

# **QPCU Limited Constitution**

**as at 23 November 2017**



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# DIVISION 1. – INTRODUCTORY MATTERS

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## 1.1 Definitions

In this Constitution, unless the context requires otherwise:

<i>ADI</i>	means a body corporate that APRA has authorised to conduct banking business in Australia under the Banking Act 1959 (Cth)
<i>APRA</i>	means the Australian Prudential Regulation Authority
<i>board</i>	means the board of directors
<i>common bond</i>	refers to the common bond of membership, if any, set out in Appendix 2
<i>company</i>	means the company described in this Constitution
<i>Corporations Act</i>	means the Corporations Act 2001 (Cth)
<i>deposit</i>	means the placement of money in an account that the company conducts in the ordinary course of its banking business
<i>director</i>	means a director for the time being of the company
<i>elected director</i>	means a director appointed under Rule 13.4 or Rule 13.5
<i>financial accommodation</i>	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 in the ordinary course of its banking business
<i>general meeting</i>	means a general meeting of the members
<i>investment share</i>	investment share means a non-cumulative redeemable share as described in Appendix 3 Division 2
<i>material personal interest</i>	has the same meaning as in Part 2D.1 of the Corporations Act
<i>member</i>	means a person whose name the company has entered for the time being in the Register of Members it keeps under the Corporations Act
<i>member share</i>	means a share as described in Appendix 3 Division 1
<i>minor</i>	means a person who has not yet attained the age of 18 years
<i>person</i>	includes a body corporate as well as an individual

<i>prudential standard</i>	means: <ul style="list-style-type: none"> <li>(a) any prudential standard that APRA determines under the Banking Act 1959 (Cth) or Retirements Savings Accounts Act 1997 (Cth);</li> <li>(b) any prudential regulation made under Banking Act 1959 (Cth) or Retirements Savings Accounts Act 1997 (Cth); and</li> <li>(c) any APRA transitional prudential standard applying to the company under the Financial Sector Reform (Amendments and Transitional Provisions) Regulations 1999 (Cth).</li> </ul>
<i>RSA</i>	has the same meaning as in the Retirement Savings Accounts Act 1997 (Cth)
<i>RSA holder</i>	has the same meaning as in the Retirement Savings Accounts Act 1997 (Cth)
<i>secretary</i>	means a secretary for the time being of the company
<i>subscription price</i>	means the amount (if any) payable by a person on subscription for a member share
<i>tier 1 share</i>	means a share as described in Appendix 3 Division 3

## 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.

## 1.3 Time

Unless expressly provided otherwise, when this Constitution, or any notice given under this Constitution, states a time or a 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 sending 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 — at the member’s address appearing on the Register of Members from time-to-time or at any alternative address nominated by the member, or at any fax number or electronic address nominated by the member.
- (4) A person may send a notice or other document to another person in any of the ways set out in column 2 of the table. 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"><li>(i) if hand delivered before 4:00pm on a business day — on that business day</li><li>(ii) if hand delivered after 4:00pm on a business day — on the next business day</li><li>(iii) if hand delivered on a day other than a business day — on the next business day</li></ol>
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: <ol style="list-style-type: none"><li>(i) if sent before 5:00pm on a business day — on that business day</li><li>(ii) if sent after 5:00pm on a business day — on the next business day</li><li>(iii) if sent on a day other than a business day — on the next business day</li></ol> <p>This rule does not apply where the person sending the facsimile has evidence that the transmission was unsuccessful</p>

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- 4 Sending the notice by electronic means
- The other person receives the notice:
- (i) if sent before 5:00pm on a business day - on that business day
  - (ii) if sent after 5:00pm 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 electronic means has evidence that the notice did not reach the other person's electronic address
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- 5 If a person sends a member a notice in accordance with this Rule, any person to whom that member transfers or transmits a share is taken to receive the notice when the first person sent the member the notice.

## **DIVISION 2. – OBJECTS AND LIMIT ON POWERS**

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### **2.1 Objects**

The company has the objects set out in Appendix 1.

### **2.2 Customers Must be Members**

The company may only accept deposits from, or provide financial accommodation to, its members. However, this Rule does not apply to the following persons who are not members:

- (a) bodies that do not have the power to acquire, or that the law prohibits from acquiring, the company's shares; or
- (b) ADIs; or
- (c) any person or class of persons as determined by the board from time to time in its absolute discretion; or
- (d) RSA Holders.

# **DIVISION 3. – MEMBERSHIP**

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## **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) if requested to do so by the company, 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 or agrees to pay subscription price (if any) for the member share on issue.
- (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 Law; 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, and its power to reject an application for membership, to a committee of directors, a single director or one or more 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 dividend, distribution on winding-up or return of capital in relation to the joint member's shares.
- (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 joint member's shares.
- (8) In this Constitution, the joint member is taken to be a person separate to the persons constituting the joint member.

# **DIVISION 4. – TERMINATION OF MEMBERSHIP**

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## **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 if:

- (a) the company redeems the member’s member share under Rule 4.2, Rule 4.3 or Rule 4.4;
- (b) the company forfeits the member’s member share under Subrule 6.4(2);
- (c) the member surrenders the member’s member share under Subrule 6.4(5);
- (d) if the member is an individual — the member:
  - (i) dies;
  - (ii) becomes a bankrupt and the company registers the member’s trustee in bankruptcy as the holder of the member’s member share under Rule 10.3; or
  - (iii) becomes mentally incapable and the company registers the member’s trustee or guardian as the holder of the member’s member share under Rule 10.4;
- (e) if the member is a body corporate — the member is deregistered or dissolved; or
- (f) if the member is a trustee for an unincorporated association — the company registers the transfer of the member’s member share to another person who is to act as trustee for the unincorporated association;

## **4.2 Member’s Request for Termination**

- (1) A member may request termination of 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 members’ member share as soon as practicable after receiving the request. However, the company may defer redeeming the members’ 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 board may redeem a member’s member share by board resolution if the member:
  - (a) has failed to discharge the member’s obligations to the company;
  - (b) has been guilty of conduct that could reasonably be considered detrimental to the company;
  - (c) is the holder of more than one member share (and if so, the board may determine which additional member share or member shares to redeem to ensure that the member has only one member share);
  - (d) has obtained membership by misrepresentation or mistake;
  - (e) has been abusive towards an officer of the company;

- (f) has behaved in an unbecoming or offensive manner in or about the property or premises of the company; or
  - (g) has otherwise acted so as to bring the company into disrepute.
- (2) The board may delegate its power to redeem a member's member share under Subrule 4.3(1) to a committee of directors, a director, or one or more officers of the company. The delegation must not include authority to further delegate the power to redeem a member's member share.
- (3) A member's member share is redeemed under this Rule 4.3 upon:
- (a) the board resolving that the member's member share be redeemed; or
  - (b) a person or persons to whom the board has delegated its power under Subrule 4.3(2) making a record of a decision that the member's member share be redeemed
- (4) The company must give notice that the member's member share may be redeemed under this Rule 4.3 to the member at least 14 days before the board, or the person or persons to whom the board has delegated its power under Subrule 4.3(2), makes a decision as to whether to redeem the member's member share. The notice must state whether it is proposed that the redemption will be by board resolution or by a decision made by a person, or persons to whom the board has delegated its power under Subrule 4.3(2).
- (5) If a notice given to a member under Subrule 4.3(4) states that it is proposed that the redemption will be by a decision made by a person or persons to whom the board has delegated its power under Subrule 4.3(2), the member may, by written notice given to the company prior to the redemption of the member's member share, require that the matter be considered by the board. If a member gives such notice the member's member share may only be redeemed by board resolution.
- (6) At the time the board considers a proposed resolution to redeem a member's member share, the member is entitled:
- (a) to be present with or without the member's legal representative; and
  - (b) to be heard, either in person or through the member's legal representative.
- (7) On redeeming a member's member share, the company may pay the amount payable on redemption of the member share (if any) 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; or
  - (c) crediting any other person's account with the company which the member nominates, or has nominated, for this purpose; or
  - (d) crediting the amount to a sub - account in the name of the member in a general account maintained by the company for the purposes of holding dormant account monies and/or general redemption proceeds for affected members.

## 4.4 Termination Where Accounts Dormant or Inactive

- (1) This Rule does not apply to a retirement savings account to the extent that the Retirement Savings Account Act 1997 (Cth) provides otherwise, to a first home saver account to the extent that the First Home Saver Account Act 2008 (Cth) provides otherwise, or to any other account, in respect of which the application of this rule would be inconsistent with the requirements of applicable legislation.
- (2) The board may determine that a member's deposit accounts are dormant if:
  - (a) the member has not initiated any transactions in relation to any deposit account for a 12 month period (where "transaction" means a debit or credit to the account other than for the payment of interest or the charging of a fee by the company or any other transaction initiated by the company);
  - (b) the company has given the member written notice stating that, unless the member gives to the company a written notice within 1 month of the written notice being given by the company stating that the member wishes the account(s) to remain open, the company intends to declare the account(s) dormant, close the account(s) and redeem the member's member share; and
  - (c) the company does not receive a written notice from the member in accordance with Subrule 4.4(2)(b).
- (3) The company may redeem the member's member share on the board's determination under Rule 4.4(2) that a member's deposit account is dormant.
- (4) On redeeming a member share, the company must pay the amount payable on redemption of the member share 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; or
  - (c) crediting any other person's account with the company which the member nominates, or has nominated, for this purpose; or
  - (d) crediting the amount to a sub - account in the name of the member in a general account maintained by the credit union for the purposes of holding dormant account monies and/or general redemption proceeds for affected members,
- (5) If the company redeems a person's member share under this Rule 4.4, 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 the member's member share — the company must issue a member share to the person and may debit the member's deposit account for the subscription price (if any).



- (6) The board may delegate its power to determine that a member's account is dormant under Subrule 4.4(2), and/or its power to redeem a member's member share under Subrule 4.4(3) to a committee of directors, a director, or one or more officers of the company. The delegation must not include authority to further delegate the relevant power.
- (7) A member's member share is redeemed under this Rule 4.4 upon:
  - (a) the board resolving that the member's member share be redeemed; or
  - (b) a person or persons to whom the board has delegated its power under Subrule 4.4(7) making a record of a decision that the member's member share be redeemed.

# **DIVISION 5. – ISSUE OF SHARES**

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## **5.1 Classes of Shares**

The company may issue:

- (a) member shares
- (b) investment shares
- (c) Tier 1 shares

## **5.2 Board Power to Issue Shares**

The board may exercise the company's power to issue shares to the exclusion of the general meeting.

## **5.3 Restrictions 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 in accordance with Subrule 3.1.
- (3) The company may only issue 1 member share to any person. However, the company may issue to a trustee for an unincorporated association:
  - (a) 1 member share to the trustee in the trustee's own right; and
  - (b) 1 member share to the trustee as trustee for the unincorporated association.

# **DIVISION 6. – CALLS, FORFEITURE AND LIENS**

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## **6.1 Payment of Calls on Shares**

- (1) This Rule applies if some or all of the subscription price for a share is payable on the company calling up payment of some or all of the unpaid subscription price. This Rule applies in relation to a share subject to:
  - (a) any restrictions in the terms of issue for the share; and
  - (b) any special resolution providing that the company can only call up some or all of the subscription price for shares if the company becomes an externally-administered body corporate.
- (2) The company may call for payment of any amount of the unpaid subscription price for a share by board resolution. The company must give a member holding a share on which the company has made a call a notice setting out how much, when and how the member must make the payment. The company must give the notice at least 14 days before the time the member must pay the call.
- (3) The company may revoke or postpone a call on a share by board resolution. The company must give each member holding a share for which the company has revoked or postponed a call notice as soon as practicable after the board resolution.
- (4) In any proceeding to recover unpaid instalments, a member is conclusively presumed to be liable for a call if:
  - (a) the company's minutes record the board resolution calling for payment of the amount of the call;
  - (b) the member's name appeared in the Register of Members as holder of the share on the date of the board resolution; and
  - (c) the company gave the member a notice in accordance with Subrule 6.1(2).
- (5) At any time, the company may accept from a member prepayment of any amount of the unpaid subscription price on a share.

## **6.2 Effect of Failure to Pay Unpaid Amounts**

- (1) This Rule applies if a member does not pay any amount of the unpaid subscription price for a share at the time the amount becomes due. This Rule does not limit any other remedies that the company may have against the member.
- (2) The member must pay:
  - (a) the amount due on the share; and
  - (b) all costs and expenses that the company incurs (including, without limitation, legal expenses on a solicitor and own client basis or full indemnity basis, whichever is the higher) because the member did not pay the amount when it became due.
- (3) The company may waive all or part of the expenses payable under this Subrule by board resolution.

- (4) At any time while the amount payable under Subrule 6.2(2) remains unpaid in respect of a share, the company may give the member a default notice:
  - (a) setting out:
    - (i) how much is due; and
    - (ii) when the member must pay the amount due; and
  - (b) stating that, if the member does not pay the amount due by the that date, the member will forfeit the share.

The date for payment must be at least 14 days after the date on which the company gives the member the default notice. In the absence of any manifest error, the default notice is conclusive evidence of the amount that the member must pay the company as at the date the company issues the default notice.

### **6.3 Forfeiture and Surrender**

- (1) If a member does not comply with the default notice issued under Subrule 6.2.4, the company may forfeit any share to which the default notice relates by board resolution. However, the member may always comply with the default notice at any time before forfeiture occurs.
- (2) The company may give the member a notice of forfeiture. In the absence of a manifest error, the notice is conclusive evidence of the facts stated in the notice against all persons claiming to be entitled to the share.
- (3) The forfeited shares become the company's property. The company may redeem, sell or otherwise dispose of the forfeited shares on the terms and in the manner that the board determines.
- (4) The transferee's title is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the shares. The transferee is not required to see the application of the purchase money.
- (5) A member may surrender any share to which a default notice relates. The company may deal with surrendered shares in the same way as it deals with forfeited shares.
- (6) A member whose shares have been forfeited remains liable to pay the company the amounts due:
  - (a) less any amount that the company must pay the member on redemption of the shares; and
  - (b) less any amount that the company receives on sale or disposal of the forfeited shares.

### **6.4 Liens**

- (1) The company may at any time exempt a share wholly or in part from this Rule by board resolution.
- (2) The company has a first and paramount lien on:
  - (a) every partly-paid share that a member holds; and
  - (b) the proceeds of sale of every partly paid share that the member holds; and
  - (c) dividends payable on every partly-paid share that the member holds, for all amounts, whether presently due or not:

- (i) payable in relation to the share; or
  - (ii) that the member or the member's estate otherwise owes to the company.
- (3) If an amount secured by a lien in Subrule 6.4(2) is presently due, the company may give the holder of the share a sale notice:
  - (a) setting out:
    - (i) how much is due; and
    - (ii) when the member must pay the amount due; and
  - (b) stating that, if the member does not pay this amount by that date, the company may sell the share.

The date for payment must be at least 14 days after the date on which the company gives the member the sale notice. In the absence of any manifest error, the sale notice is conclusive evidence of the amount that the member must pay the company as at the date the company issues the sale notice.

- (4) If a member does not pay the amount due by the date stated in the sale notice under Subrule 6.4(3), the company may sell the shares on the terms and in the manner that the board determines. The company may:
  - (a) execute a share transfer to give effect to a sale of the shares; and
  - (b) register the transferee as the holder of the shares. The transferee's title is not affected by any irregularity or invalidity in connection with the sale of the shares. The transferee is not required to see the application of the purchase consideration.
- (5) A member whose shares have been sold remains liable to pay the company all amounts that the member or the member's estate owes to the company, whether or not presently due, less any consideration that the company receives on sale of the shares.

# **DIVISION 7. – DIVIDENDS**

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## **7.1 Payment of Dividends**

- (1) No dividend is payable in respect to member shares.
- (2) Rule 7.2 applies to payment of dividends on investment shares.
- (3) Rules 7.3 to 7.5 apply to payment of dividends on any other share which carries a right to participate in dividends.

## **7.2 Dividends on Investment Shares**

- (1) The company at its AGM may declare a dividend on investment shares, if the board has recommended a dividend. A dividend shall not exceed the amount recommended by the board.
- (2) The board, at its sole discretion, may recommend a dividend on investment shares subject to that dividend:
  - (a) only being paid from the company's after-tax profits for the preceding financial year; and
  - (b) not exceeding a share of after-tax profits for the preceding financial year greater than the proportion of total investment share capital to the company's total net assets; and
  - (c) if declared and paid, not placing or potentially placing the company in breach of any applicable prudential standard; and
  - (d) being confirmed by members by ordinary resolution at the AGM immediately preceding the payment of the dividend.
- (3) Interest is not payable on a dividend.
- (4) The board may fix the time for payment of a dividend.
- (5) A declaration by the board as to the amount of the profits available for dividend shall be conclusive and binding on all members.
- (6) All dividends shall belong and be paid to those members who shall be on the investment share register at the date on which such dividend shall be declared by the AGM.
- (7) Any one of several persons who are registered as the joint holders of a share may give an effective receipt of any dividends.
- (8) Any dividend payable in respect of investment shares shall be deposited to the savings account of the holder of investment shares at the company.
- (9) Notice of declaration of dividend shall be given to the persons entitled to share therein.
- (10) Dividends shall not be cumulative. If there are insufficient profits in any year to pay a dividend there is no entitlement to be paid a dividend for that year from a later year's profits.

### **7.3 Payment of Dividends**

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;
- (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.

### **7.4 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).

### **7.5 Interest on Dividends**

Interest is not payable on a dividend.

## **DIVISION 8. – SHARE CERTIFICATES**

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### **8.1 Share Certificates**

- (1) This Rule does not apply in relation to member shares.
- (2) A member may require the company to issue to the member without charge 1 certificate for each class of shares in the company that the member holds.



# DIVISION 9. – TRANSFER OF SHARES

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## 9.1 Form of Share Transfer

A member wishing to transfer the member's shares must use a share transfer that complies with the following requirements:

- (a) the share transfer relates to 1 class of shares only;
- (b) the share transfer is in writing; and
- (c) the share transfer is:
  - (i) in a form that the board approves; or
  - (ii) in any other usual or common form

## 9.2 Ownership of Share Transfer

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

## 9.3 Registration of Share Transfer

- (1) The company must not register a share transfer if:
  - (a) the terms of issue for the shares prohibit the transfer of the shares to the transferee;
  - (b) the share transfer is not in the form set out in Rule 9.1; or
  - (c) if the transfer of shares is dutiable — the share transfer is not duly stamped.
- (2) The company may refuse to register a share transfer unless:
  - (a) the shares are fully-paid;
  - (b) the company does not have a lien on the shares;
  - (c) the transferor has executed the share transfer;
  - (d) the transferee has executed the share transfer;
  - (e) a certificate for the shares accompanies the share transfer;
  - (f) the board has all information that it reasonably requires to establish the right of the transferor to transfer the shares; and
  - (g) the board has all information that it reasonably requires to establish that the transferee agrees to be a member of the company.
- (3) The transferor of shares remains the holder of those shares until the company enters the transferee's name as holder of those shares in the Register of Members.

## 9.4 Powers of Attorney

- (1) The company may assume that a power of attorney authorising the attorney to transfer some or all of the member's shares that a member 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 member has died.

## 9.5 Exempt Stock Market

- (1) The company is empowered to establish in accordance with the Law, a stock market subject at all times to the Law.
- (2) For the purposes of Subrule 9.5(1), the company is empowered to establish an exempt stock market to do all things necessary to obtain an exemption pursuant to the Corporations Act for the purposes of the conduct of such stock market.
- (3) It is specifically declared that the following rules shall apply to the exempt stock market:
  - (i) This exempt stock market shall exist for the sole purposes of trading in the investment share capital of the company.
  - (ii) The exempt stock market will be operated by the company through person or firms authorised by the board and/or secretary.
  - (iii) The company is authorised to accumulate, amalgamate and/or aggregate into suitable parcels/batches of shares on behalf of buyers and on behalf of sellers for the purposes of facilitating sales PROVIDED THAT any such number of shares so adopted shall at all times be less than 100 shares.
  - (iv) Whenever a prospective buyer is interested in the purchase of new shares, such prospective buyer shall first of all be entitled to acquire any shares that have not been issued at the issue price and thereafter shall be eligible to acquire existing shares.
  - (v) All orders to sell shares or to buy shares shall be dealt with as soon as practical after their receipt. To determine the sequence to deal with all orders to buy and all orders to sell, the company shall cause to be kept, a register setting out the date and time of the receipt of any order, the amount of shares and other relevant information pertaining to such order and the date such order was completed.
  - (vi) The officers of the company are empowered to give all reasonable assistance to prospective buyers and prospective sellers to enable them to adequately judge the market, but nothing in this Rule shall be deemed to place it upon the company to make it available to buyers and sellers, any information which has not been released to the public.
  - (vii) The company shall report to the public and to the exempt stock market at all reasonable times, any material information which may effect the price of shares and such report shall be made to the exempt stock market as soon as practical after the taking place of any relevant event.
  - (viii) The company shall ensure that the sale price of shares, the numbers sold and the last buying and selling quotes on each day are publicly displayed at its principal office.
  - (ix) Prior to any prospective buyer acquiring shares, the company shall make available to such buyer such information (including these Rules) as to the manner in which such shares can be transferred and all restrictions on the holding and disposition of such shares.
  - (x) Any purchaser shall pay for such shares purchased, within five (5) working days of such purchase being effected and the exempt stock market shall account to the vendor for the full purchase price.

- (xi) The company may charge such reasonable fee to cover the costs incurred by it conducting such exempt stock market.
- (xii) The company shall supply through the exempt stock market, full supervision and training of its officers who will be advising on the buying and selling of shares, conducting such buying and selling and who will in any way be dealing with prospective members in respect of the buying or selling of shares and the company shall likewise provide for every facility to be given to the Minister responsible for the Corporations Act and the Australian Securities and Investments Commission to review the operations of the market and assess whether such market is an exempt stock market within the meaning of the Law.
- (xiii) The Minister responsible for Corporations Act and the Australian Securities and Investments Commission shall have full, free and unhindered access to the books and records of the company insofar as they relate to the establishment, maintenance and provision for the exempt stock market.
- (xiv) The board shall have the powers to create from time to time such further Rules for the operation of the exempt stock market subject to the approval of the Australian Securities and Investments Commission.

## **9.6 Suspension of Registration**

The board may suspend the registration of share transfers at the times and for the periods it determines. The periods of suspension must not exceed 30 days in any one calendar year.

## **9.7 Transfer of Investment Shares**

The transfer of investment shares does not pass the right to any dividend on the investment shares until registration.

## **9.8 Investment Share Transfer Procedure**

- (a) The written transfer instrument must be left at the registered office of the company or another place acceptable to the company;
- (b) The instrument must be accompanied by a certificate for the shares dealt with in the transfer where a certificate has been issued, unless the board waives production of the certificate on receiving satisfactory evidence of the loss or destruction of the certificate; and
- (c) Such fee (if any) as the board may require;
- (d) A statutory declaration that the transferee is a member and whether the transferee is or would become a substantial shareholder; and
- (e) The board may require other evidence of the transferor's right to transfer the shares.

## **9.9 Right to Refuse Registration of Transfer of Investment Shares**

The minimum investment share capital holding shall be deemed to be 100 shares and the registration of a transfer to any fewer number than this minimum number shall be refused.

# **DIVISION 10. – TRANSMISSION OF SHARES**

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## **10.1 Transmissions and the Common Bond**

The company may register a person as holder of a member's shares under this Division even though the person is not eligible to be a member under the common bond.

## **10.2 Transmission of Shares on Death**

- (1) On the death of a member, the company may recognise either the personal representative of the deceased member or another person who appears to the board to be entitled to the deceased member's estate as being entitled to the deceased member's interest in the shares.
- (2) If the personal representative gives the board the information it reasonably requires to establish an entitlement to be registered as holder of the member's shares, the personal representative may elect to:
  - (a) be registered as the holder of the shares; or
  - (b) apply to terminate the membership.

## **10.3 Transmission of Shares on Bankruptcy**

If the trustee of a bankrupt member's estate gives the board the information it reasonably requires to establish the trustee's entitlement to be registered as holder of the member's shares, the trustee may require the company to register the trustee as holder of the member's shares.

## **10.4 Transmission of Shares on Mental Incapacity**

If a person entitled to shares because of a member's mental incapacity gives the board the information it reasonably requires to establish the person's entitlement to be registered as a holder of the member's shares:

- (a) the person may require the company to register the person as holder of the member's shares; and
- (b) whether or not registered as the holder of the shares, the person has the same rights, obligations and restrictions as the member.

# **DIVISION 11. – HOLDING MEMBERS’ MEETINGS**

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## **11.1 Calling Meetings of Members**

- (1) The board may call a members’ meeting.
- (2) Members may call a members’ meeting in the ways provided for in the Corporations Act.

## **11.2 Holding a Members’ Meeting**

- (1) A members meeting may be held using any technology and at one or more venues. ... For the purposes of Subrule 11.4(1), a member will be taken to be present in person if they are present at one of the venues.
- (2) If, before or during a members’ meeting, any technical difficulty occurs where all members may not be able to participate, the chair may:
  - (a) adjourn the meeting until the difficulty is remedied; or
  - (b) subject to the Corporations Act, continue the meeting if a quorum remains present at the venue at which the chair is personally present and is able to participate.

## **11.3 Adjourning Meetings of Members**

- (1) The chair of a members’ 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 members’ meeting if the adjournment is for 1 month or more.
- (3) The only business that an adjourned members’ meeting may deal with is business unfinished at the members’ meeting that was adjourned.

## **11.4 Proceedings at Members’ Meetings**

- (1) The quorum for a members’ meeting is 30 members present in person.
- (2) If a quorum is not present within 30 minutes after the time for the members’ 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 one 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 time for the meeting, the meeting is dissolved.

- (3) The chair of members' 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 the meeting of the board is not available within 30 minutes of the appointed start of the meeting, or declines to act, the members must elect an individual present to chair the meeting
- (4) The Standing Orders in Appendix 4 apply to the conduct of debate at members' meetings.

# **DIVISION 12. – VOTING AT MEMBERS’ MEETINGS**

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## **12.1 Voting**

- (1) A resolution put to the vote at a members’ meeting must be decided on a show of hands unless a poll is demanded.
- (2) A member has one vote despite the fact that the member may be a member in another capacity.
- (3) Before a members’ meeting votes on a resolution, the chair must inform the meeting:
  - (a) how many proxy documents the company has received that validly appoint a person present at the meeting as proxy;
  - (b) how many of these proxy documents direct the proxies how to vote on the resolution; and
  - (c) how the proxies are directed to vote on the resolution.
- (4) The members’ meeting passes an ordinary resolution only if more than half the total number of votes cast on the resolution are in favour of it.
- (5) The chair does not have a casting vote in addition to his or her deliberative vote.

## **12.2 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.

## **12.3 Voting on a Poll**

- (1) 5 members present in person may demand a poll on any resolution other than a resolution concerning the election of a person to chair the members’ 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 members’ meeting may conduct other business even though a poll is demanded on a resolution.

## **12.4 Body Corporate Representatives**

- (1) A member that appoints a body corporate representative must give the company:
  - (a) if the member 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 member’s meeting at which the representative may exercise the member’s rights.
- (2) In addition to the rights and powers a member’s representative may exercise under the Corporations Act, the representative may exercise the member’s right to vote in a ballot to appoint directors by election.

## 12.5 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 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 a proxy votes starts or resumes, the proxy's vote at that meeting will be valid if, before the proxy votes:
  - (a) the appointing member dies; or
  - (b) the member is mentally incapacitated;
  - (c) the member revokes the proxy's appointment;
  - (d) the member revokes the authority under which the proxy was appointed by a third party; or
  - (e) the member transfers the share in respect of which the member or a third party appointed the proxy.

## 12.6 Objections

An objection to the qualification of a voter:

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

## 12.7 Direct Voting

- (1) The board may determine:
  - (a) that members entitled to attend and vote at a general meeting may cast a direct vote;
  - (b) the form, method and timing of giving a direct vote in order for the vote to be valid at a meeting.
- (2) Direct votes are not counted if a resolution is decided on a show of hands.
- (3) A valid direct vote cast by a member has the same effect as if the member had cast the vote in a poll at the meeting.



# **DIVISION 13. – DIRECTORS – APPOINTMENT AND VACATION OF OFFICE**

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## **13.1 Number of Directors**

- (1) The number of elected directors is:
  - (a) Seven, from the end of the 2017 AGM;
  - (b) Six, from the end of the first AGM after which any one, but no more than one, of the 2017 Directors is no longer an elected director; and
  - (c) Five, from the date upon the first AGM after which any two of the 2017 Directors are no longer elected directors .

In this Rule, "2017 Director" means any person who is an elected director immediately after the date of the 2017 AGM.

## **13.2 Eligibility to be a Director**

- (1) A person is not eligible to be a director of the company if the person:
  - (a) is not
    - (i) a member of the company; or
    - (ii) the representative appointed under Rule 12.4 (Body Corporate Representatives) of a body corporate member of the company;
  - (b) is a minor;
  - (c) is an employee of the company, but subject to Rule 13.3 (Employee Directors);
  - (d) is bankrupt, has applied to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounded with his or her creditors, or made an assignment of his or her remuneration for their benefit;
  - (e) is prohibited from being a director of a body corporate by the Corporations Act;
  - (f) has been convicted in the last 10 years of:
    - (i) an indictable offence in relation to the promotion, formation or management of a body corporate;
    - (ii) an offence involving fraud or dishonesty;
    - (iii) any prescribed offence;
  - (g) is a member whose voting rights have been suspended;
  - (h) is an officer (which includes a director, secretary, executive officer or employee) of any body, entity or business in competition with the company in providing like services to persons eligible for membership of the company or;
  - (i) was at any time in the previous 3 years employed as a senior manager of the company and is not currently an employee of the company.
- (2) A person is not eligible to be appointed director if the board has determined that the person does not have the appropriate fitness and propriety to be and act as a director, by reference to the board's Fit and Proper Policy. The board may delegate its power to assess a person under this Subrule and Appendix 5 Clause A5-2(6) to a committee of directors.

### 13.3 Employee Directors

- (1) The members of the company may elect one employee, otherwise qualified under Rule 13.2 (Eligibility to be a Director), to be a director of the company.
- (2) Only the board may nominate an employee for election.

### 13.4 Appointment by Members – Election

The members may appoint a person to be a director by election held under the provisions of Appendix 5.

### 13.5 Appointment by Board – Casual Vacancies

- (1) If a casual vacancy happens in the office of an elected director, the board may appoint a person who is qualified under Rule 13.2 (Eligibility to be a Director) to fill the vacancy.
- (2) The board shall not fill a casual vacancy occurring between the closing date for nominations for the election of directors and the next AGM.
- (3) If a casual vacancy happens in the office of an employee director, the board is not required to appoint another employee to fill the vacancy.
- (4) If, at any time between Annual General Meetings, the board appoints a person to fill a casual vacancy, the members shall by resolution confirm or otherwise such appointment at the following AGM.
- (5) Where confirmed, the director filling the casual vacancy shall complete the tenure of the director he or she replaced.
- (6) If not confirmed, the person filling the casual vacancy ceases to be a director of the company at the end of the AGM.

### 13.6 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.

### 13.7 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 13.2(1);
- (c) having been elected as an employee director, ceases to be an employee of the company;
- (d) as a representative of a body corporate member of the company whose eligibility for election to the office was based on being that representative, ceases to be so eligible;
- (e) is absent from 3 consecutive ordinary meetings of the board without leave; or
- (f) resigns by written notice addressed to the board;

- (g) 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.
- (h) is removed from office by a resolution of a general meeting of the company, as provided by Corporations Act; or
- (i) completes a term of office and is not re-elected.

## **13.8 Resignation**

- (1) A director may resign by giving the company written 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.

# **DIVISION 14. – DIRECTORS’ POWERS**

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## **14.1 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.

## **14.2 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.

## **14.3 Delegation**

- (1) The board may delegate any of its powers to any committee or any other person or persons, subject to Rule 3.2. The board may permit the delegate to sub-delegate any powers delegated to them.
- (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:
  - (a) include terms protecting persons dealing with the attorney, as the board determines; and
  - (b) authorise the attorney to delegate any or all of the attorney’s powers.

# **DIVISION 15. – DIRECTORS’ MEETINGS**

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## **15.1 Calling and Conduct of Board Meetings**

- (1) A director or the secretary (upon the authority of a director) may call a board meeting by giving reasonable notice to every other director.
- (2) The board may meet, adjourn and otherwise regulate its meetings as it thinks fit.

**15.1** The board may determine that a meeting of the board may be conducted by telephone, videoconferencing or any other electronic means. A resolution passed by such meeting is taken to have been passed at a meeting of the board held on the day on which and at the time at which the meeting was held at the place where the chair was present notwithstanding the directors are not present together in one place at the time of the meeting

### **Quorum of Board**

- (1) The number of directors whose presence is necessary to constitute a quorum is:
  - (a) if there is an even number of directors, half the total number of directors plus 1; or
  - (b) if there is an odd number of directors, a majority of the total number of directors
- (2) The quorum must be present at all times during the meeting.
- (3) If, at any time, the number of directors is less than the quorum:
  - (a) the board may meet only for the purpose of filling any casual vacancies or for calling a general meeting of members; and
  - (b) the board may conduct business by circulating resolution under Rule 15.5.

## **15.3 Chair of Board**

- (1) The board may appoint a director to chair its meetings. The board may determine the period for which the director is to be the chair. The board may remove the chair from the position of chair at any time.
- (2) The board must elect a director present to chair a meeting (or part of it) if:
  - (a) a director has not already been appointed to chair the meeting; or
  - (b) a previously appointed chair is not available, or declines to act, for the meeting (or part of it).

## **15.4 Passing of Directors’ Resolutions**

- (1) A resolution of the board must be passed by a majority of the votes cast by directors entitled to vote on the resolution.
- (2) The chair has a casting vote in addition to his or her deliberative vote.

## **15.5 Circulating Resolutions**

- (1) The board may pass a resolution without a board meeting if a majority 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 or, in the case of an electronic document, a return message in favour of the resolution is received by the chair from a majority of directors entitled to vote on the resolution.

- (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, or in the case of an electronic document, consented to by electronic means.
- (3) The resolution is passed when the last director sufficient to give the resolution a majority of votes signs, or provides consent by electronic means.

## **15.6 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 16. – CONFLICTS OF INTEREST**

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### **16.1 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.

### **16.2 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.

## **16.3 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 17. – REMUNERATION, INDEMNITY AND INSURANCE**

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## **17.1 Remuneration of Directors**

- (1) The company in general meeting must determine any remuneration of directors (other than an employee director).
- (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 (excluding any employee director) and how and when it is to be paid.
- (3) The remuneration of directors accrues from day to day.

## **17.2 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:
  - (i) in attending board meetings or any meetings of committees of directors; and
  - (ii) in attending any members' meetings; and
  - (iii) otherwise 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.

## **17.3 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 18. – ADMINISTRATION**

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## **18.1 Seal**

- (1) The Common Seal is to be in such form as the board determines. It shall be kept at the registered office in such custody as the board shall direct.
- (2) The Common Seal shall be affixed to any instrument in the presence of:
  - (a) two directors; and
  - (b) the secretary, or such other person as the board may appoint for the purpose and that the affixing of such Seal shall be recorded in the “Common Seal Register” and be reported to the next meeting of the board.
- (3) The two directors and the secretary or other person in the presence of whom the Common Seal of the company is affixed to an instrument, shall sign that instrument.

## **18.2 Secretary**

Subject to Rule 18.3, 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.

## **18.3 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.

# APPENDIX 1. – OBJECTS

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The company is a financial co-operative and has the following objects:

- (a) to raise funds by subscription, deposit or otherwise, as authorised by the Corporations Act 2001 (Cth), the Banking Act 1959 (Cth) and the Retirement Savings Accounts Act 1997 (Cth);
- (b) to apply the funds in providing financial accommodation to members, subject to the Banking Act 1959 (Cth) and the Retirement Savings Accounts Act 1997 (Cth);
- (c) to encourage savings amongst its members;
- (d) to promote co-operative enterprise;
- (e) to provide programs and services to its members to assist them to meet their financial, economic and social needs;
- (f) to promote, encourage and bring about human and social development among individual members and within the larger community within which members work and reside;
- (g) to further the interests of members and the communities within which they work and live, through co-operation with other credit unions and co-operatives and associations of credit unions and co-operatives, locally and internationally;
- (h) to provide such other services and/or facilities for the benefit, use and enjoyment of members and their families and in such manner and either free of charge or otherwise, as the company or the board shall deem proper and expedient; and
- (i) to do all such acts and things as the company or the board may deem to be incidental or conducive to the attainment of the foregoing.

# APPENDIX 2. – COMMON BOND

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## 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	<ul style="list-style-type: none"><li>(a) Employees of the Queensland Police Service.</li><li>(b) Employees of the Queensland Police Union of Employees.</li><li>(c) Employees of the company</li><li>(d) Employees and volunteers of Police Youth Clubs incorporated or registered in Australia</li><li>(e) Any employee of any Australian state or federal police service</li><li>(f) Any member of a mutual bank or credit union established to provide financial accommodation to employees of:<ul style="list-style-type: none"><li>(i) any Australian state or federal police service;</li><li>(ii) any of the Australian armed services; or</li><li>(iii) the Australian Customs and Border Protection Services;</li></ul></li><li>(g) Any federal, state or local government employee resident in Queensland.</li><li>(h) Any person engaged in an occupation or activity principally concerned with any of the following:<ul style="list-style-type: none"><li>(i) the administration of justice;</li><li>(ii) the protection of life;</li><li>(iii) the protection of property; or</li><li>(iv) the provision of paid or unpaid community services related to any of the matters in paragraphs (i) to (iii).</li></ul></li><li>(i) Any person formerly falling within items (a) to (h) above.</li></ul>
2 Family	<ul style="list-style-type: none"><li>(i) Any relative of any member referred to in Clauses (a) to (i), or any relative of a deceased member, where a relative is a spouse, parent, child or sibling.</li></ul>
3 Approved Persons	<ul style="list-style-type: none"><li>(k) The person or category of person is approved by the board.</li></ul>
4 Continuing Membership	<ul style="list-style-type: none"><li>(l) The person is already a member but has ceased to be eligible for membership in accordance with the above categories of membership.</li></ul>

## **A2-2 Common Bond – Body Corporate**

A body corporate is eligible to be a Member where the body corporate:

- (a) Has an officeholder who is a Member of the company; or
- (b) Acts as trustee of a trust of which a Member is a beneficiary.”

# APPENDIX 3. – SHARES

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## DIVISION 1. – MEMBER SHARES

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### A3-D1-1 Subscription Price

With effect from the end of the 2017 AGM of the company, the subscription price for a member share is nil.

### A3-D1-2 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 clause A3-D1-3;
  - (b) the right to participate in the distribution of profits or assets on a winding-up on the terms set out in clause A3-D1-6; and
  - (c) the right to redeem the member shares on the terms set out in clause A3-D1-7.
- (2) The obligation to pay any unpaid subscription price on the terms set out in clause A3-D1-8 attaches to each member share.
- (3) The restriction on transfer of member shares in clause A3-D1-9 attaches to each member share.
- (4) The company may issue more member shares at any time. The issue of more member shares does not vary the rights attached to member shares that the company has already issued.

### A3-D1-3 Voting Rights

- (1) Holders of member shares may participate and vote:
  - (a) at a members' 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 members' 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.

A member who is a minor has no vote.

### **A3-D1-4 Suspension of Voting Rights**

The voting rights of a member who applied to subscribe for a member share in accordance with Rule 3.1 are suspended if the member did not hold the requisite member share:

- (a) in relation to an election of directors — on the day before nominations for the election close; and
- (b) in relation to a general meeting — at least 7 days before notice of the general meeting is required to be given under the Corporations Act.

### **A3-D1-5 Dividend Entitlements**

No dividend is payable in respect of any member share.

### **A3-D1-6 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 amount of the subscription price (if any) paid by the member for the member share; and
  - (b) if any assets remain after the payments in paragraph (a) — to any surplus assets of the company.
- (2) On a winding up, whether voluntary or otherwise, only members, in their capacity as members, are entitled to participate in any surplus arising after the full repayment of any debt and the paid-up value or redeemable amount of all share capital issued to members, and may only do so equally without regard to the number or value of any other type or classes of shares that may be held.
- (3) The company may offset against the amount payable under this clause:
  - (a) any amount unpaid on the member share; and
  - (b) any other amount payable by the member to the company.
- (4) The entitlements of holders of member shares to payment on winding-up are subject to any preferred entitlements to payment on winding-up that holders of any other class of shares may have.

### **A3-D1-7 Redemption of Member Shares**

- (1) The company may redeem a member share only if the following conditions are satisfied:
  - (a) either:
    - (i) the member has given the company notice requesting termination of the member's membership of the company under Rule 4.2;

- (ii) the board or its delegate has resolved to terminate the member's membership of the company under Rule 4.3; or
  - (iii) the board or its delegate has determined that the members' deposit accounts with the company are dormant under Rule 4.4;
- (b) the company can redeem the member share out of the profits of the company.
- (2) On redemption, the company must pay the member an amount equal to the amount of the subscription price (if any) paid up by the member 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 Corporations Act Part 2J.1.

### **A3-D1-8 Payment for Member Shares by Minors**

- (1) This clause applies to a member who was a minor when he or she became a member and who only paid 20% of the subscription price for the member share as at the time he or she became a member.
- (2) While a member remains a minor, except when the company is being wound up, the company must not:
  - (a) call for payment of the unpaid amount in respect of the minor's member share;
  - (b) credit any dividend to the unpaid amount in respect of the minor's member share; or
  - (c) otherwise set off against the unpaid amount any amounts owing by the company to the minor.
- (3) After reaching the age of 18, the member must pay the remaining 80% of the subscription price for the member share applicable as at the time he or she became a member. Any time after the member reaches the age of 18, the board may:
  - (a) call for payment of all or part of the unpaid amount in respect of the member share;
  - (b) credit any dividend to the unpaid amount in respect of the member share; or
  - (c) debit any of the member's deposit accounts with the member's consent.
- (4) After reaching the age of 18, the member may not exercise any of the rights attaching to his or her member share until the member pays the amount of the unpaid subscription price.

### **A3-D1-9 Transfer of Member Shares**

- (1) Subject to Subclause (2), a member may not transfer their member share.
- (2) A trustee for an unincorporated association may transfer the member share that they hold as trustee for the unincorporated association to another person who is to act as trustee for the unincorporated association.



## **DIVISION 2. – INVESTMENT SHARES**

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### **A3-D2-1 Subscription Price**

The subscription price for an investment share is \$10.00.

### **A3-D2-2 Raising of Investment Share Capital**

Subject to compliance with the provisions of the Corporations Act and satisfying the requirements of APRA the company may raise capital by the issue of investment shares.

### **A3-D2-3 Offer and Issue of Investment Shares**

- (1) The company must not offer investment shares to persons other than members who have been members of the company continuously for at least 6 months prior to the date of issue of the prospectus and who hold the required number of member shares. Holders of investment shares must remain members until the investment shares are redeemed or transferred to another qualifying member. Where qualifying members have more than 1 membership, they may apply for 1 allocation only in their own name.
- (2) Investment shares must not be issued at a premium and must be fully paid up.

### **A3-D2-4 Rights of Investment Shareholders**

- (1) The holder of investment shares will have:
  - (a) the right to participate in any dividends declared with respect to investment shares;
  - (b) the right to transfer, sell or assign their investment shares but may only require the investment shares to be repaid in accordance with Rule A3-D2-10.
- (2) Voting rights do not attach to investment shares.

### **A3-D2-5 Ranking of Investment Shares**

Investment shares will rank behind member shares as regards to a return of capital on a winding-up of the company.

### **A3-D2-6 Classes of Investment Shares**

The company may issue investment shares of different classes provided that each class of investment share will rank equally with the other classes of investment shares in relation to the return of capital.

### **A3-D2-7 Rights Issue**

- (1) Where the board determines to make a further issue of investment shares to existing holders of investment shares subsequent to the first issue of investment shares, the issue will be offered to the then existing holders of investment shares in proportion, as nearly as the circumstances allow, to the sum of the nominal value of the shares already held by them.
- (2) The offer to participate in the rights issue will be made by notice in writing specifying the number of shares offered, the terms and conditions of the offer and a time within which the offer may be accepted.
- (3) The offer will be deemed to be declined after the expiration of the specified time or on being notified by the person to whom the offer is made that the offer is declined, whichever occurs first.

### **A3-D2-8 Registration as Holder of Investment Shares**

A member becomes registered as a holder of an investment share upon entry by the company in its register of holders of investment shares of the details required under the Corporations Act.

### **A3-D2-9 Redemption of Investment Shares**

- (1) Subject to Subrule A3-D2-9(3), investment shares may only be redeemed by the member in accordance with the term specified in the prospectus to the relevant issue of the investment shares ("the redemption date"). The company must repay the amount paid in respect of a member's investment shares without any premium together with any other amount to which the holder may be entitled in relation to the shares. Upon redemption the investment shares must be cancelled.
- (2) The company may redeem the shares prior to the redemption date provided prior written approval has been given by APRA and the company's board and, except in the case of hardship under Subrule A3-D2-9(3), subject to the offer for early redemption being made on the same terms to all holders of investment shares issued under this prospectus.
- (3) In the case of hardship, a member may apply for early redemption by submitting a written application setting out the circumstances and reasons to the board which may approve the application subject to the approval of the APRA.

### **A3-D2-10 Maximum Permissible Shareholding**

- (1) Subject to the Corporations Act, no person may hold an entitlement in any class of shares of more than 15% of the nominal value of all shares of that class.
- (2) If a person has more than the maximum permissible shareholding permitted under this Rule the company must, subject to the provisions of the Corporations Act, cancel the excess shares and pay to the holder of any cancelled shares the amount paid-up on the shares, together with any other amount to which the holder may be entitled in relation to the shares.

## **DIVISION 3. – TIER 1 SHARES**

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### **A3-D3-1 Terms of Issue**

The company may issue Tier 1 shares on terms the board approves but subject to the rights and restrictions contained in this Division.

### **A3-D3-2 Rights, Obligations and Restrictions Attaching to Tier 1 Shares**

The following rights attach to each Tier 1 share:

- (a) the right to vote on the terms set out in clause A3-D3-3;
- (b) the right to participate in dividends on the terms set out in clause A3-D3-4; and
- (c) the right to participate in the distribution of profits or assets on a winding-up on the terms set out in clause A3-D3-5.

### **A3-D3-3 Voting Rights**

Except as required by law, Tier 1 shares carry no voting rights.

### **A3-D3-4 Dividend Entitlements**

- (1) Each Tier 1 share carries a right to participate in dividends as specified in its terms of issue.
- (2) Dividends on the Tier 1 shares are non-cumulative.
- (3) Each Tier 1 share confers a right to receive dividends:
  - (a) in priority to dividends (if any) which may become payable on member shares;
  - (b) that ranks behind the right to receive dividends attaching to investment shares.
- (4) Each Tier 1 share may be entitled to payment of dividend equally with or behind any other share, the terms of whose issue specify a ranking equally with, or in priority to, the Tier 1 share.

### **A3-D3-5 Distribution on Winding-Up**

- (1) On a winding-up of the company each Tier 1 share:
  - (a) is entitled to repayment of the amount of capital paid up on the Tier 1 share equally with every other Tier 1 share; and
  - (b) is not otherwise entitled to share in any surplus assets of the company.
- (2) Tier 1 shares rank behind:
  - (a) member shares; and
  - (b) investment shares,for repayment of capital on a winding-up.
- (3) Tier 1 shares may rank equally with or behind any other shares the terms of whose issue specify a ranking equally with, or in priority to, the Tier 1 shares.

# APPENDIX 4. – STANDING ORDERS

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## 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) A member may propose an amendment to a resolution other than a special resolution where statutory notice has been given.
- (2) On an amendment being proposed to an original motion, no second amendment may be considered until the first amendment has been dealt with.
- (3) An amendment, when carried, displaces the original motion and becomes the motion to which any further amendment may be moved.
- (4) If the amendment is not carried, then further amendments to the original motion may be considered.

## 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 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

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## A5-1 Election

- (1) An election of directors is held by secret ballot to which the provisions of this Appendix apply.
- (2) The following table sets out the timetable for election of directors by members:

Steps in Election Procedure	Time
Call for nominations (see clause A5-2(1))	78 days before AGM
Nominations close (see clause A5-2(2))	57 days before AGM
Ballot opens (see clause (A5-7))	At least 35 days before AGM
Ballot closes (see clause A5-10)	14 days before AGM
Announcement of directors (see clause A5-11(2))	AGM

## A5-2 Nominations

- (1) The board must give members a notice calling for members to nominate candidates not less than 78 days before the AGM. The board may give this notice, in addition to any of the methods allowed in Rule 1.5, by advertisement:
  - (a) at the company's offices; or
  - (b) in newspapers.
- (2) Nominations close 57 days before the AGM.
- (3) 5 members together have the right to nominate a candidate. To nominate a candidate, the 5 members must give the company a notice of nomination before nominations close. The notice of nomination must:
  - (a) declare that the candidate is eligible to be a director under Rule 13.2(1) and Section 20 of the Banking Act 1959 Cth; and
  - (b) state any conflicts of interest;
  - (c) agree to a Federal Police check;
  - (d) agree to comply with the Board Code of Conduct; and
  - (e) be signed by the nominating members and the candidate.

- (4) A retiring director is eligible for re-election and will be renominated provided:
  - (a) he or she has notified the secretary in writing prior to the date that nominations open pursuant to Subrule A5-2(1) that he or she intends to seek re-election; and
  - (b) The director is eligible for election under Rule 13.2 and by law.

If the director does not provide the required notice to the secretary by the due date they will not be eligible for re-election at that year's AGM.

- (5) The board must assess each candidate, including retiring directors seeking re-election, for fitness and propriety to be a director by reference to the board's Fit and Proper Policy by no later than 28 days before the AGM. If the board determines that a candidate does not have the appropriate fitness and propriety to be and act as a director that candidate immediately ceases to be a candidate.

### **A5-3 Proceeding with Election**

- (1) If the number of candidates is equal to or less than the number of positions to be filled:
  - (a) the election process otherwise set out in this Appendix is discontinued;
  - (b) the company must give each member a notice that:
    - (i) states that the election process has been discontinued;
    - (ii) sets out the name of each candidate; and
    - (iii) states that each candidate will be appointed as an elected director by announcement at the AGM;
  - (c) the secretary must announce the appointment of each candidate as an elected director at the AGM; and
  - (d) on the announcement by the secretary at the AGM, each candidate is deemed duly appointed as an elected director whose term of office commences in accordance with Rule 13.6.

### **A5-4 Appointment of Returning Officers**

- (1) The board must appoint a returning officer, who may appoint assistant returning officers, none of whom can be an officer of the company or a candidate.
- (2) The secretary must prepare and give the returning officer a roll of members eligible to vote on the election of directors, made up to the day before nominations for the election close.

### **A5-5 Appointment of Scrutineer**

- (1) A candidate may appoint a scrutineer.
- (2) The board may appoint a maximum of three scrutineers, none of whom is a candidate or an employee of the company.

## **A5-6 Voting Procedures**

- (1) The board must, prior to the call for nominations under Clause A5-2(1), approve voting procedures to apply to the ballot. The board's approval may be a standing approval.
- (2) Voting will be conducted by ballot according to the voting procedures.
- (3) The voting procedures must ensure that, by the date the ballot opens, each member entitled to vote:
  - (a) is given a ballot paper;
  - (b) can obtain a ballot paper and is given notice how to obtain a ballot paper; or
  - (c) has access to a method of casting a vote and is given notice how to cast a vote.
- (4) To avoid any doubt, the voting procedures may allow for members to cast votes in the ballot electronically.
- (5) In approving the voting procedures the board must have regard to these matters:
  - (a) each member entitled to vote is given a practical opportunity to participate in the ballot;
  - (b) reasonable precautions to ensure that each member may only vote once in the ballot;
  - (c) procedures enabling the returning officer to detect fraud or impropriety in the voting process;
  - (d) the anonymity of the voter is protected;
  - (e) instructions for voting are legible and clearly expressed so as to accurately inform members how to complete and cast a vote;
  - (f) to the extent applicable — provisions for issuing a duplicate ballot paper when the original has been lost or spoiled;
  - (g) rules to apply to determine if a ballot paper or other method of casting a vote is informal;
  - (h) the procedures for receiving, checking, scrutinising and counting votes cast are efficient, having regard to the above paragraphs;
  - (i) the conduct, duties and responsibilities of the returning officer;
  - (j) the conduct, duties and responsibilities of scrutineers appointed by candidates; and
  - (k) the retention and destruction of documents and records relating to the ballot after the election.
- (6) The board must cause the voting procedures, as approved, to be displayed at the company's registered office and every branch office from the day before the ballot opens until the day after closure of the ballot.
- (7) The company must provide a copy of the voting procedures:
  - (a) to each candidate;
  - (b) to a member on request.

## **A5-7 Ballot Opens**

The ballot opens on a day determined by the board that is at least 35 days before the AGM.

## **A5-8 Content of the Ballot**

The ballot paper, or other method under the voting procedures by which a member may cast a vote in the ballot, must:

- (a) list all the candidates in an order determined by the returning officer by lot;
- (b) allow the member to vote for up to the number of candidates equal to the number of vacancies to be filled.

## **A5-9 Vote**

A member may only cast a vote in the ballot in accordance with the voting procedures.

## **A5-10 Closure of the Ballot**

The ballot closes 14 days before the AGM.

## **A5-11 Procedures After Close of the Ballot**

- (1) After the close of the ballot, the returning officer must check, scrutinise and count votes cast in accordance with the voting procedures.
- (2) The secretary must announce the results of the ballot at the next AGM.
- (3) 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) The candidates with the highest number of votes in accordance with the number of vacancies are appointed as directors.
- (2) If 2 or more candidates have the same number of votes, the candidate appointed as a director is determined by lot.

## **A5-13 Irregularity in the Conduct of an Election**

- (1) The candidates that the returning officer declares to have been appointed are appointed unless the secretary receives an objection to the ballot within 7 days of the secretary's notifying members of the result of the ballot.
- (2) If the board is of the opinion that the objection is reasonable, it may resolve to declare the returning officer's declaration void.
- (3) The returning officer must then conduct a further scrutiny in accordance with the Constitution the results of which prevail unless the board resolves to call a new poll by a unanimous resolution of all directors other than those appointed as a result of the ballot to which the objection relates.



# NOTES

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