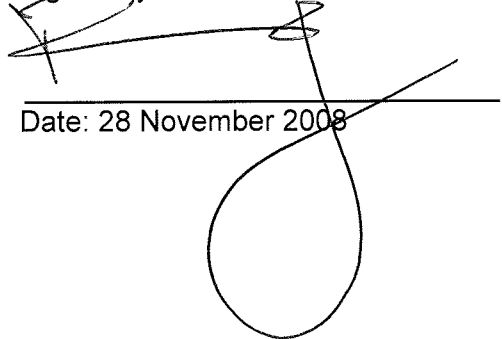


CONSTITUTION
OF
BEACH PETROLEUM LIMITED
ABN 20 007 617 969

Signed by the Chairman

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Date: 28 November 2008

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THE CORPORATIONS ACT
CONSTITUTION
OF
BEACH PETROLEUM LIMITED
ABN 20 007 617 969
A PUBLIC COMPANY LIMITED BY SHARES

1. INTERPRETATION

1.1 Replaceable Rules Not Applicable

To the extent permitted by the Act, the replaceable rules contained in the Act are hereby displaced and do not apply to the Company.

1.2 Definitions

In this Constitution, unless the context otherwise requires or admits, the following expressions shall have the following meanings respectively:

- 1.2.1 "Act" means the Corporations Act 2001;
- 1.2.2 "ASX" means ASX Limited;
- 1.2.3 "Approving Resolution" means a resolution passed in accordance with clause 6.4;
- 1.2.4 "Approving Resolution Deadline" in relation to a Proportional Takeover Bid, means the day that is the 14th day before the last day of the Bid Period;
- 1.2.5 "Bidder" has the same meaning as in the Act;
- 1.2.6 "Bid Class" has the same meaning as in the Act;
- 1.2.7 "Bid Period" has the same meaning as the Act;
- 1.2.8 "Business Day" means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;
- 1.2.9 "Chairman" and "Vice-Chairman" means the persons elected by the Directors to the office of Chairman and Vice-Chairman from time to time in accordance with clause 15.8 or otherwise elected in accordance with clause 12.4;
- 1.2.10 "Clearing and Settlement Facility" has the same meaning as in section 768A of the Act;
- 1.2.11 "the Company" means the company named above whatever the company's name may be from time to time;
- 1.2.12 "Constitution" means this Constitution as amended from time to time and any reference to a clause by number is a reference to the clause of that number in this Constitution;

- 1.2.13 "**Corporation Regulations**" means the Corporations Regulations 2001 as amended from time to time;
- 1.2.14 "**CSF Rules**" means the rules of the Clearing and Settlement Facility;
- 1.2.15 "**the Directors**" means the directors of the Company from time to time or such number of them as have authority to act for the Company (including any alternate director duly acting as such), and "Directors" has a corresponding meaning;
- 1.2.16 "**Employee Share Scheme**" has the same meaning as in Section 9 of the Act;
- 1.2.17 "**Executive Director**" means a Director appointed in accordance with **clause 17.1** to an office of, or otherwise employed by, the Company;
- 1.2.18 "**Listing Rules**" means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;
- 1.2.19 "**Listed Securities**" means any Shares, Share Options, stock, debentures, debenture stock or other securities for the time being issued by the Company and officially quoted by ASX;
- 1.2.20 "**Managing Director**" means a Director appointed as a managing director of the Company in accordance with **clause 17.1**;
- 1.2.21 "**Marketable Parcel**" has the same meaning as in the ASX business rules;
- 1.2.22 "**Prescribed Rate**" means the rate of 18% per annum or such other rate as may from time to time be fixed by the Directors;
- 1.2.23 "**proper ASTC transfer**" has the same meaning as in the Corporations Regulations;
- 1.2.24 "**Proportional Takeover Bid**" has the same meaning as in the Act;
- 1.2.25 "**Registered Office**" means the registered office of the Company;
- 1.2.26 "**Register of Shareholders**" means the register of Shareholders kept by the Company;
- 1.2.27 "**Related Body Corporate**" means a body corporate which by virtue of the provisions of Section 50 of the Act is deemed to be related to the Company and "related" has a corresponding meaning;
- 1.2.28 "**Representative**" means a person authorised to act as a representative of a corporation under **clause 12.20**;
- 1.2.29 "**Restricted Securities**" has the same meaning as in the Listing Rules;
- 1.2.30 "**Schedule 1**" means Schedule 1 to this Constitution;
- 1.2.31 "**Seal**" means the common seal of the Company (if any);

1.2.32 "**Secretary**" means any person appointed to perform the duties of a secretary of the Company;

1.2.33 "**Share**" means a share in the capital of the Company;

1.2.34 "**Shareholder**" means a person or company registered in the Register of Shareholders as the holder of one or more Shares and includes any person or company who is a member of the Company in accordance with or for the purposes of the Act;

1.2.35 "**Share Option**" means an option to require the Company to allot and issue a Share; and

1.2.36 "**Takeover**" means a takeover as defined by the Listing Rules.

1.3 Definitions in the Act

Any word or expression defined in or for the purposes of the Act shall, unless otherwise defined in **clause 1.2** or the context otherwise requires, has the same meaning when used in this Constitution, and the rules of interpretation specified in or otherwise applicable to the Act shall, unless the context otherwise requires, apply in the interpretation of this Constitution.

1.4 Headings

Headings are inserted in this Constitution for convenience only and shall not affect the interpretation of this Constitution.

1.5 Listing Rules

The restrictions included in this Constitution to comply with the Listing Rules shall only apply if the Company has official quotation for its Shares or marketable securities or any of them by ASX.

2. SHARE CAPITAL AND VARIATION OF RIGHTS

2.1 Issue of Shares

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, Shares for the time being unissued shall be under the control of the Directors and, subject to the Act, the Listing Rules and this Constitution, the Directors may at any time and from time to time issue such number of Shares either as ordinary Shares or Shares of a named class or classes (being either an existing class or a new class) and with such preferred, deferred or other special rights or such restrictions, whether with regard to dividend, return of capital or otherwise, and whether as preference Shares that are or at the option of the Company are liable to be redeemed, as the Directors shall, in their absolute discretion, determine.

2.2 Share Options

Subject to the Act and the Listing Rules, the Directors may at any time and from time to time issue Share Options on such terms and conditions as the Directors shall, in their absolute discretion, determine.

2.3 Classes of Shares

- 2.3.1 If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three quarters of the issued Shares of that class and the holders of any other classes of shares whose rights may be affected, or if authorised by special resolutions passed at separate meetings of the holders of the Shares of that class and by the holders of any other classes of Shares whose rights may be affected.
- 2.3.2 Any variation of rights under this **clause 2.3** shall be subject to Sections 246B to 246E inclusive of the Act.
- 2.3.3 The provisions of this Constitution relating to general meetings shall apply to this **clause 2.3** so far as they are capable of application and with necessary alterations to every such separate meeting except that a quorum is constituted by two persons who together hold or represent by proxy one-third of the issued Shares of the class.

2.4 Preference Shares

Subject to this clause and Section 254A and Part 2H.2 of the Act, the Company may issue preference Shares that are liable to be redeemed whether at the option of the Company or otherwise, and the following provisions shall apply in respect of such preference Shares:

- 2.4.1 the Directors may, subject to the provisions of Section 254A and Part 2H.2 of the Act, exercise the power in any manner they think fit;
- 2.4.2 any preference Shares so issued shall confer upon the holders thereof, inter alia, the same rights as the holder of ordinary Shares to receive notices and financial reports, and to attend general meetings and to vote in the circumstances outlined in the Listing Rules;
- 2.4.3 the Company may at any time issue further preference Shares ranking *pari passu* in all respect with (but not in priority to) other preference Shares already issued and the rights of the issued preference Shares shall not be deemed to have been varied by the further issue; and
- 2.4.4 other conditions, restrictions or rights attaching or relating to any preference Shares issued with respect to redemption, repayment of capital, participation in surplus assets and profits, cumulative and non-cumulative dividends, voting and priority of payment of capital and dividends in relation to other Shares or classes of preference Shares shall be approved by special resolution of the Company.

2.5 Recognition of Trusts

Except as permitted or required by the Act, the Company shall not recognise a person as holding a Share or Share Option upon any trust.

2.6 Unregistered Interests

The Company is not bound by or compelled in any way to recognise any equitable, contingent, future or partial right or interest in any Share or Share Option (whether or not it has notice of the interest or right concerned) unless otherwise provided by this Constitution or by law, except an absolute right of ownership by the registered holder of the Share or Share Option.

2.7 Share Certificates and Share Option Certificates

2.7.1 Subject to this **clause 2.7 and clause 2.8**, a person whose name is entered as a Shareholder in the Register of Shareholders is entitled without payment to receive a Share certificate in respect of the Share in accordance with the Act but, in respect of a Share or Shares held jointly by several persons, the Company is not bound to issue more than one certificate. Delivery of a certificate for a Share to one of several joint Shareholders is sufficient delivery to all such holders. In addition:

- (a) Share certificates in respect of Listed Securities shall only be issued in accordance with the Listing Rules;
- (b) the Company shall dispatch all appropriate Share certificates in accordance with the Act and the Listing Rules where applicable;
- (c) where a Share certificate is lost, worn out or destroyed, the Company shall issue a duplicate certificate in accordance with the requirements of Section 1070D of the Act; and
- (d) the provisions of this **clause 2.7** shall, with necessary alterations, apply to Share Options.

2.7.2 Notwithstanding any other provision in this Constitution, the Directors may determine not to issue a Share certificate or Share Option certificate or may determine to cancel such a certificate without issuing any certificate in its place, if that determination is not contrary to the Act or the Listing Rules.

2.7.3 The Directors may do anything that they consider necessary or desirable and which is permitted under the Act and the Listing Rules to facilitate the participation by the Company in any computerised or electronic system established or recognised by the Act or the Listing Rules for the purposes of facilitating dealings in marketable securities.

2.8 Subregisters

2.8.1 Subject to the Listing Rules, the Directors may, in their absolute discretion, elect whether to maintain a certificated subregister for any class of Shares.

2.8.2 Subject to the Listing Rules and the CSF Rules, Shares may be held on any subregister maintained by or on behalf of the Company.

2.9 Commissions

The Company may pay brokerage or commission to a person in respect of that person or another person agreeing to take up Shares. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

2.10 Restricted Securities

If the Company is listed on ASX and has on issue any securities which are at that time designated Restricted Securities by ASX, notwithstanding any other provision of this Constitution:

- 2.10.1 the Company must not acknowledge, deal with, accept or register any sale, assignment or transfer of those Restricted Securities which is or may be in breach of the Listing Rules or any escrow agreement entered into by the Company under the Listing Rules in relation to those Restricted Securities;
- 2.10.2 on liquidation of the Company, the holder of those Restricted Securities (if Shares) which are subject to restrictions under an escrow agreement entered into by the Company under the Listing Rules at the commencement of the winding up, rank on a return of capital behind all other Shares; and
- 2.10.3 if there is any breach of an escrow agreement entered into by the Company under the Listing Rules or a breach of the Listing Rules in relation to those Restricted Securities, while that breach continues the Shareholder holding those Restricted Securities automatically ceases to be entitled to receive any dividends and to exercise any voting rights in respect of those Restricted Securities.

2.11 Share Buy-Backs

The Company may from time to time buy back its own Shares in accordance with the Act.

2.12 Reduction of Capital

Subject to the Act and the Listing Rules, the Company may reduce its share capital.

3. LIEN

3.1 Lien for Calls

The Company has a first and paramount lien on each Share (except where the Company is listed on ASX and the Share is fully paid) for all money (whether presently payable or not) called or payable at a fixed time in respect of that Share.

3.2 Lien for Employee Incentive Scheme

The Company has, in addition to the lien described in **clause 3.1**, a first and paramount lien on each Share acquired by a Shareholder under an employee incentive scheme established by the Company in respect of all money due and payable to the Company by the Shareholder in respect of the Shareholder acquiring such Share.

3.3 Indemnity for Company Payments

Where at any time the law of any jurisdiction imposes or purports to impose any immediate, future or possible liability on the Company, or empowers or purports to empower any person to require the Company to make any payment, on account of a Shareholder or referable to a Share held by that Shareholder (whether alone or jointly) or a dividend declared in respect of a Share held by that Shareholder, and

the Company has made any payment pursuant to that liability or requirement, the Company:

- 3.3.1 is fully indemnified by that Shareholder or his/her executor or administrator from that liability or requirement; and
- 3.3.2 may recover as a debt due from the Shareholder the amount of any payment made by the Company in satisfaction of that liability or pursuant to that requirement together with reasonable expenses incurred by the Company because the amount is not paid and interest at the Prescribed Rate from the date of payment by the Company to the date of repayment by the Shareholder or his/her executor or administrator,

and nothing in this clause in any way prejudices or affects any other right or remedy which the Company may have (including, without limitation, any right of set off) and, as between the Company and the Shareholder, any such right or remedy is enforceable by the Company.

3.4 Exemptions

The Directors may at any time exempt a Share wholly or in part from the provisions of this **clause 3**.

3.5 Dividends

Whenever the Company has a lien on a Share, the lien extends to all dividends payable in respect of the Share.

3.6 Sale of Shares

Subject to **clause 3.7**, the Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien.

3.7 Restrictions on Sale

A Share on which the Company has a lien shall not be sold unless:

- 3.7.1 the sum in respect of which the lien exists is presently payable; and
- 3.7.2 the Company has, not less than 14 days before the date of the sale, given to the registered holder for the time being of the Share or the person entitled to the Share by reason of death or bankruptcy of the registered holder a notice in writing setting out, and demanding payment of, such part of the amount in respect of which the lien exists as is presently payable.

3.8 Person Authorised to Sign Transfers

For the purpose of giving effect to a sale of a Share under **clause 3.6**, the Directors may authorise a person to transfer the Shares sold to the purchaser of the Shares. The Company shall register the purchaser as the holder of the Shares comprised in any such transfer and he/she is not bound to see to the application of the purchase money. The title of the purchaser to the Shares is not affected by any irregularity or invalidity in connection with the sale.

3.9 Proceeds of Sale

The proceeds of a sale under **clause 3.6** shall be applied by the Company in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue (if any) shall (subject to any like lien for sums not presently payable that existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

3.10 Protection of Lien

The Company may do all such things as may be necessary or appropriate for it to do under the CSF Rules to enforce or protect any lien, charge or other right to which it may be entitled under any law or this Constitution.

4. CALLS ON SHARES

4.1 Calls

- 4.1.1 The Directors may make calls upon the Shareholders, that are payable not less than 10 Business Days from the day on which the call is made, in respect of any money unpaid on the Shares of the Shareholders which is not by the terms of issue of those Shares made payable at fixed times, except that no call shall be payable earlier than one month from the date fixed for the payment of the last preceding call.
- 4.1.2 The Directors may revoke or postpone a call or extend the time for payment.
- 4.1.3 The Directors may waive all or any part of an amount payable under this **clause 4.1** or the terms of issue of a Share.
- 4.1.4 Joint holders of Shares are jointly and severally liable to pay all calls in respect of their Shares.
- 4.1.5 The Company shall comply with the Listing Rules and the Act in relation to calls.

4.2 Making a Call

- 4.2.1 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and a call may be required or permitted to be paid by instalments.
- 4.2.2 Failure to send a notice of call to any Shareholder or the non-receipt by any Shareholder does not invalidate the call.

4.3 Payments on Calls

A Shareholder must pay to the Company:

- 4.3.1 the amount called, by the time and at the place specified;
- 4.3.2 interest at the Prescribed Rate on an unpaid call (or instalment) from the date the call (or instalment) becomes presently payable until and including the date of payment; and
- 4.3.3 costs incurred by the Company in respect of the non-payment or late payment of the call.

4.4 Deemed Calls

Any amount that, by the terms of issue of a Share, becomes payable on allotment or at a fixed date shall, for the purposes of this Constitution, be deemed to be a call duly made and payable on the date on which by the terms of issue the amount becomes payable and, in case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise apply as if the amount had become payable by virtue of a call duly made and notified.

4.5 Payments in Advance of Calls

The Directors may accept from a Shareholder the whole or any part of the amount unpaid on a Share although no part of that amount has been called up, and in that event the Directors shall nominate whether the amount so paid is to be treated as capital or a loan to the Company by the Shareholder. If the amount so paid is to be nominated to be capital, it shall be deemed as from the date of such nomination to have been applied in paying up (so far as it will extend) the unpaid balance of the total issue price of the Share, but the dividend entitlement attaching to such Share shall remain as it was prior to the payment so made until there is a call in respect of the Share under this Constitution of an amount equal to or greater than the amount so paid. If the amount so paid is nominated to be a loan to the Company, it shall carry interest at such rate, not exceeding the Prescribed Rate, as is agreed between the Directors and the Shareholder, shall not be repayable unless the Directors so determine, shall not confer on the Shareholder any rights attributable to subscribed capital and shall, unless so repaid, be applied in payment of calls on the Share as and when the same become due.

4.6 Recovery of Amounts Due

The Directors may recover an amount presently payable under this **clause 4** from a Shareholder in all or any of the following ways:

- 4.6.1 by suing the Shareholder for the debt;
- 4.6.2 by enforcing the lien on the Share; and
- 4.6.3 by declaring a forfeit of the Share.

4.7 Evidence of Debt

A debt is sufficiently proved by evidence that:

- 4.7.1 the Shareholder is registered as a holder or a joint holder of the Share;
and
- 4.7.2 the resolution for the call is recorded in the minute book.

5. FORFEITURE OF SHARES

5.1 Failure to Pay Call

If a Shareholder fails to pay a call or instalment of a call on the day appointed for payment of the call or instalment, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid (but subject to this clause), serve a notice on him/her requiring payment of so much of the call or instalment as is unpaid, together with any interest that has accrued. The notice shall name a further day being the date 10 Business Days after the day for payment of the call or instalment on or before which the payment required by the notice is to

be made and shall state that, in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

5.2 Forfeiture

If the requirements of a notice served under **clause 5.1** are not complied with, any Share in respect of which a call is unpaid at the expiration of 10 Business Days after the day for its payment is thereupon forfeited without any resolutions of the Directors to that effect. Such a forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

5.3 Sale of Forfeited Share

A forfeited Share shall be offered for sale by public auction on such terms and in such manner as the Directors may determine and, in any time before a sale or disposition, the forfeiture may be cancelled in such manner and on such terms as the Directors may determine.

5.4 Continuing Liability

A person whose Shares have been forfeited ceases to be a Shareholder in respect of the forfeited Shares, but remains liable to pay to the Company all money that, at the date of forfeiture, was payable by him/her to the Company in respect of the Shares (including interest at the Prescribed Rate from the date of forfeiture on money for the time being unpaid and expenses), but this liability ceases if and when the Company receives payment in full of all the money (including interest and expenses) so payable in respect of the Shares.

5.5 Shares Held on Trust

Forfeited Shares which are withdrawn from sale or for which no bid is received at the sale shall be held by the Directors in trust for the Company and shall be disposed of in such manner and on such terms as the Directors shall determine. No person is entitled to any vote in respect of forfeited Shares held by the Directors in trust.

5.6 Statement Prima Facie Evidence

A statement in writing declaring that the person making the statement is a Director or a Secretary, and that a Share has been duly forfeited on a date stated in the statement, is prima facie evidence of the facts stated in the statement as against all persons claiming to be entitled to the Share.

5.7 Procedures

The Company may receive the consideration (if any) given for a forfeited Share on any sale or disposition of the Share and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of. Upon the execution of the transfer, the transferee shall be registered as the holder of the Share and is not bound to see to the application of any money paid as consideration. The title of the transferee to the Share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Share.

5.8 Listing Rules & CSF Rules

The Company shall comply with the Listing Rules and the CSF Rules where applicable with respect to forfeited Shares or Shares liable to be forfeited.

6. TRANSFER OF SHARES

6.1 General

6.1.1 Subject to this Constitution (and in particular **clause 6.1.2**), a Shareholder may transfer all or any of his/her Shares or other marketable securities by an instrument in writing in any usual or common form or in any other form that the Directors approve.

6.1.2 A written transfer instrument must be:

- (a) executed by the transferor or (where the Act permits) stamped by the transferor's broker;
- (b) unless the Directors decide otherwise in the case of a fully paid Share, executed by the transferee or (where the Act permits) stamped by the transferee's broker; and
- (c) in the case of a transfer of partly paid Shares, endorsed or accompanied by an instrument executed by the transferee or by the transferee's broker to the effect that the transferee agrees to accept the Shares subject to the terms and conditions on which the transferor held them, to become a Shareholder and to be bound by this Constitution.

Subject to the Act, the written transfer instrument may comprise two documents.

6.1.3 The Company must register all registrable transfer forms, split certificates, renunciations and transfers, issue certificates and transmission receipts and mark or note transfer forms without charge except where the issue of a certificate is to replace a lost or destroyed certificate.

6.2 Certificate Holding

For a transfer of Shares or other marketable securities that is not a proper ASTC transfer:

- 6.2.1 a proper instrument of transfer must be left for registration at the share registry of the Company;
- 6.2.2 the instrument must be accompanied by a certificate for the securities dealt with in the transfer where a certificate has been issued, unless the Directors waive production of the certificate on receiving satisfactory evidence of the loss or destruction of the certificate;
- 6.2.3 if the Listing Rules permit, the Directors may require other evidence of the transferor's right to transfer; and
- 6.2.4 the Company must, subject to the powers vested in the Directors by this Constitution, register the transferee as a Shareholder, cancel the old certificate (if any) and, if required by the Act, issue a new certificate in the name of the transferee for the securities transferred and in the name of the transferor for the balance of the securities retained (if any).

6.3 Uncertificated Holding

A transfer of Shares or other marketable securities that is a proper ASTC transfer must be effected in accordance with the Listing Rules and CSF Rules.

6.4 Proportional Takeover Bid

- 6.4.1 The registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid is prohibited unless and until an Approving Resolution to approve the Proportional Takeover Bid is passed.
- 6.4.2 A person (other than the Bidder or an associate of the Bidder) who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held Bid Class Shares is entitled to:
- (a) vote on an Approving Resolution; and
 - (b) have one vote for each Bid Class Share held.
- 6.4.3 Where offers have been made under a Proportional Takeover Bid, the Directors must ensure that an Approving Resolution is voted on at a meeting of the persons described in **clause 6.4.2** before the Approving Resolution Deadline.
- 6.4.4 An Approving Resolution is passed if more than 50% of the votes cast on the resolution are cast in favour of the resolution, and otherwise is taken to have been rejected.
- 6.4.5 The provisions of this Constitution that apply in relation to a general meeting of the Company apply, with any modifications that circumstances require, to a meeting that is convened under this **clause 6.4** as if the meeting was a general meeting of the Company.
- 6.4.6 If an Approving Resolution to approve the Proportional Takeover Bid is voted on in accordance with this **clause 6.4** before the Approving Resolution Deadline, the Company must, on or before the Approving Resolution Deadline, give:
- (a) the Bidder; and
 - (b) each relevant financial market,
- a written notice stating that an Approving Resolution to approve the Proportional Takeover Bid has been voted on and whether it was passed or rejected.
- 6.4.7 If no resolution has been voted on in accordance with this **clause 6.4** as at the end of the day before the Approving Resolution Deadline, a resolution to approve the Proportional Takeover Bid is taken, for the purposes of **clause 6.4**, to have been passed in accordance with this **clause 6.4**.
- 6.4.8 This **clause 6.4** will cease to have effect three years after the date of its adoption or its last renewal.

6.5 Directors Power to Decline Registration

Subject to **clause 6.7**, the Directors may in their absolute discretion refuse to register any transfer of Shares or other marketable securities:

6.5.1 on which stamp duty is payable but unpaid; or

6.5.2 in any circumstances permitted by the Listing Rules.

6.6 Obligations to Decline Registration

Subject to **clause 6.7**, the Directors must decline to register any transfer of Shares or other marketable securities:

6.6.1 where the Listing Rules require the Company to do so; or

6.6.2 which are Restricted Securities during the escrow period except as permitted by the Listing Rules or ASX.

6.7 Proper ASTC Transfers

The Company must not refuse or fail to register or give effect to, or delay in any way or interfere with, a proper ASTC transfer of Shares or other marketable securities.

6.8 Notification

If, in exercise of their rights under **clauses 6.5** and **6.6**, the Directors refuse to register a transfer of a Share or marketable security, they must give written notice in accordance with the Listing Rules of the refusal to the transferee and the broker lodging the transfer (if any). Failure to give such notice will not invalidate the decision of the Directors.

6.9 Transferor Remains Shareholder

The transferor of a Share or other marketable securities remains the holder of that Share or marketable security until the transfer is registered and the name of the transferee is entered in the Register of Shareholders in respect of that Share or marketable security.

6.10 Retention of Instruments

On an instrument of transfer or a purported instrument of transfer being delivered to the Company, property to and title in that instrument (but not the Shares or marketable securities the subject of it) pass to the Company which is entitled as against all persons to the possession of the instrument.

7. REGISTERS

7.1 Closure of Register

Subject to the Listing Rules, the Register of Shareholders may be closed during such times as the Directors may determine, not exceeding 30 days in each calendar year or any one period of more than 10 consecutive Business Days.

7.2 Other Securities

The provisions of this **clause 7** shall apply, with necessary alterations, to any other marketable securities for the time being issued by the Company.

7.3 Branch Register

The Company may cause to be kept in any place a branch register of Shareholders, and the Directors may from time to time make such provisions as they (subject to the Act) may think fit with respect to the keeping of any such branch register.

8. TRANSMISSION OF SHARES

8.1 Death of Shareholder Leaving a Will

On the death of a Shareholder who leaves a will appointing an executor, the executor shall be entitled as from the date of death, and on behalf of the deceased Shareholder's estate, to the same dividends and other advantages and to the same rights whether in relation to meetings of the Company, or voting or otherwise, as the Shareholder would have been entitled to if he/she had not died, whether or not probate of the will has been granted. Nevertheless, if probate of the will is granted to a person or persons other than the executor first referred to in this clause, his/her executor's rights shall cease, and such rights shall only be exercisable by the person or persons to whom probate is granted as provided in **clauses 8.2 and 8.3**.

8.2 Death or Bankruptcy of Shareholder

Subject to **clause 8.1**, where the registered holder of a Share dies or becomes bankrupt, his/her personal representative or the trustee of his/her estate, as the case may be, shall be entitled upon the production of such information as is properly required by the Directors, to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise), as the registered holder would have been entitled to if he/she had not died or become bankrupt.

8.3 Registration by Transmission or to Beneficiary

A person becoming entitled to a Share in consequence of the death or, subject to the Bankruptcy Act 1966, the bankruptcy of a Shareholder may, upon such information being produced as is properly required by the Directors, elect by written notice to the Company either to be registered himself/herself as a holder of the Share or to have some other person nominated by him/her registered as the transferee of the Share. If he/she elects to have another person registered, he/she shall execute a transfer of the Share to that other person.

8.4 Limitations to Apply

All the limitations, restrictions and provisions of this Constitution relating to the right to transfer Shares and the registration of a transfer of Shares are applicable to any such notice or transfer as if the death or bankruptcy of the Shareholder had not occurred and the notice of transfer were a transfer signed by that Shareholder.

8.5 Death of a Joint Holder

In the case of the death of a Shareholder who was a joint holder, the survivor or survivors shall be the only persons recognised by the Company as having any title to the deceased's interest in the Shares, but this **clause 8.5** does not release the

estate of a deceased joint holder from any liability in respect of a Share that had been jointly held by him/her with one or more other persons.

8.6 Joint Personal Representatives

Where two or more persons are jointly entitled to any Share in consequence of the death of the registered holder, they shall, for the purpose of this Constitution, be deemed to be joint holders of the Share.

9. CONSOLIDATION OR SUBDIVISION

Subject to the CSF Rules, to give effect to any consolidation or subdivision of Shares, the Directors may settle any difficulty which arises in relation to fraction of Shares in any manner that they think expedient.

10. NON-MARKETABLE PARCELS

If a Shareholder holds less than a Marketable Parcel of Shares, the provisions of Schedule 1 apply to those Shares.

11. GENERAL MEETINGS

11.1 Convening of General Meetings of Shareholders

- 11.1.1 The Directors may call a general meeting of Shareholders provided that, in the event that there are no Directors holding office, the Secretary shall convene a general meeting for the purpose of electing Directors.
- 11.1.2 The Directors must convene annual general meetings in accordance with the Act, to be held by the Company at times to be determined by the Directors.
- 11.1.3 Shareholders may also requisition or convene general meetings in accordance with the procedures for member-initiated meetings set out in the Act.

11.2 Notice

- 11.2.1 Shareholders must be given at least 28 days written notice (inclusive of the day on which the notice is served or taken to be served and exclusive of the day for which notice is given) of a general meeting.
- 11.2.2 General meetings may be called on less than 28 days notice in accordance with the procedures set out in the Act.
- 11.2.3 A notice convening a general meeting must:
 - (a) specify the place, date and time of the meeting (and if the meeting is to be held in two or more places, the technology that will be used to facilitate this);
 - (b) set out in full any motion to be proposed as a special resolution and state that it is intended to propose the motion as a special resolution;
 - (c) state the general nature of the business to be transacted at the meeting;

- (d) specify a place and facsimile number and may specify an electronic address for the purposes of proxy appointments;
- (e) specify particulars of any determination made under regulation 7.11.37 of the Corporations Regulations; and
- (f) comply with any other requirements of the Act.

11.2.4 An accidental omission to send a notice of a general meeting (including a proxy appointment form) or the postponement of a general meeting to any Shareholders or the non-receipt of a notice (or form) by any Shareholder does not invalidate the proceedings at or any resolution passed at the general meeting.

11.3 Annual General Meeting

An annual general meeting shall be held in accordance with the requirements of Part 2G.2.8 of the Act.

12. PROCEEDINGS AT GENERAL MEETINGS

12.1 Quorum

- 12.1.1 No business shall be transacted at any general meeting unless a quorum is present comprising 3 Shareholders present in person, by proxy, attorney or Representative.
- 12.1.2 For the purpose of determining whether a quorum is present, a person attending as a proxy, attorney or Representative, shall be deemed to be a Shareholder present in person.
- 12.1.3 If a quorum is not present within 15 minutes after the time appointed for a general meeting, the general meeting, if convened upon a requisition shall be dissolved, but in any other case, it shall stand adjourned sine die.

12.2 Business at General Meetings

- 12.2.1 Subject to **clause 12.2.2**, only matters that appear in a notice of meeting shall be dealt with at a general meeting or an annual general meeting, as the case may be.
- 12.2.2 Notwithstanding **clause 12.2.1**, the business of an annual general meeting may include the following, even if not referred to in the notice of meeting:
 - (a) the consideration of the annual financial report, directors' report and the auditor's report;
 - (b) the election of directors;
 - (c) the appointment of the Company's auditor; and
 - (d) the fixing of the auditor's remuneration.

12.3 Persons Entitled to Attend a General Meeting

The only persons entitled to attend a general meeting shall be:

- 12.3.1 Shareholders, in person, by proxy, attorney or Representative;
- 12.3.2 Directors;
- 12.3.3 the Company's auditor; and
- 12.3.4 such other person or persons as the Chairman may approve.

12.4 Chairman

If the Directors have elected one of their members as Chairman of Directors' meetings, he/she shall if willing preside as Chairman at every general meeting. Where a general meeting is held and a Chairman has not been so elected, or the Chairman is not present within 15 minutes after the time appointed for the holding of the general meeting or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the general meeting, but failing an election by the Directors, the Shareholders present shall elect one of their number to be Chairman of the general meeting.

12.5 Casting Vote

In the case of an equality of votes, the Chairman of the general meeting shall have a second or casting vote.

12.6 Adjournment

The Chairman may, with the consent of the general meeting and shall, if so directed by the general meeting, adjourn the general meeting from time to time and from place to place, but no business shall be transacted on the resumption of any adjourned general meeting other than the business left unfinished at the general meeting from which the adjournment took place.

12.7 Notice of Resumption of Adjourned General Meeting

When a general meeting is adjourned for 30 days or more, notice of the resumption thereof shall be given in the same manner as for the original general meeting, but otherwise, it is not necessary to give any notice of any adjournment or of the business to be transacted on the resumption of the adjourned general meeting.

12.8 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- 12.8.1 each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- 12.8.2 on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote; and
- 12.8.3 on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he/she is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount of the issue price thereof paid up bears to the total issue price.

12.9 Voting – Show of Hands

At any general meeting, a resolution put to the vote of the general meeting shall be decided on a show of hands unless a poll is demanded in accordance with **clause 12.11**.

12.10 Results of Voting

Unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

12.11 Poll

A poll may be demanded before the vote is taken or before or immediately after the result of the show of hands is declared, by:

12.11.1 the Chairman of the general meeting; or

12.11.2 at least 5 Shareholders entitled to vote on the resolution; or

12.11.3 Shareholders holding at least 5% of the votes that may be cast on the resolution on a poll.

12.12 Manner of taking Poll

If a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the general meeting at which the poll was demanded. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith.

12.13 Meeting May Continue

A demand for a poll shall not prevent the continuation of the general meeting for the transaction of other business.

12.14 Voting by Joint Holders

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

12.15 Shareholder under Disability

If a Shareholder is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, his/her committee or trustee or such other person as properly has the management of his/her estate may exercise any rights of the Shareholder in relation to a general meeting as if the committee, trustee or other person were the Shareholder.

12.16 Payment of Calls

A Shareholder is not entitled to any vote at a general meeting unless all calls and other sums presently payable by him/her in respect of Shares have been paid.

12.17 Objection to Voting

An objection may be raised to the qualification of a voter only at the general meeting or adjourned general meeting at which the vote objected to is given or tendered. Any such objection shall be referred to the Chairman of the general meeting, whose decision shall be final. A vote not disallowed pursuant to such an objection is valid for all purposes.

12.18 Proxies

12.18.1 A proxy need not be a Shareholder.

12.18.2 An instrument appointing a proxy:

- (a) shall be in writing signed or otherwise authenticated in a manner prescribed by the Act, by the appointor or of his/her attorney or, if the appointor is a corporation, either under seal or signed or authenticated in a manner prescribed by the Act, by a duly authorised officer or attorney;
- (b) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
- (c) shall be in such form as the Directors determine and which complies with Section 250A of the Act;
- (d) shall not be valid unless the original instrument and the power of attorney or other authority (if any) under which the instrument is signed (duly stamped where necessary) or a copy or facsimile which appears on its face to be an authentic copy of that proxy, power or authority, is or are deposited at, sent by facsimile transmission to the Registered Office, or deposited at, sent by facsimile transmission to such other place or sent to an electronic address or by such other electronic means as is specified for that purpose in the notice convening the general meeting, no later than 48 hours prior to the time of the commencement of the general meeting in the place that the general meeting is being convened (or the resumption thereof if the general meeting is adjourned and notice is given in accordance with **clause 12.7**) as shall be specified in the notice convening the general meeting (or the notice under **clause 12.7**, as the case may be); and
- (e) shall comply with the Listing Rules.

12.19 Proxy Votes

A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or the authority under which the instrument was executed) or the transfer of the Share in respect of which the instrument or power is

given, if no intimation in writing of the death, unsoundness mind, revocation or transfer has been received by the Company at the Registered Office before the commencement of the general meeting or adjourned general meeting at which the instrument is used or the power is exercised.

12.20 Representatives of Corporate Shareholders

- 12.20.1 A body corporate ("the **Appointor**") that is a Shareholder may authorise, in accordance with Section 250D of the Act, by resolution of its Directors or other governing body, such person or persons as it may determine to act as its Representative at any general meeting of the Company or of any class of Shareholders. A person so authorised shall be entitled to exercise all the rights and privileges of the Appointor as a Shareholder.
- 12.20.2 When a Representative is present at a general meeting of the Company, the Appointor shall be deemed to be personally present at the general meeting unless the Representative is otherwise entitled to be present at the general meeting.
- 12.20.3 The Chairman of a general meeting may permit a person claiming to be a Representative to exercise his/her powers even if he/she has not produced a certificate evidencing his/her appointment.
- 12.20.4 The appointment of a Representative may set out the restrictions on the Representative's power.

12.21 Direct Voting

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

13. THE DIRECTORS

13.1 Directors and Secretaries to Continue in Office

The Directors and Secretary in office as at the date this Constitution is adopted by the Company continue in office subject to this Constitution.

13.2 Number of Directors

The Company shall at all times have at least 3 Directors. The number of directors shall not exceed 7. Subject to the Act, the Company may, by ordinary resolution, increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office.

13.3 Rotation of Directors

At the Company's first annual general meeting, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the whole number nearest one-third, shall retire from office provided that at no time shall a Director hold office in excess of 3 years or until the third annual general meeting following his/her appointment. The Directors to retire at an annual general meeting

other than the first annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election. In calculating the number of Directors required to retire, any retirement of a director appointed to fill a casual vacancy shall not be taken into account.

13.4 Automatic Re-appointment of Directors

The Company may, at the general meeting at which a Director so retires, fill the vacated office by electing a person to that office by resolution. Subject to Section 201E of the Act, if the vacated office is not so filled, the retiring Director shall, if offering himself/herself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected unless at that general meeting:

13.4.1 it is expressly resolved not to fill the vacated office; or

13.4.2 an ordinary resolution for the re-election of that Director is put and lost.

13.5 Election of Directors

13.5.1 A person is eligible for election to the office of Director at a general meeting only if:

- (a) the person is in office as a Director immediately before that meeting and is seeking re-election which includes a person appointed under **clause 13.6**;
- (b) the person has been nominated by the Directors for election at that meeting; or
- (c) he or she has at least 45 Business Days and, in the case of a general meeting the Directors have been duly requested by Shareholders under the Act to call, at least 30 Business Days but, in each case, no more than 90 Business Days (or such other period as may be stipulated for this purpose under the Listing Rules) before the meeting, given the Company a notice signed by him or her stating his or her desire to be a candidate for election at that meeting.

13.5.2 Where the number of nominations for election as a Director exceeds the number of Directors who have or are to resign at the general meeting, the order in which the nominations are to be voted on shall be determined by drawing lots and once the relevant vacancies have been filled, no further nominations shall be voted on.

13.5.3 The Company shall observe the requirements of section 201E of the Act with respect to the election of Directors.

13.6 Casual Vacancies and Additional Directors

The Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by this Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into

account in determining the Directors who are to retire by rotation (if any) at that meeting.

13.7 Removal of Director

The Company may by resolution remove any Director before the expiration of his/her period of office, and may by resolution appoint another person in his/her place. The person so appointed is subject to retirement at the same time as if he/she had become a Director on the day on which the Director in whose place he/she is appointed was last elected a Director.

13.8 Vacation of Office

The office of Director shall automatically become vacant if the Director:

- 13.8.1 ceases to be a Director by virtue of the Act;
- 13.8.2 becomes bankrupt or makes any arrangement or composition with his/her creditors generally;
- 13.8.3 becomes prohibited from being a Director by reason of any order made under the Act;
- 13.8.4 becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- 13.8.5 resigns his/her office by notice in writing to the Company;
- 13.8.6 is removed from office under **clause 13.7**; or
- 13.8.7 is absent for more than 6 months, without permission of the Directors, from meetings of the Directors held during that period.

13.9 Remuneration

- 13.9.1 The Directors (excluding any Executive Director) shall be paid out of the funds of the Company, by way of remuneration for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company, to be divided among themselves and in default of agreement then in equal shares. The expression 'remuneration' under this clause does not include any amount which may be paid by the Company under **clause 13.10** or **clause 27**.
- 13.9.2 The aggregate remuneration of the non-executive Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the suggested increase shall have been given to the Shareholders in the notice convening the meeting.
- 13.9.3 No non-executive Director shall be paid as part or whole of his/her remuneration a commission on or a percentage of profits or a commission or a percentage of operating revenue, and no Executive Director shall be paid as whole or part of his/her remuneration a commission on or percentage of operating revenue.
- 13.9.4 The remuneration of a Director shall be deemed to accrue from day to day.

- 13.9.5 Remuneration paid under **clause 13.9.1** will be provided in such manner (including by way of non-cash benefit, such as but not limited to, a contribution to a superannuation fund or by way of salary sacrifice), that the Directors decide.

13.10 Expenses

- 13.10.1 The Directors shall be entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.
- 13.10.2 If any of the Directors being willing shall be called upon to perform extra services or make any special exertions on behalf of the Company or the business thereof, the Directors on behalf of the Company may remunerate such Director in accordance with such services or exertions, and such remuneration may be either in addition to or in substitution for his/her share in remuneration provided for by **clause 13.9**.

13.11 No Share Qualification

A Director is not required to hold any Shares.

14. POWERS AND DUTIES OF DIRECTORS

14.1 Management of the Company

Subject to the Act, the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and forming the Company, and may exercise all such powers of the Company as are not, by the Act or by this Constitution, required to be exercised by the Company in general meeting.

14.2 Directors' Powers

Without limiting the generality of **clause 14.1**, the Directors may at any time:

- 14.2.1 exercise all powers of the Company to borrow money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person; and
- 14.2.2 sell or otherwise dispose of the whole or any part of the assets, undertakings and other properties of the Company or any that may be hereafter acquired on such terms and conditions as they may deem advisable, but in doing so:
- (a) the Company shall comply with any applicable Listing Rules;
 - (b) any sale or disposal of the Company's main undertaking shall only be made subject to the prior approval or ratification of the sale or disposal by the Company in general meeting; and
 - (c) on the sale or disposition of the Company's main undertaking or on the liquidation of the Company, no commission or fee shall be paid to any Director or Directors or to any liquidator of the Company unless it shall have been ratified by the Company in general meeting, with prior notification of the amount of such proposed payments having been given to all Shareholders at least 7 days prior to the meeting at which any such payment is to be considered.

14.3 Attorneys

The Directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for such purposes, with such powers, authorities and discretions (being powers, authorities and discretions vested in or exercisable by the Directors), for such period and subject to such conditions as they think fit. Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with the attorney as the Directors may determine and may also authorise the attorney to delegate all or any of the powers, authorities and discretions vested in him.

14.4 Cheques, etc.

All cheques, promissory notes, bankers drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Directors determine.

14.5 Securities to Directors or Shareholders

If a Director or Shareholder shall become personally liable for the payment of any sum primarily due by the Company, the Directors may create any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the persons or person so becoming liable from any loss in respect of such liability.

15. PROCEEDINGS OF DIRECTORS

15.1 Convening a Meeting

15.1.1 A Director may at any time, and a Secretary shall, whenever requested to do so by one or more Directors, convene a Directors' meeting but not less than 3 Business Days notice of every such Directors' meeting shall be given to each Director either by personal telephone contact or in writing (which includes by facsimile transmission or electronic notification) by the convenor thereof. The Directors may by unanimous resolution agree to shorter notice.

15.1.2 An accidental omission to send a notice of Directors' meeting to any Director or the non-receipt of such notice by any Director does not invalidate the proceedings at or any resolution passed at the meeting.

15.2 Procedure at Meetings

The Directors may meet together for the dispatch of business and adjourn and, subject to this **clause 15**, otherwise regulate the Directors' meetings as they think fit.

15.3 Quorum

No business shall be transacted at any Directors' Meeting unless a quorum is present, comprising not less than one half of the Directors for the time being appointed present in person notwithstanding that less than one half of the Directors for the time being appointed may be permitted to vote on any particular resolution or resolutions at that meeting for any reason whatsoever. Provided a quorum is present at the place where the meeting is held, other Directors unable to attend in

person may participate in the proceedings of the meeting in accordance with **clause 16**.

15.4 Majority Decisions

Questions arising at any Directors' meeting shall be decided by a majority of votes. A resolution passed by a majority of Directors shall for all purposes be deemed a determination of "the Directors".

15.5 Casting Votes

In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote, but the Chairman shall have no casting vote where only 2 Directors are competent to vote on the question.

15.6 Alternate Directors

A Director may appoint any person to be an alternate Director in his/her place during such period as he/she thinks fit, and the following provisions shall apply with respect to any alternate Director:

- 15.6.1 he/she is entitled to notice of Directors' meetings and, if his/her appointor Director is not present at such a Directors' meeting, he/she is entitled to attend and vote in the place of the absent Director;
- 15.6.2 he/she may exercise any powers that his/her appointor Director may exercise, and the exercise of any such power by the alternate Director shall be deemed to be the exercise of the power by his/her appointor Director;
- 15.6.3 he/she is not required to hold any Shares;
- 15.6.4 his/her appointment may be terminated at any time by his/her appointor Director notwithstanding that the period of the appointment of the alternate Director has not expired, and the appointment shall terminate in any event if his/her appointor Director vacates office as a Director;
- 15.6.5 the appointment, or the termination of an appointment, of an alternate Director shall be effected by a written notice signed by the Director who made the appointment given to the Company;
- 15.6.6 he/she shall be entitled to payment for his/her services only if the Directors so resolve; and
- 15.6.7 for the purposes of **clause 15.15**, an alternate Director does not have an interest in a contract or arrangement or a material personal interest in the matter by reason only of the fact that his/her appointor Director has such an interest.

15.7 Continuing Directors May Act

In the event of a vacancy or vacancies in the office of a Director, the remaining Directors may act but, if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of Directors, they may act only for the purpose of increasing the number of Directors to a number sufficient to constitute such a quorum, or in order to convene a general meeting of the Company.

15.8 Chairman

The Directors shall elect from among their number a Chairman and may elect a Vice-Chairman of their meetings and may determine the period for which each is to hold office. Where a Directors' meeting is held and a Chairman has not been elected or is absent, the Vice-Chairman is not present within 15 minutes after the time appointed for holding of the Directors' meeting or is unwilling to act, the Directors present shall elect one of their number to be a Chairman of the Directors' meeting.

15.9 Committees

The Directors may delegate any of their powers to a committee or committees consisting of such of their number as they think fit. A committee to which any powers have been so delegated shall exercise the powers delegated in accordance with any directions of the Directors, and a power so exercised shall be deemed to have been exercised by the Directors. The members of such a committee may elect one of their number as chairman of their meetings. Questions arising at a meeting of a committee shall be determined by a majority of votes of the members present and voting. In the case of an equality of votes, the Chairman shall have a casting vote.

15.10 Written Resolution

A resolution in writing signed or consented to by all Directors for the time being (or their respective alternate Directors) except those who expressly indicate their abstention in writing, shall be as valid and effectual as if it had been passed at a Directors' meeting duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Directors, and may be in the form of a facsimile transmission or electronic notification. A Director may consent to a resolution by signing the document containing the resolution (or a copy of that document). A facsimile transmission or other document produced by mechanical means and bearing the signature of the Director, printed mechanically and with his/her authority, shall be deemed to be a document in writing signed by the Director. A Director may also consent to a resolution by:

- 15.10.1 giving the Company at its Registered Office a written notice (including by facsimile transmission or other electronic notification) addressed to the Secretary or to the Chairman signifying assent to the resolution and either setting out its terms or otherwise clearly identifying them; or
- 15.10.2 telephoning the Secretary or the Chairman and signifying assent to the resolution and clearly identifying its terms.

15.11 Defective Appointment

All acts done by any Directors' meeting or of a committee of Directors or by any person acting as a Director are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be, or to act as, a Director, or that a person so appointed was disqualified, as valid as if the person had been duly appointed and was qualified to be a Director or to be a member of the committee.

15.12 Directors May Hold Other Offices

A Director and any firm, body or entity in which a Director has a direct or indirect interest may in any capacity:

15.12.1 enter into any contract or arrangement with the Company;

15.12.2 be appointed to and hold any office or place of profit under or in relation to the Company, other than the office of auditor on such terms as to remuneration or otherwise as the Directors shall approve; and

15.12.3 act in a professional capacity, other than as auditor, for the Company,

and provided that he/she makes disclosure if and as required by **clause 15.14**, may receive and retain for his/her own benefit any remuneration, profits or benefits as if he/she were not a Director.

15.13 Directors May Hold Shares, etc.

A Director may be or become a shareholder in or director of or hold any other office or place of profit in or in relation to any other company promoted by the Company or in which the Company may be interested, whether as a vendor, shareholder or otherwise, and provided that he/she makes disclosure if and as required by **clause 15.14**, may receive and retain for his/her own benefit any remuneration, profits or benefits.

15.14 Disclosure of Interests

15.14.1 A Director must give the Directors notice of a material personal interest in a matter that relates to the affairs of the Company as required by Part 2D.1.2 of the Act.

15.14.2 Each Director must disclose to the Company particulars of:

(a) any material contract in which the Director is interested, including the names of the parties to the contract, particulars of the contract, and the Director's interest in the contract; and

(b) any material personal interest in a matter that is being considered at a Directors' meeting.

15.14.3 A Director who has a material personal interest in a matter that is to be considered at a meeting of Directors must not:

(a) vote on the matter or be present while the matter is being considered at the meeting; and

(b) be counted in the quorum in relation to that matter,

if to do so would be contrary to the Act.

15.14.4 Voting by a Director contrary to this **clause 15.14**, or failure by a Director to make disclosure under this Constitution, does not render void or voidable a contract or arrangement in which the Director has an interest or disqualify such Director from holding office.

15.14.5 Nothing in this **clause 15.14** shall be read or construed so as to impose a greater duty of disclosure on a Director than that required by the Act.

15.15 Related Body Corporate Contracts

A Director shall not be deemed to be interested or to have been at any time interested in any contract or arrangement by reason only that in a case where the

contract or arrangement has been or will be made with, for the benefit of, or on behalf of a Related Body Corporate, he/she is a shareholder in that Related Body Corporate.

15.16 Affixation of Seal

A Director may in all respects act as a Director in relation to any contract or arrangement in which he/she is interested, including, without limiting the generality of the foregoing, in relation to the use of the Seal.

15.17 Notification of Interest

A Director shall notify ASX of interests of that Director pursuant to Section 205G of the Act.

16. MEETING BY INSTANTANEOUS COMMUNICATION DEVICE

16.1 Meetings to be Effectual

For the purposes of this Constitution, but subject to **clause 15.3**, the contemporaneous linking together by instantaneous communication device of a number of consenting Directors not less than the quorum, whether or not any one or more of the Directors is out of Australia, shall be deemed to constitute a Directors' meeting and all the provisions of this Constitution as to the Directors' meetings shall apply to such meetings held by instantaneous communication device so long as the following conditions are met:

16.1.1 all the Directors for the time being entitled to receive notice of the Directors' meeting (including any alternate for any Director) shall be entitled to notice of a meeting by instantaneous communication device for the purposes of such meeting. Notice of any such Directors' meeting shall be given on the instantaneous communication device or in any other manner permitted by this Constitution;

16.1.2 each of the Directors taking part in the Directors' meeting by instantaneous communication device must be able to hear each of the other Directors taking part at the commencement of the Directors' meeting; and

16.1.3 at the commencement of the Directors' meeting each Director must acknowledge his/her presence for the purpose of a Directors' meeting of the Company to all the other Directors taking part.

16.2 Procedure at Meetings

A Director may not leave a Directors' meeting held under **clause 16.1** by disconnecting his/her instantaneous communication device unless he/she has previously advised the Chairman of the Directors' meeting and shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the Directors' meeting by instantaneous communication device unless he/she has advised the Chairman of the Directors' meeting of his/her departure from the Directors' meeting as aforesaid.

16.3 Minutes

A minute of the proceedings at a Directors' meeting held under **clause 16.1** shall be sufficient evidence of such proceedings and of the observance of all necessary

formalities if certified as a correct minute by the Chairman or the person taking the chair at the Directors' meeting under **clause 16.1**.

16.4 Definition

For the purpose of this Constitution "instantaneous communication device" shall include telephone, television or any other audio or audio-visual device which permits instantaneous communication.

17. MANAGING DIRECTOR

17.1 Appointment

The Directors may from time to time appoint one or more of their number to the office of Managing Director or Managing Directors of the Company or to the office of Executive Director or Executive Directors either for a fixed term or at will, but not for life and, subject to the terms of any agreement entered into in a particular case, may revoke any such appointment. The appointment of a Managing Director or Executive Director so appointed automatically terminates if he/she ceases for any reason to be a Director.

17.2 Remuneration

Subject to the Listing Rules, a Managing Director or Executive Director shall, subject to the terms of any agreement entered into in a particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine.

17.3 Powers

The Directors may, upon such terms and conditions and with such restrictions as they think fit, confer upon a Managing Director or Executive Director any of the powers exercisable by them. Any powers so conferred may be concurrent with, or be to the exclusion of, the powers of the Directors. The Directors may at any time withdraw or vary any of the powers so conferred on a Managing Director or an Executive Director.

17.4 Rotation

A Managing Director, and in the event of there being more than one Managing Director, then one such Managing Director, shall not retire by rotation in accordance with **clause 13.3**, but Executive Directors shall.

18. SECRETARY

A Secretary of the Company shall hold office on such terms and conditions, as to remuneration and otherwise, as the Directors determine.

19. SEALS

19.1 Common Seal

If the Company has a Seal:

19.1.1 the Directors shall provide for the safe custody of the Seal;

- 19.1.2 the Seal shall only be used by the authority of the Directors, or of a committee of the Directors authorised by the Directors to authorise the use of the Seal;
- 19.1.3 every document to which the Seal is affixed shall be signed by a Director and countersigned by another Director, (who may be an alternate Director) a Secretary or another person appointed by the Directors to countersign that document or a class of documents in which that document is included; and
- 19.1.4 the Directors may determine by resolution either generally or in a particular case that the signature of any Director or Secretary to a document to which the Seal or a duplicate seal or certificate seal is affixed may be a facsimile applied to the document by specified mechanical means.

19.2 Duplicate Seal

If the Company has a Seal, the Company may have one or more duplicate seals of the Seal each of which:

- 19.2.1 must be a facsimile of the Seal with the addition on its face of the words "Duplicate Seal"; and
- 19.2.2 must only be used with the authority of the Directors or a Directors' committee.

19.3 Certificate Seal

If the Company has a Seal, the Company may have a certificate seal which:

- 19.3.1 may be affixed to Share, option or other certificates;
- 19.3.2 must be a facsimile of the Seal with the addition on its face of the words "Certificate Seal"; and
- 19.3.3 must only be used with the authority of the Directors or a Directors' committee.

20. ACCOUNTS, AUDIT AND RECORDS

20.1 Accounting Records to be Kept

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

20.2 Audit

The Company shall comply with the requirements of the Act and the Listing Rules as to the audit of accounts, registers and records.

20.3 Inspection

The Directors shall determine whether and to what extent, and at what time and places and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of Shareholders other than Directors. A Shareholder other than a Director shall not be entitled to inspect

any document of the Company except as provided by law or authorised by the Directors or by the Company in general meeting.

21. MINUTES

21.1 Minutes to be Kept

The Directors shall cause to be kept, in accordance with Sections 251A and 1306 of the Act, minutes of:

- 21.1.1 all proceedings of general meetings and Directors' meeting;
- 21.1.2 all appointments of Directors and Secretaries and persons ceasing to be Directors and Secretaries; and
- 21.1.3 all disclosures of interests made pursuant to **clause 15.14**.

21.2 Signature of Minutes

All minutes shall be signed by the Chairman of the meeting at which the proceedings took place or by the Chairman of the next succeeding meeting.

21.3 Requirement of the Act

The Company, the Directors and the Secretaries shall comply with the requirements of Sections 251A, 251AA and 251B of the Act.

22. DIVIDENDS AND RESERVES

22.1 Dividends

The Directors may from time to time pay any dividend such as an interim or final dividend to the Shareholders entitled to the dividend, that in their judgement, the financial position of the Company justifies.

22.2 Dividend Entitlement

22.2.1 Subject to the rights of any preference Shareholders and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend:

- (a) the holder of a fully paid Share is entitled to the full dividend on the Share (whether the issue price was paid or credited or both);
- (b) the holder of a partly paid Share is not entitled to a greater proportion of a dividend than the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) on the Share.

22.2.2 Amounts paid or credited as paid in advance of a call are ignored.

22.3 Rescind Dividend

The Directors may rescind a decision to pay a dividend, if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

22.4 Dividends only Payable from Profits

No dividend shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive.

22.5 No Interest

No dividend shall carry interest as against the Company.

22.6 Reserves

The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

22.7 Alternative Method of Payment of Dividend

When resolving to pay any dividend, the Directors may:

- 22.7.1 direct payment thereof to be made wholly or in part by the distribution of specific assets or documents of title (including, without limitation, paid-up Shares, debentures or debenture stock of this or any other company, gold, gold or mint certificates or receipts and like documents) or in any one or more of such ways, and where any difficulty arises with regard to the distribution the Directors may settle it as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Shareholders upon the basis of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors; or
- 22.7.2 direct that such dividend be payable to particular Shareholders wholly or partly out of any particular fund or reserve or out of profits derived from any particular fund or source and to the remaining Shareholders wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source and may so direct notwithstanding that by so doing the dividend will form part of the assessable income for taxation purposes of some Shareholders and will not form part of the assessable income of others.

22.8 Method of Payment of Dividends

- 22.8.1 All dividends shall be dispatched simultaneously to the Shareholders entitled to the dividend.
- 22.8.2 The Directors may decide the method of payment of any dividend or other amount in respect of a Share. Different methods of payment may apply to different Shareholders or groups of Shareholders, such as overseas Shareholders. Without limiting any other payment method which the Company may adopt, payment in respect of a Share may be made:
 - (a) by such electronic or other means approved by the Directors directly to an account, of a type approved by the Directors, nominated in writing by a Shareholder or joint Shareholders; or
 - (b) by cheque sent to the address of Shareholders shown in the Register of Shareholders or, in the case of joint Shareholders, the address

shown in the Register of Shareholders, or to such other address as the Shareholder or any of the joint Shareholders in writing direct.

22.8.3 A cheque sent under this clause:

- (a) may be made payable to the bearer who will be the Shareholder shown in the Register of Shareholders or, in the case of joint holders, to either joint Shareholder in which case payment will be deemed to have been made to the joint Shareholders in full; and
- (b) is sent at the Shareholder's risk.

22.8.4 If the Directors decide that payments will be made by electronic transfer into an account (of a type approved by the Directors) nominated by a Shareholder, but no such account is nominated by the Shareholder or an electronic transfer into a nominated account is rejected or refunded, the Company may credit the amount payable to an account of the Company to be held until the Shareholder nominates a valid account.

22.8.5 Where a Shareholder does not have a registered address or the Company believes that a Shareholder is not known at the Shareholder's address, the Company may credit any amount payable in respect of the Shareholder's Shares to an account of the Company to be held until the Shareholder claims the amount payable or nominates an account into which the payment may be made.

22.8.6 An amount credited to an account under this clause is to be treated as having been paid to the Shareholder at the time it is credited to that account. The Company will not be trustee of the money.

22.9 Unclaimed Dividends

Except as otherwise provided by statute, all dividends unclaimed for one year after having been paid may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. The Directors may do anything necessary or desirable (including executing any document) on behalf of the Shareholder to effect the application of this clause and may delegate their power under this clause to any person.

22.10 Restricted Securities

During a breach of the Listing Rules relating to Shares which are Restricted Securities, or a breach of a restriction agreement, the holder of the relevant Restricted Securities is not entitled to any dividend in respect of those Restricted Securities.

22.11 Dividend Reinvestment Scheme

The Directors may:

- 22.11.1** establish a plan under which Shareholders or any class of Shareholders may elect to reinvest cash dividends paid by the Company by subscribing for Shares; and
- 22.11.2** vary, suspend or terminate the arrangements established under **clause 22.11.1**.

23. CAPITALISATION

23.1 Capitalisation

The Company in general meeting may, by ordinary resolution, determine to capitalise any amount, being the whole or a part of the amount for the time being standing to the credit of any reserve account or the profit and loss account or otherwise available for distribution to Shareholders, and that that amount be applied, in any of the ways mentioned in **clause 23.2** for the benefit of Shareholders in the proportions to which those Shareholders would have been entitled in a distribution of that amount by way of dividend.

23.2 Application of Capitalised Amounts

The ways in which an amount may be applied for the benefit of Shareholders under **clause 23.1** are:

- 23.2.1 in paying up any amounts unpaid on Shares held by Shareholders;
- 23.2.2 in paying up in full unissued Shares or debentures to be issued to Shareholders as fully paid;
- 23.2.3 partly as mentioned in **clause 23.2.1** and partly as mentioned in **clause 23.2.2**; or
- 23.2.4 in connection with an employee share scheme adopted by the Company, by applying the sum in paying up in part or in full unissued Shares and issuing them in accordance with that scheme.

23.3 Procedures

The Directors shall do all things necessary to give effect to the resolution referred to in **clause 23.1** and, in particular, to the extent necessary to adjust the rights of the Shareholders among themselves, may:

- 23.3.1 issue fractional certificates or make cash payments in cases where Shares or debentures could only be issued in fractions; and
- 23.3.2 authorise any person to make, on behalf of all the Shareholders entitled to any further Shares or debentures upon the capitalisation, an agreement with the Company providing for the issue to them, credited as fully paid up, of any such further Shares or debentures or for the payment up by the Company on their behalf of the amounts of any part of the amounts remaining unpaid on their existing Shares by the application of their respective proportions of the sum resolved to be capitalised,

and any agreement made under an authority referred to in **clause 23.3.2** is effective and binding on all the Shareholders concerned.

24. NOTICES

24.1 Address

A notice may be given by the Company to a Shareholder:

- 24.1.1 personally; or

- 24.1.2 by sending it by post to the Shareholder at the address of the Shareholder appearing in the Register of Shareholders or the alternative address (if any) nominated by the Shareholder; or
- 24.1.3 by sending it to the facsimile number (if any) nominated by the Shareholder; or
- 24.1.4 by sending it to the electronic address (if any) nominated by the Shareholder; or
- 24.1.5 by sending it by other electronic means (if any) nominated by the Shareholder; or
- 24.1.6 if the Shareholder nominates:

- (a) an electronic means (the nominated notified means) by which the Shareholder may be notified that notices are available; and
- (b) an electronic means (the nominated access means) that the Shareholder may use to access notices,

then by notifying the Shareholder using the nominated notification means:

- (c) that the notice is available; and
- (d) how the Shareholder may use the nominated access means to access the notice.

24.2 Effective Service

24.2.1 Where a notice is sent by post, service of the notice is taken:

- (a) to be effected by properly addressing prepaying and posting a letter containing the notice; and
- (b) to have been effected at the time at which the letter would be delivered in the ordinary course of post.

24.2.2 Where a notice is sent by facsimile, electronic mail or other electronic means, service is taken:

- (a) to be effected by correctly sending a facsimile or electronic version of the notice; and
- (b) to have been effected at the time that the Company sent it.

24.2.3 Where a notice is sent by notification under **clause 24.1.6**, service is taken:

- (a) to be effected by correctly sending the notification; and
- (b) to have been effected at the time that the Company gave the notification that the notice is available.

24.3 Joint Holders

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

24.3.2 Notice to one of joint holders is sufficient notice to all of them.

24.4 Death or Bankruptcy

A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Shareholder either:

24.4.1 personally; or

24.4.2 by sending it by post in a prepaid letter or facsimile addressed to them:

- (a) by name;
- (b) by the title of any representative of the deceased or assignee of the bankrupt;
- (c) by any like description at the address or facsimile number (if any) within Australia supplied for the purpose by the persons claiming to be so entitled; or
- (d) if no address within Australia has been supplied by the persons claiming to be so entitled, by giving the notice in any manner in which the notice might have been given if the death or bankruptcy had not occurred.

24.5 Certificate of Director or Secretary

If a Director or Secretary signs a certificate that a notice was given in the manner set out in the certificate, that certificate is conclusive evidence of the accuracy of the matters set out in it.

24.6 Persons Entitled to Notice

Notice of every general meeting shall be given to:

- 24.6.1 every Shareholder;
- 24.6.2 every person entitled to a Share in consequence of the death or bankruptcy of a Shareholder who, but for his/her death or bankruptcy, would be entitled to receive notice of the meeting;
- 24.6.3 the auditor for the time being of the Company;
- 24.6.4 ASX (if the Company has issued and there are any Listed Securities); and
- 24.6.5 every Director and alternate Director.

No other person is entitled to receive notices of general meetings.

24.7 Change of Address

The Company shall acknowledge receipt of all notifications of change of address by Shareholders.

24.8 Incorrect Address

Where the Company has bona fide reason to believe that a Shareholder is not known at his/her registered address, and the Company has subsequently made an enquiry in writing or otherwise at that address as to the whereabouts of the

Shareholder which enquiry either elicits no response or a response indicating that the Shareholder or his/her present whereabouts are unknown, all future notices will be deemed to be given to such Shareholder if the notice is exhibited in the Registered Office (or in the case of a member registered on a branch register of Shareholders, in a conspicuous place in the place where the branch register is kept) for a period of 48 hours (and shall be deemed to be duly served at the commencement of that period) unless and until the Shareholder informs the Company that he/she has resumed residence at his/her registered address or notifies the Company of a new address to which the Company may send him/her notices (which new address shall be deemed his/her registered address).

25. WINDING UP

25.1 Distribution in Kind

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

25.2 Trust for Shareholders

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

25.3 Order for Winding Up

Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to Shareholders by way of capital, Shares classified by ASX as Restricted Securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

25.4 Shares With Special Rights

Nothing in this **clause 25** prejudices the rights of Shareholders (if any) entitled to Shares issued with special rights on winding up.

26. INDEMNIFICATION OF OFFICERS

26.1 General Indemnity

To the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company against any liability incurred by that person:

26.1.1 as such an officer of the Company; and

26.1.2 to a person other than the Company or a related body corporate of the Company;

unless the liability arises out of conduct on the part of the officer which involves a lack of good faith.

26.2 Indemnity for Costs

To the extent permitted by law, the Company indemnifies every officer of the Company against any liability for costs and expenses incurred by the person in his/her capacity as an officer of the Company:

- 26.2.1 in defending any proceedings, whether civil or criminal, in which judgment is given favour of the person or in which the person is acquitted; or
- 26.2.2 in connection with an application, in relation to such proceedings, in which the court grants relief to the person under the Act.

26.3 Documentary Indemnity

The Company may execute a documentary indemnity (not inconsistent with applicable law, this clause, or **clause 27**) in any form in favour of a person who is or has been an officer of the Company.

26.4 Definitions

In this clause and **clause 27**, '**officer**' includes:

- 26.4.1 a Director and a Secretary;
- 26.4.2 an executive officer as defined by the Act; and
- 26.4.3 full-time employees of the Company as determined by the Directors.

27. INSURANCE

The Company may pay a premium for a contract insuring any person who is or who has been an officer against any liability:

- 27.1 incurred by that person as such an officer which does not arise out of conduct involving a wilful breach of duty in relation to the Company or a contravention of sections 182, 183 or 184 of the Act; or
- 27.2 for costs and expenses incurred by that person in defending proceedings relating to that person's position with the Company, whether civil or criminal, and whatever their outcome.

28. OVERSEAS SHAREHOLDERS

Each Shareholder with a registered address outside Australia acknowledges that the Company may, as contemplated by the Listing Rules arrange for a nominee to dispose of any of its entitlement to participate in any issue of Shares or Share Options by the Company to Shareholders.

29. ASX LISTING RULES

If the Company is admitted to the official list of ASX, the following clauses apply:

- 29.1 Notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done.
- 29.2 Nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done.

- 29.3 If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- 29.4 If the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.
- 29.5 If the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.
- 29.6 If any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

CONSTITUTION

SCHEDULE 1

NON-MARKETABLE PARCELS

1. Non Marketable Parcels

- 1.1 If at any time (as at a record date determined by the Directors) the number of Shares registered in the name of a Shareholder is less than a Marketable Parcel ("**Eligible Shareholder**"), the Directors may cause a written notice ("**Notice**") to be dispatched to the Eligible Shareholder, requiring the Eligible Shareholder to advise the Company by a specified date ("**Relevant Date**") whether the Eligible Shareholder elects that the provisions of this Schedule 1 are not to apply to the Eligible Shareholder's Shares ("**Relevant Shares**").
- 1.2 The Relevant Date must be not less than six weeks after the date of service of the Notice.

2. CHES Subregister

- 2.1 At the time of or before the Notice being dispatched, the Directors may cause a notice to be dispatched to each Shareholder who holds less than a Marketable Parcel of Shares on the CHES subregister, advising each of those Shareholders of the Directors' invoking or intention to invoke the procedure provided for in this Schedule 1 ("**Procedure**").
- 2.2 That notice must state that:
 - 2.2.1 if the Shareholder wishes to have its holding sold in accordance with the Procedure, that Shareholder must arrange for conversion of its holding to the certificated subregister or the issuer sponsored subregister before a specified date; and
 - 2.2.2 if conversion of its holding to the certificated subregister or the issuer sponsored subregister is not effected before that specified date and that Shareholder's holding is liable to be sold under **clause 1** of Schedule 1, the Company may move that holding to a certificated subregister or an issuer sponsored subregister in accordance with the CSF Rules.

3. Notice

- 3.1 At the time the Procedure is invoked, a Notice must be dispatched to each and every Eligible Shareholder.
- 3.2 The Notice must state that the Relevant Shares referred to in the Notice will be liable to be sold unless, by the Relevant Date, the Shareholder advises the Company that the provisions of this Schedule 1 are not to apply to the Relevant Shares.

4. Advising the Company

- 4.1 Every Eligible Shareholder on which a Notice has been served may by notice in writing to the Company and delivered to the Registered Office before the Relevant Date ("**Non Sale Advice**") require the Company not to sell the Relevant Shares in accordance with this Schedule 1 in which event no sale of the Relevant Shares will take place.

- 4.2 If a Shareholder who gives a Non Sale Advice under **clause 4.1** of this Schedule 1 is a joint holder of a parcel of Relevant Shares, that Non Sale Advice will only prevent those Relevant Shares being sold but will not prevent other Relevant Shares held by any of the joint holders of that parcel being sold and any Notice and Non Sale Advice concerning those other Relevant Shares will apply only to those Relevant Shares.
- 4.3 If the Eligible Shareholder does not advise the Company by the Relevant Date that the provisions of this Schedule 1 do not apply to the Relevant Shares referred to in the Notice, any of those Relevant Shares which are held on or are moved onto (in accordance with the CSF Rules) the certificated subregister or the issuer sponsored subregister may be sold by the Company.

5. **Sale**

- 5.1 Any Relevant Shares which may be sold under this Schedule 1 may be sold on the terms, in the manner and at the time determined by the Directors and for the purposes of a sale under this Schedule 1 each Eligible Shareholder:
 - 5.1.1 appoints the Company the Eligible Shareholder's agent for the sale;
 - 5.1.2 authorises the Company to effect on the Eligible Shareholder's behalf a transfer of the Relevant Shares sold; and
 - 5.1.3 appoints the Company and its Directors jointly and severally as the Eligible Shareholder's attorneys in the Eligible Shareholder's name and on the Eligible Shareholder's behalf to execute any instrument or take any other steps as they or any of them may consider appropriate to transfer the Shares sold.
- 5.2 The transferee of any Relevant Shares sold under this Schedule 1 is not required to see to the regularity of the sale or the application of the purchase money and, after the transferee's name has been entered in the Register of Shareholders in respect of the Relevant Shares, the validity of the sale to the transferee may not be impeached by any person and the remedy of the any person aggrieved by the sale is in damages only and against the Company exclusively.
- 5.3 Where the Company receives any consideration as a result of the sale of any Relevant Shares, the Company's receipt is a good discharge to the transferee of those Relevant Shares and any person claiming through that transferee.
- 5.4 The title of the transferee to the Relevant Shares acquired under this Schedule 1 is not affected by any irregularity or invalidity in connection with the sale of the Relevant Shares to this Schedule 1.

6. **Sale Consideration**

- 6.1 The proceeds of any sale of the Relevant Shares under this Schedule 1 less any unpaid calls and interest ("**Sale Consideration**") will be paid to the relevant Shareholder or as that Shareholder may direct.
- 6.2 The Sale Consideration received by the Company in respect of all Relevant Shares sold under this Schedule 1 will be paid into a bank account opened and maintained by the Company for the purposes of this Schedule 1.
- 6.3 The Company will hold the Sale Consideration in trust for the Shareholder whose Shares are sold under this Schedule 1 and will forthwith notify the Shareholder in writing that the Sale Consideration in respect of the Relevant Shares has been

received by the Company and is being held by the Company pending instructions from the Shareholder as to how it is to be dealt with. If the Shareholder has been issued with a share certificate or certificates, the Shareholder's instructions, to be effective, must be accompanied by the share certificate or certificates to which the Sale Consideration relates or, if the certificate or certificates has or have been lost or destroyed, by a statement and undertaking under subsection 1070D of the Act.

- 6.4 Where the Sale Consideration has been held in trust for more than 2 years by the Company, the Company must deal with the Sale Consideration according to any applicable law dealing with unclaimed money.

7. Costs

Subject to the Act, the Company and/or the purchaser will bear all costs, including brokerage and stamp duty, associated with the sale of any Relevant Shares under this Schedule 1.

8. Invoke Once in 12 Months

The Procedure may only be invoked once in any 12 month period after its adoption or renewal.

9. Takeover

If the Procedure has been invoked and there is an announcement of a takeover bid for Shares, no more sales of Shares may be made under this Schedule 1 until after the close of the offers made under the takeover. The Procedure may then be invoked again.

10. Certificate

Where a certificate in writing of any Director or Secretary states that:

- 10.1 any notice required to be served by or on the Company was or was not served, as the case may be;

- 10.2 any resolution of the Directors required to be made was made;

that certificate is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to any Shares affected by that certificate and to the right and title of the Company to sell the same.