the shares or options in the Company are not CHESS approved securities, the Company is not required to comply with the ASX Settlement Operating Rules.
- (b) The Company may do any act, matter or thing to facilitate involvement by the Company in any clearing and settlement facility for the transfer of financial products.

### **3. NATURE OF COMPANY**

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The Company is a public company limited by shares, and the liability of the Shareholders is limited.

### **4. SHARES**

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#### **4.1 Number of Shareholders**

There is no limit on the number of Shareholders the Company may have.

#### **4.2 Issue of securities**

The Directors have sole power to issue securities and, subject to any special rights conferred on the holders of any securities or class of securities, securities may be issued on any conditions as determined by the Directors.

#### **4.3 Shares with special rights**

Subject to any special rights conferred on the holders of any shares or class of shares, the Directors may issue classes of shares:

- (a) with preferred, deferred or other special rights or restrictions;
- (b) with such rights to dividend, voting, return of capital or otherwise; and
- (c) at such price,
- as the Directors think fit.

#### **4.4 Non-variation of rights**

The rights conferred on the holders of the shares of any class are deemed not to be varied by the creation or issue of further shares ranking equally with that class unless otherwise expressly provided by the conditions of issue that class of shares.

#### **4.5 Variation of rights**

The Company can only vary the rights attaching to a class of shares if:

- (a) the holders of 75% of the shares issued in that class consent to the variation in writing; or
- (b) a special resolution is passed at a general meeting of the holders of that class of shares allowing the variation to be made.

However, this clause 4.5 does not apply if the terms on which shares in that class were issued state otherwise.

#### **4.6 Preference shares**

The Directors may issue preference shares including preference shares which are, or at the option of the Company or holder are, liable to be redeemed or convertible into ordinary shares as determined by the Directors and set out in the terms of issue.

#### **4.7 Holders' rights to participate in profits and property**

- (a) The holders of preference shares have each of the following rights:
- (i) the right to a preferential dividend in priority to the payment of any dividend on any other class of shares or class of preference shares, at the rate and on the basis set out in the terms of issue; and
  - (ii) the right in a winding up, on a reduction of capital and on redemption, in the case of a redeemable preference share, to payment in priority to any other class of share or class of preference shares of:
    - A. the amount of any dividend accrued but unpaid on the share at the time of winding up or redemption; and
    - B. any other amount set out in the terms of issue.

The holders have no other right to participate in the profits, dividends or property of the Company, unless set out in the terms of issue.

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- (b) The preferential dividend may be cumulative only if and to the extent set out in the terms of issue and will otherwise be non-cumulative.
  - (c) In addition to the rights contained in clause 4.7(a), preference shares may participate with the ordinary shares in profits and assets of the Company if and on the basis set out in the terms of issue. Otherwise, the holders have no other right to participate in the profits or property of the Company.
  - (d) To the extent set out in the terms of issue, a preference share may confer a right to a bonus issue or capitalisation of profits in favour of holders of those shares only.
  - (e) A holder of a preference share must not transfer or purport to transfer the share, and the Directors must not register a transfer of the share if the transfer would contravene any restrictions on the right to transfer the share set out in the terms of issue.

#### **4.8 Holders' other rights**

- (a) The holders of preference shares have the same right as the holders of ordinary shares to receive notice of a meeting, to receive a copy of any documents sent to Shareholders or to be laid before that meeting, and to attend that meeting.
- (b) Unless otherwise set out in the terms of issue, the holders of preference shares may only vote in the following circumstances:
  - (i) during a period during which a dividend (or part of a dividend) in respect of the share is in arrears;
  - (ii) on a proposal to reduce the Company's share capital;
  - (iii) on a resolution to approve the terms of a buy-back agreement;
  - (iv) on a proposal that affects rights attached to the share;
  - (v) on a proposal to wind up the Company;
  - (vi) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (vii) during the winding up of the Company; and
  - (viii) if the Company is Listed, in any other circumstances in which the Listing Rules require holders of preference shares to be entitled to vote.

#### **4.9 Voting rights**

The holder of a preference share who is entitled to vote in respect of that share, is, on a poll, entitled to the greater of one vote per share or such other number of votes specified in, or determined in accordance with, the terms of issue for the share.

## 5. BROKERAGE AND COMMISSION

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The Company may pay brokerage or commissions to a person who agrees to subscribe for securities or arranges for others to subscribe for securities. It may be paid in cash, in securities of the Company, or both.

## 6. SECURITIES HELD ON TRUST OR JOINTLY

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### 6.1 Registered holders treated as absolute owners

Except as required by law, the Company may treat the registered holder of a security as the absolute owner of the security.

### 6.2 Non-recognition of other interests

- (a) Except where this Constitution states otherwise, the only interest in a security that the Company must recognise is the registered holder's absolute right to the whole of the security.
- (b) The Company will not recognise:
  - (i) that a person holds a security on trust for someone else; or
  - (ii) a contingent, future or partial interest in any security or part of a security.

### 6.3 Joint holders

- (a) If two or more persons are registered as the holders of a security they are taken to hold the security as joint tenants with rights of survivorship and on the basis that:
  - (i) they or their respective legal personal representatives are liable jointly and severally for all payments due in respect of the security;
  - (ii) subject to the preceding paragraph, on the death of any one of them, the survivor or survivors are the only person or persons whom the Company may recognise as having any interest in the security. The Directors may require any evidence of death of any registered holder as they think fit;
  - (iii) any registered holder may give an effective receipt for any dividend or other distribution.
- (b) No more than three persons are entitled to be registered as the holders of a security.

## **7. LIEN**

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### **7.1 Lien on unpaid capital**

To the extent permitted by law, the Company has a first and paramount lien on every partly paid security for all money due which has been called or is payable by instalment in respect of that security, but which is unpaid, together with reasonable interest and expenses incurred because the amount is not paid.

### **7.2 Lien on other money owing**

The Company also has a first and paramount lien on securities for all money (including reasonable interest and expenses incurred because the amount is not paid):

- (a) owing to the Company in relation to the acquisition of those securities acquired under an employee incentive scheme; or
- (b) which the Company is required by law to pay and which has been paid in respect of securities of a Shareholder or of the estate of a deceased Shareholder.

### **7.3 Lien to apply to dividends**

The Company's lien (if any) on a security extends to all dividends payable in respect of the security and reasonable interest and expenses incurred because the amount is not paid.

### **7.4 Enforcement of lien**

If the Company is Listed, the Company may do all things which the Directors think necessary or appropriate to do under the ASX Settlement Operating Rules or the Listing Rules to enforce or protect the Company's lien.

### **7.5 Uncertificated securities**

While the Company has a lien on any securities held on a CHESS sub-register, the Company must, if required, give notice that a holding lock is to be applied in the form and manner set out in the ASX Settlement Operating Rules.

### **7.6 Company's right of sale**

Subject to clause 7.7, the Directors may sell any security on which the Company has a lien in such manner as they think fit.

### **7.7 Restrictions on sale**

The Directors must not sell any securities on which the Company has a lien unless:

- (a) a sum in respect of which the lien exists is payable; and
- (b) the Company has given notice in writing to the registered holder of the security, demanding immediate payment of the amount presently payable in

respect of which the lien exists. The notice must be given at least 14 days before the date of the sale to the registered holder of the security or to the person entitled to the security by reason of death or bankruptcy. If the security is part of an uncertificated holding, the notice must comply with the requirements of the ASX Settlement Operating Rules and the Listing Rules.

#### **7.8 Effect of sale of securities over which Company has a lien**

- (a) If the Directors sell securities over which the Company has a lien, the Directors must:
  - (i) authorise the transfer of those securities to the purchaser; and
  - (ii) register the purchaser as the Shareholder.
- (b) The purchaser has no responsibility to oversee the Company's use of the purchase money, and its right to the securities is not affected by any irregularity in the sale.

#### **7.9 Proceeds of sale**

The Company may retain from the proceeds of the sale an amount up to the amount immediately payable on the securities. It must pay any excess to the person who was entitled to the securities immediately before the sale after deducting any amount which still remains unpaid on the securities, whether it is immediately payable or not.

### **8. CALLS ON SHARES**

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#### **8.1 Payments due on fixed dates**

If shares are issued on the basis that the Shareholder must make payments on fixed dates, the happening of one of those dates is regarded as a call on that date and all the provisions relating to calls apply.

#### **8.2 Calls**

If a Shareholder has not paid the full price of any shares and the money is not payable at fixed times, the Directors may pass a resolution requiring the Shareholder to pay a certain amount (a call) in relation to the shares. The call may be made payable either in a single sum or by instalments.

#### **8.3 Notification of call**

If the Directors make a call they must notify the affected holder in writing at least 30 days before the payment is due. The notification must specify the amount, time and date of the payment and any other matters required by the Listing Rules.

#### **8.4 Revocation of call**

The Directors may revoke or postpone a call or extend the time for payment of any call.



## **8.5 Deemed time of call**

A call is deemed to have been made at the time when the resolution of the Directors authorising the call was passed.

## **8.6 Liability of joint holders**

The owners of a share which is held jointly are jointly and severally liable to pay all calls in respect of that share. This means that the Company may recover the call amount from any one or more of the joint Shareholders, but must not obtain more than the amount of the call from those joint Shareholders.

## **8.7 Interest on outstanding sums**

If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due must pay interest at the rate specified in the notice given under clause 8.3 not exceeding 20% per annum calculated from the day appointed for payment of the sum to the time of actual payment. The Directors may waive payment of interest wholly or in part.

## **8.8 Differentiation between holders**

On the issue of shares, the Directors may differentiate between the holders as to the amount of calls to be paid and the times of payment.

## **8.9 Pre-payment of calls**

- (a) If a Shareholder owes the Company money on shares but no call has yet been made, the Shareholder and the Directors may agree that the Shareholder may lend some or all of this money to the Company on such terms and conditions as the Company thinks fit.
- (b) Payment of an amount in advance of a call does not entitle the paying Shareholder to any dividend, benefit or advantage (subject to any contract between the Shareholder and the Company), or voting right, to which the Shareholder would not have been entitled if it had paid the amount when it became due.

## **8.10 Suspension of privileges**

Until a call (together with any interest and expenses that are payable) has been paid, the holder is not entitled to receive any dividend or other distribution or to be present and vote at any meeting (other than as proxy for another Shareholder) either personally or by proxy or by Representative. The Shareholder may not be counted in a quorum or exercise any other privilege as a Shareholder.

## **8.11 Recovery of amounts due**

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

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- (a) the name of the person sued was, when the call was made, entered in the register of Shareholders as a holder or holders 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.

## **9. FORFEITURE OF SHARES**

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### **9.1 Procedure for forfeiture**

- (a) If a Shareholder fails to pay a call or another amount that is payable on shares on the due date, the Directors may notify the Shareholder that they require payment of the amount, together with any interest that has accrued, on or before a specified date. The date for payment must be at least 14 days after the Shareholder receives the notice.
- (b) If the notice states that the shares in respect of which the amount is due may be forfeited if payment is not made on time, and the amount is not paid on time, the Directors may resolve that the Shareholder has forfeited those shares. They can only do so before the amount is paid.
- (c) If the forfeited shares are entered on the CHESSE sub-register, the Company may take steps to move the share to a sub-register administered by the Company. The forfeiture is effective at the time the share is entered in that sub-register.

### **9.2 Application to dividends**

A forfeiture under clause 9.1(b) includes all dividends and other distributions not paid in respect of the forfeited shares before the date on which the resolution as to forfeiture referred to in that clause is passed.

### **9.3 Rights of sale**

A forfeited share will be deemed to be the property of the Company. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit. At any time before the sale or disposition, the forfeiture may be cancelled on such terms as the Directors think fit.

### **9.4 Cessation as a Shareholder**

- (a) A person whose shares have been forfeited ceases to be a Shareholder in respect of the forfeited shares.
- (b) Despite forfeiture, a Shareholder whose shares are forfeited remains liable to pay to the Company all money that, at the date of forfeiture, was payable by the Shareholder to the Company in respect of the shares (including interest not

exceeding 20% per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of the interest).

- (c) The former Shareholder's liability ceases if and when the Company receives payment in full of all money (including interest) so payable in respect of the forfeited shares.

#### **9.5 Evidence of forfeiture**

A statutory declaration signed by a Director or Secretary stating that the person making the declaration is a Director or Secretary, and specifying that particular shares in the Company have been forfeited on a particular date, is satisfactory evidence of their forfeiture.

#### **9.6 Manner of forfeiture**

The Company is entitled to the money from the sale of any forfeited shares. The Company may transfer the shares to the purchaser or person to whom they are disposed of, and register the purchaser as the Shareholder. That person has no responsibility to oversee the Company's use of the purchase money, and his or her right to the shares is not affected by any irregularity in the forfeiture or any proceedings relating to the disposal of the shares.

#### **9.7 Residue on sale**

If any shares are forfeited and sold, any residue after the satisfaction of the unpaid calls, instalments and accrued interest and expenses must be held in trust until paid to the person whose shares have been forfeited, or the person's executors, administrators, or assigns, or as the person directs and must be paid in accordance with the Listing Rules.

#### **9.8 Certificates**

The Shareholder must deliver to the Company the certificate or certificates held in respect of any forfeited shares and in any event the certificates representing forfeited shares are void and of no further effect.

#### **9.9 Application to further calls**

This clause 9 applies to non-payment of any sum that, by the conditions of issue of a share, becomes payable at a fixed time, as if that sum had been payable by virtue of a call duly made and notified.

### **10. TRANSFER OF SHARES**

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#### **10.1 Form of transfer**

A Shareholder may transfer shares to another person by completing:

- (a) a written transfer document, in a common form, signed by or on behalf of the Shareholder and the transferee;

- (b) a proper ASX Settlement Operating Rules regulated transfer; or
- (c) a form approved by the Directors, signed by or on behalf of the Shareholder and the transferee.

### **10.2 Execution of instruments of transfer**

- (a) Unless the transfer is an ASX Settlement Operating Rules regulated transfer, to have a transfer registered by the Company, the transferor or transferee must give the completed transfer form and the relevant share certificates to the Company. No fee may be charged to register a transfer in registrable form. The Directors may require additional evidence of the transferor's entitlement to be registered before registering the transfer. The transferee becomes the holder of the shares when the transfer is registered and the transferee's name is entered in the register of Shareholders. The Company will retain the transfer document.
- (b) An ASX Settlement Operating Rules regulated transfer must be effected by a proper ASX Settlement Operating Rules regulated transfer and registered in accordance with the ASX Settlement Operating Rules.

### **10.3 Refusal to register**

- (a) The Directors may, in their absolute discretion, refuse to register any transfer of shares or request ASX Settlement to apply a holding lock to prevent a transfer of all or any of them if:
  - (i) a law relating to stamp duty prohibits the Company from registering it;
  - (ii) the Company is Listed and the Company has a lien on the securities in accordance with the Listing Rules;
  - (iii) the Company is served with a court order that restricts the holder's capacity to transfer the shares; or
  - (iv) the Company is Listed and in any circumstances permitted by the Listing Rules.
- (b) The Directors must refuse to register a transfer of shares if required to do so by the Listing Rules.

### **10.4 Restricted Securities**

- (a) Restricted securities under the Listing Rules may not be disposed of during the restriction period which applies to the restricted securities, except as permitted by the Listing Rules or ASX.
- (b) The Directors must refuse to register a transfer of shares if the shares are classified under the Listing Rules or by the ASX as restricted securities and the transfer is or might be in breach of the Listing Rules or any restriction agreement entered into by the Company under the Listing Rules in relation to those shares.

### **10.5 No transfer to an infant**

A transfer of any shares may not knowingly be made to an infant or to a person of unsound mind or under other legal disability.

### **10.6 Notice of Refusal**

If the Directors refuse to register a transfer of any share, they must give notice (including reasons) of the refusal to each transferor and transferee within five Business Days after the date on which the transfer was lodged with the Company.

### **10.7 Correction of share register**

If a person is registered as the holder of any share contrary to the provisions of this Constitution the Directors may remove the person's name as the holder of the shares and other information relating to the person and reinstate the name of the previous holder of the shares and the information relating to that previous holder.

### **10.8 Certificate to be delivered on transfer**

- (a) Upon every transfer of shares, the certificate (if any) held by the transferor must be delivered to the Company and cancelled. A new certificate will be issued without charge to the transferee in respect of the shares transferred, and if any of the shares included in the certificate delivered to the Company are retained by the transferor, a new certificate must be issued to the transferor in respect of those shares without charge. The Company shall retain the instrument of transfer.
- (b) If the Company participates in a share transfer system conducted in accordance with the Listing Rules, then share transfers must be registered in accordance with the Listing Rules and the ASX Settlement Operating Rules.
- (c) If the Company is Listed, it may participate in any share transfer system conducted in accordance with the Listing Rules which does not depend upon the issue or production of share certificates in respect of the shares.
- (d) For a transfer of an uncertificated holding of shares, the procedure is the same as for a certificated holding of shares, except that the written transfer instrument need not be accompanied by a certificate. If the Company operates an issuer sponsored sub-register, it must issue a statement for each new holding as a result of the transfer in accordance with the Listing Rules.

### **10.9 When transfer books and register may be closed**

- (a) The Directors may:
  - (i) suspend registration of transfers of shares which are not CHESSE Approved Securities; and
  - (ii) close the register of Shareholders,in which case the Directors must give:

- (iii) notice by advertisement of the closure in an appropriate newspaper; and
  - (iv) notice to the ASX notice of any intended closure in accordance with the Listing Rules.
- (b) The register of Shareholders must not be closed for any time or times exceeding a total of 30 days in any year.
- (c) The Company must process proper ASX Settlement Operating Rules regulated transfers affecting sub-registers administered by the Company on all Business Days.

## **11. TRANSMISSION OF SHARES**

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### **11.1 Recognised interests**

- (a) If a Shareholder dies, the only persons which the Company will recognise as having any right to the deceased's shares are:
  - (i) his or her legal personal representative; or
  - (ii) where the shares are held jointly, any joint holder of those shares.
- (b) The deceased person's estate will still be subject to any liabilities which attached to the shares, even if the deceased was only a joint Shareholder.
- (c) If two or more persons are jointly entitled to the deceased's shares, those persons will be regarded as joint Shareholders.

### **11.2 Transmission**

- (a) A person entitled to a share because of:
  - (i) the death or bankruptcy of a Shareholder (subject to the *Bankruptcy Act 1966* (Cth)); or
  - (ii) the mental incapacity of a Shareholder,may elect either to:
  - (iii) be registered as the Shareholder or
  - (iv) have some other person nominated to be registered as the transferee of the share,subject to producing any information properly required by the Directors.
- (b) A person relying on clause 11.2(a) who wishes to be registered as the holder of any shares must elect in writing to the Company to be so registered.
- (c) A person electing under clause 11.2(a) to have another person registered as the holder of any shares must deliver to the Company an executed transfer of the shares to that other person.
- (d) The provisions of this Constitution relating to the right to transfer and the registration of transfers of shares apply to any notice or transfer as if the death,

mental incapacity or bankruptcy of the Shareholder had not occurred and the notice or transfer was a transfer signed by that Shareholder.

### 11.3 Personal representatives and joint holders

- (a) If a Shareholder dies or becomes bankrupt, his or her personal representative or trustee is entitled to receive any dividends and other benefits that the Shareholder would have been entitled to and to exercise the same rights as the Shareholder. The Directors may require production of any information that is properly required by the Directors.
- (b) Where two or more persons are jointly entitled to any share due to the death of the registered holder, they are, for the purpose of this Constitution, deemed to be joint holders of the share.

## 12. ALTERATION OF CAPITAL

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### 12.1 Power

The Company may, by resolution:

- (a) convert all or any of its shares into a larger or smaller number of shares;
- (b) cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited.

### 12.2 Reduction of capital

The Company may reduce its share capital:

- (a) by reduction of capital in accordance with Division 1 of Part 2J.1 of the Act;
- (b) by buying back shares in accordance with Division 2 of Part 2J.1 of the Act;
- (c) in the ways permitted by sections 258E and 258F of the Act; and
- (d) in any other way for the time being permitted by the Act.

## 13. DRAG ALONG AND TAG ALONG NOTICE

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### 13.1 Drag along sale of shares

If parties holding at least 50% of the shares (calculated as if any preference shares have been converted to ordinary shares) agree to sell the whole of their shares to the same purchaser ("**Sellers**"), the purchaser wishes to acquire all the shares outstanding in the capital of the Company, the other shareholders have been given a copy of the proposed terms pursuant to which the shares are proposed to be purchased and the board has (by 75% majority) approved the terms of the proposed purchase then the other shareholders must sell all their shares upon the same terms and to the same purchaser. In such event, the Sellers may require the Company to give notice of the terms of sale to such purchaser ("**Drag Along Notice**") to the other parties who have not agreed to sell the whole of their shares to such purchaser. The Drag Along Notice will require each of such other parties to accept such offer in the

Drag Along Notice within 21 days after the date that the notice is given. If no legally binding agreement is reached between the purchaser and the other parties within 21 days after the notice is given, then on that day which is 30 days after the date the Drag Along Notice is given, the other parties must sell all of their shares in the Company to the purchaser free from all encumbrances. Each of the other parties irrevocably appoints the chairperson or other Director approved by the board, to be their attorney to sign such transfers, consents and other documents reasonably necessary or desirable to give effect to this clause 13.1.

### **13.2 Tag along sale of shares**

If parties holding at least 50% of the shares (calculated as if any preference shares have been converted to ordinary shares) outstanding ("**Seller**") agree to sell the whole of their shares to the same purchaser, then the Sellers must require the Company to notify each other shareholder of the sale price and terms. Where a remaining shareholder wishes to sell its shares on the same price and terms ("**Remaining Shareholder**"), that Remaining Shareholder must provide a notice to the Company within 21 days ("**Tag Along Notice**"). The Company must provide to the Seller any Tag Along Notices within 10 Business Days of receiving them from any Remaining Shareholder. Following receipt of any Tag Along Notice(s), the Seller will use reasonable endeavours to cause the purchaser to purchase the all of the shares referred to in the Tag Along Notice(s). If the purchaser for any reason fails to buy all the shares that are subject to a Tag Along Notice, then the Seller cannot accept the sale and the transfer to the purchaser of the Seller's shares will not be registered.

### **13.3 Effect**

This clause 13 applies only until the Listing Date and has no operation or effect on and from the Listing Date.

## **14. GENERAL MEETINGS**

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### **14.1 Power to convene**

Any Director may convene a general meeting whenever he or she thinks fit and must do so if required to do so under the Act.

### **14.2 Use of technology at general meetings**

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

### **14.3 Power to cancel or postpone**

The Directors may, whenever they think fit, cancel or postpone a general meeting by giving two clear days' notice of the postponement to all persons entitled to receive



notice of the general meeting, to a date and time determined by them or change the place for the meeting.

#### **14.4 Notice**

A notice of a general meeting must:

- (a) specify the place, the day and the hour of the meeting;
- (b) specify the general nature of the business to be transacted at the meeting; and
- (c) be given in accordance with clause 26.1, the Act and the Listing Rules.

#### **14.5 Notice period and content**

- (a) Except when shorter notice is permitted to be given, 28 days' notice of a general meeting must be given to all persons entitled to receive notice from the Company.
- (b) In computing the period of notice, both the day on which the last notice to all persons entitled to receive notice from the Company is given or taken to be given and the day of the meeting convened by it are to be disregarded.

#### **14.6 Circular resolution**

The Company may pass a resolution without a general meeting being held if all the Shareholders entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. If a share is held jointly, each of the joint Shareholders must sign.

#### **14.7 Omissions**

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

### **15. PROCEEDINGS AT GENERAL MEETINGS**

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#### **15.1 Quorum**

Business may not be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Two Shareholders (including any proxy for a Shareholder and any person representing a company Shareholder) constitute a quorum in all cases.

#### **15.2 Effect of no quorum**

- (a) If a quorum is not present within 30 minutes from the notified starting time for the meeting:
  - (i) where the meeting was convened on the requisition of Shareholders, the meeting is cancelled;

(ii) in any other case, the meeting is postponed to the same place on the same day and at the same time the following week, or to any other time and place chosen by the Directors.

(b) If a quorum is not present within 30 minutes after the starting time of the postponed meeting, it is cancelled.

### **15.3 Chairperson**

The chairperson elected as chairperson of Directors' meetings, or in the chairperson's absence, the deputy chairperson (if any), shall preside as chairperson at every general meeting.

### **15.4 Vacancy in chairperson**

Where a general meeting is held and:

- (a) no person has been elected as a chairperson of Directors; or
- (b) neither the chairperson nor the deputy chairperson is present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act,

the Shareholders present must elect one of their number to be chairperson of the meeting.

### **15.5 Adjournment**

The chairperson may at any time adjourn a meeting with the meeting's consent. The chairperson must adjourn a meeting if the meeting votes to adjourn it. The only business which can be transacted at an adjourned meeting is the unfinished business from the original meeting.

### **15.6 Notice where a meeting is adjourned for 30 days**

When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given in the same manner as the original meeting.

### **15.7 Form of notice for adjourned meeting**

Except as provided by clause 15.6, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **15.8 Right to discuss the management of the Company**

The chairperson of a meeting of Shareholders must allow a reasonable opportunity for Shareholders at the meeting to question, discuss or comment on the management of the Company. Directors must answer Shareholders' questions if they are capable of doing so.

### 15.9 Voting on show of hands

- (a) At any general meeting a resolution put to the vote of the meeting is decided on a show of hands of all Shareholders entitled to vote unless a poll is (before or on the declaration of the result of the show of hands) demanded according to this Constitution.
- (b) Unless a poll is duly demanded, a declaration by the chairperson that a resolution or a show of hands has been carried or carried unanimously, or by a particular majority, or lost, must be made in the minutes of the meeting.
- (c) An entry recording the chairperson's declaration of voting in the book containing the minutes of the proceedings of the Company is 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 Poll

- (a) A poll may be demanded by:
  - (i) the chairperson;
  - (ii) at least five Shareholders entitled to vote on the resolution; or
  - (iii) Shareholders with at least 5% of the votes that may be cast on the resolution on a poll,

and on a poll, each Shareholder entitled to vote is entitled to one vote for each share held or a fraction of a vote for a share on which payment remains owing. That fraction will be equal to the proportion which the amount paid (not credited) relates to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are to be ignored.

- (b) A poll demanded on the election of a chairperson or on a question of adjournment must be taken immediately.
- (c) A poll demanded on any other subject is to be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairperson directs. The result of the poll is a resolution of the meeting at which the poll was demanded.
- (d) A demand for a poll may be withdrawn.
- (e) A poll may be demanded before a vote is taken or in the case of a vote taken on a show of hands, immediately before or immediately after, the results of the vote are taken.

### 15.11 Chairperson's vote

If the votes are equal, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place or at which the poll is demanded is not entitled to a second or casting vote.

### 15.12 Proxy holders and representatives voting rights

- (a) Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (i) at meetings of Shareholders or classes of Shareholders, each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative; and
  - (ii) on a show of hands, every Shareholder present in person or by proxy, attorney or Representative has one vote in respect of the total number of shares carrying the right to vote held by that Shareholder; and
  - (iii) on a poll, every Shareholder present in person or by proxy, attorney or Representative has one vote for each share carrying the right to vote held by that Shareholder.
- (b) A proxy need not be a Shareholder.

### 15.13 Direct voting

The Directors may determine that at any meeting of Shareholders or class meeting, a Shareholder who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in respect of that resolution. A **direct vote** includes a vote delivered to the company by post, fax or other electronic means approved by the Directors. The Directors may prescribe regulations, rules and procedures in relation to direct voting, including specifying the form, method and timing of giving a direct vote at a meeting in order for the vote to be valid.

### 15.14 Votes of joint holders

If shares are held jointly, only one of the joint holders may vote. If more than one of the joint holders tenders a vote, the vote of the holder whose name in respect of those shares appears first in the register of Shareholders is to be treated as the only vote in relation to those shares.

### 15.15 Incapacity

If a Shareholder is:

- (a) of unsound mind; or
- (b) a person whose person or estate is liable to be dealt with under the law relating to mental health,

then the Shareholder's committee or trustee or such other person as properly has the management of the Shareholder's estate may exercise any rights of the Shareholder in relation to a general meeting as if the committee, trustee or other person were the Shareholder.

### 15.16 Disentitlement to vote

- (a) A Shareholder is not entitled to vote at a general meeting in respect of a share held by the Shareholder unless all calls and other sums presently payable by the Shareholder in respect of the share have been paid.
- (b) If the Company is Listed, while a breach subsists of:
  - (i) the Listing Rules; or
  - (ii) a restriction agreement entered into by the Company under the Listing Rules,

in relation to shares which are restricted securities, those restricted securities do not confer on the holder any dividend, distribution or voting rights. However, those restricted securities shall not be treated or taken to be a separate class of share for any purpose.

### 15.17 Objection to voter

- (a) An objection may be raised to the qualification of a voter only at the meeting or adjourned meeting at which the vote objected to is cast.
- (b) Any objection is to be referred to the chairperson of the meeting, whose decision is final and a vote not disallowed by the chairperson is valid for all purposes.

### 15.18 Appointment of proxy

- (a) An instrument appointing a proxy must be in writing signed by the appointor or an attorney duly authorised in writing or, if the appointor is a body corporate, signed by a duly authorised officer or attorney.
- (b) Instruments appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and in that event the proxy is not entitled to vote on the resolution except as specified in the instrument.
- (c) An instrument appointing a proxy is taken to confer authority to demand or join in demanding a poll.
- (d) There is no required form of proxy. The Directors may from time to time approve a form for use at a particular meeting.

### 15.19 Lodgement of proxy

- (a) A document appointing a proxy (and any power of attorney under which it is signed, or a certified copy of that power) must be received by the Company at least 48 hours before the time of the meeting. If the document is not received on time, the proxy cannot vote at the meeting.
- (b) A document appointing a proxy is taken to be received when it is received at any of the following:
  - (i) the Company's registered office; or

- (ii) a fax number at the Company's registered office; or
- (iii) a place, fax number or electronic address specified for the purpose in the notice of meeting.

### **15.20 Effect of proxy vote**

A vote given according to an instrument of proxy or of a power of attorney is valid if no notice in writing of the death, unsoundness of mind, revocation of the instrument or authority or any sale of the relevant share has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the said instrument is acted upon.

### **15.21 Decisions**

A decision of a general meeting may not be impeached or invalidated on the ground that a person voting at the meeting was not entitled to do so.

### **15.22 Admission to general meetings**

The chairperson of a general meeting may refuse admission to a person or require a person to leave and not return to a meeting if the person:

- (a) refuses to permit examination of any article in the person's possession; or
- (b) is in possession of an electronic recording device, placard or banner or other article, which the chairperson considers to be dangerous, offensive or liable to cause disruption; or
- (c) causes any disruption to the meeting.

### **15.23 Auditor's right to be heard**

The auditor of the Company from time to time is entitled to:

- (a) attend any general meeting of the Company;
- (b) be heard at any general meeting of the Company on any part of the business of the meeting that concerns the auditor in their capacity as auditor, even if:
  - (i) the auditor retires at the general meeting; or
  - (ii) Shareholders pass a resolution to remove the auditor from office; and
- (c) authorise a person in writing to attend and speak at any general meeting as the auditor's representative.

## **16. APPOINTMENT, REMOVAL AND REMUNERATION OF DIRECTORS**

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### **16.1 Minimum and maximum number of Directors**

The minimum number of Directors is three and the maximum number of Directors is ten.

## **16.2 Change to numbers of Directors**

The Company may by resolution increase or decrease the minimum and maximum number of Directors but the minimum must never be less than three.

## **16.3 Period of office**

Each of the Directors will hold office until the Director vacates the office or is removed under this Constitution.

## **16.4 Retirement by rotation**

- (a) This clause 16.4 applies only if the Company is Listed.
- (b) A Director (excluding the managing Director) must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer.
- (c) At each annual general meeting one-third of the Directors (except for the managing Director) or, if their number is not three or a multiple of three, then the number nearest but not exceeding one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. Nothing in this clause shall prevent any other Directors from retiring at an annual general meeting.
- (d) A retiring Director is eligible for re-election.
- (e) The Company at any general meeting at which any Directors retire may fill the vacated offices. A person (other than a Director who retires by rotation) is not eligible to be appointed as a Director at a general meeting unless notice of nomination of the person to be a Director is given to the Company 35 Business Days before the general meeting, or 30 Business Days before the general meeting of Shareholders have requested the Directors to call the meeting. The nomination must state the person is to be nominated and must include written consent of the person to be a Director. If Directors may be elected at a meeting, the Company must tell the ASX the date of the meeting at least five Business Days before the closing date for receipt of nominations for Directors.

## **16.5 Retiring Directors to remain in office until successors appointed**

If, at any general meeting at which an election of Directors ought to occur, the places of the retiring Directors are not filled, the retiring Directors or any who have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled unless:

- (a) it is determined at the meeting to reduce the number of Directors;
- (b) it is resolved at the meeting not to fill the vacated offices;

- (c) in any case, the resolution for re-election of a Director is put to the meeting and lost; or
- (d) the Director has given notice in writing to the Company that he or she is not willing to be re-elected.

#### **16.6 Casual vacancy**

The Directors have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. That Director will hold office until the end of the next annual general meeting of the Company when the Director may be re-elected but will not be taken into account in determining the number of Directors who must retire by rotation. The Directors must not make an appointment so that the total number of Directors at any time exceeds the maximum number fixed in accordance with this Constitution.

#### **16.7 Removal by Shareholders**

The Shareholders may, in accordance with the Act, by resolution remove any Director from office but not so as to have fewer than the minimum number of Directors fixed in accordance with this Constitution. The Shareholders may appoint another Director at the same meeting to replace the Director removed. The replacement Director must retire at the next annual general meeting and will be eligible for re-election but will not be taken into account in deciding the Directors who must retire by rotation.

#### **16.8 Appointment by Shareholders**

- (a) This clause 16.8 applies only if the Company is Listed.
- (b) The Shareholders may by resolution appoint any person as a Director but not so as to exceed the maximum number of Directors fixed in accordance with this Constitution.

#### **16.9 Appointment prior to Listing Date**

- (a) This clause 16.9 applies only until the Listing Date and has no operation or effect on and from the Listing Date.
- (b) Shareholders may nominate and appoint Directors as follows, and where a class of shareholders may make a nomination and appointment this may be by ordinary resolution of that class of shareholders:
  - (i) Series A Shareholders may appoint 2 Directors.
  - (ii) Ordinary Shareholders may appoint 1 Director; and
- (c) The Directors have the power at any time to appoint up to 3 Directors. Any appointment is subject to approval by Directors appointed by the Series A Shareholders which may not be unreasonably withheld.



#### **16.10 Directors' fees**

- (a) The Directors are entitled to receive Directors' fees for their services as Directors. Any increase in the aggregate amount of Directors' fees (excepting the remuneration of any Executive Director) inclusive of any Directors' fees payable by an entity controlled by the Company or a subsidiary of the Company over \$350,000 must be approved by a resolution of the holders of ordinary shares in accordance with the Listing Rules.
- (b) Unless otherwise directed by the resolution approving the Directors' fees, the sum is to be divided among the Directors in any proportions as the Directors may resolve from time to time, or failing agreement, equally.
- (c) If a Director holds office for less than the whole of the relevant period in respect of which Directors' fees are paid, that Director is only entitled to receive Directors' fees in proportion to the time during the period for which the Director has held office.
- (d) The remuneration of any Executive Director may be fixed by the Directors and may be by way of salary or commission or participation in profits or by all or any of those modes, but may not be by a commission or percentage of operating revenue.

#### **16.11 Directors' expenses**

The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in connection with the performance of their duties as Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged in the business of the Company or in the discharge of their duties as Directors.

#### **16.12 Special remuneration**

The Directors may grant special remuneration to any Director who performs any special or extra services for or at the request of the Company. Any special remuneration may be made payable to a Director in addition to or in substitution for the Director's Directors' fees.

#### **16.13 No share qualification**

A Director need not be a Shareholder.

#### **16.14 Vacation of office**

In addition to the circumstances in which the office of a Director becomes vacant, a Director ceases to hold office immediately if the Director:

- (a) becomes bankrupt;
- (b) becomes mentally unfit to hold office, or the Director or his or her affairs are made subject to any law relating to mental health or incompetence;

- (c) resigns by giving the Company written notice or if the notice specifies a time at which the resignation is to be effective, that time, whichever is later;
- (d) becomes disqualified by law from being a director; or
- (e) without the consent of the other Directors, is absent from meetings of Directors for a continuous period of six months.

## **17. POWERS AND DUTIES OF DIRECTORS**

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### **17.1 General power of management**

The business of the Company is managed by the Directors who may pay all expenses incurred in promoting and forming the Company, and may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting.

### **17.2 Borrowing powers**

Without limiting clause 17.1, the Directors may exercise all the powers of the Company to borrow money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

### **17.3 Negotiable instruments**

At least two Directors may sign, draw, accept, endorse or otherwise execute a negotiable instrument unless the Directors resolve otherwise.

## **18. PROCEEDINGS OF DIRECTORS' MEETINGS**

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### **18.1 Quorum**

- (a) The Directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit. Unless otherwise determined, three Directors is a quorum. An alternate Director shall be counted for quorum purposes as a separate Director unless the alternate is another Director. The alternate may only be counted once if the person is an alternate for more than one Director.
- (b) At any meetings held during the period prior to the Listing Date, a quorum must at all times include a Director appointed by Series A Shareholders.

### **18.2 Convening of meetings**

A Director may at any time, and a Secretary must on the requisition of a Director, convene a meeting of the Directors. Notice of meetings must be given to each Director. Notice may be given by telephone, facsimile, electronically or by any other method agreed by the Directors.

### 18.3 Written resolutions

- (a) If a document containing a statement that the signatories to it are in favour of an identified resolution is signed by a majority of the Directors (or the members of a committee) entitled to vote on the resolution, a resolution in those terms shall be deemed to have been passed at a meeting of the board (or of the committee) held at the time at which the document was last signed, provided that the persons signing the statement would constitute a quorum at such a meeting.
- (b) For the purposes of clause 18.3(a):
  - (i) two or more separate documents containing statements in identical terms each of which is signed by one or more Directors shall together be deemed to constitute one document;
  - (ii) a reference to the Directors or committee members does not include a reference to an alternate Director, in the capacity as such, whose appointer has signed the document, but an alternate Director may sign the document in the place of his appointer; and
  - (iii) a facsimile or e-mail received by the Company and expressed to have been sent for and on behalf of a Director or alternate Director shall be deemed to be signed by that Director or alternate Director at the time of its receipt by the Company.

### 18.4 Telephone and other meetings

While the Directors may regulate their meetings as they think fit, a meeting of Directors or committee of Directors may be held where one or more of the Directors is not physically present at the meeting, where:

- (a) all persons participating in the meeting can communicate with each other instantaneously whether by telephone or other form of communication;
- (b) notice of the meeting is given to all Directors entitled to notice according to the usual procedures determined by the Directors for the giving of notice and such notice does not specify that Directors are required to be present in person;
- (c) if a failure in communications prevents clause 18.4(b) from being satisfied by that number of Directors which constitutes a quorum, then the meeting is suspended until clause 17.4(b) is satisfied again. If clause 18.3(b)(i) is not satisfied within 15 minutes from the time the meeting was interrupted, the meeting is deemed to have terminated; and
- (d) any meeting held where any Director is not physically present is treated as held at the place specified in the notice of meeting if a Director is present there. If no Director is so present, the meeting is treated as held at the place where the chairperson of the meeting is located.

## 18.5 Decisions of the Directors

Questions arising at any meeting of Directors shall be decided by a majority of votes cast by Directors present at the meeting. A determination of a majority of Directors is for all purposes taken to be a determination of the Directors. If the votes are equal, the chairperson of the meeting will not have a second or casting vote.

## 18.6 Questions decided by special majority

- (a) This clause 18.6 applies only until the Listing Date and has no operation or effect on and from the Listing Date.
- (b) The following matters require at least 50% of the board to agree including at least one Director appointed by the Series A Shareholders to vote in favour and at least one Director not appointed by the Series A Shareholders to vote in favour:
- (i) any change, suspension, cessation or abandonment of the entire business of the Company or any substantial portion of it;
  - (ii) the execution of any contract or entering into any commitment (or series of contracts of commitments) with a value of \$50,000 in aggregate or duration of more than 1 year;
  - (iii) approval of the business plan for the Company on an annual basis, or more frequently if appropriate;
  - (iv) the adoption of any new business plan or amendment to any current business plan or changes to the business plan involving expenditure in excess of \$100,000 or change to the strategy set out in the business plan approved by the board of directors;
  - (v) any borrowings or loan in excess of \$30,000;
  - (vi) entering into any transaction that is:
    - A. not proposed on a commercial “arm’s length” basis;
    - B. of any unusual or onerous nature; or
    - C. outside the ordinary course of business;
  - (vii) entering into any transaction involving real property, including rental of offices;
  - (viii) the provision of guarantee or any other security by the Company to any third party (other than trade accounts);
  - (ix) the issue of any shares or other securities, or options to take up unissued shares or other securities, in the capital of the Company and any employee incentive scheme, any share buyback, capital reduction or other capital reorganisation;
  - (x) the transfer or sale of any shares in the Company;
  - (xi) any listing of any shares on an approved stock exchange in the Company or the listing of any holding company for shares in the Company;

- For personal use only
- (xii) any declaration of dividends or change to the agreed dividend policy where, in each case it would be contrary to the agreed dividend policy;
  - (xiii) any application for, or acquisition or sale of, any shares or other securities in any company (other than the Company), including the formation, sale or acquisition of any company as a subsidiary of the Company;
  - (xiv) any appointment of or change to the auditor of the Company or the financial year of the Company;
  - (xv) the execution of a contract between the Company and any shareholder (or any related entity of that shareholder);
  - (xvi) voluntary winding up of the Company;
  - (xvii) the appointment or removal of a director, other than the appointment or removal of a director as provided in clause 15;
  - (xviii) the payment of remuneration or granting of other benefits to directors or other officers of the Company; or
  - (xix) the execution of, entry into, or increase of any remuneration payable under a service, employment or consultancy contract other than for secretarial, clerical and other support staff.

#### **18.7 Appointment of alternate Director**

A Director may, with the approval of a majority of the other Directors, appoint an individual to be an alternate Director for him or her for any period, providing the alternate Director has previously consented in writing to act. An alternate Director may exercise any of the powers of the Director appointing him or her, does not have to have a share qualification and is subject to all of his or her appointer's obligations. The alternate is entitled to be notified of Directors meetings and to attend and vote at them as a Director, but only if the appointing Director is not present or not voting. An alternate Director may also be a Director and may act as alternate to more than one Director.

#### **18.8 Ending of appointment of alternate Director**

An alternate Director ceases to hold office immediately if:

- (a) the appointing Director ceases to be a Director;
- (b) the appointing Director ends the appointment by notice to the alternate Director;
- (c) the period of the appointment ends; or
- (d) anything happens that would result in the alternate Director ceasing to be a Director if he or she were a Director.

### **18.9 Authority to act where vacancy**

If there is a vacancy in the office of a Director, the remaining Directors may act. If the number of remaining Directors is less than the number required to constitute a quorum at a meeting of Directors, the Directors may act only for the purpose of increasing the number of Directors to a number sufficient to constitute a quorum or to convene a general meeting of the Company.

### **18.10 Chairperson**

The Directors must elect one of their number as chairperson of their meetings and determine the period of office of the chairperson.

### **18.11 Substitute chairperson**

Where a meeting of the Directors is held and:

- (a) a chairperson has not been elected as provided; or
- (b) the chairperson is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act,

the Directors present may elect one of their number to be chairperson of the meeting.

### **18.12 Committee of Directors**

- (a) The Directors may delegate any of their powers to a committee or committees of Directors consisting of at least two Directors.
- (b) During the period prior to the Listing Date, at least one Director appointed by the Series A Shareholders will be invited upon each committee.
- (c) A committee must exercise the powers delegated to it according to any directions of the Directors and any power so exercised is deemed to have been exercised by the Directors.
- (d) The members of such a committee may elect one of their number as chairperson of their meetings.
- (e) Where a meeting is held and:
  - (i) a chairperson has not been elected as provided by clause 18.12(d); or
  - (ii) the chairperson is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act;

the members present must elect one of their number to be chairperson of the meeting.

### **18.13 Regulation of committee of Directors**

A committee of the Directors may meet and adjourn as it thinks fit.

#### **18.14 Determination by majority vote**

A question arising at a meeting of a committee must be determined by a majority of votes of the members present and voting.

#### **18.15 No casting vote**

If the votes are equal, the chairperson of a committee shall not have a second or casting vote.

#### **18.16 Defects in appointments**

All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director are deemed to be valid as if all persons had been duly appointed and were qualified to be a Director or a member of the committee.

#### **18.17 Disqualification**

Clause 18.16 operates even if it is afterwards discovered there was some defect in the appointment of a person to be a Director or a member of the committee, or to act as a Director, or that person so appointed was disqualified.

#### **18.18 Director's personal interests**

A Director may be employed by, or contract with, the Company and may be employed by any other company in which the Company owns shares or has an interest. A Director may be an officer of that other company. However, a Director cannot be employed as the Company's or that other company's auditor. A Director is not required to account to the Company for any profit arising from his or her employment by, or contracting with, the Company.

#### **18.19 Declaration of interests**

A Director who has a material personal interest in a matter that relates to the affairs of the Company must give the other Directors notice of the interest if required to do so under the Act.

#### **18.20 Participation where Directors interested**

A Director may be present and may vote on a matter before the board if and to the extent they are permitted to do so under the Act. If there are not enough Directors to form a quorum as a result of a Director having an interest which disqualifies them from voting then one or more of the Directors (including those who have the disqualifying interest in the matter) may call a general meeting of the Company and the general meeting may pass a resolution to deal with the matter.

#### **18.21 Failure to disclose**

A Director's failure to make disclosure under this clause does not render void or voidable a contract or arrangement in which the Director has a direct or indirect interest.

## **18.22 Directors of related corporations**

A Director is deemed to be not interested in any contract or arrangement where the only personal interest of the Director arises because the Director is also a director of a corporation which is taken to be a related body corporate of the Company.

## **18.23 Director's guarantee**

A Director is not taken to be interested in any contract or proposed contract relating to any loan to the Company by reason only that the Director has guaranteed or proposed to guarantee jointly or severally the repayment of the loan.

## **18.24 Partnership/other interests**

If, because a Director is a member of a partnership, or a director or shareholder of another company, or is in a position to control another entity, he or she will be personally interested in any of the Company's contracts or arrangements with that partnership, company or entity, he or she may give the other Directors a written notice declaring his or her relationship to that partnership, company or entity and his or her consequent interest in all contracts or arrangements with it. The notice is a sufficient declaration of interest in relation to any future contracts or arrangements with that partnership, company or entity.

## **18.25 Directors aware of interest**

- (a) If all other Directors are aware that a Director is a member of a partnership, or a director or shareholder of another company, or is in a position to control another entity, that fact has the same effect as if the Director had given the other Directors written notice under clause 18.24 at the time all of them as a group first became aware of it.
- (b) For the purposes of clause 18.25(a), entity includes a trust or other entity whether it is a legal person or not. The following are examples of a Director being in a position to control an entity:
  - (i) the Director is the appointer of a trust and has power to remove the trustee;
  - (ii) the Director is the sole trustee of a trust; or
  - (iii) the trustee or trustees of a trust are accustomed to act in accordance with the wishes of the Director.

## **19. EXECUTIVE DIRECTORS**

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### **19.1 Appointment**

- (a) The Directors may appoint a Director to be managing Director on the terms and for the length of time that they consider appropriate. The Directors may give the managing Director any of the powers they can exercise. They may also impose any limitations on the exercise of those powers, and may withdraw or alter the powers they have conferred.



- (b) The Directors may also appoint a Director to any other full-time or substantially full-time executive position in the Company on such terms as they think fit.

## **19.2 Cessation of appointment**

An Executive Director's appointment as a Director ends immediately if any of the following happen:

- (a) the period of the appointment ends in accordance with the Executive Director's contract of employment; or
- (b) the Executive Director ceases to be employed by the Company or a related body corporate of the Company unless the Executive Director's contract of employment says otherwise.

## **19.3 Remuneration**

An Executive Director, subject to any agreement entered into in a particular case, may receive such remuneration as the Directors determine.

## **19.4 Powers of managing Director**

Any powers of the Directors conferred on the managing Director may be concurrent with or to the exclusion of the powers of the Directors.

## **20. SECRETARY**

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A Secretary holds office on the conditions as to remuneration and otherwise as the Directors determine.

## **21. MINUTES**

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### **21.1 Minutes of meetings**

- (a) The Directors must cause minutes to be made of:
- (i) all appointments of officers made by the Directors;
  - (ii) the names of the Directors present at each meeting of the Directors and of committees formed by the board; and
  - (iii) all resolutions and proceedings at all meetings of the Company, the Directors and any committees.
- (b) The Directors must cause all minutes, except resolutions in writing, to be signed by the chairperson of the meeting at which the proceedings took place or by the chairperson of the next succeeding meeting.
- (c) Any minutes shall be conclusive evidence of proceedings if they purport to be signed by the chairperson of the meeting at which the proceedings were held or by the chairperson of the next succeeding meeting. Minutes shall be kept by the Secretary at the registered office of the Company.

- (d) The Directors must comply with the provisions of the Act in regard to keeping a register of Shareholders and to the production and furnishing of copies of or extracts from such register.

## **22. RECORDS**

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### **22.1 Records**

The Directors must determine whether and on what conditions the accounting records and other documents of the Company or any of them are open to the inspection of Shareholders other than Directors. A Shareholder other than a Director does not have the right to inspect any document of the Company except as provided by the Act or authorised by the Directors or by the Company in general meeting.

### **22.2 Keeping records**

The Directors must ensure that proper accounting and other records are kept, and all accounts and other documents are distributed in accordance with the requirements of the Act and the Listing Rules.

## **23. POWERS OF ATTORNEY**

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### **23.1 Powers of attorney**

- (a) The Directors may grant a power of attorney to another person to act on behalf of the Company. The power of attorney must state:
- (i) the powers and discretions which the attorney may exercise;
  - (ii) the duration of the power; and
  - (iii) any conditions on its exercise.
- (b) The power of attorney may also contain any provisions to protect people dealing with the attorney that the Directors consider appropriate.

### **23.2 Limits on power**

The powers conferred on an attorney cannot exceed the powers of the Directors. The attorney may be authorised to delegate any of the powers conferred on him or her.

## **24. AUDITOR**

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The Company must appoint and may only remove an auditor in accordance with the Act.

## **25. DIVIDENDS AND RESERVES**

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### **25.1 Declaration and determination**

The Directors alone may:

- (a) declare dividends, whether interim, final or special, to be paid to Shareholders; or
- (b) determine that dividends, whether interim, final or special, are to be paid to Shareholders and the amount, the time for payment and the method of payment of such dividends and before the time fixed for payment, the Directors may change their decision to pay a dividend.

## **25.2 Source of dividends**

No dividend may be declared or paid except as allowed by the Act. No interest is payable in respect of dividends.

## **25.3 Reserved profits**

Before declaring a dividend or determining that a dividend be paid, the Directors may set aside out of the Company's profit any amount that they consider appropriate. This amount may be used in any way that profits can be used, and can be invested or used in the Company's business in the interim. However, it must not be used to buy the Company's shares.

## **25.4 Entitlement to dividends**

All dividends are apportioned and paid proportionately to the amounts paid or credited as paid on the shares in proportion to the relevant issue price for the shares. This regulation is subject to the rights of persons (if any) entitled to shares with special rights as to dividends. If the Company is Listed, the holder of any restricted securities under the Listing Rules who is in breach of the Listing Rules or any restriction agreement in respect of the restricted securities is not entitled to receive dividends.

## **25.5 Ranking of dividends**

Where any share is issued on a condition providing that it ranks for dividend as from a particular date, that share ranks for dividends accordingly.

## **25.6 Amounts advanced on shares**

An amount paid or credited as paid on a share in advance of a call is not taken to be paid or credited as paid on the share under this clause 25.

## **25.7 Deduction from dividends of money owing**

The Directors may deduct from any dividend payable to a Shareholder all sums of money (if any) presently payable by the Shareholder to the Company on account of calls or otherwise in relation to shares in the Company.

## **25.8 Payment of dividends by distribution of property**

- (a) The Directors may direct payment of the dividend wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, any other corporation.

- (b) Where the Company pays a dividend, reduces its share capital or makes any other distribution (whether of income or capital) by way of a transfer of securities in another corporation or entity:
- (i) each Shareholder entitled to receive the securities consents to becoming a Shareholder of the company or entity whose shares or securities are distributed and agrees to be bound by the Constitution of that company or entity; and
  - (ii) the Company is authorised to act for and on behalf of every Shareholder who is the intended recipient of any distribution in kind of the Company's assets from time to time. The Company's authority to act in this way is limited to doing only those acts or things reasonably required to transfer or vest title in the assets to the intended recipient Shareholders and for no other purpose. For the avoidance of doubt, the Company may sign any consent, transfer or approval or enter into any agreement including an agreement to become a Shareholder of any company on behalf of any Shareholder. The Company is not, and will not become, liable to any Shareholder for anything the Company lawfully does or fails to do under this authority including, without limitation, the payment of any stamp duty or other taxes arising as a result of effecting, or attempting to effect, any such transfer or vesting.

#### **25.9 Directors to settle differences**

Where a difficulty arises in regard to a distribution under clause 25.8(a) the Directors may settle the matter as they consider expedient. For this purpose, the Directors may fix the value for distribution of the specific assets or any part of those assets and may determine that cash payments are to be made to any Shareholders on the basis of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as the Directors consider expedient.

#### **25.10 Payment of dividends by cash**

A dividend (or other amount) payable to a Shareholder may be paid by direct payment to the Shareholder's bank account, or by a cheque or warrant posted to any of the following:

- (a) the Shareholder's registered address;
- (b) the registered address of the joint holder of shares who is named first on the register of Shareholders; or
- (c) an address and person nominated by the holder or joint holders of the shares.

#### **25.11 Withholding payment**

The Directors may determine that a dividend (or other amount) is to be paid by only by direct payment to Shareholder's bank accounts and may withhold payment to any Shareholder who has not given the Company the necessary bank account information to enable direct payment until that information has been given to the Company and

the Company will not pay interest on the amount or be liable for any loss suffered by the Shareholder where a payment is withheld under this clause.

## **25.12 Transfers**

A transfer of shares shall not pass the right to any dividend or bonus declared on the share before registration of the transfer.

## **25.13 Authority to capitalise profits**

- (a) The Directors may resolve to capitalise any part of the Company's profit. If they do that, they must not pay the amount in cash, but must use it to benefit those Shareholders who are entitled to dividends in the proportions that would apply if the entire amount of the profits to be capitalised were a dividend. The benefit must be given either by:
- (i) paying up the amounts unpaid on the Shareholder's shares; or
  - (ii) issuing shares or debentures of the Company to the Shareholder.
- (b) The amount capitalised must be applied for the benefit of Shareholders in the proportions in which the Shareholders would have been entitled to dividends if the amount capitalised had been distributed as a dividend. If fractions of shares or debentures are initially allocated, the Directors may, in their discretion:
- (i) issue fractional certificates in the case of unquoted securities;
  - (ii) pay the Shareholder the cash equivalent of the fraction; or
  - (iii) round up or down the final allocation.

## **26. NOTICES**

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### **26.1 Method**

A notice may be given by the Company to any Shareholder either by serving it on the Shareholder personally or by sending it by post to the Shareholder at his, her or its address as shown in the register of Shareholders or the address (including any facsimile number or electronic address) supplied by the Shareholder to the Company for the giving of notices to the Shareholder. Overseas Shareholders must receive notices by air mail or facsimile transmission or any other way that ensures it will be received promptly after it is sent.

### **26.2 Deemed receipt**

Where a notice is sent by post, service of the notice is deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected, in the case of a notice of a meeting, on the day after the date of its posting and, in any other case, at the time at which the letter would be delivered in the ordinary course of post. Notices sent by facsimile transmission to the facsimile number nominated by any Shareholder for service of notices on him, her or it shall be

effective on the date of an error free fax transmission report from the sender's facsimile machine. Notices sent by other electronic means are taken to be effected by properly addressing and transmitting the electronic transmission and are taken to have been given and received on the date of their transmission.

### **26.3 Notice to 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 Shareholders in respect of the share.

### **26.4 Notice in case of death or bankruptcy**

A notice may be given by the Company to a person entitled to a share in consequence of the death or bankruptcy of a Shareholder by serving it on the person personally or by sending it to the person by post. A notice sent by post must be addressed by name, or by the title of representative of the deceased or assignee of the bankrupt, or by any like description, at the address (if any) supplied for the purpose by the person or, if such an address has not been supplied, at the address to which the notice might have been sent if the death or bankruptcy had not occurred.

### **26.5 Persons entitled to notice**

- (a) Notice of every general meeting must be given in the manner authorised by this Constitution to:
  - (i) every Shareholder;
  - (ii) every person entitled to a share due to the death or bankruptcy of a Shareholder who, but for the Shareholder's death or bankruptcy, would be entitled to receive notice of the meeting; and
  - (iii) the auditor of the Company.
- (b) No other person is entitled to receive a notice of general meeting.

## **27. WINDING UP**

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### **27.1 Division of property among Shareholders**

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company. For this purpose the liquidator may set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

### **27.2 Vesting property on trustees**

The liquidator may, with the sanction of a special resolution, vest the whole or any part of any property in trustees on such trusts for the benefit of contributories as the

liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

## 28. UNMARKETABLE PARCELS

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### 28.1 Application

If the Company is Listed, the Company may only invoke the procedures in this clause 28 once in any 12 month period.

### 28.2 Notice

- (a) If the number of shares registered in the name of a Shareholder is less than a marketable parcel (as defined in the Listing Rules), the Directors may send a notice to the Shareholder that:
- (i) the Company intends to sell the unmarketable parcel;
  - (ii) the shares referred to in the notice are liable to be sold in accordance with this clause if the Shareholder does not advise the Company before a specified date (**Relevant Date**) that the Shareholder wishes to keep those shares; and
  - (iii) if the Shareholder holds shares in a CHESS Holding, contain a statement to the effect that if those shares remain in a CHESS Holding after the Relevant Date, the Company may, without further notice, move those shares from the CHESS Holding to an Issuer Sponsored Holding or a certificated holding for the purposes of divestment by the Company in accordance with this clause 28 and the Listing Rules.
- (b) The Shareholder must be given at least six weeks from the date that the notice is sent in which to tell the Company that the Shareholder wishes to retain the holding. If the Shareholder notifies the Company to that effect, the Company may not sell the holding.

### 28.3 Divestiture

- (a) If the Shareholder does not advise the Company by the date specified in the notice that the provisions of clause 28.2(b) are not to apply to the shares referred to in the notice, the Company may:
- (i) if the Shareholder holds those shares in a CHESS Holding, move those shares from the CHESS Holding to an Issuer Sponsored Holding or a certificated holding; and
  - (ii) in any case, sell those shares in accordance with this clause 28.
- (b) Any shares sold under clause 28.3(a) may be sold on-market on the terms, in the manner and at the time determined by the Directors and for the purposes of the sale. The Shareholder:
- (i) appoints the Company as the Shareholder's agent for sale;

- (ii) authorises the Company to effect a transfer of the shares on the Shareholder's behalf; and
- (iii) appoints the Company and its Directors to execute any document or take any other steps as the Directors may consider appropriate to transfer the shares.
- (c) The transferee will not be bound to see to the regularity of proceedings or to the application of the purchase money and after the transferee's name has been entered in the register of Shareholders in respect of the shares, the validity of the sale will not be impeached by any person.

#### **28.4 Proceeds of sale**

The proceeds of any sale of an unmarketable parcel less any unpaid calls and interest will be paid to the Shareholder or as that Shareholder may direct but only after the Shareholder's certificate (if any) has been returned to the Company or the Company is satisfied the certificate (if any) is lost or destroyed.

#### **28.5 Other provisions**

- (a) The Company will cancel the share certificates of all Shareholders whose unmarketable parcel of shares are sold.
- (b) The Company or the purchaser will bear all costs, including brokerage and stamp duty associated with any unmarketable parcel of shares.
- (c) The power of the Company to sell an unmarketable parcel of shares lapses following the announcement of a takeover. However, the procedure may be started again after the close of offers made under the takeover.

### **29. INDEMNITY**

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#### **29.1 Indemnity - general**

To the extent permitted by law and subject to the restrictions in the Act, the Company indemnifies and must continually indemnify every person who is or has been an officer of the Company (including a Director or Secretary) against liability (including liability for costs and expenses) incurred by that person as an officer of the Company (including liabilities incurred by the officer as an officer of a subsidiary of the Company where the Company requested the officer to accept that appointment). However, this does not apply in respect of any of the following:

- (a) a liability to the Company or a related body corporate;
- (b) a liability to some other person that arises out of conduct involving a lack of good faith;
- (c) a liability for costs and expenses incurred by the officer in defending civil or criminal proceedings in which judgment is given against the officer or in which the officer is not acquitted; or



- (d) a liability for costs and expenses incurred by the officer in connection with an unsuccessful application for relief under the Act, in connection with the proceedings referred to in the preceding paragraph.

#### **29.2 Indemnity - costs**

Without limiting clause 29.1, to the extent permitted by law and subject to the restrictions in the Act, the Company must indemnify and continually indemnify every person who is or has been an officer of the Company (including a Director or Secretary) against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by that person as an Officer of the Company (including such legal costs incurred by the officer as an officer of a subsidiary of the Company where the Company requested the officer to accept that appointment).

#### **29.3 Indemnity - GST**

The amount of any indemnity payable under clauses 29.1 and 29.2 will include an additional amount (**GST Amount**) equal to any GST payable by the officer being indemnified (**Indemnified Officer**) in connection with the indemnity (less the amount of any input tax credit claimable by the Indemnified Officer in connection with the indemnity). Payment of any indemnity which includes a GST Amount is conditional upon the Indemnified Officer providing the Company with a GST tax invoice for the GST Amount.

#### **29.4 Advance under indemnity**

The Directors may agree to advance to an officer an amount which it might otherwise be liable to pay to the officer under clauses 29.1 and 29.2 on such terms as the Directors think fit but which are consistent with this clause 29, pending the outcome of any findings of a relevant court or tribunal which would have a bearing on whether the Company is in fact liable to indemnify the officer under clauses 29.1 and 29.2. If after the Company makes the advance, the Directors form the view that the Company is not liable to indemnify the officer, the Company may recover any advance from the officer as a debt due by the officer to the Company.

#### **29.5 Former officers**

Each of the indemnities in this clause 29 are continuing indemnities which apply in respect of all acts done by a person while an officer of the Company or one of its subsidiaries even though the person is not an officer at the time the claim is made.

#### **29.6 Insurance premiums**

The Company may pay the premium on a policy of insurance in respect of a person who is or has been an officer or auditor of the Company to the full extent permitted by the Act.

### 30. SECURITY INTERESTS

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- (a) If any provision of this Constitution creates a security interest in shares or other personal property (**Collateral**) to which the PPSA applies:
  - (i) the Company need not comply with any provisions of the PPSA that the parties may contract out of in relation to the Collateral; and
  - (ii) Shareholders may not exercise any rights under sections 142 (redemption of collateral) or 143 (reinstatement of security agreement) of the PPSA to the extent the law permits those rights to be excluded.
- (b) The Company need not give the Shareholder any other notice required under the PPSA (including a notice of verification statements under section 157 of the PPSA) unless the notice cannot be excluded.

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