
Adam Giles

Date:

CONSTITUTION OF

**CONSTANCE IRON
LIMITED**

A COMPANY LIMITED BY SHARES

CONSTITUTION

of

CONSTANCE IRON LIMITED

1. PRELIMINARY

- 1.1 The replaceable rules referred to in the Act shall not apply to the Company.
- 1.2 The liability of the members is limited.
- 1.3 In this Constitution, unless the subject or context indicates a contrary intention, the following words and expressions shall have the meanings set out opposite them:

“Act” means the Corporations Act, 2001;

“Alternate Director” means a person appointed as an alternate Director under Article 25.1;

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

“Associate” means a person who:

- (a) is an associate within the meaning of Division 2 of Part 1.2 of the Act
- (b) in relation to a primary person, is controlled by or who controls the primary person’s capacity to determine the outcome of decisions about the primary persons financial and operating policies;
- (c) proposes to enter an agreement for the purpose of controlling or influencing the composition of the board of the other person;
- (d) is proposing to act in concert with the other person in relation to the designated body’s affairs;
- (e) is defined to be an associate of a person by reason of the definition of “associates” in any Listing Rules;
- (f) a Director or secretary of a Company or Related Body Corporate; or
- (g) a Related Body Corporate.

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

“Call” includes instalments of a call;

“Committee of Directors” means a committee formed under Article 23.7;

"ASX Listing Rules" means the rules relating to admission to the Australian Stock Exchange;

"Company" means Constance Iron Limited;

"Court" means the Supreme Court of Western Australia;

"CREST" means the UK electronic system for the holding and transferring of shares and other securities in paperless form operated by Euroclear UK & International Limited (as defined in the CREST Regulations);

"CREST Regulations" means the Uncertificated Securities Regulations 2001 (SI 2001 No.01/3755), as amended, which shall be deemed to include for the purposes of these Articles, Euroclear UK & International Limited's own rules and documentation that govern the use and operation of CREST (including the CREST rules and CREST manual);

"Depository Interests" means the dematerialised depository interests in respect of and representing Shares on a one-for-one basis within CREST;

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

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

"Dividend" includes interim dividend;

"Equity Securities" means shares (including preference shares), stock, stock units, units, and rights to or options to subscribe for any of the foregoing;

"Exchange" means London Stock Exchange plc, a company incorporated in England with company number 02075721;

"Initial Admission" means initial admission of the Company's entire issued share capital to the official list maintained by the FCA;

"FCA" means the United Kingdom's Financial Conduct Authority;

"Listing Rules" means (in accordance with sections 73A(1) and 73A(2) of the United Kingdom's Financial Services and Markets Act 2000) rules relating to admission to the official list of the FCA"

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

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

"Official Seal" means a duplicate seal referred to in Article 29.2;

"Other Exchange" means a securities exchange other than the Exchange upon which the securities of the Company are also listed;

“Other Exchange Rules” means the listing rules and any other rules of the Other Exchange;

“Paid Up” includes credited as paid up;

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

“Qualifying Financial Instruments” means transferable securities and options, futures, swaps, forward rate agreements and any other derivative contracts provided that they result in an entitlement to acquire, on the holder's own initiative alone, under a formal agreement (being an agreement binding under applicable law) shares to which voting rights are attached, already issued by the Company (it being noted that the instrument holder must enjoy, on maturity, either the unconditional right to acquire the underlying shares or the discretion as to his right to acquire such shares or not);

“Register” means the Register(s) of Members kept by the Company in accordance with the Act and/or the CREST Regulations;

“Regulatory Information Service” means a service approved by the Exchange for the distribution to the public of announcements;

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

“Relevant System” means any computerised or electronic share system in which the Act permits the Company to participate, which enables title to units of a security, or any instrument which represents a security, to be evidenced and transferred without a written instrument and which includes, for the avoidance of doubt, CREST;

“Reverse Takeover” means a transaction classified as a reverse takeover under Listing Rule 5.6;

“Seal” means the common seal of the Company;

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

“Shareholder” means the legal or beneficial owner of any interest in any Share from time to time;

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

“Share Seal” means a duplicate seal referred to in Article 29.4;

“State” means the State or Territory of registration of the Company;

“Uncertificated Securities” means a security, title to which is recorded on the Register as being held in uncertificated form, and title to which may be transferred by means of a Relevant System including by means of the creation of Depositary Interests; and

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

- 1.4 In these Articles, unless the context indicates a contrary intention:
- (a) words importing persons shall include companies, corporations, any association, body or entity whether incorporated or not and vice versa;
 - (b) words denoting any gender shall include all genders;
 - (c) words importing the singular shall include the plural and vice versa;
 - (d) all monetary amounts are in Australian currency;
 - (e) references to any legislation or to any section or provision of any legislation shall include any statutory modification, replacement or re-enactment of it or any statutory provision substituted for it, any ordinances, by-Acts, regulations and other statutory instruments issued under it and any determination, exemption or modification made pursuant to it;
 - (f) a reference to time refers to time in the place of the Company's registration;
 - (g) the word "month" means calendar month and the word "year" means 12 calendar months;
 - (h) a reference to writing includes any communication sent by post or facsimile transmission; and
 - (i) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning.
- 1.5 An expression or term used in these Articles shall, unless the contrary intention appears, have the same meaning as that expression has in a part, section, division or paragraph of the Act dealing with the same matter if that expression has been given a special meaning for the purposes of the part, section, division or paragraph in question.
- 1.6 Unless the contrary intention appears an expression in an Article that deals with a matter dealt with by a provision of the Listing Rules has the same meaning as in that provision.
- 1.7 The headings used in these Articles shall not form part of or affect the construction or interpretation of these Articles.
- 1.8 Subject to these Articles, the Company may exercise, by resolution or special resolution as the Act requires, any power which under the Act may be exercised by a company limited by Shares if authorised by its constitution.
- 1.9 The guidance notes used in these Articles shall not form part of or affect the construction or interpretation of these Articles.

2. APPLICATION OF THE LISTING RULES AND THE CREST REGULATIONS

- 2.1 In these Articles a reference to the Listing Rules or the CREST Regulations only applies while the Company is on the official list of the FCA.
- 2.2 While the Company is on the official list of the FCA, the following Articles apply:
- (a) notwithstanding anything contained in these Articles, if the Listing Rules or the CREST Regulations prohibit an act being done, the act shall not be done;
 - (b) nothing contained in these Articles prevents an act being done that the Listing Rules or the CREST Regulations require to be done;
 - (c) if the Listing Rules or the CREST Regulations require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
 - (d) if the Listing Rules or the CREST Regulations require these Articles to contain a provision and it does not contain such a provision, these Articles are deemed to contain that provision;
 - (e) if the Listing Rules or the CREST Regulations require the Constitution not to contain a provision and it contains such a provision, these Articles are deemed not to contain that provision;
 - (f) if any provision of these Articles is or becomes inconsistent with the Listing Rules or the CREST Regulations, these Articles are deemed not to contain that provision to the extent of the inconsistency;
 - (g) if any of the Company's securities are Uncertificated Securities, the Company must comply with the rules of the Relevant System. Further, in the case of any inconsistency between any Article (other than this Article) and any provision of the rules of the Relevant System, that provision of the rules of the Relevant System, shall be paramount and given full force and effect, and the Article should be read down accordingly; and
 - (h) if the Company's securities which are listed on the Exchange are also listed on an Other Exchange then to the extent of any inconsistency between the Listing Rules and the Other Exchange Rules, the Listing Rules prevail.

3. SHARE OFFERS

- 3.1 The Company may raise capital by the issue of Shares or other Securities. The Company may only issue one class of ordinary Shares.

4. SHARES AND CAPITAL

4.1 Share capital under control of Directors

Subject to:

- (a) any provision in these Articles;

- (b) the provisions of the Act;
- (c) the provisions of the Listing Rules; and
- (d) any special rights previously conferred on the holders of any Shares or class of Shares,

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

4.2 **Directors' Power to Issue Shares**

- (a) Whilst any of the Company's shares are admitted to the official list of the FCA the Company shall not, unless issued pursuant to any placing in conjunction with the Initial Admission or authorised by resolution of the Company's shareholders, issue (i) securities fungible with the Company's securities already admitted to trading on a stock exchange or (ii) rights to convert or exchange other securities to Shares of the same class as the Shares already admitted to trading on a stock exchange, where such securities in aggregate represent, over a period of 12 months, more than two-thirds of the number of Shares of the same class already admitted to the official list of the FCA from time to time, half of which (i.e. one-third) may only be applied to fully pre-emptive rights issues made in accordance with Article 4.3 and, for the avoidance of doubt, not to any issue of securities outside Pre-Emption Rights as permitted by Article 4.4.
- (b) In the exercise of the control conferred by Article 4.1 the Directors may:
 - (i) issue and allot, or dispose of, Shares to persons on terms determined by the Directors;
 - (ii) grant options over unissued Shares;
 - (iii) issue and allot preference Shares that are, or at the option of the Company are, liable to be redeemed; and
 - (iv) issue and allot Shares, classified or designated in such manner as the Directors think fit, with preferred, deferred, qualified, guaranteed or other special rights, privileges, conditions, restrictions or limitations whether in regard to dividend, return of Share capital, distribution of assets, voting or otherwise as the Directors may from time to time determine.

4.3 **Pre-emption rights**

Subject to Article 4.4, whilst any of the Company's shares are admitted to the official list of the FCA, the Company will not issue Equity Securities to any person on any terms ("**Proposed Issue**") unless:

- (a) it has made an offer (to the extent permitted by applicable securities laws) to each member to issue to them, on the same or more favourable terms as the Proposed Issue, a proportion of the Equity Securities the subject of the Proposed Issue, that is as nearly as practicable equal to the proportion in nominal value then held by that member of the entire issued ordinary share capital of the Company (each a "**Pre-Emption Offer**");

- (b) each Pre-Emption Offer remains open for acceptance for a period that is reasonably sufficient so as to allow the relevant member to evaluate the Pre-Emption Offer and to obtain the necessary regulatory approvals so as to be able to accept that Pre-Emption Offer, taking into account the circumstances in which such Equity Securities are proposed to be issued and the recommendations of any broker advising the Company at the relevant time ("**Offer Period**"); and
 - (c) the Offer Period has expired or the Company has received notice of the acceptance or refusal of every Pre-Emption Offer made,
- (together, the "**Pre-Emption Rights**").

4.4 The provisions in Article 4.3 shall not apply:

- (a) to an issue of Equity Securities if these are or are to be, wholly paid up otherwise than in cash and where the members have by way of ordinary resolution, authorised the Directors to issue the same;
- (b) to an issue of Equity Securities pursuant to any placing in conjunction with the Initial Admission;
- (c) to an issue of Equity Securities that would, apart from any renunciation or assignment of the right to their issue, result from rights:
 - (i) granted by the Company and validly-existing as at the date of Initial Admission; or
 - (ii) held from time to time under an employee share option plan; or
- (d) where a disapplication of the Pre-Emption Rights has arisen under Article 4.5.

4.5 Notwithstanding any other provision in these Articles, the Company may from time to time resolve, by special resolution referring to this Article (the "**Disapplication Resolution**"), that the Directors be authorised to issue and allot Equity Securities for cash as if the Pre-Emption Rights did not apply (the "**Authority**").

The Authority shall:

- (a) be limited to the issue and allotment of Equity Securities, in aggregate, of not more than 15% (fifteen per cent.) of the Company's issued share capital; and
- (b) unless revoked sooner, expire on the date specified in the Disapplication Resolution (if any), being a date not later than 12 calendar months after the date of the Disapplication Resolution. The Company may before the Authority expires, make an offer or agreement which would or might require Equity Securities to be allotted after the Authority expires, and proceed to issue and allot those Equity Securities in due course.

4.6 **Division into Classes**

Subject to the Listing Rules if the Directors determine that the capital of the Company should be divided into further classes of Shares the Directors shall also determine the rights to apply to those classes of Shares except that if the Shares

are to be issued as preference Shares the rights attaching to those Shares must be approved of by special resolution of the members prior to their issue.

4.7 **Rights attached to Preference Shares**

If the Company proposes to create and issue preference Shares, the rights of the holders of the preference Shares or any class of them (as the case may be) with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividend in relation to other Shares or other classes of preference Shares shall be clearly defined in these Articles. Subject to the Listing Rules and Article 4.6, the Company may issue preference Shares which rank *pari passu* with or in priority to existing preference Shares. At all times preference shares will rank in preference to ordinary shares.

4.8 **Variation of Rights**

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

4.9 **Capital Paid in Advance of Calls**

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

4.10 **No Trust**

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

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

4.11 **Brokerage or Commission**

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

- (a) provided that:
 - (i) the statutory conditions and requirements for the time being in force in relation to such payments are observed and complied with; and

- (ii) the brokerage or commission does not exceed 10% of the price at which the Shares are allotted;
- (b) the brokerage or commission may be paid either in cash or in fully paid Shares of the Company of any class or in such other manner as the Directors may determine; and
- (c) the Company may grant to any person so subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions an option to require the Company to allot to that person or the person's nominee any further Shares of the Company.

4.12 Surrender of Shares

To the extent permitted by Act, the Directors may in their discretion accept a surrender of any Shares (other than partly paid Shares) by way of compromise of any dispute as to whether or not those Shares have been validly issued or in any other case where a surrender is within the powers of the Company and permitted by Act. Any Shares so surrendered may be sold or re-issued in the same manner as forfeited Shares.

4.13 Share Buy-backs

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

4.14 Reverse Takeover

The Company may only carry out a Reverse Takeover for the purposes of the Listing Rules (taking Listing Rule 10.1 into consideration) and ASX Listing Rules (if applicable) when consent has been obtained from the majority of the Shareholders either at a meeting of Shareholders or in writing.

5. CERTIFICATES

5.1 Certificates under Seal

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

5.2 Issue of Certificates

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

5.3 Uncertificated holdings

If and for so long as dealings in securities of the Company take place under a

Relevant System:

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

5.4 **Replacement and Duplicate Certificates**

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

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

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

5.5 **Endorsement on duplicate certificates**

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

6. CALLS

6.1 **Directors power to make Calls**

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

6.2 **When Call made**

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

6.3 **Revocation or postponement**

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

6.4 **Notice of Call**

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

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

6.5 Member must pay

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

6.6 Failure to send notice

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

6.7 Joint and several liability

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

6.8 Instalments

If the whole or part of the issue price of any Share is payable by instalments every instalment shall, when due, be payable to the Company by the person who is the registered holder of the Share or their legal personal representative at the date on which payment is due and:

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

6.9 Interest and expenses on Calls

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

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

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

6.10 Recovery of amounts due

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

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

will be conclusive evidence of the debt.

6.11 **Payment of Calls in advance**

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

6.12 **Interest on advances**

The Company may:

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

6.13 **No benefit or advantage**

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

7. LIEN

7.1 **Company's lien**

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

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

7.2 **Lien extends to dividends**

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

7.3 **Transfer operates as waiver of lien**

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

7.4 **Exemption from lien**

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

7.5 **Lien sale**

If:

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

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

7.6 **Protection of Company's Lien**

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

8. FORFEITURE OF SHARES

8.1 **Forfeiture notice**

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

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

8.2 **Contents of notice**

The notice under Article 8.1 must:

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

8.3 **Forfeiture**

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

8.4 **Forfeiture of Dividends**

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

8.5 **Sale of forfeited Shares**

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

8.6 **Cancellation of forfeiture**

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

8.7 **Notice of forfeiture**

Promptly after a Share has been forfeited:

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

8.8 **Liability of former member**

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

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

8.9 **Cessation of liability**

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

8.10 **Transfer of forfeited Shares**

The Company may:

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

8.11 **Protection of purchaser**

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

- (a) is not bound to check the regularity of the sale or disposition or the application of the purchase price;
- (b) obtains title to the Share despite any irregularity in the sale or disposition; and

- (c) will not be subject to complaint or remedy by the former holder of the Share in respect of the purchase or disposition.

8.12 **Statement by Directors**

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

8.13 **Application of proceeds**

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

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

9. RIGHT OF INDEMNITY FOR TAX PAYMENTS

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

- (a) the Company shall be fully indemnified by the member and the member's legal personal representatives in respect of the liability;
- (b) any moneys paid by the Company in respect of the liability may be recovered by action from the member or the legal personal representatives as a debt due by the member or the member's estate to the Company with interest at the Prescribed Rate from the date when the moneys were paid by the Company until repayment;
- (c) the amount referred to in paragraph (b) may be deducted by the Company from any dividend or other moneys payable by it to the member or the legal personal representatives;
- (d) the provisions of Article 7.5 relating to the sale of Shares to enforce a lien shall apply to enable the Directors to sell the Shares of a member in order to enforce the right of indemnity which the Company has under this Article;
- (e) nothing in these Articles shall prejudice or affect any right or remedy in respect of any payment made by the Company conferred or purported to be conferred on the Company by the Act under which the payment was made;

- (f) as between the Company and the member or the member's estate and legal personal representatives, any right or remedy referred to in paragraph (d) or (e) shall be enforceable by the Company as between the member and the Company and every member shall be deemed to agree, and bind his or her executors, administrators and estate, to submit to the legislative power and jurisdiction of Western Australia or of any Australian State or Territory or of any country or place imposing or purporting to impose the liability in question on the Company; and
- (g) the Company is entitled to do all acts and things as may be necessary or appropriate for it to do to protect any right or remedy it may have under this Article.

10. TRANSFER OF SHARES

10.1 Right of transfer

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

10.2 Method of transfer

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

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

10.3 Transfer to be stamped

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

10.4 Transfer other than under CREST

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

- (a) signed by or on behalf of both the transferor and the transferee unless:
 - (i) the transfer relates only to fully paid Shares and the Directors have dispensed with a signature by the transferee; or
 - (ii) the transfer of the Shares is effected by a document which is, or documents which together are, a sufficient transfer of those Shares under the Act;
- (b) if required by Act to be stamped, duly stamped; and

- (c) left for registration at the Company's Registered Office, or at any other place the Directors decide, with such evidence the Directors require to prove the transferor's title or right to the Shares and the transferee's right to be registered as the owner of the Shares.

10.5 **Transferor remains holder**

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

10.6 **Refusal to register**

Except in each case when the Company is on the official list of the FCA:

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

10.7 **Directors' decision absolute**

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

10.8 **Transfers left at Office**

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

destruction is given to them or in any other circumstances they deem it appropriate to do so.

10.9 Transfers to be retained

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

10.10 Closure of Register

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

10.11 More than three registered holders

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

10.12 Computerised Transfers

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

10.13 No Interference with proper Transfer under CREST

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

11. TRANSMISSION OF SHARES

11.1 Title on death of a member

If a member dies, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he or she was a sole holder, shall be the only persons recognised by the Company as having any title to his or her interest in the Shares. The estate of a deceased member shall not be

released from any liability to the Company in respect of any Share held by the deceased (whether jointly or otherwise).

11.2 Person becoming entitled

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

11.3 Registration on transmission

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

11.4 Receipt of dividends

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

12. ALTERATION OF CAPITAL

12.1 New Shares subject to Articles

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

12.2 Reductions of Capital

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

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

12.3 Alteration of Share Capital

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

12.4 Directors may settle difficulty

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

12.5 Reorganisation of partly paid shares

The reorganisation of partly paid shares must be done in accordance with the Listing Rules.

13. MODIFICATION OF RIGHTS

13.1 Sanction of class members

Subject to Section 249D to 246E of the Act, whenever the capital is divided into different classes of Shares all or any of the rights attached to any class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three quarters of the issued Shares included in that class or with the sanction of a special resolution passed at a separate general meeting of the holders of Shares of that class.

13.2 General meeting provisions to apply

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

14. GENERAL MEETINGS

14.1 Time and place

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

14.2 Convening meetings

- (a) Whilst any of Company's shares are admitted to the official list of the FCA, the Company must hold a general meeting of shareholders as its annual

general meeting in each period of 6 months beginning with the day following its accounting reference date (in addition to any other meetings held during that period). The general meeting shall be such time and place as may be determined by the Directors.

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

14.3 **Cancellation and postponement**

Subject to the provisions of the Act and these Articles:

- (a) the Directors may cancel or postpone as they see fit any general meeting of the Company convened by the Directors other than a general meeting convened under Section 249D or 249F of the Act;
- (b) the Directors may cancel or postpone a general meeting of the Company which has been convened by the Directors upon requisition by a member or members pursuant to Section 249D of the Act upon receipt of withdrawal of the requisition;
- (c) the member (or all of them if more than one) convening a meeting pursuant to Section 249D of the Act may cancel or postpone that meeting;
- (d) all of the members convening a meeting pursuant to Section 249F of the Act may cancel or postpone that meeting;
- (e) the cost of cancelling or postponing a general meeting under paragraph (b), (c) or (d) above shall be borne by the member or members withdrawing the requisition or cancelling or postponing the meeting.

14.4 **Notice of meeting**

Subject to the provisions of the Act which permit shorter notice 21 clear days' notice (excluding both the date of service of the notice and the date of the meeting) of general meetings shall be given to members entitled to receive notice. Each notice shall set out the place, day and time of the meeting and if Directors are to be elected, the names of the candidates for election and include a proxy form which satisfies the requirements of the Listing Rules.

14.5 **Proceedings not invalid**

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

15. PROCEEDINGS AT MEETINGS

15.1 **Conduct of Meeting**

The Company may, when there are 2 or more members, hold a general meeting at 2 or more venues using any technology which gives the members as a whole a

reasonable opportunity to communicate. A meeting held in 2 or more places using technology shall as a minimum allow each person who participates:

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

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

- (a) a quorum shall be deemed to be present if the provisions set out in Article 15.2 regarding quorums are met in respect of the minimum number of members;
- (b) the meeting will be deemed to be held at the place where the largest group of participating members is assembled, or if no such group is identifiable, at the place at which the Chairman is attending;
- (c) no member may leave the conference by disconnecting his or her means of communication unless having obtained the express permission of the Chairman and the members shall be conclusively presumed to have been present and to have formed a quorum at all times during the meeting unless such express consent is obtained.

15.2 **Quorum**

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

15.3 **Meeting adjourned if no quorum**

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

15.4 **Chairman**

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

15.5 **Chairman's powers at meetings of members**

The Chairman of a meeting of members:

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

15.6 **Adjournments**

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

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

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

15.7 **Adjournment for more than 30 days**

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

15.8 **Demand for a poll**

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

15.9 Chairman's declaration conclusive

Unless a poll is demanded as provided in Article 15.8 a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

15.10 Manner of poll

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

15.11 Withdrawal of demand for a poll

The demand for a poll may be withdrawn.

15.12 Dispute

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

15.13 Written Resolutions

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

15.14 Resolutions of Single Shareholder

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

16. VOTES OF MEMBERS

16.1 Voting rights

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

- (a) every member present in person or represented by proxy shall on a show of hands have one vote;
- (b) where a person present represents as proxy more than one member, on a show of hands that person is entitled to one vote only despite the number of members the person represents; and
- (c) on a poll every member who is present in person or represented by proxy shall have one vote for every Share held by him, except that a partly paid Share shall be entitled to a fraction of a vote equivalent to the proportion which the amount paid up on the Share bears to the price at which the Share was issued.

16.2 No voting rights

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

16.3 Chairman's casting vote

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

16.4 Votes of joint holders

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

16.5 Votes of member of unsound mind

A member of unsound mind or whose person or estate is liable to be dealt with in any way under the Act relating to mental health may vote whether on a show of hands or on a poll by his committee or by such other person as properly has the management of the member's affairs or estate or by the Public Trustee (as the case may be) and any such committee, other person or trustee may vote by proxy (subject to Article 17.1).

16.6 Votes of persons entitled on transmission

A person who has satisfied the Directors not less than 24 hours before a general meeting that the person is entitled to a Share by operation of Act may exercise all

rights attached to the Share in relation to a general meeting, as if the person were the registered holder of the Share.

17. PROXIES

17.1 Not more than 2 proxies

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

17.2 Written instrument

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

17.3 Deposit of instrument

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

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

17.4 Form of proxy

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

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

An appointment of a proxy may be a standing proxy.

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

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

17.5 Authority to demand a poll

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

17.6 Validity

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

- (a) died;
- (b) became of unsound mind;
- (c) revoked the proxy or power; or
- (d) transferred the Shares in respect of which the vote was cast,

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

17.7 Attendance by appointer

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

17.8 Member overseas

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

17.9 Proof of identify

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

17.10 Notation

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

18. DIRECTORS

18.1 Number of Directors

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

18.2 No Share qualification

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

18.3 Appointment and removal of Directors by the Company

The Company may by resolution:

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

18.4 Casual vacancies

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

18.5 Rotation of Directors

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

18.6 Vacation of Office

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

- (a) ceases to be or is removed as a Director pursuant to the provisions of the Act;
- (b) becomes an insolvent under administration or makes any composition or arrangement with his or her creditors or any class of them;
- (c) becomes of unsound mind or a person whose estate is liable to be dealt with in any way under the Act relating to mental health;
- (d) resigns his or her office by notice in writing to the Company;
- (e) the period for which the Director is appointed expires; or
- (f) without the permission of the other Directors absents himself or herself from the meetings of the Directors for a continuous period of 6 months.

18.7 Less than minimum number

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

18.8 Consent

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

18.9 Eligibility for Election

Except for:

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

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

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

19. REMUNERATION OF DIRECTORS

19.1 Remuneration of non-executive Directors

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

19.2 Division of remuneration

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

19.3 Additional services

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

19.4 Reimbursement of expenses

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

19.5 Remuneration of Executive Directors

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

19.6 Payment to former Directors

Subject to the Act, the Directors may:

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

20. POWERS AND DUTIES OF DIRECTORS

20.1 Directors' power of management

Subject to the Act, the Listing Rules and these Articles, the management of the business and affairs of the Company shall be vested in the Directors who may

exercise all powers of the Company that these Articles and the Act do not require to be exercised by the Company in general meeting.

20.2 **Delegation of Power**

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

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

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

20.3 **Attorneys**

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

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

as the Directors may from time to time think fit.

20.4 **Protection of third parties**

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

20.5 **Execution of cheques**

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

21. INTERESTED DIRECTORS

21.1 Restriction on Director

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

- (a) voting on the matter; or
- (b) being counted in a quorum for the purposes of the meeting; or
- (c) being present while the matter is being considered,

if the Director is so prohibited or excluded by the Act.

21.2 Director may hold any other office

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

21.3 Directors conflicts of interest

Without limiting any obligation under the Act, a Director of the Company who holds any office or possesses any property where, whether directly or indirectly, duties or interests might be created in conflict with his or her duties or interests as a Director shall give the other Directors standing notice of the interest in accordance with section 192 of the Act and at the first meeting of Directors held after the relevant facts come to the Director's knowledge declare the fact, nature, character and extent of the conflict.

22. MANAGING DIRECTOR

22.1 Appointment

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

22.2 Control of Board

A Managing Director shall at all times be subject to the control of the Board of Directors. The Directors may entrust to and confer on a Managing Director any of the powers exercisable by them, subject to any terms and restrictions determined by the Directors. The Directors may at any time revoke, withdraw, alter or vary all or any of the powers conferred under this Article. Powers so conferred on any

Managing Director shall be collateral with the powers of the other Directors and not to the exclusion of those powers.

23. PROCEEDINGS OF DIRECTORS

23.1 Directors to regulate meetings

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

23.2 Convening meetings

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

23.3 Notice

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

23.4 Conference meetings

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

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

whether directly, by conference telephone or by any other form of communications equipment (whether in use when this Article 23 is adopted or developed subsequently) or by a combination of those methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number of Directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of participating Directors is assembled or, if no such group is readily identifiable, at the place from where the Chairman of the meeting participates. Any Director may, by prior notice to the Company, indicate that he or she wishes to participate in the meeting in this manner, in which event, the Directors shall procure that an appropriate conference facility is arranged at the expense of the Company.

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

23.5 **Chairman**

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

23.6 **Majority decision**

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

23.7 **Committees**

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

23.8 **Proceedings of Committees**

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

23.9 **Not invalid**

If it is discovered that:

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

all acts of the Directors or Committee of Directors (as the case may be) before the discovery was made are as valid as if the person had been duly appointed, was not disqualified, had not vacated office and was entitled to vote (as the case may be).

23.10 **Written resolutions**

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

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

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

23.11 **Authorisation to vote**

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

24. BORROWING POWERS

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

25. ALTERNATE DIRECTORS

25.1 **Appointment**

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

25.2 **Rights of Alternate Director**

An Alternate Director is:

- (a) entitled to receive notices of Directors' meetings if notice has not been given to his or her appointor or his or her appointor requires that the Alternate Director receives notices;
- (b) entitled to be present at a Directors' meeting if his or her appointor is not present but would have been entitled to be present;

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

25.3 **Officer of the Company**

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

25.4 **Provisions to apply**

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

25.5 **Revocation of appointment**

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

25.6 **Notice of revocation**

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

26. **MINUTES**

26.1 **Keeping the Minutes**

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

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

26.2 **Signed by Chairman**

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

27. LOCAL MANAGEMENT

27.1 Power to provide for local management

The Directors may from time to time provide for the management of the affairs of the Company in any part of Australia or elsewhere in any manner they think fit and the provisions contained in Article 27.2 shall be without prejudice to the general powers conferred by this Article.

27.2 Branch offices

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

28. SECRETARY

28.1 Appointment by Directors

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

28.2 Consent

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

29. SEAL

29.1 Seal

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

- (a) where the Company has a single Director who is also the only Secretary of the Company, by that person;
- (b) where the Company has a single Director and there is no Secretary, by that person; or

- (c) in any other case, by a Director and shall be countersigned by a Secretary or by a second Director or by some other person appointed by the Directors for that purpose.

In the case of Share certificates this Article is subject to Article 29.4.

29.2 Official Seal

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

29.3 Use of Official Seal

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

29.4 Share Seal

For the purpose of sealing Share certificates or other interests in the Company, the Company may have a duplicate common seal which is a facsimile of the Seal with the addition on its face of the words "Share Seal". A certificate under the duplicate seal shall be deemed to be sealed with the Seal. Such certificates must bear the manual or facsimile signatures of a person or persons authorised to witness the affixation of the Seal of the Company under Article 29.1.

30. EXECUTION OF DOCUMENTS BY HAND

The Company may execute documents without the Seal. Where a document is executed by the Company without using the Seal it must be executed in accordance with s127(1) of the Act.

31. DIVIDENDS

31.1 Declaration of dividend

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

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

31.2 Payment

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

31.3 Directors' declaration conclusive

The determination of the Directors as to the matters set out in Article 31.1 shall be conclusive.

31.4 Reserves

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

31.5 Dividends in proportion

Subject to Article 31.7 and to the rights of persons (if any) entitled to Shares with special rights, dividends payable to persons entitled to those dividends shall be paid equally in respect of each fully paid Share held by them and in the case of partly paid Shares shall be paid in proportion to the percentage of which each partly paid Share is paid up.

31.6 Books close

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

31.7 Transmissions

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

31.8 Lien

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

31.9 Distribution of Assets

Without prejudice to Article 31.12:

- (a) any dividend may, with the sanction of a general meeting, be paid wholly or in part by the distribution of specific assets including paid or partly paid up

Shares, shares or other securities (including debentures or debenture stock) of any other corporation;

- (b) the Directors may settle any difficulty which arises with regard to such distribution as they think expedient and in particular, in order to adjust the rights of all members may make provision in the case of fractions and may fix the value for distribution of the specific assets or any part of them and may determine that cash payments shall be made to any members and may vest the specific assets in trustees upon trust for all the members entitled to the dividend; and
- (c) where the Company satisfies a dividend by way of distribution of specific assets, being shares or other securities in another corporation, each member is taken to have agreed to become a member of that corporation and to have agreed to be bound by the constitution of that corporation, and each member also appoints each Director and each Secretary to:
 - (i) agree to the member becoming a member of that corporation;
 - (ii) agree to the member being bound by the constitution of that corporation; and
 - (iii) execute any transfer of shares or securities, or other document required to give effect to the distribution of shares or other securities to that member.

31.10 **Payment by Cheque**

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

31.11 **Bonus Issues**

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

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

31.12 **Directors' Powers**

Whenever a resolution as referred to in Article 31.11 is passed the Directors shall do and shall be empowered to do all acts and things required to give effect to the resolution with full power to the Directors to:

- (a) make such provision in the case of fractions as they think fit; and
- (b) authorise any person on behalf of all persons entitled to participate in the bonus issue to enter into an agreement with the Company providing for the allotment to them respectively of the Shares, debentures or debenture stock referred to in Article 31.11 and any agreement made under this authority shall be effective and binding on all the members.

31.13 Dividend Re-investment

The Directors may with the prior approval of the Company in general meeting determine that each member shall be entitled to elect to re-invest all or any part of dividends paid or payable by the Company to them in cash by subscribing for fully paid ordinary Shares in accordance with the dividend reinvestment plan adopted by the Directors. The Directors may be authorised to vary the terms and conditions of the dividend reinvestment plan as and when they consider appropriate and to suspend or terminate it.

32. NEW SHARE ALLOTMENT ELECTION

32.1 Election to reinvest

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

32.2 Allotment

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

32.3 Directors' powers

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

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

33. ACCOUNTS

33.1 Accounting records

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

33.2 Inspection

The Directors must determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open for the inspection by members who are not Directors or former Directors.

33.3 Issue of Annual Report

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

34. NOTICES

34.1 Method of sending notices

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

34.2 Time of service

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

34.3 Notice by facsimile or other electronic means

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

34.4 Joint holders

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

34.5 Notices to legal representatives

A notice may be given by the Company to the persons entitled to a Share in consequence of the death, liquidation or bankruptcy of a member or under the Act

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

34.6 Notices to foreign residents

Subject to Article 34.4, notices and other documents for members outside Australia shall be forwarded to those members by airmail or by facsimile at the address or facsimile number outside Australia.

34.7 Notices of general meetings

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

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

34.8 Signature on notices

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

35. WINDING UP

35.1 Distribution

Subject to Article 35.3, and without prejudice to the rights of the holders of Shares issued upon special terms and conditions, if the Company is wound up, the assets available for distribution among the members shall be distributed amongst the Shareholders entitled to the assets in proportion to the Shares held by them.

35.2 Liquidator

Subject to Article 35.3, if the Company is wound up the liquidator may with the sanction of a special resolution of the Company:

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

35.3 **Payment to Liquidator**

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

36. INDEMNITY

36.1 **Indemnity of Directors**

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

- (a) a liability owed to the Company or a Related Company;
- (b) a liability for a penalty order under section 1317G of the Act or a compensation order under section 1317H of the Act;
- (c) a liability that is owed to someone other than the Company or a Related Company and did not arise out of conduct in good faith; or
- (d) any other liability that may not be indemnified by law.

36.2 **Indemnity of Auditors Officers or Employees**

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

- (a) a liability owed to the Company or a Related Company;
- (b) a liability for a penalty order under S1317G of the Actor a compensation order under Section 1317H of the Act; or
- (c) a liability that is owed to someone other than the Company or a Related Company and did not arise out of conduct in good faith.

36.3 **Indemnity for legal costs**

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

- (a) in defending or resisting proceedings in which the person is found to have a liability for which they could not be indemnified under the Act or Article 36.1 or 36.2;
- (b) in defending or resisting criminal proceedings in which the person is found guilty;

- (c) in defending or resisting proceedings brought by ASIC or a liquidator for a court order if the grounds for making the order are found by the court to have been established (other than costs incurred in responding to actions taken by a ASIC or the liquidator as part of an investigation before commencing proceedings for the court order); or
- (d) in connection with proceedings for relief to the person under the Act in which the Court denies the relief.

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

36.4 **Payment for Insurance Premiums**

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

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

37. DISCLOSURE OF INTERESTS IN SHARES

37.1 **Duties to Notify**

A member must notify the Company of the percentage of voting rights held by that member, if the percentage of voting rights which that member holds directly or indirectly, and whether as Member or through that member's direct or indirect holding of Qualifying Financial Instruments (or through a combination of such holdings):

- (a) reaches, exceeds or falls below:
 - (i) 5 per cent. of the total voting rights attaching to securities on issue by the Company from time to time ("**5 percent**"), and
 - (ii) after having reached 5 percent, each further 5 per cent of the total voting rights attaching to securities in issue by the Company from time to time above 5 percent, up to and including 30 per cent, and
 - (iii) 50 per cent of the total voting rights attaching to securities in issue by the Company from time to time; and
 - (iv) 75 per cent of the total voting rights attaching to securities in issue by the Company from time to time,

(each a “**Threshold**”); or

- (b) reaches, exceeds or falls below a Threshold as a result of any circumstances which change the way in which any of those voting rights are held, and on the basis of information disclosed by the Company in accordance with Article 37.3,

such notification to be made to the Company without delay and in any event before the end of the second business day on which the obligation arises.

37.2 The Company shall, on receipt of a notice pursuant to Article 37.1, notify a Regulatory Information Service without delay.

37.3 At the end of each calendar month during which an increase or decrease has occurred, the Company must notify to a Regulatory Information Service for distribution to the public:

- (a) the total number of voting rights and capital in respect of each class of share which it issues; and
- (b) the total number of voting rights attaching to shares of the Company which are held by it in treasury (if any).

37.4 In the event that the total number of voting rights in respect of any class of shares issued by the Company increases or decreases by 1 per cent or more following completion of a transaction by the Company, then, notwithstanding Article 37.3, the Company must notify a Regulatory Information Service without delay.

37.5 A notification given by:

- (a) a person to the Company in accordance with Article 37.1; or
- (b) the Company to a Regulatory Information Service in accordance with Articles 37.2 to 37.4 (inclusive), shall include the following information:
 - (i) the resulting situation in terms of voting rights and the date on which the relevant Threshold was reached or crossed;
 - (ii) if applicable, the chain of controlled undertakings through which voting rights are effectively held;
 - (iii) so far as known, the identity of the member, even if that member is not entitled to exercise voting rights and of the person entitled to exercise voting rights on behalf of that member;
 - (iv) the price, amount and class of shares concerned;
 - (v) in the case of a holding of Qualifying Financial Instruments, the following information must also be disclosed: (1) for the Qualifying Financial Instruments with an exercise period, an indication of the date or time period where shares will or can be acquired, if applicable; (2) the date of maturity or expiration of the Qualifying Financial Instruments; (3) the identity of the holder; (4) the name of the underlying

company; and (5) the detailed nature of the Qualifying Financial Instruments, including full details of the exposure to shares; and

- (vi) any other information reasonably included or required to be included, as the case may be, by the Company.

37.6 If the Company determines that the person upon whom a notification obligation has occurred pursuant to Article 37.1 has not notified the Company as required, the Company shall have the right, but not the obligation, to serve the person in default a Direction Notice in accordance with Article 37.13.

37.7 **Register of Substantial Interests**

The Directors shall keep a register for the purposes of Articles 37.7 to 37.8 (inclusive) (the “**Register of Substantial Interests**”) and shall procure that, whenever the Company receives information from a person in consequence of the fulfilment of an obligation imposed on him by Article 37.1, that information is within three Business Days thereafter written up in the Register of Substantial Interests against that person's name, together with the date of the inscription.

37.8 The Register of Substantial Interests shall be kept at the registered office of the Company or at any other place determined by the Directors.

37.9 **Interpretation of Article 37.1 to 37.8**

In Articles 37.1 to 37.8 (inclusive) a person's percentage interest in voting rights is to be calculated on the basis of all the shares to which voting rights are attached even if the exercise of such rights is suspended. The number of voting rights to be considered when calculating whether a Threshold has been reached, exceeded or fallen below is the number of voting rights in existence according to the Company's most recent disclosure made in accordance with Articles 37.2 or 37.3.

37.10 For the purposes of Articles 37.1 to 37.8 (inclusive), a person is an indirect holder of shares to the extent that he is entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

- (a) voting rights held by a third party with whom that person has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the Company;
- (b) voting rights held by a third party under an agreement concluded with that person providing for the temporary transfer for consideration of the voting rights in question;
- (c) voting rights attaching to shares which are lodged as collateral with that person provided that person controls the voting rights and declares its intention of exercising them;
- (d) voting rights attaching to shares in which that person has the life interest;
- (e) voting rights which are held, or may be exercised within the meaning of Articles 37.10(a) to 37.10(d) or, in the case of Articles 37.10(f) and 37.10(h),

by a person undertaking investment management, or by a management company, by an undertaking controlled by that person;

- (f) voting rights attaching to shares deposited with that person which the person can exercise at its discretion in the absence of specific instructions from the members;
- (g) voting rights held by a third party in his own name on behalf of that person;
- (h) voting rights which that person may exercise as a proxy where that person can exercise the voting rights at his discretion in the absence of specific instructions from the members.

37.11 For the purposes of Articles 37.1 to 37.8 (inclusive), voting rights attaching to the following shares are to be disregarded for the purposes of determining whether a person has a notification obligation:

- (a) shares acquired for the sole purpose of clearing and settlement within a settlement cycle not exceeding the period beginning with the transaction and ending at the close of the third trading day following the day of the execution of the transaction (irrespective of whether the transaction is conducted on-exchange);
- (b) shares held by a custodian (or nominee) in its custodian (or nominee) capacity (whether operating from an establishment in the UK or elsewhere) provided such a person can only exercise the voting rights attached to such shares under instructions given in writing or by electronic means;
- (c) shares held by a market maker acting in that capacity subject to the percentage of such shares not being equal to or in excess of 10% of the total voting rights attaching to securities on issue by the Company from time to time;
- (d) shares held or shares underlying financial instruments to the extent that such financial instruments are held by a credit institution or investment firm provided that:
 - (i) the shares, or financial instruments, are held within the trading book of the credit institution or investment firm;
 - (ii) the voting rights attached to such shares do not exceed 5% of the total voting rights attaching to securities on issue by the Company from time to time; and
 - (iii) the credit institution, or investment firm, ensures that the voting rights attached to shares in, or related to financial instruments in, the trading book are not exercised or otherwise used to intervene in the management of the Company;
- (e) shares held by a collateral taker under a collateral transaction which involves the outright transfer of securities provided the collateral taker does not declare

any intention of exercising (and does not exercise) the voting rights attaching to such shares; and

- (f) shares acquired by a borrower under a stock lending agreement provided that:
 - (i) such shares (or equivalent stock) are on-lent or otherwise disposed of by the borrower by not later than close of business on the next trading day; and
 - (ii) the borrower does not declare any intention of exercising (and does not exercise) the voting rights attaching to the shares.

37.12 Articles 37.12 to 37.18 apply where the Company gives to a member or to any person appearing to be interested in a share a notice requiring any of the following information (a “**Disclosure Notice**”):

- (a) confirmation as to whether such person is or was, at any time during the three years immediately preceding the date on which the notice is issued (the “**Three Year Period**”), interested in shares comprised in the Company’s share capital;
- (b) if he is or was so interested, particulars of his own past or present interest in shares comprised in the share capital of the Company held by him at any time during the Three Year Period;
- (c) if he is presently interested in shares comprised in the Company’s share capital and any other interest in the shares persists (or in any case where another interest in the shares subsisted during the Three Year Period at any time when his own interest subsisted), such particulars (so far as lies within his knowledge) with respect to that other interest as may be required by the Disclosure Notice;
- (d) if he was interested in shares comprised in the Company’s share capital during the Three Year Period but is no longer interested, particulars (so far as lies within his knowledge) of the identity of the person who had that interest immediately upon him ceasing to hold it.

If a Disclosure Notice is given by the Company to a person appearing to be interested in any shares, a copy shall at the same time be given to the holding member, but the accidental omission to do so or the non-receipt of the copy by the member shall not prejudice the operation of the provisions of Articles 37.1 to 37.12.

37.13 If at any time the Directors are satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a Disclosure Notice and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Directors may, in their absolute discretion at any time thereafter by notice (a “**Direction Notice**”) to such member direct that:

- (a) in respect of the shares in relation to which the default occurred (the “**Default Shares**”) the member shall not be entitled to vote at a general meeting either

personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company;

- (b) where the Default Shares represent at least 1/4 per cent. of the total number of shares of the class concerned less any shares of that class held in escrow by the Company, then the Direction Notice may additionally direct that:
 - (i) except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the Default Shares, whether in respect of capital or dividend or otherwise;
 - (ii) no other distribution shall be made on the Default Shares;
 - (iii) no transfer of any of the shares held by such member shall be registered unless:
 - (A) the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in such form as the Directors may in their absolute discretion require to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; or
 - (B) the transfer is an approved transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any Direction Notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

37.14 Any Direction Notice shall cease to have effect:

- (a) in relation to any shares which are transferred by such member by means of an approved transfer; or
- (b) when the Directors are satisfied that such member and any other person appearing to be interested in shares held by such member, has given to the Company the information required by the relevant notice.

37.15 The Directors may at any time give notice cancelling a Direction Notice.

37.16 For the purposes of Articles 37.12 to 37.18:

- (a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification which either (i) names such person as being so interested, or (ii) fails to establish the identities of all those interested in the shares and (after taking into account any such notification and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (b) the prescribed period is 28 days from the date of service of the said notice unless the Default Shares represent at least 1/4 per cent. of the total number

of shares of the class concerned less any shares of that class held in treasury by the Company, when the prescribed period is 14 days from that date; and

- (c) a transfer of shares is an approved transfer if but only if:
- (i) it is a transfer of shares to an offer or by way or in pursuance of acceptance of a "Takeover Bid", meaning an offer to acquire all the shares, or all the shares of any class or classes in the Company (other than shares which at the date of the offer are already held by the offeror), being an offer on terms which are the same in relation to all the shares to which the offer relates or, where those shares include shares of different classes, in relation to all the shares of each class; or
 - (ii) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares the subject of the transfer to a party unconnected with the member and with other persons appearing to be interested in such shares; or
 - (iii) the transfer results from a sale made through a recognised investment exchange as defined under Australian law or any other investment exchange on which the Company's shares are normally traded.

37.17 If any dividend or other distribution is withheld under Article 37.13 above, the member shall be entitled to receive it as soon as practicable after the restrictions contained in Article 37.13 cease to apply.

37.18 If, while any of the restrictions referred to above apply to a share, another share is allotted as of right pursuant to the rights attached to such share, the same restrictions shall apply to that other share as if it were a Default Share. For this purpose, shares which the Company allots, or procures to be offered, pro rata (disregarding fractional entitlements) to holders of shares of the same class as the Default Share shall be treated as shares allotted as of right of existing shares from the date on which the allotment is unconditional or in the case of shares so offered, the date of the acceptance of the offer.

38. FRACTIONAL ENTITLEMENTS AND DIFFICULTIES

The Directors may determine as they think fit the manner in which fractional entitlements or any difficulties relating to distribution and adjustment of the rights of the members themselves are to be dealt with and, without limitation, may:

- 38.1 specify that fractions are to be disregarded or that any fractional entitlements are to be increased to the next whole number;
- 38.2 make cash payments in lieu of fractional entitlements or sell shares not divisible by reason of fractional entitlements and account for the net proceeds of sale to members entitled to such fractions proportionately;
- 38.3 fix the value for distribution of any specific assets or any part of those assets;
- 38.4 vest any such cash shares or specific assets in trustees upon trusts for the persons entitled to the dividend or capitalised sum; or

- 38.5 appoint a person to sign a contract, on behalf of the Members entitled to any further shares or debentures upon the capitalisation, with the Company providing for the issue to them, credited as fully paid up, of any such further shares or debentures or for the payment by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised.