
THE COMPANIES ACT 1985
PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION *

Of

STRUCTURAL MONITORING SYSTEMS PLC

Company Number : 4834265

Incorporated : 16th July 2003

* Articles of Association amended pursuant to a special
resolution dated 2004

Hammonds

7 Devonshire Square Cutlers Gardens London EC2M 4YH DX 136546 Bishopsgate 2
Telephone +44 (0)870 839 0000 Fax +44 (0)870 839 1001

Offices and Associated Offices Aosta Berlin Birmingham Brussels Hong Kong Leeds London Madrid Manchester Milan
Munich Paris Rome Turin

Website www.hammonds.com

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**THE COMPANIES ACT 1985
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STRUCTURAL MONITORING SYSTEMS PLC

1 PRELIMINARY AND DEFINITIONS

1.1 Exclusion of Table A

The regulations contained in Table A of the Companies (Tables A to F) Regulations 1985 shall not apply to the Company.

1.2 Definitions and interpretation

- (a) In these Articles (if not inconsistent with the subject or context) the following words and expressions shall have the following meanings.

"address" in relation to Electronic Communications, includes any number or address used for the purposes of Electronic Communications.

"Articles" means these articles of association as originally framed or as from time to time altered and the expression **"Article"** shall be construed accordingly.

"ASX" means Australian Stock Exchange Limited.

"Auditors" means the auditors for the time being of the Company.

"Australian Law" means a law of the Commonwealth, or of a State or Territory, of Australia.

"Board" means the Directors or any of them acting as the board of Directors of the Company.

"Business Day" means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any day ASX declares is not a business day.

"Certificated Holding" means holding of shares on the certificated sub-register.

"Certificated Share" means a share in the capital of the Company that is not an Uncertificated Share.

"CHESS" means Clearing House Electronic Subregister System.

"CHESS Approved Securities" means shares of the Company which are approved by SCH in accordance with the SCH Business Rules.

"CHESS Holding" has the same meaning as in the SCH Business Rules.

"CHESS Rules" means the SCH Business Rules and the provisions of the Corporations Act and Listing Rules concerning the electronic share registration and transfer system as and to the extent that they apply to the company.

"CHESS Users" means a participant or a an issuer of CHESS Approved Securities.

"Clear Days" means, in relation to the sending of a notice, the period excluding the day on which the notice is sent or deemed to be sent and the day for which it is sent or on which it is to take effect.

"Company" means Structural Monitoring Systems plc or such other name by which the Company may for the time being be registered in accordance with the Statutes.

"Companies Act or CA 1985" means the Companies Act 1985 of the United Kingdom.

"Consolidated Financial Statements" means the financial statements of the Company together with all entities controlled (as that term is defined in the Corporations Act) by the Company at any time throughout the period to which the statements relate and which are prepared in accordance with applicable accounting standards.

"Corporations Act " means the Corporations Act 2001 of the Commonwealth of Australia.

"Directors" means the directors for the time being of the Company and the expression **"Director"** shall be construed accordingly.

"Divestment Notice" means a notice given under Article 45.

"dividend" means dividend or bonus.

"Electronic Communication" has the meaning given in the Electronic Communications Act 2000.

"End of Day" means on any Trading Day, 7:00pm Sydney time or such other times as SCH may from time to time determine.

"Escrow Period" means the escrow period within the meaning and for the purposes of the Listing Rules.

"Equity Interests" means the sum of paid up capital, reserves, accumulated profits or losses, disregarding redeemable preference share capital and outside equity interests, as shown in the Consolidated Financial Statements.

"Executive Director" means a director who has day to day management responsibilities.

"Gazetted Public Holidays" means a public holiday specified in a statute.

"holder" means, in relation to any share, the Member whose name is entered in the Register as the holder of that share.

"Holding Adjustment" means a holding adjustment as defined in the SCH Business Rules.

"Holding Lock" means in relation to a holding on either the CHESS sub-register or an Issuer Sponsored Sub-register, a facility that prevents shares being deducted from, or entered into, a holding pursuant to a transfer or conversion.

"Issuer Sponsored Holding" has the same meaning as in the SCH Business Rules.

"Issuer Sponsored Sub register" means the part of an the companies Register for a class of CHESS Approved Securities that is administered by the Company (and not SCH) and records Uncertificated Holdings of shares.

"Listing Rules" means the Listing Rules of ASX and any other rules of ASX which are applicable to the Company while the Company is admitted to the Official List of ASX, each as amended and replaced from time to time, except to the extent of any express written waiver by ASX.

"Market Bid" means a Takeover Bid made under chapter 6 of the corporations Act as a Market Bid.

"Market Value" in relation to a share means the closing price on SEATS of the share.

"Managing Director" means each such director of the Company appointed to the position of managing director.

"Member" means a member of the Company.

"month" means calendar month.

"New Small Holder" means a Member who is the holder of a New Small Holding.

"New Small Holdings" means a holding of shares created after the date on which Article 45 came into effect by the transfer of a parcel of shares the aggregate Market Value of which at the time a transfer effected in accordance with the SCH Business Rules was initiated or a paper based transfer was lodged, was less than a marketable parcel of shares as provided under the Listing Rules.

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

"Official List of the ASX" means the official list of entities that ASX has admitted and not removed.

"Off-Market Bid" means a Takeover Bid made under chapter 6 of the Corporations Act as an off-market bid

"Ordinary Shares" means ordinary shares of £0.05 (five pence) each in the capital of the Company.

"paid up" means paid up or credited as paid up.

"Quoted Share" means a share or other securities traded on the ASX or a market operated by the London Stock Exchange plc or any other recognised investment exchange (as defined by the Financial Services and Markets Act 2000 of the United Kingdom).

"Recognised Clearing House" and **"Recognised Investment Exchange"** have the meanings given in the Financial Services and Markets Act 2000.

"Register" means the register of Members to be kept by the Company pursuant to the CA 1985 or the Listing Rules and where appropriate includes a sub-register conducted by or for the Company pursuant to the Listing Rules, SCH Business Rules and any branch register kept under s.601CM of the Corporations Act

"Regulations" means the Uncertificated Securities Regulations 2001 of the United Kingdom.

"Relevant Period" means the period specified in a Divestment Notice under Article 45.2.

"Relevant Shares" means the shares specified in the Divestment Notice.

"Relevant System" has the meaning given in the Regulations.

"Restricted Securities" means restricted securities within the meaning and for the purposes of the Listing Rules.

"Restriction Agreement" means a restriction agreement within the meaning and for the purposes of the Listing Rules.

"Routine Transaction Statement" means a statement of transactions in a Members account issued by the Company.

"SCH Business Rules" means the business rules of the Securities Clearing House in force from time to time.

"SCH" means ASX Settlement and Transfer Corporation Pty Limited.

"SCH-regulated Transfer" has the same meaning as in the *Corporations Act 2001(Cth)*.

"seal" means any common seal of the Company or any official seal or securities seal which the Company may have or be permitted to have under the Statutes.

"SEATS" means the Stock Exchange Automated Trading System.

"Secretary" means the secretary of the Company and includes (subject to the Statutes) an assistant or deputy secretary, and any person appointed by the Board to perform any of the duties of the Secretary.

"Securities Clearing House" has the same meaning as in the Corporations Act.

"Securities Exchange" has the same meaning as in the Corporations Act.

"Small Holder" means a Member who is the holder of a Small Holding.

"Small Holding" means a holding of shares the aggregate Market Value of which at the relevant date is less than a marketable parcel of shares as provided under the Listing Rules.

"SRN" means shareholders reference number and means a number allocated by an issuer to identify a holder on an Issuer Operated Sub-register.

"State" means a State of the Commonwealth of Australia.

"Statutes" means CA 1985 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company (for the avoidance of doubt including the Listing Rules), and every statutory modification or re-enactment of the same for the time being in force.

"Takeover Bid" means an Off-Market Bid or a Market Bid.

"Termination Benefits" means payments, property and advantages that are receivable on termination of employment, engagement or office, except those from any superannuation or provident fund and those required by law to be made.

"Territory" means a Territory of the Commonwealth of Australia.

"Trading Day" means a day other than:

- (a) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
- (b) any other day which ASX declares and publishes is not a trading day.

"UKLA" means the United Kingdom Listing Authority.

"Uncertificated Share" means a share in the capital of the Company which is recorded on the Register as being held in uncertificated form and title to which may be transferred by means of a Relevant System.

"Uncertificated Holdings" means shares that do not comprise a Certificated Holding.

"Undertaking" includes assets and business.

"United Kingdom" means Great Britain and Northern Ireland.

"Voting Exclusion Statement" means the statement set out in Listing Rule 14.11 of the Listing Rules.

- (b) Unless the context otherwise requires:
 - (i) words denoting the singular include the plural and vice versa;
 - (ii) words denoting any gender include all other genders;

- (iii) any reference to **"persons"** includes individuals, bodies corporate, companies, partnerships, unincorporated associations, firms, trusts and all other legal entities;
- (c) Any reference to a statute, statutory provision or subordinate legislation shall be construed as referring to that statute, statutory provision or subordinate legislation as amended, modified, consolidated, re-enacted or replaced and in force from time to time.
- (d) Subject to paragraph (a) above and unless the context otherwise requires, all words and expressions which are defined in CA 1985 shall have the same meanings in these Articles.
- (e) Headings are for convenience only and shall not affect the interpretation of these Articles.

1.3 Electronic communications and publication of documents on a web site

For the purposes of these Articles:

- (a) references to **"writing"** include references to the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods (including, without limitation, by Electronic Communication) and **"written"** shall be construed accordingly;
- (b) references to a document being **"signed"** or **"executed"** include references to it being executed under hand or under seal or, in the case of an Electronic Communication, by electronic signature (as defined in section 7(2) Electronic Communications Act 2000), and **"signature"** shall be construed accordingly;
- (c) references to an **"instrument"** means a written document in tangible form and not comprised in an Electronic Communication;
- (d) references to sending to any persons printed copies and references to documents being deposited at or delivered to an address include references to using Electronic Communications for sending those copies or documents to such address as may for the time being be notified to the Company by that person for that purpose. Copies of those documents are also to be treated as sent to a person where:
 - (i) the Company and that person have agreed to that person having access to the documents on a web site (instead of their being sent to such person);
 - (ii) the documents are documents to which that agreement applies; and
 - (iii) that person is notified, in a manner for the time being agreed for the purpose between such person and the Company, of:
 - (A) the publication of the documents on a web site;
 - (B) the address of that web site; and

- (C) the place on that web site where the documents may be accessed, and how they may be accessed;
- (e) documents treated as sent to any person pursuant to Article 1.3(d) are to be treated as sent to such person not less than 21 days before the date of a meeting if, and only if:
 - (i) the documents are published on the web site throughout a period beginning at least 21 days before the date of the meeting and ending with the conclusion of the meeting; and
 - (ii) the notification given for the purposes of Article 1.3(d)(iii) is given not less than 21 days before the date of the meeting; and
- (f) nothing in these Articles shall invalidate the proceedings of a meeting where:
 - (i) any documents that are required to be published as mentioned in Article 1.3(e) are published for a part, but not all, of the period mentioned in that paragraph; and
 - (ii) the failure to publish those documents throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

1.4 Form of resolution

- (a) Where for any purpose an ordinary resolution of the Company is required, a special resolution or an extraordinary resolution shall also be effective, and where an extraordinary resolution is required a special resolution shall also be effective.
- (b) A resolution in writing signed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effective as if it had been passed at a general meeting properly convened and held and may consist of several instruments or Electronic Communications in the like form each signed by or on behalf of one or more of the Members.

1.5 Listing Rules & SCH Business Rules

In these Articles, a reference to the Listing Rules and/or SCH Business Rules is to have effect if, and only if, at the relevant time, the Company has been admitted to and remains on the Official List of the ASX and is otherwise to be disregarded.

1.6 Inconsistency in Laws

Where there is any inconsistency between the provisions of the CA 1985, the Corporations Act, the Listing Rules and the SCH Business Rules, the CA 1985 shall prevail.

2 SHARE CAPITAL

2.1 Authorised share capital

The authorised share capital of the Company at the date of adoption of these Articles is £14,000,000 (fourteen million pounds) divided into 280,000,000 (two hundred and eighty million) Ordinary Shares of £0.05 (five pence) each.

2.2 Shares with special rights

Subject to the provisions of the Statutes and to any rights attached to existing shares or class of shares, any share may be issued with, or have attached to it, such rights and restrictions as the Company may by ordinary resolution determine.

2.3 Redeemable shares

Subject to the provisions of the Statutes and to any rights attached to existing shares, any shares may be issued on terms that they are, or at the option of the Company or the holder are liable, to be redeemed on such terms and in such manner as may be provided by these Articles.

2.4 Preference shares

The Company may not issue preference shares (including redeemable preference shares) and issue shares may not be converted into preference shares unless the rights attached to the preference shares are as set out in appendix one to these Articles or have been otherwise approved by special resolution of the Members.

2.5 Share warrants to bearer

- (a) The Company may issue share warrants in respect of any fully paid shares, stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant. Any share while represented by such a warrant shall be transferable by delivery of the warrant relating to it.
- (b) The Board may determine, and from time to time vary, the conditions on which share warrants to bearer shall be issued and, in particular, the conditions on which:
 - (i) a new warrant or coupon shall be issued in place of one worn-out, defaced, lost or destroyed (but no new warrant shall be issued unless the Company is satisfied beyond reasonable doubt that the original has been destroyed);
 - (ii) the bearer shall be entitled to receive notice of, and attend and vote at, general meetings;
 - (iii) dividends or other moneys shall be paid; and
 - (iv) a warrant may be surrendered and the name of the bearer entered in the Register in respect of the shares specified in the warrant.

- (c) The bearer of such a warrant shall be subject to the conditions for the time being in force in relation to the warrant, whether made before or after the issue of the warrant. Subject to those conditions and to the provisions of the Statutes, the bearer shall be deemed to be a Member and shall have the same rights and privileges as he would have if his name had been included in the Register as the holder of the shares comprised in the warrant.
- (d) The Company shall not be bound by or be compelled in any way to recognise any right in respect of the share represented by a share warrant other than the bearer's absolute right to the warrant.

3 VARIATION OF RIGHTS

3.1 Variation of rights

If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any class of shares may be varied or abrogated (whether or not the Company is being wound up) in such manner (if any) as may be provided by those rights or, if no such provision is made, either:

- (a) with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class; or
- (b) with the authority of an extraordinary resolution passed at a separate general meeting of the holders of those shares.

3.2 Class meetings

The provisions of these Articles relating to general meetings of the Company or to the proceedings at general meetings shall apply, *mutatis mutandis*, to every meeting of the holders of any class of shares, except that::

- (a) the quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class;
- (b) at an adjourned meeting the quorum shall be one person holding shares of the class or his proxy;
- (c) every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and
- (d) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.

3.3 Deemed variation

Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall not be deemed to be varied or abrogated by the creation or issue of further shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by the Company of any of its own shares.

4 ALTERATION OF SHARE CAPITAL

4.1 Power to increase, consolidate, sub-divide and cancel shares

- (a) Subject to the Statutes and these Articles, the Company may by ordinary resolution:
 - (i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
 - (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
 - (iii) subject to the Statutes, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, one or more of the shares may, as compared with the others, have such preferred, deferred or other special rights, or be subject to such restrictions as the Company has power to attach to unissued or new shares; and
 - (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

4.2 Fractions

- (a) Whenever as a result of a consolidation or sub-division of shares any Member would become entitled to a fraction of a share, the Board may on behalf of the Members deal with the fractions as it thinks fit. In particular, but without limitation, the Board may sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those Members (except that any amount otherwise due to a Member, being less than £3 or such other sum as the Board may from time to time determine, may be retained for the benefit of the Company).
- (b) To give effect to a sale under paragraph (a) above, the Board may:
 - (i) if the share is a Certificated Share, authorise any person to execute an instrument of transfer in respect of the share to, or in accordance with the directions of, the buyer; or
 - (ii) if the share is an Uncertificated Share, exercise any of the Company's powers under Article 7.5 to effect the sale of the share to, or in accordance with the directions of, the buyer.

The buyer shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

4.3 Power to reduce capital

Subject to the Statutes and to any rights for the time being conferred on the holders of any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any way.

4.4 Power to purchase own shares

Subject to the Statutes and to any rights for the time being conferred on the holders of any class of shares, the Company may purchase all or any of its shares of any class, including any redeemable shares.

4.5 Reorganisation of capital

The Company will comply with the timetables set out in Appendix 7A of the Listing Rules when undertaking a bonus issue, pro-rata issue or reorganisation of share capital.

5 SHARES

5.1 Unissued shares

Subject to the Statutes and these Articles and any resolution of the Company, the Board may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any unissued shares (whether forming part of the original or any increased capital) to such persons, at such times and generally on such terms as the Board may decide.

5.2 Power to pay commission and brokerage

The Company may, in connection with the issue of any shares, exercise all powers of paying commission and brokerage conferred or permitted by the Statutes. Subject to the provisions of the Statutes, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

5.3 Renunciation of allotment

The Board may at any time after the allotment of any share but before any person has been entered in the Register as the holder, recognise a renunciation of the share by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit to impose.

5.4 Trusts not recognised

Except as required by law or these Articles, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required to recognise (even when having notice of it) any interest in or in respect of any share, except the holder's absolute right to the entirety of the share.

5.5 Interference with Issue of Shares

If the Company is admitted to the Official List of ASX:-

- (a) The Company must not in any way, prevent, delay or interfere with an issue of shares (or any other securities) following the exercise, conversion or paying up of a Quoted Share.
- (b) If the Company would break an Australian Law by issuing the shares (or any other securities) to the holder of the Quoted Shares, it may issue them to a nominee, who must dispose of the shares (or other securities) and send the net proceeds to the person who would have received them.

6 DISCLOSURE OF INTERESTS

6.1 Section 212 notice

If a holder of, or any other person appearing to be interested in, any shares has been issued with a notice by the Company pursuant to section 212 CA 1985 (a "**Section 212 Notice**") and has failed in relation to any shares (the "**Default Shares**") to comply with the Section 212 Notice within 14 days from the service of the notice, the restrictions set out in Article 6.2 shall apply.

6.2 Restrictions

The restrictions referred to in Article 6.1 are as follows:

- (a) the holder of the Default Shares shall not be entitled in respect of the Default Shares to be present or to vote (either in person or by proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares; and
- (b) if the Default Shares represent 0.25 per cent or more in nominal value of the issued shares of their class, the holder of the Default Shares shall not be entitled in respect of the Default Shares:
 - (i) to receive any dividend or other distribution; or
 - (ii) other than an Exempt Transfer (as defined in Article 6.3 below) to transfer or agree to transfer any of those shares.

6.3 Exempt transfer

For the purposes of this Article 6 an "**Exempt Transfer**" in relation to any shares means a transfer pursuant to:

- (a) a sale on a Recognised Investment Exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded;
- (b) a sale of the whole beneficial interest in the shares to a person whom the Board is satisfied is unconnected with the existing holder or with any other person appearing to be interested in the shares; or
- (c) a sale by way of or pursuant to acceptance of a takeover offer (as defined in section 428 CA 1985).

6.4 Removal of restrictions

The restrictions referred to in Article 6.2 shall cease:

- (a) if they are waived, in whole or in part, by the Board;
- (b) if the Default Shares are transferred by means of an Exempt Transfer (but only in respect of the shares transferred); or
- (c) at the end of the period of 7 days (or such shorter period as the Board may determine) following due compliance with the Section 212 Notice to the satisfaction of the Board.

6.5 Interested persons

- (a) If a Section 212 Notice is given to a person, other than the holder, appearing to be interested in any shares, a copy shall at the same time be given to the holder, but the accidental omission to do so or the non-receipt of the copy by the holder shall not invalidate or otherwise affect the operation of this Article 6.
- (b) A person shall be treated as appearing to be interested in any share if the Company has given to the holder of the share a Section 212 Notice and:
 - (i) the holder has named the person as being interested in the share; or
 - (ii) after taking into account any response to a Section 212 Notice and any other relevant information, the Company knows or has reasonable cause to believe that the person in question is, or may be, interested in the share.
- (c) For the purpose of this Article 6, "**interested**" shall be construed as it is for the purpose of section 212 CA 1985.

6.6 Powers under section 216

Nothing in this Article 6 shall be taken to limit the powers of the Company under section 216 CA 1985.

6.7 Entitlement to withheld distributions

If any dividend or other distribution is withheld under Article 6.2(b)(i), the Member shall be entitled to receive it (without interest) as soon as practicable after the restriction ceases to apply.

6.8 Restrictions apply to new shares

Any new shares issued in right of any shares subject to restrictions under Article 6.2 shall also be subject to the same restrictions. The Board may make any right to an allotment of the new shares subject to restrictions corresponding to those which will apply to those shares when such shares are issued.

7 UNCERTIFICATED SHARES

7.1 Uncertificated shares

Pursuant to and subject to the Regulations, the Board may permit shares of any class to be held in uncertificated form and to be transferred or otherwise dealt with by means of a Relevant System, and may revoke any such permission.

7.2 Disapplication of inconsistent articles

Any provisions of these Articles shall not apply to any shares for the time being held in uncertificated form to the extent that the provisions are inconsistent with:

- (a) the holding of shares in uncertificated form;
- (b) the transfer of title to shares by means of a Relevant System; or
- (c) the Regulations.

7.3 General powers

- (a) The Board may make such arrangements or regulations (if any) as it may from time to time in its absolute discretion think fit in relation to the evidencing, issue and transfer of Uncertificated Shares and otherwise for the purpose of implementing and/or supplementing the provisions of this Article 7 and the Regulations and the facilities and requirements of the Relevant System, and such arrangements and regulations shall have the same effect as if set out in this Article 7.
- (b) The Company may use the Relevant System in which any of its shares are held to the fullest extent available from time to time in the exercise of any of its powers or functions under the Statutes or these Articles or otherwise in effecting any actions.
- (c) For the purpose of effecting any action by the Company, the Board may determine that Uncertificated Shares held by a person shall be treated as a separate holding from Certificated Shares held by that person.

7.4 Not separate class

Shares in a particular class shall not form a separate class of shares from other shares in that class because they are held in uncertificated form.

7.5 Power of sale etc

Where the Company is entitled under any provision of the Regulations, any other Statutes or these Articles to forfeit, accept the surrender of, enforce a lien over, sell, transfer or otherwise dispose of any Uncertificated Share, such entitlement (to the extent permitted by the Regulations and other Statutes and the facilities and requirements of the Relevant System) shall include the right:

- (a) to require the holder of that Uncertificated Share, by notice in writing, to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;

- (b) to require the holder of that Uncertificated Share, by notice in writing, to give any instructions necessary to transfer title to that share by means of the Relevant System within the period specified in the notice;
- (c) to require the holder of that Uncertificated Share, by notice in writing, to appoint any person to take any step, including without limitation the giving of any instruction by means of the Relevant System, necessary to transfer that share within the period specified in the notice; and
- (d) to take any other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share or to enforce a lien in respect of that share.

8 SHARE CERTIFICATES

8.1 Entitlement to certificate

On becoming the holder of any Certificated Share, every Member (except a financial institution as defined in section 185(4B) CA 1985) shall be entitled, without payment, to receive one certificate for all the Certificated Shares of each class held by him. Shares of different classes shall not be included in the same certificate. If the Member transfers part of the shares represented by a certificate, or elects to hold part in uncertificated form, he shall be entitled, without payment, to receive a new certificate for the balance of those shares.

8.2 Form of certificate

Every share certificate shall:

- (a) be issued under seal or signed by at least one Director and the Secretary or by at least two Directors (which may include any signature applied mechanically or electronically) or in such other manner as the Board may approve; and
- (b) specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares.

8.3 Joint holders

In the case of joint holders, the Company shall not be bound to issue more than one certificate for all shares in any particular class registered in their joint names, and delivery of a certificate to any one of the joint holders shall be sufficient delivery to all.

8.4 Replacement certificates

If a share certificate is damaged, defaced or worn-out or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued if the Company receives the share certificate to be replaced or receives satisfactory evidence that the original certificate has been lost or destroyed and has not been disposed of and on compliance with such conditions as to indemnity and security for such indemnity and on the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Board may think fit and, in the case of defacement or wearing out, on delivery up of the old certificate. The replacement certificate should be issued within 3 Business Days of receipt of the original certificate or of evidence that the original certificate has been lost or destroyed.

8.5 Cancelled Certificate

If the Company is admitted to the Official List of the ASX and a broker cancels a certificate under the SCH Business Rules, the Company shall recognise and accept the cancellation.

9 LIEN ON SHARES

9.1 Generally

The Company shall have a first and paramount lien on every share which is not fully paid:

- (a) all due and unpaid calls and instalments in respect of those shares;
- (b) all amounts which the Company is required by law to pay, and has paid, in respect of the shares of a holder or deceased former holder.

9.2 Lien on loans under employee incentive schemes

The Company also has a first and paramount lien on each share acquired by a Member under an employee incentive scheme for all moneys payable to the Company by the Member under loans made under an employee incentive scheme.

9.3 Lien on distributions

The lien extends to:

- (a) all distributions in respect of those shares, including dividends; and
- (b) reasonable interest and expenses incurred because the amount is not paid.

9.4 Exemption from Article 9

The Board may:

- (a) waive any lien which has arisen; or
- (b) declare any share to be wholly or partly exempt from this Article 9.

9.5 If any law for the time being of any country, state or place imposes or purports to impose an immediate or contingent liability on the Company to make any payment or authorizes a taxing authority or Government official to require the Company to make payment in respect of shares or dividends or other moneys accruing due to the Member who holds the shares:

- (a) the Member or, if the Member is deceased, the Member's legal personal representative, indemnifies the Company in respect of any such payment or liability; and
- (b) subject to the Statutes, the Company:
 - (i) has a lien on the shares and dividends and other moneys payable in respect of the shares, whether the shares are held by the Member solely or jointly with another person in respect of any payment made or liability incurred by the Company, together with reasonable expenses and

interest on any payment made by the Company at a rate to be fixed by the Directors (not exceeding 15% per annum) from the date of payment by the Company to the date of repayment by the Member;

- (ii) may set off amounts so paid by the Company against amounts payable by the Company to the Member as dividends or otherwise; and
- (iii) may recover as a debt due from the Member or its legal personal representative the amount of all payments made by the Company together with reasonable expenses and interest at the rate and for the period referred to in clause 9.5(b)(i) above.

9.6 Protection of Rights

The Company may do all such things as may be necessary or appropriate for it to do under the SCH Business Rules to protect any lien, charge or other right to which it may be entitled under any law or these Articles, including where appropriate requesting the SCH to apply a Holding Lock.

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

9.7 Extinguishment of Lien

The Company's lien on a share is extinguished if a transfer of the share is registered without the Company giving notice of the claim to the transferee.

9.8 Lien Sale

If:

- (a) the Company has a lien on a share for money presently payable;
- (b) the Company has given the Member or the Member's executors or administrators (as the case may be) holding the share written notice demanding payment of the money; and
- (c) that Member fails to pay all of the money demanded,

then 14 or more days after giving the notice, the Directors may, if the Listing Rules permit, sell the share in any manner determined by them.

9.9 Giving effect to sale

To give effect to a sale under Article 9.8, the Board may:

- (a) if the share is a Certificated Share, authorise any person to execute an instrument of transfer in respect of the share to, or in accordance with the directions of, the buyer; or
- (b) if the share is an Uncertificated Share, exercise any of the Company's powers under Article 7.5 to effect the sale of the share to, or in accordance with the directions of, the buyer.

The buyer shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

9.10 Application of sale proceeds

The net proceeds of any sale of a share pursuant to this Article 9, after payment of costs, shall be applied in or towards satisfaction of the amount due and any residue shall (subject to a like lien for any amounts not presently due as existed on the share before the sale and, if the share is a Certificated Share, upon the surrender of the share certificate) be paid to the holder or person entitled by transmission to the share immediately before the sale.

10 CALLS ON SHARES

10.1 Power to make calls

Subject to the terms of allotment, the Board may make calls on the Members in respect of any amounts unpaid on their shares (whether in respect of nominal amount or premium) and each Member shall (subject to receiving notice, not more than 40 Business Days before the due date for payment and at least 30 Business Days before the due date for payment, specifying the time and place of payment and any other information required by the Statutes) pay to the Company the amount called on his shares as required by the notice. A call may be revoked or postponed in whole or in part as the Board may decide. A call may be made payable in one sum or by instalments.

10.2 Time Limits

If the Company is admitted to the Official List of the ASX, the Company must follow the time limits set out in Appendix 6A of the Listing Rules when making a call on quoted partly paid shares.

10.3 Time when call made

A call shall be deemed to be made at the time when the resolution of the Board authorising that call is passed.

10.4 Transfer

A person on whom a call is made shall remain liable for it notwithstanding the subsequent transfer of the share in respect of which the call is made.

10.5 Joint holders

The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect of that share.

10.6 Interest on calls

If a call is not paid in full on or before the due date for payment, the person from whom it is due shall pay interest on the amount unpaid, from the due date for payment to the date of actual payment, at such rate (not exceeding 15 per cent per annum) as the Board may decide. The Board may waive payment of the interest in whole or in part.

10.7 Rights suspended when calls unpaid

Unless the Board otherwise decides, a Member shall not be entitled to attend or vote, either in person or by proxy, at any general meeting of the Company or to exercise any other right as a Member in respect of any share held by him unless and until all calls and other sums presently payable by him in respect of that share have been paid.

10.8 Deemed calls

Subject to any notice requirements under the Listing Rules, a sum which, by the terms of allotment of a share, is payable on allotment or at a fixed time, or by instalments at fixed times, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date or dates fixed for payment and, in case of non-payment, these Articles shall apply as if that sum had become payable by virtue of a call.

10.9 Power to differentiate

On any issue of shares the Board may make arrangements for a difference between the allottees or holders of the shares in the amounts and times of payment of calls on their shares.

10.10 Payment of calls in advance

The Board may, if it thinks fit, receive all or any part of the amounts payable on a share beyond the sum actually called up on it if the holder is willing to make payment in advance. Such payment in advance shall extinguish the liability on the share in respect of which it is made to the extent of the payment. The Board may pay interest on sums paid in advance (until such sums would otherwise be due) at such rate as may be agreed between the Board and the Member paying the sum in advance.

11 FORFEITURE OF SHARES

11.1 Notice of unpaid calls or instalments

If a call or instalment remains unpaid on any share, in whole or in part, after the due date for payment, the Board may give a notice to the holder requiring him to pay so much of the call or instalment as remains unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall:

- (a) state a further day, being not less than 14 days from the date of the notice, on or before which payment is to be made;
- (b) name the place where payment is to be made; and
- (c) state that, if the notice is not complied with, the share in respect of which the call was made or instalment is payable will be liable to be forfeited.

11.2 Forfeiture for non-compliance

If the requirements of a notice given under Article 11.1 are not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board. The forfeiture shall include all dividends

declared and other sums payable in respect of the forfeited share and not actually paid before the forfeiture.

11.3 Notice after forfeiture

If a share is forfeited, notice of the forfeiture shall be given to the person who was the holder of the share or (as the case may be) the person entitled to the share by transmission, and an entry that notice of the forfeiture has been given, with the relevant date, shall be made in the Register, but no forfeiture shall be invalidated by any omission to give such notice or to make such entry.

11.4 Surrender

The Board may accept a surrender of any share liable to be forfeited. A surrendered share shall be treated as if it had been forfeited for the purposes of these Articles.

11.5 Power to annul forfeiture

The Board may, at any time before the forfeited share has been sold, re-allotted or otherwise disposed of, annul the forfeiture upon payment of all calls and interest due on the share and all expenses incurred in respect of the share, and on such further terms (if any) as the Board thinks fit.

11.6 Disposal of forfeited shares

Subject to the Statutes, every share which is forfeited shall become the property of the Company and may be sold, re-allotted or otherwise disposed of (either to the person who was before the forfeiture the holder of the share or to any other person) upon such terms and in such manner as the Board shall decide.

11.7 Giving effect to disposal

To give effect to a sale, re-allotment or disposal under Article 11.6, the Board may:

- (a) if the share is a Certificated Share, authorise any person to execute an instrument of transfer in respect of the share to, or in accordance with the directions of, the buyer; or
- (b) if the share is an Uncertificated Share, exercise any of the Company's powers under Article 7.5 to effect the sale of the share to, or in accordance with the directions of, the buyer.

The buyer shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

11.8 Effect of forfeiture

A person whose share has been forfeited shall cease to be a Member in respect of the forfeited share and shall, if the share is a Certificated Share, surrender the share certificate to the Company for cancellation. The person shall remain liable (unless payment is waived in whole or in part by the Board) to pay to the Company all sums payable by him on or in respect of that share at the time of forfeiture, together with interest from the time of forfeiture until payment at such rate as the board shall decide, in

the same manner as if the share had not been forfeited. He shall also be liable to satisfy all the claims and demands (if any) which the Company has enforced in respect of the share at the time of forfeiture. No deduction or allowance shall be made for the value of the share at the time of forfeiture or for any consideration received on its disposal.

11.9 Evidence of forfeiture

A statutory declaration by a Director or the Secretary that a share has been forfeited or surrendered on a specified date shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts stated in it and shall (subject to the execution of any necessary transfer, or transfer by means of the Relevant System, as the case may be) constitute a good title to the share.

12 TRANSFER OF SHARES

12.1 Right to transfer shares

Subject to the restrictions in these Articles and the Listing Rules and the SCH Business Rules, a Member may transfer all or any of his shares:

- (a) in any manner, including by any computerised or electronic system which is permitted by the Statutes, the Listing Rules or the SCH Business Rules;
- (b) by an instrument in writing in any usual or common form or in any other form that the Directors approve; or
- (c) by any other method of transfer of shares or other securities which is recognized by the Companies Act, SCH and ASX and is approved by the Directors.

12.2 Transfers of uncertificated shares

- (a) The Company shall register the transfer of any Uncertificated Shares in accordance with the Regulations, the Statutes and the SCH Business Rules.
- (b) Where permitted by the Regulations and other Statutes, the Board may, in its absolute discretion and without giving any reason for its decision, refuse to register any transfer of an Uncertificated Share.

12.3 Transfers of certificated shares

- (a) An instrument of transfer of a Certificated Share may be in any usual form or in any other form which the Board may approve and shall be signed by or on behalf of the transferor and (except in the case of a fully paid share) by or on behalf of the transferee. An instrument of transfer need not be under seal.
- (b) The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it.
- (c) Subject to Article (d) below, the Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of a Certificated Share unless:
 - (i) it is in respect of a share which is fully paid up;

- (ii) the instrument of transfer is left at the Office, or at such other place as the Board may decide, for registration;
 - (iii) the instrument of transfer is accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove the title of the intending transferor or his right to transfer the shares;
 - (iv) the instrument of transfer is duly stamped (if so required);
 - (v) it is in respect of only one class of shares; and
 - (vi) it is in favour of not more than four transferees.
- (d) In the case of a class of shares which has been admitted to the Official List of the ASX, the Board shall not refuse to register a transfer if the refusal would prevent dealings in those shares from taking place on an open and proper basis. The Company will not in any way prevent, delay or interfere with the registration of a transfer document (excluding a paper-based transfer document which is not a proper instrument of transfer) relating to quoted shares except in the circumstances permitted by the Listing Rules.
- (e) In the case of a transfer by a Recognised Clearing House (or nominee of a Recognised Clearing House) or a Recognised Investment Exchange, the lodgement of a share certificate will only be necessary if and to the extent that a certificate has been issued in respect of the share in question.

12.4 Notice of refusal to register

If the Board refuses to register a transfer of a share it shall give notice to the transferee of the refusal within two months after the date on which the instrument of transfer was lodged with the Company or the operator-instruction (as defined in the Regulations) was received, as the case may be.

12.5 Suspension of registration

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Board may determine, except that the Board may not suspend the registration of transfers of Uncertificated Shares other than as permitted by the Regulations and other Statutes.

12.6 No fee payable on registration

No fee shall be charged for registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

12.7 Issuer Sponsored Sub Register

The Company operates an Issuer Sponsored Sub-register subject to the following:

- (a) The Company must allow holders of shares on the Issuer Sponsored Sub-register to maintain more than one holding on the sub register;

- (b) Each holding must be identified by a unique SRN;
- (c) Each holding must be treated as a separate holding for determining benefits and entitlements; and
- (d) When the Company creates a new holding on the Issuer Sponsored Sub-register, it must allocate a unique SRN, as defined in the SCH Business Rules.

12.8 Issuer Sponsored Holding Statements

The company will send the following, subject to the SCH Business Rules:

- (a) To a holder of a new holding on the Issuer Sponsored Sub-register, a statement of a new holding on the sub register within 5 days of creating the holding, which indicates the opening balance and SRN of the holding; and
- (b) To each holder on the Issue Sponsored Sub-register a routine transaction statement which sets out the changes to the holding since the last routine transaction statement and the SRN for that holding;
- (c) To any holder on the Issue Sponsored Sub-register who requests a special transaction statement, that sets out the changes to holding since the last routine transaction statement, such a statement.

12.9 Reorganisation of Share Capital

In the event of a reorganisation of capital the Company must issue new certificates to holders of shares (or any other securities) on its certificated sub-register. The certificates should comply with the following:

- (a) the certificates must be a different colour from any earlier certificates;
- (b) show the date that reorgainsation became effective; and
- (c) contain the following statement *"Issued after a reorganisation of capital (interests). This certificate replaces all previously issued certificates."*

12.10 Reservation of Shares (or any other securities) on the Issuer Sponsored Sub-register

The Company will refuse to register a paper-based transfer if some or all of the shares (or other securities) involved are reserved for a bidder because the holder of the shares in the bid class has accepted as offer under an Off-market Bid.

The Company will register the transfer if the Off-market Bid is not, or is no longer, subject to a defeating condition and the transfer is to, or at the direction of, that bidder.

12.11 Office where transfers may be lodged

The Company's offices where transfers of shares (or any other securities) may be lodged will be open every Monday to Friday inclusive, excepting Gazetted Public Holidays in the State or Territory in which the office is located as long as arrangements are made to comply with SCH Business Rules obligations.

12.12 Time limits

If the Company is admitted to the Official List of the ASX, the Company will comply with all time limits as listed in Appendix 8A of the Listing Rules.

12.13 SCH Business Rules

Where the shares of the Company are CHESS Approved Securities the Company must comply with the SCH Business Rules and the SCH Business Rules have the effect of a binding contract under seal between SCH and CHESS Users.

13 TRANSMISSION OF SHARES

13.1 Transmission on death

If a Member dies, the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares. Nothing in these Articles shall release the estate of a deceased Member (whether a sole or joint holder) from any liability in respect of any share held by him.

13.2 Elections permitted

- (a) A person becoming entitled by transmission to a share may, on production of any evidence as to his entitlement as the Board may require, elect either to become the holder of the share or to have another person nominated by him registered as the transferee.
- (b) If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered and the share is a Certificated Share, he shall execute an instrument of transfer of the share to that person. If he elects to have another person registered and the share is an Uncertificated Share, he shall take any action the Board may require (including, without limitation, the execution of any document and the giving of any instruction by means of a Relevant System) to effect transfer of the share to that person.
- (c) All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer or other document or action as if it were a transfer effected by the Member from whom the title by transmission is derived and the event giving rise to the transmission had not occurred.

13.3 Board may require election

The Board may at any time send a notice requiring any person becoming entitled by transmission to a share to elect either to be registered himself or to transfer the share. If after 60 days the notice has not been complied with, the Board may withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

13.4 Rights of persons entitled by transmission

A person becoming entitled by transmission to a share shall, on production of any evidence as to his entitlement as the Board may require and subject to Article 13.3, have the right to receive and give a discharge for any dividends or other moneys payable in

respect of the share and shall have the same rights in relation to the share as he would have if he were the holder except that, until he becomes registered as the holder of the share, he shall not be entitled to receive notice of or to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company.

14 GENERAL MEETINGS

14.1 Information to be supplied to the ASX

If the Company is admitted to the Official List of the ASX, the Company must tell the ASX the following information:

- (a) if Directors may be elected at a meeting of Members, the Company will tell the ASX the date of the meeting at least 5 Business Days before the closing date for the receipt of nominations;
- (b) the outcome in respect of each resolution to be put to a meeting of Members (the Company shall provide this information immediately after the meeting has been held and, if the meeting is adjourned, the Company shall immediately tell the ASX of the adjournment and the outcome in respect of each resolution dealt with before the adjournment); and
- (c) the contents of any prepared announcement (including any prepared address by the chairperson) that will be delivered at a meeting of Members (a copy must be given to the ASX no later than the start of the meeting),

and must tell the ASX all other information required by the Listing Rules.

14.2 Annual general meetings

Subject to the Statutes, annual general meetings shall be held at such time and place as the Board may determine.

14.3 Extraordinary general meetings

All general meetings, other than annual general meetings shall be called extraordinary general meetings. The Board may convene an extraordinary general meeting whenever, and at such time and place, as it thinks fit. The Board shall also convene an extraordinary general meeting on the requisition of Members pursuant to the Statutes.

14.4 Insufficient directors to convene meeting

If there are insufficient Directors to convene a general meeting, any Director or any two Members may convene a general meeting.

15 NOTICE OF GENERAL MEETINGS

15.1 Period of notice

All general meetings of the Company shall be convened by not less than 28 Clear Days' notice in writing.

15.2 Short notice

Subject to the provisions of the Statutes, a general meeting may be convened by shorter notice than that specified in Article 15.1, if it is so agreed:

- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote at the meeting; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

15.3 Contents of notice

The notice shall:

- (a) specify whether the meeting is an annual general meeting or an extraordinary general meeting;
- (b) specify the place, the day and the time of the meeting;
- (c) specify in the case of special business, the general nature of that business;
- (d) specify if the meeting is convened to consider a special or extraordinary resolution, the intention to propose the resolution as such;
- (e) specify with reasonable prominence, that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a Member; and
- (f) include a proxy form which:
 - (i) provides for the Member to vote for or against each resolution,
 - (ii) provides for the Member to appoint proxies of their choice; and
 - (iii) if a Voting Exclusion Statement is required to be included in the notice and the proxy form specifies that the chairman of the meeting will be appointed proxy if no proxy is appointed by the Member, includes a statement as to the chairman's voting intentions and all other information required by the Listing Rules.

15.4 Recipients of notice

The notice shall be given to all Members (other than any who, under the provisions of these Articles or of any restrictions imposed on any shares, are not entitled to receive such notice from the Company) and to each Director and the Auditors.

15.5 Entitlement to attend and vote

For the purposes of determining which persons are entitled to attend and/or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.

15.6 Special business

All business that is transacted at a general meeting shall be deemed special, except the following transactions at an annual general meeting:

- (a) declaring dividends;
- (b) considering and adopting the annual accounts, the reports of the Directors and Auditors and other documents required to be annexed to the annual accounts;
- (c) appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; or
- (d) appointing or re-appointing Directors.

15.7 Omission to send notice

The accidental omission to send a notice of meeting or a form of proxy or any other document relating to a meeting to, or the non-receipt of the notice, form of proxy or other document by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

16 PROCEEDINGS AT GENERAL MEETINGS

16.1 Quorum

- (a) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business.
- (b) Except as otherwise provided by these Articles two persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum.
- (c) If within five minutes from the time fixed for holding a general meeting (or such longer interval, not exceeding thirty minutes, as the chairman may decide) a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case, the meeting shall stand adjourned to such time and place as the chairman of the meeting (or, in default, the Board) may determine.
- (d) If at an adjourned meeting a quorum is not present within fifteen minutes from the time fixed for holding the meeting, the meeting shall be dissolved.

16.2 Security

The Board may from time to time make any security arrangements which it considers appropriate relating to the holding of a general meeting of the Company including, without limitation, arranging for any person attending a meeting to provide proof of identity, to be searched and for items of personal property which may be taken into a meeting to be restricted. A Director or the Secretary may:

- (a) refuse entry to a meeting to any person who refuses to comply with any such arrangements; and

- (b) eject from a meeting any person who causes the proceedings to become disorderly.

16.3 Chairman

At each general meeting, the chairman of the Board (if any) or, if he is absent or unwilling, the deputy chairman of the Board (if any) shall preside as chairman of the meeting. If neither the chairman nor deputy chairman is present and willing, one of the other Directors selected for the purpose by the Directors present (or, if only one Director is present and willing, that Director) shall preside as chairman of the meeting. If no Director is present within fifteen minutes after the time fixed for holding the meeting or if none of the Directors present is willing to preside as chairman of the meeting, the Members present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

16.4 Right to attend and speak

Each Director shall be entitled to attend and speak at any general meeting of the Company whether or not he is a Member. The chairman may invite any person to attend and speak at any general meeting of the Company if he considers that such person has the appropriate knowledge or experience of the Company's business to assist in the deliberations of the meeting.

16.5 Adjournment

- (a) The chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting to another time and/or place.
- (b) In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place if, in his opinion:
 - (i) the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting;
 - (ii) the conduct of the persons present prevents or is likely to prevent the orderly continuation of business; or
 - (iii) an adjournment is otherwise necessary to facilitate the conduct of the business of the meeting.
- (c) Nothing in this Article shall limit any other power vested in the chairman of the meeting to adjourn the meeting.
- (d) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

16.6 Notice of adjourned meeting

Whenever a meeting is adjourned for 30 days or more or for an indefinite period, at least 7 Clear Days' notice of the adjourned meeting shall be given in the same manner as in

the case of the original meeting but otherwise no person shall be entitled to any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

16.7 Meeting at more than one place

- (a) A general meeting may be held at more than one place if:
 - (i) the notice convening the meeting specified that it shall be held at more than one place;
 - (ii) the Board resolves, after the notice convening the meeting has been given, that the meeting shall be held at more than one place; or
 - (iii) it appears to the chairman of the meeting that the place of the meeting specified in the notice convening the meeting is inadequate to accommodate all persons entitled and wishing to attend.
- (b) A general meeting held at more than one place is duly constituted and its proceedings are valid if (in addition to the other provisions of these Articles relating to general meetings being satisfied) the chairman of the meeting is satisfied that facilities (whether by electronic means or otherwise) are available to enable each person present at each place to participate in the business of the meeting.
- (c) The Members present at each place in person or by proxy shall be counted in the quorum for, and shall be entitled to vote at, the meeting. The meeting is deemed to take place at the place at which the chairman of the meeting is present.
- (d) The Board may from time to time make such arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant to this Article 16.7 (including, without limitation, the issue of tickets or the imposition of some other means of selection) as it, in its absolute discretion, considers appropriate and may from time to time alter any such arrangements. If a Member, pursuant to such arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at one of the other venues.

16.8 Resolutions and amendments

- (a) Subject to the Statutes, a resolution may only be put to the vote at a general meeting if the chairman of the meeting in his absolute discretion decides that the resolution may properly be regarded as within the scope of the meeting.
- (b) If the chairman of the meeting in good faith rules a resolution or an amendment to a resolution admissible or out of order (as the case may be) the proceedings of the meeting or on the resolution in question shall not be invalidated by any error in his ruling. Any ruling by the chairman of the meeting in relation to such matters shall be final and conclusive.
- (c) In the case of a resolution to be proposed as a special or extraordinary resolution, no amendment may be made, at or before the time at which the resolution is put to the vote, to the form of the resolution as set out in the notice of meeting, except to correct a patent error or as may otherwise be permitted by law.

- (d) In the case of a resolution to be proposed as an ordinary resolution, no amendment may be made, at or before the time at which the resolution is put to the vote, unless:
 - (i) in the case of an amendment to the form of the resolution as set out in the notice of meeting, notice of the intention to move the amendment is received at the Office no later than 48 hours before the time fixed for the holding of the relevant meeting; or
 - (ii) the chairman of the meeting in his absolute discretion otherwise decides that the amendment or amended resolution may properly be put to the vote.

The giving of notice under paragraph (d)(i) above shall not prejudice the power of the chairman of the meeting to rule the amendment out of order.

- (e) With the consent of the chairman of the meeting, a person who proposes an amendment to a resolution may withdraw it before it is put to the vote.

17 VOTING AT GENERAL MEETINGS

17.1 Method of voting and demand for poll

- (a) At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is duly demanded before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll.
- (b) Subject to the Statutes, a poll may be demanded by:
 - (i) the chairman of the meeting; or
 - (ii) at least five Members present in person or by proxy and entitled to vote at the meeting; or
 - (iii) a Member or Members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
 - (iv) a Member or Members present in person or by proxy holding shares conferring the right to vote at the meeting on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- (c) A demand for a poll by a person as proxy for a Member shall be as valid as if the demand were made by the Member himself.
- (d) A demand for a poll may be withdrawn before the poll is taken but only with the consent of the chairman of the meeting. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

- (e) Unless a poll is demanded (and the demand is not withdrawn) a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or has been carried by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of that fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (f) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

17.2 How poll is to be taken

- (a) If a poll is demanded (and the demand is not withdrawn) it shall be taken at such time, either at the meeting at which the poll is demanded or within 30 days after the meeting, at such place and in such manner (including by electronic means) as the chairman of the meeting shall direct. The chairman may appoint scrutineers who need not be Members.
- (b) A poll demanded on the election of a chairman or a question of adjournment shall be taken at the meeting without adjournment.
- (c) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least 7 Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.
- (d) On a poll, votes may be given either personally or by proxy and a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- (e) The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

17.3 Chairman's casting vote

In the case of an equality of votes, either on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, as the case may be, shall be entitled to a further or casting vote in addition to any other vote or votes to which he may be entitled.

18 VOTES OF MEMBERS

18.1 Voting rights

Subject to these Articles and to any special rights or restrictions as to voting for the time being attached to any class of shares in the Company:

- (a) on a show of hands every Member who is present in person shall have one vote; and
- (b) on a poll every Member present in person or by proxy shall have:
 - (i) one vote for every fully paid share of which he is the holder; and

- (ii) for each partly paid share, a fraction of a vote equivalent to the proportion which the amount paid (not credited) of the total amounts paid and payable (excluding amounts credited) on the share.

18.2 Representation of corporations

Any corporation which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any general meeting of the Company. The representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member present at the meeting in person, including (without limitation) power to vote on a show of hands or on a poll and to demand or concur in demanding a poll. Any Director or the Secretary or some person authorised for the purpose by the Secretary may require evidence of the authority of any such representative before permitting him to exercise his powers.

18.3 Voting rights of joint holders

If more than one of the joint holders of a share tenders a vote on the same resolution, whether in person or by proxy, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the relevant share.

18.4 Member under incapacity

A Member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person in the nature of a receiver or curator bonis appointed by that court. That receiver, curator bonis or other person may, on a poll, vote by proxy. The right to vote shall be exercisable only if evidence satisfactory to the Board of the authority of the person claiming the right to vote is received at the Office (or at such other address as may be specified for the receipt of proxy appointments) not later than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised.

18.5 Objections to admissibility of votes

No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting or poll at which the vote objected to is given or tendered. Every vote not disallowed at such meeting or poll shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the error is of sufficient magnitude to vitiate the resolution. The chairman's decision on such matters shall be final and conclusive.

18.6 Removal of right to vote

The Company must not remove or change a Member's right to vote, or to receive dividends in respect of particular shares except where:

- (a) calls due and payable on those shares have not been paid; or

- (b) in the case of the voting right, the instrument appointing a proxy in respect of those shares has not been deposited in accordance with the Company's Articles of Association; or
- (c) in the case of the voting right, the person became the holder of those shares after the time determined under the Statutes as the time for deciding who held shares for the purposes of the meeting; or
- (d) the right is removed or changed under Australian Law, or under a provision in the Company's Articles of Association that must be included to comply with Australian Law; or
- (e) the right is removed or changed under a provision in the Company's Articles of Association that is permitted by the Listing Rules, or that ASX has approved as appropriate and equitable; or
- (f) the right is removed or changed under a court order.

19 PROXIES

19.1 Proxies

- (a) A proxy need not be a Member and a Member who is entitled to cast two or more votes at the meeting may appoint two proxies. If the Member appoints two proxies and the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes. Any fraction of votes resulting from the application of this clause 19.1(a) shall be disregarded.
- (b) The appointment of a proxy shall not preclude a Member from attending and voting in person at the meeting or on the poll concerned.
- (c) The appointment of a proxy shall (subject to any contrary direction contained in the appointment):
 - (i) be deemed to confer authority to demand or join in demanding a poll and to vote on any resolution or amendment of a resolution put to the meeting for which it is given, as the proxy thinks fit, but shall not confer any further right to speak at the meeting, except with the permission of the Chairman;
 - (ii) be valid for any adjournment of the meeting as well as for the meeting to which it relates; and
 - (iii) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of such meetings.
- (d) The appointment of a proxy shall not be valid after the expiry of 12 months from the date of the appointment, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from that date.

19.2 Form of proxy

- (a) The appointment of a proxy shall be in any usual or common form, or such other form as may be approved by the Board, shall comply with the Listing Rules, and, in the case of an instrument in writing, shall be signed by the appointer or by his agent duly authorised in writing, or if the appointer is a corporation shall be either under its common seal or under the hand of an officer or agent so authorised. The Board may require evidence of the authority of any such officer or agent.
- (b) The Board may, at the expense of the Company, send by post, Electronic Communication or otherwise, instruments or forms of proxy to the Members (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares of the Company. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the meeting and to vote by proxy at the meeting.

19.3 Lodgement of proxy

The appointment of a proxy and the authority (if any) under which it is made, or a certified copy of such authority, shall:

- (a) in the case of an instrument in writing, be deposited at the Office (or at such other place in the United Kingdom as is specified for that purpose in the notice calling the meeting or in any instrument of proxy sent out by the Company in relation to the meeting) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
- (b) in the case of an appointment contained in an Electronic Communication, where an address has been specified for the purpose of receiving Electronic Communications:
 - (i) in the notice convening the meeting; or
 - (ii) in any instrument of proxy sent out by the Company in relation to the meeting; or
 - (iii) in any invitation contained in an Electronic Communication to appoint a proxy issued by the Company in relation to the meeting,be received at such address not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;
- (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as specified in paragraphs (a) and (b) above after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (d) in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any Director.

19.4 Uncertificated proxy instructions

- (a) For the purposes of this Article 19.4 **"Uncertificated Proxy Instruction"** means a properly authenticated dematerialised instruction (as defined in the Regulations) or other instruction or notification, which is sent by means of the Relevant System and received by such participant in that Relevant System acting on behalf of the Company as the Board may prescribe.
- (b) In relation to any Uncertificated Shares, the Board may from time to time permit appointments of proxies to be made by means of an Electronic Communication in the form of an Uncertificated Proxy Instruction in such form and subject to such terms and conditions as the Board may prescribe, and may in a similar manner permit supplements to, or amendments or revocations of, any Uncertificated Proxy Instruction to be made in the same way.
- (c) The Board may prescribe the method of determining the time at which any Uncertificated Proxy Instruction is to be treated as received by the Company.
- (d) The Board may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a Member as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that Member.

19.5 Invalid appointment

- (a) Subject to paragraph (b) below, an appointment of proxy which is not deposited, delivered or received in a manner specified in Articles 19.3 or 19.4 shall be invalid.
- (b) The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any required evidence of authority has not been received in accordance with Articles 19.3 or 19.4.

19.6 More than one valid appointment received

If two or more valid but differing proxy appointments are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

19.7 Notice of revocation of authority

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the death or mental disorder of the appointer or previous termination of the authority of the person voting or demanding a poll, or the transfer of the share in respect of which the appointment of the proxy or representative is made, unless notice in writing of the death, mental disorder, termination or transfer was received at the Office (or at such other address at which the proxy appointment was duly received) at least six hours before the time fixed for holding the relevant meeting or adjourned meeting or poll.

20 DIRECTORS

20.1 Number of directors

The number of Directors (other than alternate Directors) shall not, unless otherwise determined by an ordinary resolution of the Company, be less than two nor more than ten.

20.2 No share qualification

A Director need not hold any shares of the Company.

20.3 Age limit

No person shall be disqualified from being appointed or re-appointed as a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of seventy years or any other age, nor shall it be necessary by reason of his age to give special notice of any resolution. Section 293 CA 1985 shall not apply to the Company.

21 REMUNERATION, EXPENSES AND PENSIONS

21.1 Remuneration of non-executive directors

The Directors (other than any Director who for the time being holds an executive office or employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as Directors such fees, not exceeding in aggregate £500,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine), as the Board may decide. Such sum shall be divided among the Directors in such proportion and manner as the Board may agree or, failing agreement, equally. Any fee payable under this Article 21 shall be distinct from any remuneration or other amounts payable to the Director under other provisions of these Articles and shall accrue from day to day.

21.2 Special remuneration

If, by arrangement with the Board, any Director performs or renders any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable special remuneration (whether by way of lump sum, salary, commission, participation in profits or otherwise) as the Board may decide in addition to any remuneration payable under or pursuant to any other of these Articles.

21.3 Expenses

A Director shall be paid out of the funds of the Company all reasonable travelling, hotel and other expenses properly incurred by him in and about the performance of his duties as Director, including his expenses of travelling to and from Board meetings, committee meetings, general meetings or separate meetings of the holders of any class of shares or debentures in the Company.

21.4 Pensions and other benefits

The Board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or has been at any time a director of the Company or in the employment or service of the Company or of any company which is or was a subsidiary of or associated with the Company or of the predecessors in business of the Company or of any such subsidiary or associated company or the relatives or dependants of any such person. For that purpose the Board may procure the establishment and maintenance of, or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, scheme or arrangement and pay any insurance premiums.

22 APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

22.1 Appointment by the company

Subject to these Articles and the Listing Rules, the Company may by ordinary resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, but so that the total number of Directors shall not exceed any maximum number fixed by or in accordance with these Articles.

22.2 Appointment by the board

The Board may appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, but so that the total number of Directors shall not exceed any maximum number fixed by or in accordance with these Articles. Any Director so appointed shall retire at the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

22.3 Eligibility

No person (other than a Director retiring in accordance with these Articles) shall be appointed or re-appointed a Director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) not less than 7 nor more than 35 Business Days before the date appointed for the meeting, a Member (other than the person to be proposed) entitled to vote at the meeting has given to the Company notice of his intention to propose a resolution for the appointment of that person, stating the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors and a notice executed by that person of his willingness to be appointed.

22.4 Separate resolutions

Every resolution of a general meeting for the appointment of a Director shall relate to one named person only and a single resolution for the appointment of two or more persons shall be void, unless a resolution that it shall be so proposed has been first agreed to by the meeting without any vote being cast against it.

22.5 Retirement by rotation

- (a) At each annual general meeting one-third of the Directors or, if the number of Directors is not three or a multiple of three, the number nearest to and exceeding one-third shall retire from office. If there are fewer than three Directors, one Director shall retire from office.
- (b) Subject to the Statutes, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment but, as between Directors who were appointed or reappointed on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- (c) Any Director who has held office past the third annual general meeting following that Director's appointment, or 3 years, whichever is longer, shall retire from office. This clause does not apply to the Managing Director (but if there is more than one Managing Director, only one is entitled not to be subject to re-election).

22.6 Re-appointment of retired directors

- (a) A Director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be re-appointed. If he is not re-appointed or deemed to have been re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.
- (b) If the Company, at any meeting at which a Director retires (whether by rotation or otherwise), does not fill the office vacated by such Director, the retiring Director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his place or unless the resolution to re-appoint him is put to the meeting and lost.

22.7 Removal of director

- (a) In addition to any power of removal conferred by the Statutes, the Company may, by ordinary resolution of which special notice has been given in accordance with CA 1985, remove any Director before his period of office has expired notwithstanding anything in these Articles or in any agreement between him and the Company (but without prejudice to any claim he may have for damages for breach of any such agreement) and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place.
- (b) A person appointed in place of a Director pursuant to this Article 22.7 shall be treated, for the purpose of determining the time at which he or any other Director is to retire by rotation, as if he had become Director on the day on which the person in whose place he is appointed was last appointed a Director.

22.8 Vacation of office of director

Without prejudice to the provisions of these Articles relating to the retirement or removal of a Director, the office of a Director shall be vacated if:

- (a) he ceases to be a Director by virtue of any provisions of the Statutes or these Articles or he becomes prohibited by law from being a Director;
- (b) he becomes bankrupt or he makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (c) he is, or may be, suffering from mental disorder and in relation to that disorder either he is admitted to hospital for treatment or an order is made by a court (whether in the United Kingdom or elsewhere) for his detention or for the appointment of some person to exercise powers with respect to his property or affairs and, in either case, the Board resolves that his office be vacated;
- (d) both he and his alternate Director (if any) are absent, without the permission of the Board, from Board meetings for six consecutive months or, if during a shorter period, for five consecutive Board meetings and the Board resolves that his office be vacated;
- (e) he is requested to resign by notice in writing signed by all the other Directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company); or
- (f) he gives to the Company notice of his wish to resign, in which event he shall vacate that office on the receipt of the notice by the Company or at such later time as is specified in the notice.

23 EXECUTIVE DIRECTORS

23.1 Appointment

The Board may from time to time appoint one or more Directors to hold any executive office (including that of chief executive or managing director) for such term (subject to the Statutes) and on such terms as the Board may decide. The Board may revoke or terminate any such appointment without prejudice to any claim for damages for breach of contract between the Director and the Company.

23.2 Remuneration

The remuneration of a Director appointed to any executive office shall be fixed by the Board and may be by way of salary, commission, participation in profits or otherwise and either in addition to or inclusive of any fee payable to him for his services as Director pursuant to these Articles provided that no Executive Director shall be paid as the whole or part of his remuneration a commission on, or percentage of, operating revenue.

23.3 Termination

- (a) Any appointment of a Director to an executive office shall terminate immediately if he ceases to be a Director but without prejudice to any claim for damages for breach of contract between the Director and the Company. A Director appointed to an executive office shall not cease to be a Director merely because his appointment to that executive office terminates.

- (b) No Director or Secretary of the Company (or of any of its subsidiary entities) will be entitled to Termination Benefits, or any increase in Termination Benefits by reason that a change occurs in the shareholding or control of the Company.
- (c) The aggregate value of the Termination Benefits of the Directors and Secretaries of the Company, together with any of its subsidiary entities, must not, at any particular time, be greater than 5% of the Equity Interests of the Company (as set out under the latest accounts given to the ASX under the Listing Rules) without the approval of its Members (by way of an ordinary resolution). The notice of meeting seeking any such approval must, if the Company is admitted to the Official List of the ASX, contain a Voting Exclusion Statement.

24 ALTERNATE DIRECTORS

24.1 Appointment

Each Director (other than an alternate Director) may, by notice to the Company, appoint another Director or any other person approved for that purpose by the Board and willing to act, as his alternate and may remove him from that office.

24.2 Participation in board meetings

- (a) An alternate Director shall be entitled to receive notice of all Board meetings and of all meetings of committees of which his appointer is a member, to attend and vote at any such meeting at which his appointer is not personally present and generally to exercise and discharge all the functions, powers and duties of his appointer as a Director in his absence.
- (b) Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate in addition to his own vote if he is also a Director, but he shall count as only one person for the purpose of determining whether a quorum is present.

24.3 Alternate responsible for own acts

Every person acting as an alternate Director shall be subject in all respects to these Articles relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of the Director appointing him.

24.4 Expenses and remuneration

An alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a Director but shall not be entitled to receive from the Company any fee or remuneration in his capacity as an alternate Director, except such part (if any) of the remuneration payable to his appointer as the appointer may, by notice to the Company, direct.

24.5 Termination of appointment

Any person appointed as an alternate Director shall cease to be an alternate Director:

- (a) if his appointer ceases to be a Director (otherwise than by retirement at a general meeting at which he is re-appointed);

- (b) if his appointer removes him by notice to the Company; or
- (c) on the happening of any event which, if he is or were a Director, causes or would cause him to vacate that office.

25 PROCEEDINGS OF DIRECTORS

25.1 Board meetings

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A Director may, and the Secretary at the request of a Director shall, summon a Board meeting at any time.

25.2 Notice of board meetings

- (a) Reasonable notice of a Board meeting may be given to a Director personally or by word of mouth or given in writing or by Electronic Communications at such address as he may from time to time specify for this purpose (or, if he does not specify an address, at his last known address). A Director may waive his right to receive notice of any meeting either prospectively or retrospectively.
- (b) A Director absent or intending to be absent from the United Kingdom may request to the Board that notice of Board meetings shall, during his absence, be sent to him in writing or by Electronic Communications to such address as may be notified by him to the Company for that purpose, but he shall not be entitled to a longer period of notice than if he had been present in the United Kingdom. If no such request is made it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom.

25.3 Quorum

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Subject to these Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the end of the Board meeting if no other Director objects.

25.4 Chairman or deputy to preside

- (a) The Board may appoint a chairman and one or more deputy chairman or chairmen and may at any time revoke any such appointment.
- (b) The chairman, or failing him any deputy chairman (the longest in office taking precedence if more than one is present), shall preside at all Board meetings. If no chairman or deputy chairman has been appointed, or if he is not present within 5 minutes after the time fixed for holding the meeting, or is unwilling to act as chairman of the meeting, the Directors present shall choose one of their number to act as chairman of the meeting.

25.5 Competence of board meetings

A Board meeting at which a quorum is present shall be competent to exercise all the powers and authorities for the time being vested in or exercisable by the Board.

25.6 Voting

Questions arising at any Board meeting shall be determined by a majority of 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 two Directors are present and entitled to vote on the question.

25.7 Board meetings by telephone etc.

- (a) A Board meeting may consist of a conference between Directors some or all of whom are in different places provided that each Director may participate in the business of the meeting whether directly, by telephone or by any other electronic means which enables him:
 - (i) to hear each of the other participating Directors addressing the meeting; and
 - (ii) if he so wishes, to address all of the other participating Directors simultaneously.
- (b) A quorum is deemed to be present if at least the number of Directors required to form a quorum may participate in the manner specified in paragraph (a) above in the business of the meeting.
- (c) A Board meeting held in the manner specified in paragraph (a) above is deemed to take place at the place where the largest group of participating Directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

25.8 Resolutions without meetings

- (a) A resolution which is signed or approved by all the Directors (or all members of a committee of the Board) entitled to vote on that resolution shall be as valid and effectual as if it had been passed at a Board meeting (or meeting of a committee of the Board as the case may be) duly called and constituted.
- (b) The resolution may be contained in one document or Electronic Communication or in several documents or Electronic Communications in like form, each signed or approved by one or more of the Directors concerned.
- (c) For the purpose of this Article 25.8:
 - (i) the signature or approval of an alternate Director (if any) shall suffice in place of the signature of the Director appointing him; and
 - (ii) the approval of a Director or alternate Director shall be given in writing or by electronic means.

25.9 Validity of acts of directors in spite of formal defect

All acts done by a meeting of the Board, or of a committee of the Board, or by any person acting as a Director or an alternate Director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or alternate Director or member of the committee, or that any of them were disqualified or had

vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and qualified and had continued to be a Director or alternate Director and had been entitled to vote.

26 MINUTES

26.1 Minutes required to be kept

The Board shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers made by the Board;
- (b) of the names of all the Directors and alternate Directors present at each meeting of the Board and of any committee of the Board; and
- (c) of all resolutions and proceedings of all meetings of the Company or any class of Members, and of the Board and any committee of the Board.

26.2 Minutes conclusive

Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting or the Secretary, shall be prima facie evidence of the matters stated in them without any further proof.

27 GENERAL POWERS OF THE BOARD

27.1 General powers

Subject to the Statutes, the memorandum of association of the Company, these Articles and any directions given by special resolution of the Company, the business of the Company shall be managed by the Board which may exercise all the powers of the Company. No alteration of the memorandum of association or these Articles or such direction shall invalidate any prior act of the Board which would have been valid if the alteration had not been made or the direction had not been given. The powers given by this Article 27.1 shall not be limited by any special authority or power given to the Board by any other Article or any resolution of the Company.

27.2 Disposal of business

The Company may only make a change to its activities that would result in the disposal of its main Undertaking, if it obtains the approval of the holders of its ordinary shares by way of an ordinary resolution. The Company must not enter into any agreement to dispose of its main Undertaking unless that agreement is conditional on this approval. If the Company is admitted to the Official List of the ASX, the notice of meeting seeking any such approval must contain a Voting Exclusion Statement.

27.3 Power to act notwithstanding vacancy

The continuing Directors (or the sole continuing Director) at any time may act notwithstanding any vacancy in their number, but if the number of Directors is less than the minimum number fixed by or in accordance with these Articles, they or he may act for the purpose of appointing a Director or Directors or calling a general meeting to make such appointments, but not for any other purpose.

27.4 Provisions for employees

The Board may exercise any of the powers conferred by the Statutes to make provision for the benefit of any persons employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family or any person who is dependent on him) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiary undertakings.

27.5 Exercise of voting rights

The Board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including, without limitation, the exercise of that power in favour of any resolution appointing any Director as a director of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

27.6 Offices including the title "director"

The Board may appoint any person to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such a designation or title and may terminate any such appointment or the use of any such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, and the holder shall not be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles or the Statutes.

27.7 Overseas registers

Subject to the Statutes, the Board may exercise the powers conferred on the Company with regard to the keeping of an overseas branch, local or other register and may make and vary such regulations as it thinks fit respecting the keeping of any such register.

28 BORROWING POWERS

28.1 Power to borrow

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Statutes, to create and issue debenture and other loan stock and debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

28.2 Borrowing limit

The Board shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiary undertakings so as to procure (but as regards its subsidiary undertakings only so far as it can procure by such exercise) that the aggregate principal amount at any one time outstanding in respect of Moneys Borrowed by the Group (exclusive of Moneys Borrowed by one Group Company from another and after deducting Cash Deposited) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to five times the Adjusted Capital and Reserves.

28.3 Definitions

For the purposes of this Article 28:

(a) **"Adjusted Capital and Reserves"** means a sum equal to the aggregate from time to time of:

- (i) the amount paid up on the allotted or issued share capital of the Company; and
- (ii) the amount standing to the credit of the reserves, whether or not distributable (including, without limitation, any revaluation reserve, merger reserve, share premium account or capital redemption reserve), after adding or deducting any balance standing to the credit or debit of the profit and loss account of the Group;

all as shown in the Relevant Balance Sheet, but after:

(iii) making such adjustments as may be appropriate to reflect:

- (A) any variation in the amount of the paid up share capital and the amount standing to the credit of any of such reserves since the date of the Relevant Balance Sheet and so that, for the purpose of making such adjustments, if any proposed allotment of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been allotted and the amount (including the premium) of the subscription moneys (not being moneys payable later than six months after the date of allotment) shall be deemed to have been paid up to the extent so underwritten on the date when the issue of such shares was underwritten (or, if the underwriting was conditional, the date on which it became unconditional);
- (B) any variation since the date of the Relevant Balance Sheet of the companies comprising the Group;

(iv) excluding (so far as not already excluded):

- (A) amounts attributable to the proportion of the issued equity share capital of any subsidiary undertaking which is not attributable, directly or indirectly, to the Company;
- (B) any sum set aside for taxation (other than deferred taxation);

(v) deducting:

- (A) sums equivalent to the book values of goodwill and other intangible assets shown in the Relevant Balance Sheet; and
- (B) the amount of any distribution declared, recommended or made by any Group Company to a person other than a Group Company out of profits accrued up to and including the date of (and not provided for in) the Relevant Balance Sheet;

- (b) **"Cash Deposited"** means an amount equal to the aggregate of the amounts beneficially owned by Group Companies which are deposited for the time being with any bank or other person (not being a Group Company) and which are repayable to any Group Company on demand or within three months of such demand, subject, in the case of amounts deposited by a partly-owned subsidiary undertaking, to the exclusion of a proportion equal to the proportion of its issued equity share capital which is not attributable, directly or indirectly, to the Company;
- (c) **"Group"** means the Company and its subsidiary undertakings from time to time;
- (d) **"Group Company"** means any company in the Group;
- (e) **"Moneys Borrowed"** includes not only borrowings but also the following except in so far as otherwise taken into account:
 - (i) the nominal amount of any issued share capital and the principal amount of any debenture or borrowing of any person, the beneficial interest or right to repayment of which is not for the time being owned by a Group Company but the payment or repayment of which is the subject of a guarantee or indemnity by a Group Company or is secured on the assets of a Group Company;
 - (ii) the principal amount raised by any Group Company by acceptances or under any acceptance credit opened on its behalf by any bank or acceptance house (not being a Group Company) other than acceptances and acceptance credits relating to the purchase of goods or services in the ordinary course of trading and outstanding for six months or less;
 - (iii) the principal amount of any debenture (whether secured or unsecured) of any Group Company owned otherwise than by a Group Company;
 - (iv) the principal amount of any preference share capital of any subsidiary undertaking owned otherwise than by a Group Company;
 - (v) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing (but any premium payable on final repayment of an amount not to be taken into account as Moneys Borrowed shall not be taken into account); and
 - (vi) any fixed amount in respect of a hire-purchase agreement or of a finance lease payable in either case by a Group Company which would be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the Relevant Balance Sheet (and for the purpose of this sub-paragraph (vi) **"finance lease"** means a contract between a lessor and a Group Company as lessee or sub-lessee where substantially all the risks and rewards of the ownership of the asset leased or sub-leased are to be borne by that Group Company and **"hire-purchase agreement"** means a contract of hire-purchase between a hire-purchase lender and a Group Company as hirer);

but do not include:

- (vii) moneys borrowed by any Group Company for the purpose of repaying, within six months of being first borrowed, the whole or any part of any moneys borrowed and then outstanding (including any premium payable on final repayment) of that or any other Group Company pending their application for such purpose within that period;
 - (viii) moneys borrowed by any Group Company for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other Group Company is guaranteed or insured up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured;
 - (ix) an amount equal to the moneys borrowed of any company outstanding immediately after it becomes a Group Company, provided that it became a Group Company during the six months preceding the calculation;
 - (x) an amount equal to the amount secured on an asset immediately after it was acquired by a Group Company, provided that it was acquired during the six months preceding the calculation; and
 - (xi) notwithstanding sub-paragraphs (i) to (vi) above, the proportion of moneys borrowed by a Group Company (and not owing to another Group Company) which is equal to the proportion of its issued equity share capital not attributable, directly or indirectly, to the Company.
- (f) **"Relevant Balance Sheet"** means the latest published audited consolidated balance sheet of the Group but, where the Company has no subsidiary undertakings, it means the latest published audited balance sheet and profit and loss account of the Company and, where the Company has subsidiary undertakings but there are no consolidated accounts of the Group, it means the respective latest published audited balance sheets and profit and loss accounts of the companies comprising the Group.

28.4 Conversion to sterling

For the purposes of calculating the aggregate amount of Moneys Borrowed on any particular day, any sums denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:

- (a) at the rate of exchange used for the conversion of that currency in the Relevant Balance Sheet; or
- (b) if no rate was so used, at the middle market rate of exchange prevailing at the close of business in London on the date of that balance sheet; or
- (c) where the repayment of such sum is expressly covered by a forward purchase contract, currency option, back-to-back loan, swap or other arrangements taken out and entered into to reduce the risk associated with fluctuations in exchange rates, at the rate of exchange specified in that document;

but if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead.

28.5 Auditors' report or certificate

A report or certificate of the Auditors:

- (a) as to the amount of the Adjusted Capital and Reserves or the amount of Moneys Borrowed falling to be taken into account for the purposes of this Article 28; or
- (b) to the effect that the limit imposed by this Article 28 has not been or will not be exceeded at any particular time or times or as a result of any particular transaction or transactions

shall be conclusive evidence of the amount or of that fact.

28.6 Persons dealing with the company

No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article 28 is observed. No debt incurred or security given in excess of the limit shall be invalid or ineffectual, except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit had been or would thereby be exceeded.

29 DELEGATION OF BOARD'S POWERS

29.1 Delegation to individual directors

The Board may entrust to and confer upon any Director any of its powers and authorities (with power to sub-delegate) on such terms and conditions as it thinks fit and may revoke or vary all or any of them.

29.2 Committees

- (a) The Board may delegate any of its powers and authorities (with power to sub-delegate) to any committee consisting of such person or persons (whether Directors or not) as it thinks fit, provided that:
 - (i) the majority of the Members of the committee are Directors; and
 - (ii) no meeting of the committee shall be quorate for the purpose of exercising any of its powers or authorities unless a majority of those present are Directors.
- (b) The Board may make any such delegation on such terms and conditions as it thinks fit and may revoke or vary any such delegation and discharge any committee wholly or in part. Any committee so formed shall, in the exercise of the powers and authorities so delegated, conform to any regulations that may be imposed on it by the Board.
- (c) The proceedings of a committee with two or more members shall be governed by any regulations imposed on it by the Board and (subject to such regulations) by these Articles regulating the proceedings of the Board so far as they are capable of applying.

29.3 Local boards

- (a) The Board may establish any local or divisional board or agency for managing any of the affairs of the Company whether in the United Kingdom or elsewhere and may appoint any persons to be members of a local or divisional board, or to be managers or agents, and may fix their remuneration.
- (b) The Board may delegate to any local or divisional board, manager or agent any of its powers and authorities (with power to sub-delegate) and may authorise the members of any local or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies.
- (c) Any appointment or delegation under this Article 29.3 may be made on such terms and subject to such conditions as the Board thinks fit and the Board may remove any person so appointed, and may revoke or vary any delegation.

29.4 Powers of attorney

The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company on such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of its powers and authorities (with power to sub-delegate). The Board may remove any person appointed under this Article 29.4 and may revoke or vary the delegation.

30 DIRECTORS' INTERESTS

30.1 Director may have interests

Subject to the Statutes and subject to disclosure of his interests in accordance with Article 30.2 a Director, notwithstanding his office:

- (a) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- (b) may hold any other office or place of profit under the Company (except Auditor or auditor of a subsidiary of the Company) in conjunction with the office of Director for such period (subject to the Statutes) and upon such terms as the Board may decide and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the Board may decide, either in addition to or in lieu of any remuneration under any other provision of these Articles;
- (c) may be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any other company in which the Company may be interested;
- (d) may act by himself or his firm in a professional capacity for the Company (except as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (e) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal

and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

30.2 Notification of interests

- (a) A Director who, to his knowledge, is in any way, whether directly or indirectly, interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest:
 - (i) if he knows his interest then exists, at the Board meeting at which the question of entering into the contract, arrangement, transaction or proposal is first taken into consideration; or
 - (ii) in any other case, at the first Board meeting after he knows that he is or has become so interested.
- (b) For the purposes of this Article 30.2, a general notice given to the Board by a Director to the effect that:
 - (i) he is a member of a specified company or firm and is to be regarded as interested in any other contract, arrangement, transaction or proposal which may, after the date of the notice, be made with that company or firm; or
 - (ii) he is connected to a specified person and is to be regarded as interested in any contract, arrangement, transaction or proposal which may, after the date of the notice, be made with that person

shall be deemed to be a sufficient declaration of interest in relation to any such contract, arrangement, transaction or proposal.

30.3 Interested director not to vote or count in quorum

- (a) Subject to paragraph (b) below, a Director shall not vote or be counted in the quorum at a meeting in relation to any resolution of the Board or a committee of the Board relating to any contract, arrangement, transaction or other proposal in which he has an interest which, together with any interest of a person connected with him (within the meaning of section 346 CA 1985), is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted.
- (b) The prohibition in paragraph (a) above shall not apply and a Director may vote and be counted in the quorum in respect of any resolution concerning any one or more of the following matters:
 - (i) any contract, arrangement, transaction or proposal in which he is interested by virtue of an interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
 - (ii) the giving of any guarantee, security or indemnity in respect of:
 - (A) money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings; or

- (B) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part (either alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (iii) any issue or offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings in respect of which he is or may be entitled to participate in his capacity as a holder of any such securities or as an underwriter or sub-underwriter;
- (iv) any contract, arrangement, transaction or proposal concerning any other company in which he, and any persons connected with him (within the meaning of section 346 CA 1985), do not to his knowledge hold an interest in shares (within the meaning of sections 198 to 211 CA 1985) representing one per cent. or more of any class of the equity share capital of that company or of the voting rights available to members of that company;
- (v) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and/or
- (vi) the purchase or maintenance of insurance for the benefit of Directors or for the benefit of persons including Directors.

30.4 Director's interest in own appointment

A Director shall not vote or be counted in the quorum at a meeting in respect of any resolution of the Board or a committee of the Board concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment, to an office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each Director and, in that case, each of the Directors concerned (if not otherwise debarred from voting under this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.

30.5 Chairman's ruling conclusive on director's interest

If any question arises at any meeting as to the materiality of an interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than the chairman of the meeting) to vote or be counted in the quorum, and the question is not resolved by that Director voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the Director concerned shall be final and conclusive.

30.6 Directors' resolution conclusive on chairman's interest

If any question arises at any meeting as to the materiality of an interest of the chairman of the meeting, or as to the entitlement of the chairman to vote or be counted in the

quorum, and the question is not resolved by the chairman voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by a resolution of the Directors present at the meeting (excluding the chairman) and the resolution shall be final and conclusive.

31 SECRETARY

Subject to the provisions of the Statutes, the Board may appoint the Secretary for such term, at such remuneration and on such conditions as it may think fit. Any Secretary so appointed may be removed by the Board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

32 SEAL

32.1 Safe custody

The Board shall provide for the safe custody of every seal of the Company.

32.2 Application of seals

A seal shall be used only by the authority of a resolution of the Board or a duly authorised committee of the Board. The Board may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by mechanical, electronic or other means. Unless otherwise determined by the Board:

- (a) certificates for shares, debentures or other securities of the Company issued under seal need not be signed; and
- (b) every other instrument to which a seal is applied shall be signed by at least one Director and the Secretary or by at least two Directors.

32.3 Official seal for use abroad

Subject to the Statutes, the Company may have an official seal for use abroad.

33 AUTHENTICATION OF DOCUMENTS

33.1 Power to authenticate

Any Director, the Secretary or any person appointed by the Board for the purpose shall have power to authenticate, and to certify as true, copies of and extracts from:

- (a) any document comprising or affecting the constitution of the Company;
- (b) any resolution passed by the Company or the Board or any committee; and
- (c) any books, records, documents and accounts relating to the business of the Company.

33.2 Documents not kept at the registered office

Where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having their custody shall be deemed to be a person appointed by the Board for the purposes of Article 33.1.

33.3 Certification conclusive

A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company, the Board or any committee which is certified pursuant to Article 33.1 shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

34 DIVIDENDS

34.1 Declaration of dividends by the company

Subject to the Statutes, the Company may, by ordinary resolution, declare dividends to be paid to the Members according to their respective rights and interests in the profits of the Company. No dividend shall exceed the amount recommended by the Board.

34.2 Fixed and interim dividends

Subject to the Statutes, the Board may pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the financial position of the Company. If the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. If the Board acts in good faith, none of the Directors shall incur any liability to the holders of shares conferring preferential rights for any loss such holders may suffer in consequence of the payment of an interim dividend on any shares ranking after those with preferential rights.

34.3 Apportionment of dividends

Except insofar as the rights attaching to, or the terms of issue of, any shares otherwise provide:

- (a) all dividends shall be declared and paid according to the amounts paid up (other than amounts paid up in advance of calls) on the shares in respect of which the dividend is paid; and
- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

34.4 Currency

The Board may agree with any Member that dividends which may be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the

other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

34.5 Method of payment

- (a) The Company may pay any dividend or other sum payable in respect of a share:
 - (i) in cash;
 - (ii) by cheque or dividend warrant payable to the holder or person entitled to payment;
 - (iii) by direct debit, bank or other funds transfer system or by such other electronic means (including, in the case of an Uncertificated Share, a Relevant System) to such account as the holder or person entitled to payment may notify to the Company for the purpose; or
 - (iv) by any other method as may be agreed between the Company and the holder or person entitled to payment.

34.6 Joint entitlement

If two or more persons are registered as joint holders of a share, or are jointly entitled by transmission or otherwise to a share, the Company may:

- (a) pay any dividend or other moneys payable in respect of the share to any one of them and any one of them may give an effective receipt for that payment; and
- (b) for the purposes of this Article 34, rely in relation to the share on the written direction, designation or agreement of, or notice to the Company by, any one of them.

34.7 Payment by post

Any cheque or dividend warrant may be sent by post to the registered address of the holder (or, in the case of joint holders, to the registered address of that person whose name stands first in the Register in respect of the relevant share) or to such other address as the holder or person entitled to payment may notify to the Company for the purpose.

34.8 Discharge to company and risk

Every cheque or warrant is sent, and payment in any other way is made, at the risk of the person or persons entitled to it and the Company shall not be responsible for any sum lost or delayed when it has sent or transmitted the sum in accordance with these Articles. Clearance of a cheque or warrant or transmission of funds through a bank or other funds transfer system or by such other electronic means as is permitted by these Articles shall be a good discharge to the Company.

34.9 Dividends not to bear interest

Unless otherwise provided by the rights attached to the share, no dividend or other moneys payable by the Company on or in respect of any share shall bear interest as against the Company.

34.10 Calls or debts may be deducted from dividends

The Board may deduct from any dividend or other moneys payable to any person on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company.

34.11 Unclaimed dividends etc

- (a) All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed or until required to be dealt with in accordance with any law relating to unclaimed monies and the Company shall not be constituted a trustee in respect of such dividends, interest or other sums.
- (b) All dividends unclaimed for a period of twelve years after having been declared or become due for payment shall be forfeited and cease to remain owing by the Company.

34.12 Uncashed dividends

If a payment for a dividend or other sum payable in respect of a share sent by the Company to the person entitled to it in accordance with these Articles is left uncashed or is returned to the Company:

- (a) on two or more consecutive occasions; or
- (b) on one occasion and reasonable enquiries have failed to establish any new address or, with respect to a payment to be made by a funds transfer system, a new account, for that person

the Company shall not be obliged to send any dividends or other sums payable in respect of that share to that person until he notifies the Company of an address or, where the payment is to be made by a funds transfer system, details of the account, to be used for the purpose.

34.13 Dividends in specie

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and, in particular, of paid up shares or debentures of any other company. Where any difficulty arises with the distribution, the Board may settle the difficulty as it thinks fit and, in particular, may:

- (a) issue fractional certificates (or ignore fractions);
- (b) fix the value for distribution of the specific assets or any part of them;
- (c) determine that cash payments be made to any Members on the basis of the value so fixed in order to secure equality of distribution; and
- (d) vest any of the specific assets in trustees on such trusts for the persons entitled to the dividend as the Board may think fit.

34.14 Scrip dividends

- (a) The Board may, with the authority of an ordinary resolution of the Company and in accordance with the following provisions of this Article 34.14, offer any holders of Ordinary Shares the right to elect to receive further new shares credited as fully paid instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution ("**Scrip Dividend**").
- (b) The ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period, but such period may not end later than five years after the date of the meeting at which the ordinary resolution is passed.
- (c) The entitlement of each holder of Ordinary Shares to new shares shall be such that the value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount which would otherwise have been paid (disregarding the amount of any associated tax credit).
- (d) For the purposes of paragraph (c) above the value of the new shares shall be:
 - (i) equal to the average middle-market quotation for Ordinary Shares, adjusted if necessary for the proposed dividend, as shown in the London Stock Exchange Daily Official List (or as established from such other source as the Board considers appropriate) for the 5 business days immediately preceding or following the announcement of the cash dividend to which the Scrip Dividend relates, as the Board may decide; or
 - (ii) calculated in such manner as may be determined by or in accordance with the ordinary resolution

and a certificate or report by the Auditors as to the value of a new share in respect of any Scrip Dividend shall be conclusive.

- (e) The Board shall give notice to the holders of Ordinary Shares of their rights of election in respect of the Scrip Dividend and shall specify the procedure to be followed in order to make an election.
- (f) The Board shall not proceed with a Scrip Dividend unless the Company has sufficient unissued shares and undistributed profits or reserves to give effect to elections which could be made to receive that Scrip Dividend.
- (g) The Board may decide that the right to elect for any Scrip Dividend shall not be made available to Members resident in any territory where, in the opinion of the Board, compliance with local laws or regulations would be impossible or unduly onerous.
- (h) The Board may from time to time establish or vary a procedure for election mandates, under which a holder of shares may, in respect of any future dividends for which a right of election pursuant to this Article 34.14 is offered, elect to receive shares in lieu of such dividend on the terms of such mandate.
- (i) The dividend, or that part of it in respect of which an election for the Scrip Dividend is made, shall not be payable in cash and instead new shares shall be allotted in accordance with elections duly made. The Board shall capitalise a

sum out of such sums available for the purpose equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares.

- (j) The new shares so allotted shall rank pari passu in all respects with the fully paid Ordinary Shares then in issue except as regards participation in the relevant dividend.
- (k) No fractions of a share shall be allotted. The Board may make such provisions as it thinks fit for fractional entitlements including, without limitation:
 - (i) payment in cash to holders in respect of their fractional entitlements;
 - (ii) provision for the accrual, retention or accumulation of all or part of the benefit of fractional entitlements to or by the Company or by or on behalf of any holder; and/or
 - (iii) the application of any accrual, retention or accumulation to the allotment of fully paid shares to any holder.
- (l) The Board may do all acts and things it considers necessary or expedient to give effect to the provisions of a Scrip Dividend election and the issue of any shares in accordance with the provisions of this Article 34.14.

34.15 Listing Rules' Time Limits

If the Company is admitted to the Official List of the ASX, the Company must comply with the time limits set out in Appendix 6A of the Listing Rules when paying a dividend or distribution.

35 RESERVES AND CAPITALISATION

35.1 Reserves

The Board may, before recommending any dividend (whether preferential or otherwise), carry to reserve out of the profits of the Company such sum as it thinks fit. All sums standing to reserve may be applied from time to time, at the discretion of the Board, for any purpose to which the profits of the Company may properly be applied, and pending such application may either be employed in the business of the Company or be invested in such investments as the Board thinks fit. The Board may divide the reserve into such special funds as it thinks fit, and may consolidate into one fund the whole or any part of such special funds. The Board may also, without placing them to reserve, carry forward any profits which it may think prudent not to distribute.

35.2 Capitalisation of reserves and profits

The Board may, with the authority of an ordinary resolution of the Company, resolve to capitalise any sum standing to the credit of any reserve or other fund of the Company (including, without limitation, share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account not required for the payment of any preferential dividend (whether or not it is available for distribution) and may:

(a) appropriate that sum as capital to the holders of Ordinary Shares in proportion to the nominal amount of the share capital held by them respectively and apply that sum on their behalf:

- (i) in paying up the whole or part of any amounts which are unpaid in respect of any issued shares in the Company held by them respectively; or
- (ii) in paying up in full any unissued shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those Members, or as they may direct, in those proportions; or
- (iii) otherwise as directed by the resolution

provided that the share premium account and the capital redemption reserve and any sum not available for distribution in accordance with the Statutes may only be applied in paying up unissued shares to be allotted credited as fully paid up;

(b) resolve that any shares so allotted to any Member in respect of a holding by him of any partly paid shares shall, so long as the shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;

(c) where shares or debentures become distributable in fractions under this Article 35.2, make such provision as they think fit in relation to fractional entitlements including, without limitation:

- (i) the issue of fractional certificates;
- (ii) ignoring fractions; or
- (iii) accruing the benefit of fractions to the Company rather than to the Members concerned;

(d) authorise any person to enter into an agreement with the Company on behalf of all the Members concerned providing for either:

- (i) the allotment to the Members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled on the capitalisation; or
- (ii) the payment by the Company on behalf of the Members of the amounts, or any part of the amounts, remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised

and any agreement made under that authority shall be binding on all such Members; and

(e) generally do all acts and things required to give effect to the resolution.

36 RECORD DATES

The Company or the Board may, in accordance with the Statutes and the SCH Business Rules (if applicable), fix a record date for the purpose of determination of entitlement to dividends or any other entitlement.

37 ACCOUNTS

37.1 Accounting records

The Board shall cause accounting records to be kept in accordance with the Statutes.

37.2 Inspection of records

No Member shall (in their capacity as Member) have any right to inspect any accounting records or other books or documents of the Company unless he is authorised to do so by statute, by order of the court, by the Board or by ordinary resolution of the Company.

37.3 Sending of annual accounts

Subject to the Statutes and to Article 37.4 and subject to the Company being aware of the relevant person's address, a copy of the Company's annual accounts, together with a copy of the Directors' report for the financial year and the Auditors' report on those accounts shall, at least 21 Clear Days before the date of the meeting at which copies of those documents are to be laid in accordance with the provisions of the Statutes, be sent to every Member, every holder of the Company's debentures and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders.

37.4 Summary financial statements

Subject to the Statutes, the requirements of Article 37.3 shall be deemed satisfied in relation to any person by sending to the person, instead of the documents referred to in that Article, a summary financial statement derived from the Company's annual accounts and the Directors' report, which shall be in the form and containing the information prescribed by the Statutes.

38 NOTICES

38.1 Form of notices

Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Board) shall be in writing or shall be given using Electronic Communications to an address for the time being notified for that purpose to the person giving the notice.

38.2 Methods of service

Any notice or document may be sent by the Company to any Member by any of the following methods:

- (a) personally;

- (b) by sending it through the post in a prepaid letter addressed to the Member at his registered address;
- (c) by leaving it at his registered address;
- (d) by sending it by Electronic Communications to an address for the time being notified to the Company by the Member for that purpose; or
- (e) by a Relevant System.

38.3 Notice to joint holders

In the case of joint holders of a share, all notices or other documents shall be sent to the joint holder whose name stands first in the Register in respect of the joint holding, and any notice or document so sent shall be deemed sufficient service to all the joint holders.

38.4 Registered address outside UK

Any Member with a registered address outside the United Kingdom who gives to the Company an address within the United Kingdom at which notices or other documents may be sent to him, or an address to which notices or other documents may be sent using Electronic Communications, shall be entitled (subject to the agreement of the Company in the case of Electronic Communications) to have notices or other documents sent to him at that address. In the case of an address outside the United Kingdom, if an address that electronic documents can be sent to is not provided, the documents shall be sent by airmail.

38.5 Deemed receipt of notice of meeting

Any Member present, either in person or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where required, of the purposes for which such meeting was convened.

38.6 Deemed service

- (a) A notice or other document required to be sent by the Company to any Member:
 - (i) if served by post to an address in the United Kingdom, shall be deemed to have been served one day after (or, where second class mail is used, two days after) the letter containing the notice or other document is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped, and duly posted;
 - (ii) if served by post to an address outside the United Kingdom, shall be deemed to be served 10 days after the letter containing the notice or other document is posted by airmail, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly stamped (for airmail), addressed, and duly posted.
- (b) A notice or other document contained in an Electronic Communication shall be deemed to be served one day after the time it was sent. Proof that a notice contained in an Electronic Communication was sent in accordance with guidance

issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or document was served.

- (c) A notice or other document sent by a Relevant System shall be deemed to be served when the Company (or a participant in the Relevant System acting on its behalf) sends the issuer-instruction (as defined in the Regulations) relating to the notice or document.

38.7 Notice binding on transferees

Every person who by operation of law, transfer or other means becomes entitled to any share shall be bound by any notice in respect of that share (other than a notice issued by authority of Article 6 or section 212 CA 1985) which, before his name and address are entered in the Register, has been duly sent to the person from whom he derives his title.

38.8 Disruption of postal services

If at any time, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national newspaper published in the United Kingdom. The notice shall be deemed to have been duly served on all Members entitled to notice at noon on the day on which the advertisement appears. In any such case, the Company shall send confirmatory copies of the notice by post to those Member to whom notice cannot be given by Electronic Communications if, at least 6 Clear Days before the meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

38.9 Notice to persons entitled by transmission

Any notice or other document may be sent by the Company to a person entitled by transmission to a share by sending it in any manner authorised by these Articles for the sending of a notice or other document to a Member, addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any similar description, at the address (if any) in the United Kingdom supplied for that purpose by or on behalf of the person claiming to be so entitled. Until such an address has been supplied, a notice or other document may be sent in any manner in which it might have been sent if the death, bankruptcy or other event giving rise to the transmission had not occurred.

38.10 Notice to ASX

If the Company is admitted to the Official List of the ASX, the Company will immediately give to the ASX, via the ASX company announcements office, a copy of documents it sends to holders of shares in a class, so far as that document relates to the circumstances of holders of shares in a class generally and not to the individual circumstances of the holder, and will give to the ASX all other information required by the Listing Rules within the times specified in the Listing Rules.

39 DESTRUCTION OF DOCUMENTS

39.1 Destruction of documents

The Company may destroy:

- (a) any instrument of transfer and any other document on the basis of which an entry is made in the Register, after six years from the date on which it is registered;
- (b) any dividend mandate or any variation or cancellation of a dividend mandate or any notification of change of name or address, after two years from the date on which it is recorded;
- (c) any cancelled share certificate, after one year from the date on which it is cancelled; and
- (d) any paid dividend warrant or cheque, after one year from the date of actual payment.

39.2 Presumptions

Subject to the document being destroyed in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant, it shall conclusively be presumed in favour of the Company that:

- (a) every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made;
- (b) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
- (c) every share certificate so destroyed was a valid certificate duly and properly cancelled;
- (d) every paid dividend warrant and cheque so destroyed was duly paid; and
- (e) every other document mentioned in Article 39.1 so destroyed was a valid and effective document in accordance with the particulars of it recorded in the books and records of the Company.

39.3 Liability

Nothing in this Article 39 shall be construed as imposing on the Company or the Board any liability in respect of the destruction of any document earlier than as stated in Article 39.1 or in any other circumstances in which liability would not attach to the Company or the Board in the absence of this Article 39.

39.4 Meaning of destruction

References in this Article 39 to the destruction of any document include references to its disposal in any manner.

40 UNTRACED MEMBERS

40.1 Sale of shares of untraced members

The Company may sell, in such manner as the Board may decide and at the best price it considers to be reasonably obtainable at that time, any share of a Member, or any share to which a person is entitled by transmission if:

- (a) during a period of twelve years, at least three cash dividends have become payable in respect of the share to be sold and have been sent by the Company in accordance with these Articles;
- (b) during that period of twelve years no cash dividend payable in respect of the share has been claimed, no cheque, warrant, order or other payment of a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no communication has been received by the Company from the Member or the person entitled by transmission to the share;
- (c) on or after the expiry of that period of twelve years, the Company has published advertisements both in a national newspaper and in a newspaper circulating in the area of the last known address of the Member or person entitled by transmission to the share or the address at which notices may be given in accordance with these Articles, in each case giving notice of its intention to sell the share;
- (d) during the period of three months following the publication of the later of those advertisements and after that period until the exercise of the power to sell the share, the Company has not received any communication from the Member or the person entitled by transmission to the share; and
- (e) if the share is listed on the Official List of the UKLA, notice has been given to the UKLA of the Company's intention to make such a sale.

40.2 Further shares

The Company's power of sale shall extend to any further share which, on or before the date of publication of the first advertisement pursuant to Article 40.1(c), is issued in right of a share to which Article 40.1 applies (or in right of any share to which this Article 40.2 applies) if the conditions set out in Articles 40.1(a) to 40.1(e) are satisfied in relation to the further share (but as if the references to a period of twelve years were references to a period beginning on the date of allotment of the further share and ending on the date of publication of the first of the advertisements referred to above).

40.3 Transfer on sale

To give effect to a sale under this Article 40, the Board may:

- (a) if the share is a Certificated Share, authorise any person to execute an instrument of transfer in respect of the share to, or in accordance with the directions of, the buyer; or
- (b) if the share is an Uncertificated Share, exercise any of the Company's powers under Article 7.5 to effect the sale of the share to, or in accordance with the directions of, the buyer.

The buyer shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

40.4 Application of proceeds of sale

- (a) The Company shall account to the person entitled to the share at the date of sale for a sum equal to the net proceeds of sale and shall be deemed to be his debtor, and not a trustee for him, in respect of them.
- (b) Pending payment of the net proceeds of sale to such person, the proceeds may either be employed in the business of the Company or invested in such investments as the Board may from time to time decide.
- (c) No interest shall be payable in respect of the net proceeds and the Company shall not be required to account for any moneys earned on the net proceeds.

41 WINDING UP

If the Company is wound up, the liquidator may, with the authority of an extraordinary resolution of the Company and any other authority required by the Statutes:

- (a) divide among the Members in specie the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members; or
- (b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator shall think fit, but no Member shall be compelled to accept any assets upon which there is any liability.

42 INDEMNITY AND INSURANCE

42.1 Indemnity

Subject to the Statutes but without prejudice to any indemnity to which he may otherwise be entitled, every Director or other officer (excluding an auditor) of the Company shall be indemnified out of the assets of the Company against all liabilities incurred by him in relation to or in connection with his duties, powers or office including (without limitation) any liability incurred in defending any proceedings (whether civil or criminal) in relation to the affairs of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Statutes in which relief is granted to him by any court of competent jurisdiction.

42.2 Insurance

Subject to the Statutes, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time:

- (a) a director or other officer or employee of the Company (other than auditor) or any body which is or was the holding company or subsidiary undertaking of the Company, or in which the Company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect); or
- (b) a trustee of any pension fund in which employees of the Company or any other body referred to in paragraph (a) above is or has been interested

including, without limitation, insurance against any liability incurred by such person in respect of any act or omission in the actual or purported exercise of his powers or

otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

43 LISTING RULES

If the Company is admitted to the Official List of ASX:

- (a) notwithstanding anything contained in these Articles, if the Listing Rules prohibit an act being done, the act shall not be done;
- (b) nothing contained in these Articles prevents an act being done that the Listing Rules require to be done;
- (c) 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);
- (d) if the Listing Rules require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision;
- (e) if the Listing Rules require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision; and
- (f) if any provision of these Articles is or becomes inconsistent with the Listing Rules, these Articles are deemed not to contain that provision to the extent of the inconsistency.

44 RESTRICTED SECURITIES

44.1 Disposal During Escrow Period

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities.

Restricted Securities cannot be disposed of during the Escrow Period except as permitted by the Listing Rules or the ASX.

The Company will refuse to acknowledge a disposal (including registering a transfer) of Restricted Securities during the Escrow Period except as permitted by the Listing Rules or the ASX.

44.2 Breach of Restriction Agreement or Listing Rules

During a breach of the Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement, the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities.

45 SMALL HOLDINGS

45.1 Divestment Notice

If the Directors determine that a Member is a Small Holder or a New Small Holder the Company may give the Member a Divestment Notice to notify the Member:

- (a) that the Member is a Small Holder or a New Small Holder, the number of Shares making up, and the Market Value of, the Small Holding or New Small Holding and the date on which the Market Value was determined;
- (b) that the Company intends to sell the Relevant Shares in accordance with this article after the end of the Relevant Period specified in the Divestment Notice;
- (c) if the member is a Small Holder, that the Member may at any time before the end of the Relevant Period notify the Company in writing that the Member desires to retain the Relevant Shares and that if the Member does so the Company will not be entitled to sell the Relevant Shares under that Divestment Notice; and
- (d) after the end of the Relevant Period the Company may for the purpose of selling the Relevant Shares that are in a CHESS holding initiate a Holding Adjustment to move those shares from that CHESS Holding to an Issuer Sponsored Holding or Certificated Holding.

This Article 45 only applies if the Company is admitted to the Official List of the ASX. If the SCH Business Rules apply to the Relevant Shares, the Divestment Notice must comply with the SCH Business Rules.

45.2 Relevant Period

For a Divestment Notice given to a Small Holder, the Relevant Period must be at least six weeks from the date the Divestment Notice was given. For a Divestment Notice given to a New Small Holder, the Relevant Period must be at least seven days from the date the Divestment Notice was given.

45.3 Company can sell Relevant Shares

At the end of the Relevant Period the Company is entitled to sell on-market or in any other way determined by the Directors:

- (a) the Relevant Shares of a Member who is a Small Holder, unless that Member has notified the Company in writing before the end of the Relevant Period that the Member desires to retain the Relevant Shares, in which event the Company must not sell those Relevant Shares under that Divestment Notice; and
- (b) the Relevant Shares of a Member who is a New Small Holder.

45.4 No obligation to sell

The Company is not bound to sell any Relevant Shares which it is entitled to sell under this article 45 but unless the Relevant Shares are sold within six weeks after the end of the Relevant Period the Company's right to sell the Relevant Shares under the Divestment Notice relating to those shares lapses and it must notify the Member to whom the Divestment Notice was given accordingly, however nothing in this clause prevents the Company from giving the Member a new Divestment Notice in accordance with this Article.

45.5 Company as Member's attorney

To effect the sale and transfer by the Company of Relevant Shares of a Member, the Member appoints the Company and each Director and Secretary jointly and severally as

the Member's attorney in the Member's name and on the Member's behalf to do all acts and things which the Company considers necessary or appropriate to effect the sale or transfer of the Relevant Shares and, in particular:

- (a) to initiate a Holding Adjustment to move the Relevant Shares from a CHESS Holding to an Issuer Sponsored Holding or a Certificated Holding; and
- (b) to execute on behalf of the Member all deeds instruments or other documents necessary to transfer the Relevant Shares and to deliver any such deeds, instruments or other documents to the purchaser.

45.6 Conclusive evidence

A statement in writing by or on behalf of the Company under this Article 45 is (in the absence of manifest error) binding on and conclusive against a Member. In particular, a statement that the Relevant Shares specified in the statement have been sold in accordance with this article is conclusive against all persons claiming to be entitled to the Relevant Shares and discharges the purchaser from all liability in respect of the Relevant Shares.

45.7 Registering the purchaser

The Company must register the purchaser of Relevant Shares as the holder of the Relevant Shares transferred to the purchaser under this article. The purchaser is not bound to see to the application of any money paid as consideration. The title of the purchaser to the Relevant Shares transferred to the purchaser is not affected by any irregularity or invalidity in connection with the actions of the Company under this article.

45.8 Payment of proceeds

Subject to article 45.9, where:

- (a) Relevant Shares of a Member are sold by the Company on behalf of the Member under this article; and
- (b) the certificate for the Relevant Shares (unless the Company is satisfied that the certificate has been lost or destroyed or the Relevant Shares are Uncertificated Shares) have been received by the Company,

The Company must, within 60 days of the completion of the sale, send the proceeds of sale to the Member entitled to those proceeds by sending a cheque payable to the Member through the post to the address of the Member shown in the Register, or in the case of joint holders, to the address showing in the Register. Payment of any money under this article is at the risk of the Member to whom it is sent.

45.9 Costs

In the case of a sale of the Relevant Shares of a New Small Holder in accordance with this article, the Company is entitled to deduct and retain from the proceeds of sale, the costs of the sale as determined by the Company. In any other case, the Company or a purchaser must bear the costs of sale of the Relevant Shares. The costs of sale include all stamp duty, brokerage and government taxes and charges (except for tax on income or capital gains of the Member) payable by the Company in connection with the sale and transfer of the Relevant Shares.

45.10 Remedy limited to damages

The remedy of a Member to whom this article applies, in respect of the sale of the Relevant Shares of that Member is expressly limited to a right of action in damages against the Company to the exclusion of any other right, remedy or relief against any other person.

45.11 Dividends and voting suspended

Unless the Directors determine otherwise, where a Divestment Notice is given to a New Small Holder in accordance with this article, then despite any other provision in, the rights to receive payment of dividends and to vote attached to the Relevant Shares of that Member are suspended until the Relevant Shares are transferred to a new holder or that Member ceases to be a New Small Holder. Any dividends that would, but for this article, have been paid to that Member must be held by the Company and paid to that Member within 60 days after the earlier of:

- (a) The date the Relevant Shares of that Member are transferred; and
- (b) The date that the Relevant Shares of that Member cease to be subject to a Divestment Notice.

45.12 Twelve month limit

If it is a requirement of the Listing Rules, the Company must not give a Small Holder more than one Divestment Notice in any 12 month period (except as contemplated by article 45.13).

45.13 Effect of takeover bid

From the date of the announcement of a Takeover Bid for the shares until the close of the offers made under the Takeover Bid, the Company's powers under this article to sell Relevant Shares of a Member cease. After the close of the offers under the Takeover Bid, the Company may give a Divestment Notice to a Member who is a Small Holder or a New Small Holder, despite article 45.12 and the fact that it may be less than 12 months since the Company gave a Divestment Notice to that Member.

APPENDIX ONE

1. Terms of Preference shares

The Company may issue preference shares under Article 2.4 on the following terms:

- (a) each preference share confers on the holder a right to receive a preferential dividend at the rate and on the basis decided by the Directors under the terms of issue;
- (b) in addition to the preferential dividend, each preference share may participate with the ordinary shares in profits it, and to the extent that, the Directors decide under the terms of issue;
- (c) the preferential dividend is cumulative unless, and to the extent that, the Directors decide otherwise under the terms of issue;
- (d) each preference share confers on its holder:
 - (i) the right to the preferential dividend in priority to the payment of any dividend on any other class of shares; and
 - (ii) the right in a winding up or on redemption to payment in cash in priority to any other class of shares of:
 - (A) the amount of any dividend accrued but unpaid on the share at the date of winding up or the date of redemption; and
 - (B) any amount paid on the share;
- (e) unless otherwise decided by the Directors under the terms of issue, a preference share does not confer on its holder any right to participate in the profits or property of the Company except as set out in this Schedule;
- (f) to the extent that the Directors decide under the terms of issue, a preference share may confer a right to a bonus issue or capitalisation of profits in favour of holders of those shares only;
- (g) a preference share does not entitle its holder to vote at any general meeting of the Company except:
 - (i) on a proposal:
 - (A) to reduce the share capital of the Company;
 - (B) that affects rights attached to the share;
 - (C) to wind up the Company; or
 - (D) for the disposal of the whole of the property, business and undertaking of the Company;
 - (ii) on a resolution to approve the terms of a buy back agreement;

- (iii) during a period in which a dividend or part of a dividend on the share is in arrears;
- (iv) during the winding up of the Company; and
- (h) each preference share confers on its holder the same rights as those conferred by the Articles upon the holders of ordinary shares in relation to receiving notices, reports and audited accounts and of attending and being heard at all meetings of the Company.

2. Foreign Currency

Where any amount is payable by the Company to the holder of a preference share in a currency other than Australian dollars, and the amount is not paid when due or the Company has commenced winding up the holder may give notice to the Company requiring payment of an amount in Australian dollars equal to the foreign currency amount calculated by applying the reference rate on the date of payment for the sale of the currency in which the payment is to be made for Australian dollars. Reference rate means the rate applicable in the market and at the time determined by the Directors before allotment of those preference shares and specified in the terms of issue for those preference shares,

3. Conversion to ordinary shares

A preference share which, in accordance with its terms of issue, may be converted into an ordinary share will, at the time of conversion and without any further act, have the same rights as a fully paid ordinary share and rank equally with other fully paid ordinary shares on issue. This is subject to the terms of issue of the preference share in relation to entitlement to ordinary dividends paid after conversion. In addition, the terms of issue of the preference share may provide for the issue of additional ordinary shares on conversion as determined by the Directors.