

**TEACHERS MUTUAL
BANK LIMITED**

TEACHERS MUTUAL BANK LIMITED

Constitution

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Constitution

Division 1. - Introductory Matters

1.1 DEFINITIONS

In this Constitution, unless the context requires otherwise:

ADI means a body corporate that APRA has authorised to conduct banking business in Australia under the Banking Act

APRA means the Australian Prudential Regulation Authority

Banking Act means the Banking Act 1959 (Cth)

board means the board of directors

clearing and settlement facility means a “licensed CS facility” as defined in the Corporations Act

common bond refers to the common bond of membership set out in Appendix 2

company means Teachers Mutual Bank Limited ABN 30 087 650 459

Corporations Act means the Corporations Act 2001 (Cth)

deposit means the placement of money in an account that the company conducts in the ordinary course of its banking business

director means a director for the time being of the company

electronic voting system means a system approved by the board which enables members to submit their vote by electronic means

financial accommodation means:

- (a) an advance;
- (b) money paid for, on behalf of or at the request of a person (other than by drawing on the person's deposit account with the company);
- (c) a forbearance to require payment of money owing on any account; and

- (d) a transaction that, in substance, effects a loan or is regarded by the parties to the transaction as a loan, that the company provides or enters into in the ordinary course of its banking business

fit and proper policy means a written policy adopted by the board relating to the fitness and propriety of directors, senior managers and auditors of the company, complying with prudential standard CPS 520 or any other prudential standard or provision of law which is from time to time applicable

general meeting means a general meeting of the members and any MCI holders

material personal interest has the same meaning as in Part 2D.1 of the Corporations Act

MCI means a share that is a mutual capital instrument for the purposes of section 167AD of the Corporations Act as described in Appendix 3 Division 2

MCI holder means a person who is a holder of an MCI and whose name the company has entered for the time being in the register of members as a member of the company (within the meaning of the Corporations Act)

MCI mutual entity has the meaning given by section 167AC of the Corporations Act

member means a person who is the holder of a member share and whose name the company has entered for the time being in the register of members

member share means a share as described in Appendix 3 Division 1

nominations committee means the committee appointed by the board in accordance with Appendix 5

prudential standard means:

- (a) any prudential standard that APRA determines under the Banking Act; and
- (b) any prudential requirement regulation made under the Banking Act

register of members means the register of members the company keeps under the Corporations Act

secretary means a secretary for the time being of the company

subscription price means:

- (a) in relation to a member share, the amount payable by a person on subscription for a member share; and

- (b) in relation to an MCI, the amount payable by a person on subscription for an MCI or, if the MCI was created on conversion of a capital instrument in accordance with prudential standards determined by APRA, the nominal dollar value of that capital instrument prior to conversion into the MCI

voting MCI holder means an MCI holder eligible to vote under the terms of issue of the relevant MCI, as context requires

1.2 INTERPRETATION

- (1) In this Constitution, unless the context requires otherwise:
 - (a) the singular includes the plural and vice versa;
 - (b) where an expression is defined in this Constitution, any other grammatical form of the expression has a corresponding meaning;
 - (c) words and expressions defined in the Corporations Act have the same meaning in this Constitution;
 - (d) headings are for purposes of convenience only and do not affect the interpretation of this Constitution;
 - (e) a reference to a statute or regulation includes all amendments, consolidations or replacements of the statute or regulation;
 - (f) a reference to this Constitution or another instrument includes all amendments or replacements of the Constitution or the other instrument; and
 - (g) a reference to a statutory or other body that ceases to exist or the powers and functions of which are transferred to another body includes a reference to the body;
 - (i) that replaces it; or
 - (ii) to which substantially all the powers and functions relevant to this Constitution are transferred.
- (2) The notes to this Constitution are for purposes of convenience only and do not affect the interpretation of this Constitution. The notes do not form part of this Constitution and may be removed or modified without the company complying with the Corporations Act requirements that apply to removal or modification of constitutional provisions.

1.3 TIME

Unless expressly provided otherwise, when this Constitution, or any notice given under this Constitution, states a time or period of time, the time stated is, or the period of time is calculated by reference to, standard time or summer time, as the case may be, at the company's registered office.

1.4 REPLACEABLE RULES DO NOT APPLY

The replaceable rules in the Corporations Act do not apply.

1.5 NOTICES

- (1) This Rule applies to all notices and documents that the Corporations Act or this Constitution requires a party to this Constitution to send to another party to this Constitution.
- (2) In this Rule, business day means a day that is not:
 - (a) a Saturday or Sunday; or
 - (b) a public holiday or bank holiday in the place where the notice is received.
- (3) A person giving a notice must do so in writing and must address it to the recipient at the following respective addresses:
 - (a) if to the company – at its registered office or such other address as the company specifies to members from time-to-time; and
 - (b) if to a member or MCI holder– at the member's or MCI holder's address appearing on the register of members from time-to-time or in any manner permitted by the Corporations Act and in accordance with any relevant terms of issue of the member share or the MCI.

Note: Subrule 3.3(3) deals with sending notices to joint members.

- (4) A person may deliver a notice or other document to another person in any of the ways set out in column 2 of this table (or in any manner permitted by the Corporations Act and in accordance with any relevant terms of issue of the member shares or MCIs). The other person receives the notice at the time set out in column 3:

Delivery Method	Time Person Receives Notice
1 Hand delivering the notice personally	The other person receives the notice: <ol style="list-style-type: none"> (i) if hand delivered before 4.00 pm on a business day – on that business day (ii) if hand delivered after 4.00 pm on a business day – on the next business day

- (iii) if hand delivered on a day other than a business day – on the next business day

- 2 Sending the notice by pre-paid post The other person receives the notice on the third business day after posting unless it is actually delivered earlier

- 3 Sending the notice by facsimile transmission The other person receives the notice:
 - (i) if sent before 5.00 pm on a business day – on that business day
 - (ii) if sent after 5.00 pm on a business day – on the next business day
 - (iii) if sent on a day other than a business day – on the next business day

This rule does not apply where the person sending the facsimile has evidence that the transmission was unsuccessful

- 4 Sending the notice by electronic means The other person receives the notice:
 - (i) if sent before 5.00 pm on a business day – on that business day
 - (ii) if sent after 5.00 pm on a business day – on the next business day
 - (iii) if sent on a day other than a business day – on the next business day

This rule does not apply where the person sending the notice by electronic means has evidence that the notice did not reach the other person's electronic address

Division 2. – Objects and Limit on Powers

2.1 OBJECTS

The company has the objects set out in Appendix 1.

2.2 CUSTOMERS

The company may only provide financial accommodation to members, ADIs or bodies that do not have the power to acquire, or that the law prohibits from acquiring, the company's member shares, but may accept deposits from members, MCI holders and non-members.

Division 3. – Membership

3.1 ADMISSION TO MEMBERSHIP

- (1) Subject to any other rule allowing admission of members, the company may admit a person as a member only if:
 - (a) the person makes a written application in a form the company requires;
 - (b) the person provides evidence, satisfactory to the company, that the person is eligible to be a member under the common bond;
 - (c) the person applies for a member share; and
 - (d) the person pays the subscription price for the member share.
- (2) The board has an absolute discretion in exercising the company's power to admit members without any obligation to give a reason for not admitting a person as a member.
- (3) When the company admits a person as a member, the company must:
 - (a) issue the member share to the person;
 - (b) enter the person's particulars in the register of members as required by the Corporations Act; and
 - (c) give the person notice that it has admitted the person as a member.

3.2 DELEGATION OF POWER TO ADMIT MEMBERS

The board may delegate its power to admit members to officers of the company. The delegation must not include authority to further delegate the power to admit members.

3.3 JOINT MEMBERS

- (1) The company may admit 2 or more persons eligible for admission under Subrule 3.1(1) as a joint member of the company.
- (2) The persons constituting the joint member may determine the order in which their names appear in the register of members. If the persons constituting the joint member do not do so, the company may determine the order in which their names appear in the register of members.
- (3) The person named first in the register of members is the primary joint member. The company may duly send any notice, certificate or other document to the joint member by sending it to the primary joint member. Only the primary joint member is entitled to vote on behalf of the joint member.

- (4) At any time, the joint member may give the company a notice requiring the company to change the primary joint member or otherwise change the order in which their names appear in the register of members. Each person constituting the joint member must sign the notice. The company must change the register of members as soon as practicable after receiving the notice.
- (5) Any person constituting a joint member may give an effective receipt for any distribution on winding-up or return of capital in relation to the jointly held member share.
- (6) The company may accept deposits from, or provide financial accommodation to, the joint member or to any person constituting the joint member.
- (7) The persons constituting a joint member are jointly and individually liable for any liability that the joint member may have in relation to the jointly held member share.

Division 4. - Termination of Membership

4.1 REMOVAL OF THE MEMBER'S NAME FROM THE REGISTER OF MEMBERS

The company can remove the member's name from the register of members as a holder of member shares if:

- (a) the company redeems the member's member share under Rule 4.2, Rule 4.3 or Rule 4.4;
- (b) being an individual - the member dies; or
- (c) being a body corporate - the member is deregistered or dissolved.

4.2 MEMBER'S REQUEST FOR TERMINATION

- (1) A member may request termination of their membership but only upon withdrawing all deposits and repaying all financial accommodation.
- (2) If a member makes a request under Subrule (1), the company must redeem the member's member share as soon as practicable after receiving the request. However, the company may defer redeeming the member's member share until the board is satisfied that the member has withdrawn all deposits and repaid all financial accommodation.

4.3 TERMINATION BY THE BOARD

- (1) The company may redeem a member share if the member:
 - (a) fails to discharge their obligations to the company;
 - (b) is guilty of conduct that the board reasonably considers to be detrimental to the company; or
 - (c) obtains membership by misrepresentation or mistake.
- (2) On redeeming the member share, the company may pay the amount payable on redemption of the member share to the member by either:
 - (a) sending a cheque to the member's address as set out in the register of members; or
 - (b) crediting any of the member's accounts with the company,

at the time the member share is redeemed.

4.4 TERMINATION WHERE ACCOUNTS DORMANT

- (1) This rule does not apply to a retirement savings account to the extent that the Retirement Savings Account Act 1997 (Cth) provides otherwise.
- (2) The company may:
 - (a) determine that a member's deposit accounts are dormant; and
 - (b) redeem the member's member share

by board resolution if the member has not initiated any transactions in relation to any deposit account in the 12 month period before the date of the resolution.
- (3) The company must send notice of the proposed resolution under Subrule (2) to the member at the member's last known address as shown on the register of members at least 28 days before considering the proposed resolution.
- (4) On redemption of the member share the company must pay the amount payable on redemption of the member share into the member's account.
- (5) If the company redeems a person's member share under this rule, the person may require the company to reinstate the person's deposit accounts at any time before the company pays the money in the deposit account in accordance with the relevant unclaimed money legislation. If the person requires the company to reinstate the person's deposit accounts:
 - (a) the company must reinstate the person's deposit accounts as soon as practicable; and
 - (b) if the company has redeemed their member share - the company must issue a member share to the person and may debit their deposit account for the subscription amount.

Division 5. - Issue of Shares

5.1 CLASSES OF SHARES

The company may only issue member shares and MCIs.

5.2 BOARD POWER TO ISSUE SHARES

The board may exercise the company's power to issue member shares and MCIs on an on-going basis.

5.3 RESTRICTION ON ISSUE OF MEMBER SHARES

- (1) The company must not issue:
 - (a) options to subscribe for member shares;
 - (b) securities that may be converted to member shares; or
 - (c) securities with pre-emptive rights to member shares.
- (2) The company may only issue member shares on the basis that the person pays the full subscription price in cash on issue.
- (3) The company may only issue 1 member share to any person.

5.4 CERTIFICATES FOR MCIS

- (1) This Rule does not apply to member shares.
- (2) If the company is required by the Corporations Act to issue a share certificate to an MCI holder in respect of MCIs, the MCI holder may require the company to issue without charge a certificate for the MCIs that complies with the Corporations Act and deliver it to the holder of the MCIs in accordance with the Corporations Act.
- (3) Except as otherwise provided in the terms of issue of the MCIs, the company must issue a new certificate if a certificate is lost or destroyed and the MCI holder complies with the Corporations Act or if the certificate is defaced or worn and is produced to the company.

5.5 TRANSFER OF MCIS

Subject to this Constitution and the rights and restrictions attached to MCIs, an MCI holder may transfer any of their MCIs by an instrument in writing in the form approved by the board or in such other manner as the board determines.

Note: Subrule 5.7 prevents the company registering a transfer of an MCI in some situations, even though the transfer complies with the requirements set out in this Rule.

5.6 OWNERSHIP OF MCI TRANSFER

On receiving an MCI transfer (or a document that appears to be an MCI transfer), the company becomes the owner of the MCI transfer and has a right to exclusive possession of the MCI transfer.

5.7 REGISTRATION OF MCI TRANSFER

- (1) The company must not register a transfer of an MCI if:
 - (a) the terms of issue for the MCIs prohibit the transfer of the MCIs to the transferee;
 - (b) the share transfer is not in the form required by Rule 5.5; or
 - (c) if the transfer of the MCIs is dutiable — the share transfer is not duly stamped.
- (2) The company may refuse to register a transfer of an MCI unless:
 - (a) the MCI is fully paid;
 - (b) the company does not have a lien on the MCI;
 - (c) the transferor has executed the share transfer;
 - (d) the transferee has executed the share transfer;
 - (e) the certificate for the MCI accompanies the share transfer; and
 - (f) the board has all information that it reasonably requires to establish the right of the transferor to transfer the MCI.
- (3) The transferor of MCIs remains the holder of those MCIs until the company enters the transferee's name as holder of those MCIs in the register of members.

5.8 POWERS OF ATTORNEY

- (1) The company may assume that a power of attorney authorising the attorney to transfer some or all of the MCI holder's MCIs that the MCI holder appears to have granted:
 - (a) is a valid and effective grant of the power it appears to grant; and
 - (b) continues in full force and effect.
- (2) The company may rely on the power of attorney until it receives a notice informing it that:

- (a) the power of attorney has been revoked; or
- (b) the MCI holder has died or been wound up.

5.9 TRANSMISSION OF MCIS

- (1) On the death of an MCI holder, the company may recognise either the personal representative of the deceased MCI holder or another person who appears to the board to be entitled to the deceased MCI holder's estate as being entitled to the deceased's interest in the MCIs.
- (2) If the personal representative gives the board the information it reasonably requires to establish an entitlement to be registered as holder of the deceased's MCIs, the personal representative may elect to be registered as the holder of the MCIs.
- (3) If the trustee of a bankrupt MCI holder's estate gives the board the information it reasonably requires to establish the trustee's entitlement to be registered as holder of the MCIs, the trustee may require the company to register the trustee as holder of the MCIs.
- (4) If a person entitled to MCIs because of an MCI holder's mental incapacity gives the board the information it reasonably requires to establish the person's entitlement to be registered as the holder of the MCIs:
 - (a) the person may require the company to register them as the holder of the MCIs; and
 - (b) whether or not registered as the holder of the MCIs, the person has the same rights, obligations and restrictions as the incapacitated MCI holder.
- (5) Subject to the Corporations Act, the provisions of Rules 5.5 – 5.9 (inclusive) do not apply to a transfer of an MCI effected through a clearing and settlement facility to the extent provided in the terms of issue applicable to the MCI.

Division 6. - Dividends

In relation to an MCI, the Rules under this Division 6 are subject to Rule A3-8(3) under Appendix 3 Division 2.

6.1 PAYMENT OF DIVIDENDS

- (1) The board may determine that the company pay a dividend on shares to which a right to participate in dividends attaches and may determine:
 - (a) the amount of the dividend; and
 - (b) the time for payment of the dividend; and
 - (c) the method of payment of the dividend.

The method of payment may include the payment of cash, the issue of securities and the transfer of assets. Where the company pays the dividend other than in cash, the board may fix the value of any securities issued or assets transferred.

- (2) If the terms of issue for a share require the AGM's approval of any payment of a dividend on the share, the board's determination under Subrule (1) is effective only if the AGM approves the dividend before the time for payment of the dividend arrives. The AGM may not vary the board's determination.

6.2 DIFFERENTIAL DIVIDENDS

Subject to the terms on which shares in a class are issued, the board may determine dividends to different members in a class that differ:

- (a) in amount; and
- (b) in the method of payment (whether cash, securities, assets or any combination of them).

6.3 INTEREST ON DIVIDENDS

Interest is not payable on a dividend.

Division 7. - Holding General Meetings

7.1 CALLING MEETINGS OF MEMBERS

The board may call a general meeting.

7.2 ADJOURNING MEETINGS OF MEMBERS

- (1) The chair of a general meeting at which a quorum is present:
 - (a) may adjourn the meeting with the consent of the meeting by ordinary resolution; and
 - (b) must adjourn the meeting if directed by ordinary resolution.
- (2) The company must give notice of an adjourned general meeting if the adjournment is for 21 days or more.
- (3) The only business that an adjourned general meeting may deal with is business unfinished at the general meeting that was adjourned.

7.3 PROCEEDINGS AT MEMBERS' MEETINGS

- (1) The quorum for a general meeting is 25 members present in person or if an electronic voting system is to be used for a general meeting that allows members to participate in the meeting and to vote by electronic means, 25 members present in person or by electronic means.
- (2) If a quorum is not present within 30 minutes after the time for the general meeting set out in the notice of meeting, the meeting is adjourned to the date, time and place the board specifies. If the board does not specify 1 or more of those things, the meeting is adjourned to:
 - (a) if the date is not specified - the same day in the next week;
 - (b) if the time is not specified - the same time; and
 - (c) if the place is not specified - the same place.

If no quorum is present at the resumed meeting within 30 minutes after the time for the meeting, the meeting is dissolved.

- (3) The chair of general meetings is:
 - (a) the chair of meetings of the board; or
 - (b) if the chair of meetings of the board is not present or declines to act for the meeting (or part of it) - the deputy chair of meetings of the board.

If the chair or deputy chair of meetings of the board is not available within 30 minutes of the appointed start of the meeting, or declines to act, the members and any voting MCI holders must elect an individual present to chair the meeting.

- (4) The standing orders in Appendix 4 apply to the conduct of debate at general meetings.

Division 8. - Voting at General Meetings

8.1 VOTING

- (1) A resolution put to the vote at a general meeting must be decided on a show of hands unless a poll is demanded.
- (2) If the company has an electronic voting system which permits members and voting MCI holders to vote at or prior to a meeting by electronic means on a show of hands or a poll, a vote cast by a member or a voting MCI holder by electronic means is taken to have been cast on the show of hands or poll and is to be counted accordingly.
- (3) If a member or a voting MCI holder has voted on a resolution by electronic means prior to a meeting the member or voting MCI holder may not cast another vote on the resolution at the meeting.
- (4) Before a general meeting votes by a show of hands on a resolution, the chair must inform the meeting if any votes have been received by electronic means prior to the meeting and, if so:
 - (a) how many valid votes by electronic means the company has received prior to the meeting; and
 - (b) how the votes received by electronic means prior to the meeting have voted on the resolution.
- (5) Before a general meeting votes by poll on a resolution, the chair must inform the meeting:
 - (a) If any proxy votes have been received and, if so:
 - (i) how many proxy documents the company has received that validly appoint a person present at the meeting as proxy;
 - (ii) how many of these proxy documents direct the proxies how to vote on the resolution; and
 - (iii) how the proxies are directed to vote on the resolution.
 - (b) If any votes have been received by electronic means prior to the meeting and, if so:
 - (i) how many valid votes by electronic means the company has received prior to the meeting; and
 - (ii) how the votes received by electronic means prior to the meeting have voted on the resolution.
- (6) The general meeting passes an ordinary resolution only if more than half the total number of votes cast on the resolution are in favour of it.
- (7) The chair does not have a casting vote in addition to his or her deliberative vote.

8.2 VOTING ON A SHOW OF HANDS

On a show of hands, the chair's declaration is conclusive evidence of the result, so long as the declaration reflects the show of hands. Neither the chair nor the minutes need to state the number or proportion of the

votes recorded in favour or against the resolution. The minutes only need to record that the resolution was passed or not passed.

8.3 VOTING ON A POLL

- (1) A poll cannot be demanded on any resolution concerning the election of a person to chair the general meeting.
- (2) A poll on the question of an adjournment must be taken immediately. The chair may direct when and the manner in which any other poll must be taken.
- (3) The general meeting may conduct other business even though a poll is demanded on a resolution.

8.4 BODY CORPORATE REPRESENTATIVES

- (1) A member or voting MCI holder that appoints a body corporate representative must give the company:
 - (a) if the member or voting MCI holder appointed the representative by board resolution - a certified copy of the board resolution appointing the representative; and
 - (b) otherwise - a copy of the instrument appointing the representative,as soon as practicable after appointing the representative, and in any event before any general meeting at which the representative may exercise the member's or voting MCI holder's rights.
- (2) In addition to the rights and powers a representative may exercise under the Corporations Act, a member's representative may exercise the member's right to vote in a ballot to appoint directors by election.

8.5 PROXIES

- (1) The board may determine the form of proxy document from time-to-time.
- (2) An appointment of a proxy is not invalid merely because it does not contain all the information required for a valid proxy appointment, so long as it contains:
 - (a) the member's or voting MCI holder's name; and
 - (b) the proxy's name or the name of the office that the proxy holds.
- (3) A proxy does not have a right to vote on a show of hands.
- (4) Unless the company receives written notice of the matter before the meeting at which the relevant vote starts or resumes, a proxy's vote at the meeting will be valid if, before the proxy votes:

- (a) the appointing member or voting MCI holder dies;
- (b) the member or voting MCI holder is mentally incapacitated;
- (c) the member or voting MCI holder revokes the proxy's appointment; or
- (d) the member or voting MCI holder revokes the authority under which the proxy was appointed by a third party.

8.6 OBJECTIONS

An objection to the qualification of a voter:

- (a) may only be made at the general meeting or adjourned general meeting at which the vote objected to is cast; and
- (b) must be ruled upon by the chair whose decision is final.

Division 9. - Directors - Appointment and Vacation of Office

9.1 NUMBER OF DIRECTORS

The company must have such number of directors being not less than 7 and not more than 10 as the board from time to time determines of which:

- (a) not more than 7 may be elected or appointed by members (“**elected director**”); and
- (b) not more than 4 may be appointed by the board (“**appointed director**”).

9.2 ELIGIBILITY TO BE A DIRECTOR

An individual is eligible to be a director if the person:

- (a) is a member;
- (b) is not disqualified or prevented by law from being a director;
- (c) has not had a personal representative or trustee appointed to administer the person’s estate or property because of their mental incapacity; and
- (d) is not an employee of the company.

9.3A APPOINTMENT BY MEMBERS - ELECTION

A person may be appointed by the members to be an elected director in accordance with the provisions of Appendix 5.

9.3B APPOINTMENT BY BOARD - APPOINTED DIRECTORS

- (1) The board may at any time appoint a person as an appointed director if it resolves that the appointment would assist the company to comply with a prudential standard.
- (2) Any such appointment must specify the appointed director’s term of office. An initial appointment must be for not more than 3 years and any reappointment must be for not more than 3 years.
- (3) The board may only appoint a person who is eligible to be a director under Rule 9.2.

9.4 APPOINTMENT BY BOARD - CASUAL ELECTED DIRECTOR VACANCIES

- (1) The board may appoint a person to be an elected director:
 - (a) if an elected director's office becomes vacant other than because the elected director's term of office has ended; or
 - (b) if, for any other reason, the number of elected directors is less than the maximum under Rule 9.1(a).

The board may only appoint a person who is eligible to be a director under Rule 9.2.
- (2) The term of office for a director appointed to fill a vacancy in paragraph (1)(a) ends at the end of the term of office of the elected director whose office has become vacant.
- (3) The term of office for a director appointed to fill a vacancy in paragraph (1)(b) ends at the end of the next AGM after the director's appointment.

9.5 TERM OF OFFICE

- (1) Subject to the Corporations Act and the rotation provisions in this Rule, an elected director's term of office:
 - (a) starts at the end of the AGM at which the director's election is announced; and
 - (b) ends at the end of the third AGM after the AGM at which the director's election is announced.
- (2) If the number of directors that members appoint is more than a third of the maximum number of elected directors on the board in Rule 9.1:
 - (a) the term of office for the third of the elected directors that receives the most votes at the election ends at the end of the third AGM after the AGM at which the directors' election is announced; and
 - (b) the term of office for the remainder ends at the end of earlier AGMs where less than a third of the elected directors are due to retire at those earlier AGMs.

Directors with less votes retire at earlier AGMs than those with more votes.

- (3) For purposes of Subrule (2):
 - (a) if the number of elected directors on the board is not divisible by 3 - round fractions up to the nearest whole number in determining how many directors there are in a third or in two thirds of the elected directors; and

- (b) if 2 or more elected directors have the same number of votes - the order of retirement amongst them is determined by lot.

9.6 AUTOMATIC VACATION OF OFFICE

The office of a director automatically becomes vacant if the director:

- (a) dies;
- (b) ceases to be eligible to be a director under Rule 9.2;
- (c) is absent from 3 consecutive ordinary meetings of the board without leave; or
- (c) is 3 months in arrears in relation to money due to the company and has failed to make arrangements for payment satisfactory to the company.

Neither the board nor the general meeting may waive the operation of this Rule.

9.7 RESIGNATION

- (1) A director may resign by giving the company notice of the director's resignation.
- (2) The director's office becomes vacant:
 - (a) if the notice of resignation specifies a date of resignation - on the date of resignation; or
 - (b) otherwise - on the date the company receives the notice of resignation.

9.8 ALTERNATE DIRECTORS

- (1) In this rule, unless the context requires otherwise:

alternate means a person that a director appoints as his or her alternate director under Subrule (2); but only in the person's capacity as the alternate director; and

appointor means the director who appoints an alternate under Subrule (2).

- (2) A person is eligible to be an alternate for a director if the person:
 - (a) is eligible to be a director under Rule 9.2; and
 - (b) is not a director.

(3) A director (but not an alternate) may give the company a notice appointing a person eligible under Subrule (2) to be his or her alternate. The notice must set out:

- (a) the name of the person to be appointed as alternate;
- (b) the term of the alternate's appointment (or that the appointment is for an indefinite term);
- (c) whether or not the appointor requires the company to give notices of board meetings to the alternate; and
- (d) whether or not the alternate can sign circulating resolutions instead of the appointor.

The notice of appointment only takes effect if the board approves the alternate's appointment.

- (4) The alternate is not the appointor's agent, but a director of the company. The alternate has all the duties, powers and rights of the appointor as a director. Except to the extent that this rule provides otherwise, all references to directors in this constitution include references to the alternate.
- (5) The company only has to give notice of board meetings to the alternate if the appointor has given the company a notice requiring it to do so.

Note: See Rule 11.1 in relation to notice of board meetings.

- (6) The alternate:
 - (a) may be present and may vote on a matter even though the appointor has a material personal interest in the matter; and
 - (b) does not breach his or her duties to the company by reason of any matter considered or voted on at a meeting at which the alternate was absent because the appointor was present.

Note: See Rule 11.2 in relation to a quorum at a board meeting. See Rule 11.4 in relation to voting on resolutions at board meetings. See Rule 12.2 in relation to directors not being present or voting on matters in relation to which they have a material personal interest.

- (7) The reference to 'all directors' in Rule 11.5 refers to:
 - (a) if the appointor notifies the company that the alternate can sign circulating resolutions instead of the appointor - the alternate and other directors but not the appointor;
 - (b) otherwise - the appointor and other directors but not the alternate.

- (8) The company must not provide remuneration to the alternate (in his or her capacity as alternate) except out of remuneration that it has allocated to the appointor. The alternate has no right to remuneration against the company. This does not affect any right to remuneration that the alternate may have against the appointor.

Note: See Rule 13.1 in relation to remuneration of directors.

- (9) The alternate's office automatically becomes vacant if:
- (a) the appointor revokes the alternate's appointment; or
 - (b) the appointor's office as a director becomes vacant (except where the appointor's term as a director ends at the end of an AGM under Rule 9.5 and the members re-elect the appointor as a director at that AGM).

The alternate's office may also become vacant in the circumstances set out in Rule 9.6 and Rule 9.7.

Division 10. - Directors' Powers

10.1 POWERS AND DUTIES OF THE BOARD

The board:

- (a) manages the company's business; and
- (b) may exercise all the powers of the company except any powers that the Corporations Act or this Constitution expressly allocates to the general meeting.

10.2 NEGOTIABLE INSTRUMENTS

The board may authorise a person or persons to sign, draw, accept, endorse or otherwise execute negotiable instruments for the company. The board may authorise the application of signatures to negotiable instruments by machine or other facsimile method.

10.3 DELEGATION

- (1) The board may delegate any of its powers to any committee or any other person or persons, subject to Rule 3.2.
- (2) The board must establish policies for the guidance of delegates in the exercise of any powers so delegated.
- (3) Without limiting its powers, the board may appoint a person to be the company's attorney for purposes, with powers (being the board's powers), for the period and on terms the board determines. In particular, the power of attorney may include terms protecting persons dealing with the attorney, as the board determines.

10.4 DUTY TO CONSIDER

In discharging their duties under this constitution, the Corporations Act and the general law, the directors of the Company:

- (a) must consider, and cause the other officers of the company to consider:
 - (i) the likely consequences of any decision or act of the company in the long term;
 - (ii) the interests of the members of the company;
 - (iii) the interests of the company's employees;
 - (iv) the need to foster the company's business relationships with suppliers, customers and others;
 - (v) the impact of the company's operations on the community and the environment;

- (vi) the desirability of the company maintaining a reputation for high standards of business conduct; and
 - (vii) the ability of the company to create an overall positive impact on society and the environment.
- (b) Need not give priority to a particular matter referred to in paragraph (a) over any other matter, unless the company has stated in this constitution that the directors of the company must give priority to certain matters related to the pursuit or creation of any objects listed in this constitution.

Division 11. - Directors' Meetings

11.1 CALLING AND CONDUCT OF BOARD MEETINGS

- (1) The board may meet, adjourn and otherwise regulate its meetings as it thinks fit.
- (2) A meeting of the board may be convened:
 - (a) by the chair;
 - (b) by any two directors; or
 - (c) by the secretary upon the authority of the chair or any two directors.
- (3) 48 hours' notice must be given of all meetings, except where:
 - (a) the chair determines there are exceptional circumstances; or
 - (b) a majority of directors authorise the secretary to convene a meeting on shorter notice.

11.2 QUORUM OF THE BOARD

- (1) The number of directors whose presence is necessary to constitute a quorum is four or a number not less than half the total number of directors, whichever is the greater.
- (2) If, within 30 minutes of the time appointed for a meeting of the board, a quorum is not present the meeting shall stand adjourned to the same day in the next week at the same time and place.
- (3) If at any time the number of directors is less than the quorum, the board may meet only for the purpose of filling any casual vacancies or for calling a general meeting of the company.
- (4) The board may conduct business by circulating resolution under Rule 11.5.

11.3 CHAIR OF BOARD

- (1) The directors shall elect one of their number as chair of their meetings and one other of their number as deputy chair and may determine the periods for which they are to hold office.
- (2) If neither the chair nor deputy chair is present within 5 minutes of the time appointed for a meeting or neither is willing to act, the directors present must elect one of their number to chair that meeting until such time as the chair of the board being in attendance is willing to so act.

- (3) Where the chair is not available to act as required by these rules the deputy chair may act in his or her place.
- (4) The chair may be removed from the position of chair by resolution of the majority of the board.

11.4 PASSING OF DIRECTORS' RESOLUTIONS

- (1) Questions arising at a meeting of the board are decided by a majority of votes of directors present and voting.
- (2) In the case of an equality of votes, the chair has a casting vote in addition to his or her deliberative vote.

11.5 CIRCULATING RESOLUTIONS

- (1) The board may pass a resolution without a board meeting if all of the directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.
- (2) Separate copies of a document may be used for signing by different directors if the wording of the resolution and statement is identical in each copy.
- (3) The resolution is passed when the last director signs.

11.6 COMMITTEES OF DIRECTORS

- (1) The board may establish one or more committees consisting of such number of directors as the board thinks fit.
- (2) The members of a committee may appoint one of their number as chair of their meetings.
- (3) Subject to any restrictions that the board imposes, a committee may meet, adjourn and otherwise regulate its meetings as it thinks fit.
- (4) Questions arising at a meeting of a committee are to be determined by a majority of votes of those present and voting.
- (5) The chair does not have a casting vote in addition to his or her deliberative vote.

Division 12. - Conflicts of Interest

12.1 DIRECTOR NOT IN BREACH IF ACTS IN MATTERS RELATING TO DIRECTOR'S INTERESTS

- (1) This Rule applies if:
 - (a) a director has an interest or duty in relation to a matter that is not a material personal interest; or
 - (b) if a director with a material personal interest in relation to the company's affairs:
 - (i) complies with the requirements of the Corporations Act in relation to disclosure of the nature and extent of the interest and its relation to the company's affairs before acting in a matter that relates to the interest; and
 - (ii) may be present and vote on the matter under the Corporations Act.
- (2) The director is not in breach of his or her duties to the company merely because he or she acts in matters that relate to the director's interest.
- (3) The director may vote on matters that relate to the director's interest.
- (4) In relation to any transactions that relate to the director's interest:
 - (a) the transactions may proceed;
 - (b) the company cannot avoid the transactions merely because of the director's interest; and
 - (c) the director may retain benefits under the transactions despite the director's interest.

12.2 DIRECTOR NOT IN BREACH IF DOES NOT ACT IN MATTERS RELATING TO DIRECTOR'S INTERESTS

- (1) This Rule applies if a director with a material personal interest in relation to a matter:
 - (a) complies with the requirements of the Corporations Act in relation to disclosure of the nature and extent of the interest and its relation to the company's affairs; but
 - (b) must not be present and vote on the matter under the Corporations Act.
- (2) The director is not in breach of duty to the company merely because he or she does not act in relation to the matter.

- (3) The board may vote on matters that relate to the director's interest in the director's absence.
- (4) In relation to any transactions that relate to the director's interest:
 - (a) the transactions may proceed;
 - (b) the company cannot avoid the transactions merely because of the director's interest; and
 - (c) the director may retain benefits under the transactions despite the director's interest.

12.3 EXECUTION OF INSTRUMENTS

A director may participate in the execution of an instrument for the company, regardless of any interest or duty that the director may have:

- (a) whether or not the director has complied with the requirements of the Corporations Act in relation to disclosure of the nature and extent of the interest and its relation to the company's affairs; and
- (b) whether or not the director may be present and vote in relation to the execution of the instrument under the Corporations Act.

Division 13. - Remuneration, Indemnity and Insurance

13.1 REMUNERATION OF DIRECTORS

- (1) The company in general meeting must determine any remuneration of directors.
- (2) In the absence of apportionment determined by the general meeting, the directors may determine how the sum of their remuneration is to be apportioned among them and how and when it is to be paid.
- (3) The directors' remuneration accrues daily from the day that the general meeting approves the remuneration to the day that the general meeting next determines the directors' remuneration.

13.2 TRAVELLING EXPENSES AND INSURANCE

In addition to any remuneration to which a director may be entitled, the company may also pay:

- (a) the director's travelling and other expenses that they properly incur in connection with the company's business; and
- (b) subject to the Corporations Act, insurance premiums for a contract that insures the director against liabilities that the director incurs as an officer of the company.

13.3 INDEMNITIES FOR OFFICERS AND FORMER OFFICERS

- (1) In this Rule indemnified person means an officer or agent, or former officer or agent, of the company.
- (2) To the extent that the Corporations Act permits:
 - (a) the company must indemnify an indemnified person against any liability that the indemnified person incurs in conducting the company's business or exercising the company's powers as an officer or agent of the company; and
 - (b) the company may indemnify, agree to indemnify or enter into (and pay premiums on) a contract of insurance in relation to an indemnified person or any other person.
- (3) The indemnity in paragraph (2)(a) applies in relation to an indemnified person for all incidents occurring during the period that person is an officer or agent of the company, even though a claim is made against the indemnified person after they have ceased to be an officer or agent of the company.

Division 14. - Administration

14.1 SEAL

- (1) The board is to provide for the safe custody of the seal.
- (2) The seal is to be used only by the authority of the directors.
- (3) The board may authorise:
 - (a) 2 directors;
 - (b) a director and a secretary;
 - (c) an employee and a secretary; or
 - (d) two employees

to witness the affixing of the seal on a document of a class specified in the resolution.

14.2 SECRETARY

Subject to Rule 14.3, the board may determine a secretary's terms of appointment, powers, duties and remuneration. At any time, the board may vary or revoke a determination, or an appointment, whatever the terms of the appointment.

14.3 RESIGNATION OF SECRETARY

- (1) A secretary may resign by giving the company notice of the secretary's resignation.
- (2) The secretary's office becomes vacant:
 - (a) if the notice of resignation specifies a date of resignation – on the date of resignation; or
 - (b) otherwise – on the date the company receives the notice of resignation.

Division 15. - Members Committee

15.1 MEMBERS COMMITTEE AND NUMBER OF COMMITTEE MEMBERS

The company will have a Members Committee made up of no more than eight elected members.

15.2 ELIGIBILITY TO BE A MEMBER OF THE COMMITTEE

A person who is an adult member and is not a director or employee of the company is eligible to be a member of the committee.

15.3 APPOINTMENT TO THE COMMITTEE

Members of the committee will be elected by members and appointed in the same manner as directors in accordance with Appendix 5.

15.4 TERM OF OFFICE

- (1) The committee members shall retire at each AGM in rotation of four and four.
- (2) The first members of the committee will be the members of the supervisory committee in office immediately after the end of the AGM held in the year 2000.
- (3) The order for retirement by rotation of the first members of the committee will be that applying to the supervisory committee in place at that time.
- (4) The provisions of Rule 9.6, Rule 9.7 and Appendix 5 shall apply, with the necessary changes, to this committee.

15.5 ROLE AND DUTIES OF THE COMMITTEE

- (1) The role and duties of the committee will be determined from time to time by the board of directors in consultation with the committee and may amongst other functions:
 - (a) provide avenues for interested members to contribute to the improvement of services to members;
 - (b) act as a source of personnel for committees, taskforces and focus groups established by the board to provide advice to the board;
 - (c) act as a source of alternate directors; and

- (d) provide an avenue for board succession through participation in professional development and by exposure to board and company policies and procedures.
- (2) Additionally, the committee will prepare, in consultation with the board, a report on the committee's activities throughout the year for distribution to membership annually.

15.6 MEMBERS COMMITTEE MEETINGS

- (1) The committee members will determine the frequency and conduct of their meetings.
- (2) A record is to be kept of meetings including attendance, agendas, minutes and reports of the committee.

15.7 CONFLICT OF INTEREST AND CONFIDENTIALITY

Members of the committee will be bound by requirements relating to conflicts of interest and confidentiality as they apply to directors.

15.8 EXPENSES

Members of the committee may be paid all reasonable expenses incurred by them in connection with authorised duties of the committee.

Appendix 1 – Objects

The company has the following objects:

- (a) to provide banking services to members to assist them to meet their financial, economic and social needs;
- (b) to promote, encourage and bring about human and social development among individual members and within the larger community within which members work or reside;
- (c) to raise funds from members by subscription, deposit or otherwise, as authorised by the Corporations Act and Banking Act;
- (d) to apply the funds in providing financial accommodation to members, subject to the Corporations Act and Banking Act;
- (e) to encourage savings amongst members;
- (f) to promote co-operative enterprise;
- (g) to further the interests of members and the communities within which they work or live through co-operation with:
 - (i) other mutual banking institutions and co-operatives; and
 - (ii) associations of mutual banking institutions and co-operatives, locally and internationally.

Whilst pursuing the above objects, the company's purpose is to have an overall positive impact on society and the environment.

Appendix 2 – Common Bond

A2-1 COMMON BOND – NATURAL PERSON

An individual is eligible to be a member under any one of the following categories:

	Category	Description
1	Employment	<p>(a) A person who is an employee in:</p> <ul style="list-style-type: none"> i) the education sector ii) the emergency services sector or iii) the health sector <p>in Australia and who is a financial member of their industrial association;</p> <p>(b) A person who is studying at an education institution in Australia to be employed in the education sector and who is a member of their industrial association;</p> <p>(c) A person who is studying at an education or training institution in Australia to be employed in either the emergency services or health sector;</p> <p>(d) A person who is a member of a member-owned health fund established by or for employees in any of the sectors referred to in (a);</p> <p>(e) A person who is an employee or paid officer of an industrial association, professional association or member-owned health fund established by or for employees in any of the sectors referred to in (a);</p> <p>(f) A retired person who was, immediately prior to their retirement, eligible under (a) or (e);</p> <p>(g) A person who is a volunteer in the emergency services sector; or</p> <p>(h) A person who is an employee of the company or any of its subsidiaries.</p>
2	Students and Graduates	<p>A person who is:</p> <ul style="list-style-type: none"> (a) a student who is studying at a university in Australia in any field other than those referred to in 1(a); or (b) a graduate of a university in Australia.
3	Family	<p>A person who is a spouse, de facto partner, parent, grandparent, child, stepchild, grandchild, brother or sister of a member or the parent, grandparent, child, stepchild, grandchild, brother or sister of a member's spouse or de facto partner.</p>
4	Approved Persons	<p>A person approved by the board who has an affinity with the company, up to a limit of twenty percent of the total number of members admitted under the other categories of this rule.</p>

5	<i>Continuing Membership</i>	A person who is a member but has ceased to be eligible for membership in accordance with the categories of membership.
6	<i>Transferring Members</i>	The person was a member of another ADI that transferred its business and members to the company under the Financial Sector (Transfer and Restructure) Act 1999 (Cth).

A2-2 COMMON BOND – BODY CORPORATE

A body corporate is eligible to be a member under any of the following categories:

	Category	Description
1	<i>Employer</i>	The body corporate has an employee who is a member of the company pursuant to paragraph (a) or (c) of category 1 of Rule A2-1.
2	<i>Trustee</i>	The body corporate is a trustee of a trust of which a member is a beneficiary.
3	<i>Approved Body Corporate</i>	The body corporate has an affinity with the company and is approved by the board.
4	<i>Continuing</i>	The body corporate is a member but has ceased to be eligible to be a member in accordance with the above categories.
5	<i>Transferring Members</i>	The body corporate was a member of another ADI that transferred its business and members to the company under the Financial Sector (Transfer and Restructure) Act 1999 (Cth).

A2-3 INTERPRETATION

- (1) Reference to the Australian Education Union includes any of its associated State or constituent bodies such as the NSW Teachers Federation.
- (2) Reference to any union, association or corporation includes its predecessors as well as its successors.

Appendix 3 – Shares

Division 1 – Member Shares

A3-1 SUBSCRIPTION PRICE

The subscription price for a member share is \$10.

A3-2 RIGHTS, OBLIGATIONS AND RESTRICTIONS ATTACHING TO MEMBER SHARES

- (1) The following rights attach to each member share:
 - (a) the right to vote on the terms set out in Rule A3-3; and
 - (b) the right to redeem the member shares on the terms set out in Rule A3-5.

Note: For the holder of a member share's entitlement to make deposits with, and receive financial accommodation from, the company, see Rule 2.2 and Subrule 3.1(3).

A3-3 VOTING RIGHTS

- (1) Holders of member shares may vote:
 - (a) at a general meeting;
 - (b) at a meeting of the class of holders of member shares; and
 - (c) in a ballot to appoint directors by election.
- (2) At a general meeting or a meeting of the class of holders of member shares:
 - (a) on a show of hands – each member other than a minor has 1 vote; and
 - (b) on a poll – each member other than a minor has 1 vote irrespective of the number of or capacity in which they hold member shares.
- (3) A member who is a minor has no vote.

A3-4 DISTRIBUTION ON WINDING-UP

- (1) On a winding-up of the company the holder of a member share is entitled:
 - (a) to payment of the subscription price for the member share when the member subscribed for the member share; and
 - (b) if any assets remain after the payments in paragraph (a), and subject to Rule A3-9(2) – to any surplus assets of the company on an equal basis with other members.
- (2) The company may offset against the amount payable under this Rule:
 - (a) any amount unpaid on the member share; and
 - (b) any other amount payable by the member to the company.

A3-5 REDEMPTION OF MEMBER SHARES

- (1) The company may redeem a member share only if:
 - (a) the member has given the company notice requesting termination of the member's membership of the company under Rule 4.2;
 - (b) the board has resolved to terminate the member's membership of the company under Rule 4.3; or
 - (c) the board has determined that the members deposit accounts with the company are dormant under Rule 4.4.
- (2) On redemption, the company must pay the member an amount equal to the subscription price for the member share when the member subscribed for the member share.
- (3) On redemption, the member shares are cancelled.
- (4) This Rule does not affect the terms on which member shares may be cancelled under a reduction of capital or a share buy-back under Part 2J.1 of the Corporations Act.

A3-6 TRANSFER OF MEMBER SHARES

A member may not transfer their member share.

Division 2 – MCIs

A3-7 SHARE CAPITAL FROM MCIS

- (1) The company is intended to be an MCI mutual entity for the purposes of the Corporations Act.
- (2) Subject to compliance with the Corporations Act and satisfying the requirements of APRA in prudential standards where applicable, the company may raise capital by issuing MCIs or capital instruments convertible into MCIs.
- (3) The company may create or issue more MCIs at any time. The creation or issue of more MCIs does not vary the rights attached to MCIs or any other shares that the company has already issued.

A3-8 ISSUE

- (1) The subscription price for an MCI, or a capital instrument convertible to an MCI, will be determined by the board.
- (2) Each MCI must only be issued as a fully paid up share.
- (3) Any dividends in respect of an MCIs are non-cumulative.

A3-9 RIGHTS OF MCI HOLDERS

- (1) The terms of issue of an MCI (including any terms, conditions or rights attaching to it) will be determined by the board in its sole discretion, subject to the requirements of this Constitution, the requirements for MCIs in the Corporations Act and any applicable prudential standards.
- (2) Subject to the terms of issue of an MCI, an MCI holder is entitled to a claim on the surplus assets and profits of the company in a winding-up of the company after all senior claims, including the aggregate subscription price paid for any member shares, have been satisfied and:
 - (a) the MCI holder's claim ranks equally and proportionately with the claims of all other MCI holders; and
 - (b) the amount of the MCI holder's claim cannot exceed the subscription price of the MCI.
- (3) Notwithstanding anything to the contrary in this Constitution, but subject to the requirements for MCIs in the Corporations Act, the board may determine that the terms of issue of any MCIs contain such terms and conditions or attach such rights as the board considers necessary or desirable for those MCIs to be eligible for inclusion as regulatory capital under any applicable prudential standards.

- (4) The rights attached to MCIs (or a class of MCIs) may only be varied or cancelled by special resolution of the company and:
- (a) by a special resolution passed at a meeting of MCI holders holding MCIs in the relevant class; or
 - (b) with the written consent of MCI holders of at least 75% of the issued MCIs of that class.

Any variation of the rights attached to MCIs which constitute Common Equity Tier 1 Capital (as defined by APRA from time to time) of the company is subject to the prior written approval of APRA, if the variation may affect the eligibility of such MCIs for inclusion as Common Equity Tier 1 Capital of the company.

- (5) Except as provided in Rule 8.4 and Rule 8.5, if a member is also an MCI holder, that member will have no more than one vote in any vote of members and MCI holders, regardless of the applicable terms of issue of the MCIs and notwithstanding Rule A3-3.

A3-10 REGISTRATION AS HOLDER OF MCIS

Except as provided by the rules of a clearing and settlement facility which apply in relation to an MCI, a person becomes registered as the MCI holder of that MCI upon entry by the company in its register of members of the person's particulars in relation to the MCI as required by the Corporations Act.

Appendix 4 – Standing Orders

A4-1 TIME LIMITS FOR SPEAKERS

- (1) The mover of a motion may speak for no more than 10 minutes.
- (2) Subsequent speakers may speak for no more than 5 minutes.
- (3) The mover of the motion may reply for no more than 5 minutes.
- (4) The meeting is free to extend the time a speaker may speak.

A4-2 AMENDMENT

- (1) On an amendment being proposed to an original motion, no second amendment may be considered until the first amendment has been dealt with.
- (2) An amendment, when carried, displaces the original motion and becomes the motion to which any further amendment may be moved.
- (3) If the amendment is not carried, then further amendments to the original motion may be considered, but only one amendment shall be submitted to the meeting for discussion at one time.

A4-3 SPEAKERS

- (1) The mover of an original motion has a right of reply.
- (2) The mover of an amendment does not have a right of reply.
- (3) Otherwise, a member or any voting MCI holder may speak only once on the same question except to raise a point of order or, with the consent of the chair of the meeting, to give an explanation.

A4-4 MOTIONS TO BE IN WRITING

Every motion and every amendment to a motion must be submitted in writing as and when the chair of the meeting requests.

A4-5 CLOSURE OF DEBATE

- (1) Debate on a motion or an amendment may be brought to a close by a resolution 'that the question be now put'.
- (2) The motion 'that the question be now put' must be put to the meeting without debate.

Appendix 5 – Election of Directors

A5-1 HOLDING OF ELECTION

An election of directors of the company is to be held by ballot except where nominations equal or are less than the number of positions to be filled. If a ballot is not held, the nominees shall be declared to be duly appointed as elected directors by the company secretary at the AGM.

A5-2 APPOINTMENT OF RETURNING OFFICERS

The board must appoint a returning officer who may appoint assistant returning officers, none of whom can be a director, employee of the company or a person who intends to accept a nomination for the office of director.

A5-3 ELECTORAL ROLL

The secretary must prepare and give the returning officer a list of members eligible to vote on the election of directors, made up to the day before nominations for the election close under Rule A5-4.

A5-4 NOMINATIONS

- (1) The board must call for nominations at least 100 days prior to the AGM.
- (2) Nominations close 78 days before the AGM.
- (3) In order to be nominated, a candidate must:
 - (a) be eligible for election under Rule 9.2;
 - (b) be nominated by 2 members; and
 - (c) consent to the nomination.
- (4) A retiring director may stand for re-election without nomination but must be eligible for election under Rule 9.2.

A5-5 DECLARATION BY CANDIDATE

- (1) A candidate must furnish to the company a declaration in such form as the board may require:

- (a) as to his or her eligibility for election under Rule 9.2; and
 - (b) his or her date of birth.
- (2) Candidates may submit a black and white photograph, minimum passport size and background notes up to 120 words which will be posted to all members with their ballot papers.

A5-6 REJECTION OF NOMINATION

- (1) Each candidate must provide to the Nominations Committee all information and documentation as the Nominations Committee requires for it to determine if the candidate is fit and proper to become a director by reference to the Fit and Proper Policy.
- (2) Each candidate will be invited to attend before the Nominations Committee to be interviewed to determine if the candidate is fit and proper to become a director by reference to the Fit and Proper Policy.
- (3) Any candidate who fails to attend the interview with the Nominations Committee will have their nomination rejected by the returning officer under Rule A5-6 (5).
- (4) The Nominations Committee will provide the returning officer with a report setting out:
 - (a) the name of each candidate who failed to attend the interview with the Nominations Committee; and
 - (b) the name of each candidate who is fit and proper to become a director by reference to the Fit and Proper Policy.
- (5) The returning officer must reject the nomination of any candidate where:
 - (a) it appears to the returning officer that the candidate is not eligible under Rule 9.2 or because the nomination does not otherwise comply with the requirements of Rule A5-4 (3);
 - (b) a candidate is named in the Nominations Committee's report as having failed to attend the interview with the Nominations Committee; or
 - (c) a candidate is not named in the Nominations Committee's report as fit and proper to become a director by reference to the Fit and Proper Policy.
- (6) The returning officer shall advise each candidate, their proposers and the board whether the candidate's nomination has been accepted or rejected.
- (7) Only a candidate whose nomination has been accepted by the returning officer becomes a candidate for election.

A5-7 APPOINTMENT OF SCRUTINEER

- (1) A candidate may appoint a scrutineer at their own cost and the board may appoint a maximum of three scrutineers, none of whom is a candidate or an employee of the company.
- (2) The duties and responsibilities of scrutineers are to:

- (a) observe the sorting, counting and recording of ballot papers;
- (b) ensure that the votes of unrejected ballot papers are correctly credited to the appropriate candidates; and
- (c) raise any query with the returning officer regarding any of the ballot papers.

A5-8 BALLOT PAPERS

- (1) After nominations have closed under Rule A5-4 (Nominations), the returning officer is to prepare ballot papers for the election. The ballot paper must be in or to the following effect:

Name of Company
.....
Election of director
to fill vacancies on the board.
Ballot Paper
<input type="checkbox"/> name of candidates,
<input type="checkbox"/> with surname first,
<input type="checkbox"/> will appear here.

- (2) The order in which the candidates appear on the ballot paper is to be determined by the returning officer by lot.
- (3) The returning officer must cause some authenticating mark to appear on each ballot paper prior to their distribution to members.

A5-9 POSTAL VOTE

- (1) The returning officer must send to each member who is eligible to vote on an election of directors at least 53 days before the AGM:
- (a) a ballot paper;

- (b) an unsealed envelope, in this Rule referred to as the security envelope, with a perforated section attached bearing the following:

Name of member
Member's address
Member's signature

- (c) a "Reply Paid" envelope addressed to the returning officer.
- (2) Ballot papers are to be posted to members at their addresses shown in the register of members.
- (3) Any member exercising a right to vote must:
- (a) complete the ballot paper in accordance with these Rules;
 - (b) place the ballot paper in the security envelope and sign the perforated section; and
 - (c) return the security envelope with the perforated section intact to the returning officer in the "Reply Paid" envelope.
- (4) A member must ensure that his or her ballot paper is received by the returning officer by noon on the day fixed for the closing of the ballot.
- (5) Any ballot paper not received by the returning officer prior to the closing of the ballot is excluded from the ballot.
- (6) Any ballot paper received by the returning officer is to be kept in secured ballot boxes until the closure of the ballot.
- (7) A member who has not received a ballot paper or has spoiled it may send to the returning officer a declaration to that effect and the returning officer must:
- (a) send a duplicate ballot paper to that member;
 - (b) mark the perforated section of the security envelope "Duplicate"; and
 - (c) keep a record of all duplicate ballot papers issued.

A5-10 CLOSURE OF THE BALLOT

- (1) The ballot closes 28 days before the AGM, unless extended by the board of directors pursuant to Rule A5-10(2).

- (2) If, in the event of special and unforeseen circumstances, the board of directors is of the opinion that it would be appropriate to extend the date fixed for the closing of the ballot, the board, in its absolute discretion, may extend the date fixed for the closing of the ballot and shall notify the returning officer accordingly.

A5-11 PROCEDURES AFTER CLOSE OF THE BALLOT

- (1) As soon as practicable after the close of the ballot, the returning officer must deal with the ballots as follows:
- (a) open all “Reply Paid” envelopes and extract security envelopes;
 - (b) for each security envelope mark the member’s name as shown on the perforated section of the electoral roll;
 - (c) where a duplicate ballot paper has been issued and the original security envelope received, mark the original perforated section “rejected”;
 - (d) if no perforated section is present or, if the perforated section has not been signed, or the signature is identified as not being the member’s or there is insufficient detail to identify the member, mark the perforated section and the security envelope “rejected”;
 - (e) detach the perforated section from the security envelope, ensuring that no security envelope could subsequently be identified with any particular member;
 - (f) when all the security envelopes have been so dealt with, cause all the security envelopes to be opened and the ballot papers to be taken out;
 - (g) cause the ballot papers to be scrutinised under his or her supervision and reject such ballot papers as he or she finds to be informal under Rule A5-11(2);
 - (h) count the votes in accordance with Rule A5-12;
 - (i) prepare and sign a declaration of the ballot as to:
 - (i) the number of ballot papers lodged;
 - (ii) the number of formal votes;
 - (iii) the number of informal votes;
 - (iv) the number of votes cast for each candidate;
 - (v) the names of those persons elected; and

- (j) deliver the statement to the company's secretary.
- (2) A ballot paper is informal if:
 - (a) it is not authenticated by the authenticating mark of the returning officer; or
 - (b) it has no vote indicated on it or it does not indicate the member's preference for a candidate.
- (3) The returning officer must preserve the ballot papers for a period of at least six months after the declaration of the ballot.
- (4) No election shall be voided on account of any error or omission of the returning officer which did not affect the results of the election.

A5-12 VOTING SYSTEM

- (1) On any ballot, the persons receiving the highest number of votes in accordance with the numbers of vacancies to be filled are elected directors.
- (2) In the case of an equality of votes, the person to be elected must be decided by lot.

A5-13 NOMINATIONS COMMITTEE

- (1) The board must establish and maintain a Nominations Committee.
- (2) The function of the Nominations Committee is to assess whether a person, including an existing director, is fit and proper under the terms of the Fit and Proper Policy to be appointed or elected as a director.
- (3) The Nominations Committee shall consist of not less than three persons as the board determines, provided:
 - (a) the majority of the members of the Nominations Committee must be independent; and
 - (b) none of the members of the Nominations Committee are employees of the company; and
 - (c) no director may be a member of the Nominations Committee if the director is nominated as a candidate for re-appointment or re-election.
- (4) The board may, at any time, and in its absolute discretion:
 - (a) suspend or terminate the appointment of a person as a member of the Nominations Committee; and
 - (b) give directions to the Nominations Committee as to the procedures it is to follow.

A5-14 ELECTRONIC VOTING

- (1) If the company has an electronic voting system which permits members to vote for the election of directors by electronic means, then the board may determine:
 - (a) that the members may record their votes in the election by electronic means; and
 - (b) the manner in which members will be identified for the purposes of voting in the election.
- (2) If the board makes such a determination:
 - (a) members may vote by post or by electronic means, but may only vote once;
 - (b) the information referred to in Rule A5-5(2) may be made available for access by members by electronic means;
 - (c) the returning officer shall provide an interactive copy of the ballot paper in a secure online system to facilitate voting by electronic means and make available to members all information reasonably necessary to facilitate voting by electronic means. Requirements for an authenticating mark of the returning officer on the ballot paper shall not apply, but the returning officer must ensure that a member cannot vote by electronic means more than once in the election;
 - (d) a member who votes by electronic means must ensure that his or her vote is submitted to the returning officer in accordance with any instructions given for voting by electronic means;
 - (e) in respect of any vote received by the returning officer by electronic means, the returning officer must ensure that the fact that the member has voted is recorded;
 - (f) the returning officer must cause all votes received by electronic means to be recorded in such a way that they cannot subsequently be identified with any particular member;
 - (g) if a member lodges both a vote by post and a vote by electronic means, then the returning officer must:
 - (i) if one of the votes is informal, accept the formal vote; and
 - (ii) if both votes are formal, accept the vote received first;
 - (h) the election procedures set out in the preceding Rules of Appendix 5 are deemed to be otherwise modified to the extent necessary to permit voting by electronic means.

A5-15 VOTE COUNTING

Counting of votes may be undertaken manually, electronically or by using scanning technology and equipment or a combination of such methods.