

Constitution

Constitution for Yancoal Australia Limited

Approved on 31 May 2019¹

¹ Approved by the company's shareholders at the company's annual general meeting held on 31 May 2019.

Contents

Table of contents

1	Preliminary	1
1.1	Definitions and interpretation	1
1.2	Application of the Act, Listing Rules and ASX Settlement Operating Rules.....	3
1.3	Exercising powers.....	4
1.4	Currency	5
1.5	Transitional provisions	5
2	Share capital	5
2.1	Shares.....	5
2.2	Preference shares.....	5
2.3	Alteration of share capital	7
2.4	Conversion or reclassification of shares	7
2.5	Variation of class rights.....	7
2.6	Joint holders of shares.....	7
2.7	Equitable and other claims	7
2.8	Restricted securities.....	8
3	Calls, forfeiture, indemnities, lien and surrender	8
3.1	Calls	8
3.2	Proceedings to recover calls.....	9
3.3	Payments in advance of calls	9
3.4	Forfeiting partly paid shares	9
3.5	Members' indemnity.....	10
3.6	Lien on shares	11
3.7	Surrender of shares	11
3.8	Sale, reissue or other disposal of shares by the company	11
3.9	Interest payable by member	12
4	Distributions	12
4.1	Dividends	12
4.2	Capitalising profits.....	14
4.3	Ancillary powers.....	15
4.4	Reserves.....	16
4.5	Carrying forward profits	16
4.6	Share investment plan	16
4.7	Dividend selection plans	16
5	Transfer and transmission of shares	17
5.1	Transferring shares.....	17
5.2	Power to decline to register transfers	17
5.3	Power to suspend registration of transfers	18
5.4	Selling non marketable parcels.....	18
5.5	Transmission of shares.....	19
6	Plebiscite to approve proportional takeover bids	20
6.1	Definitions	20
6.2	Transfers not to be registered.....	20
6.3	Approving Resolution.....	20
6.4	Sunset.....	21

Contents

7	General meetings	21
7.1	Calling general meetings	21
7.2	Notice of general meetings	21
7.3	Admission to general meetings.....	22
7.4	Quorum at general meetings	23
7.5	Chairperson of general meetings.....	23
7.6	Conduct at general meetings.....	24
7.7	Decisions at general meetings.....	25
7.8	Voting rights	25
7.9	Representation at general meetings.....	27
7.10	Member approval	29
7.11	Subsidiaries	31
8	Directors	31
8.1	Appointment, retirement and removal of directors.....	31
8.2	Vacating office	32
8.3	Remuneration	33
8.4	Director need not be a member	34
8.5	Directors may contract with the company and hold other offices	34
8.6	Powers and duties of directors	35
8.7	Powers and duties of the Board.....	35
8.8	Proceedings of directors	37
8.9	Calling meetings of directors	37
8.10	Notice of meetings of directors	37
8.11	Quorum at meetings of directors	38
8.12	Chairperson and deputy chairperson of directors.....	38
8.13	Decisions of directors	39
8.14	Written resolutions	39
8.15	Alternate directors.....	39
8.16	Delegation to a committees of directors	40
8.17	Delegation to a director	40
8.18	Validity of acts.....	40
9	Senior executive officers	41
9.1	Executive directors.....	41
9.2	Executive Committee	41
9.3	Chair of the Executive Committee	41
9.4	Chief Executive Officer	42
9.5	Chief Financial Officer	42
9.6	Company Secretary	42
9.7	Provisions applicable to all senior executive officers.....	42
10	Indemnity and insurance	43
10.1	Persons to whom rules 10.2 and 10.4 apply	43
10.2	Indemnity	43
10.3	Extent of indemnity	43
10.4	Insurance	43
10.5	Savings	43
10.6	Deed	43
11	Other matters	44
11.1	Financial matters.....	44
11.2	Record dates.....	44

Contents

12	Winding up	44
12.1	Distributing surplus	44
12.2	Dividing property	45
13	Inspection of and access to records	45
14	Seals	46
14.1	Manner of execution	46
14.2	Common seal	46
14.3	Safe custody of Seal	46
14.4	Using the Seal	46
14.5	Seal register	46
14.6	Duplicate seals and certificate seals	46
14.7	Sealing and signing certificates	46
15	Notices	47
15.1	Notices by the company to members	47
15.2	Notices by the company to directors	47
15.3	Notices by directors to the company	48
15.4	Time of service	48
15.5	Other communications and documents	48
15.6	Written notices	48
16	General	49
16.1	Submission to jurisdiction	49
16.2	Prohibition and enforceability	49

Constitution

Yancoal Australia Limited ABN 82 111 859 119

A public company limited by shares

1 Preliminary

1.1 Definitions and interpretation

- (a) The meanings of the terms used in this constitution are set out below.

Term	Meaning
Abnormal Item	includes, but is not limited to, unrealised foreign exchange gains or losses on foreign currency denominated borrowings.
Act	<i>Corporations Act 2001</i> (Cth).
AGM	an annual general meeting of the company that the Act requires to be held.
ASX Settlement Operating Rules	the operating rules of ASX Settlement Pty Limited and, to the extent that they are applicable, the operating rules of the Exchange and the operating rules of ASX Clear Pty Limited.
Board	the board of directors of the company from time to time.
Business Day	has the meaning given to that term in the Listing Rules.
CEC	Chair of the Executive Committee of the company.
CEO	Chief Executive Officer of the company.
CFO	Chief Financial Officer of the company.
Company Secretary	company secretary of the company.

Term	Meaning
Exchange	ASX Limited and such other body corporate that is declared by the directors to be the company's primary stock exchange for the purposes of this definition.
Executive Committee	the executive committee of the company established under rule 9.2.
Listing Rules	the listing rules of the Exchange as they apply to the company.
Majority Shareholders	a shareholder or shareholders holding a majority of the issued voting shares of Yancoal Australia Limited.
Proper ASTC Transfer	has the meaning given to that term in the <i>Corporations Regulations 2001</i> (Cth).
Record Time	<ol style="list-style-type: none"> 1 in the case of a meeting for which the caller of the meeting has decided, under the Act, that shares are to be taken to be held by the persons who held them at a specified time before the meeting, that time; and 2 in any other case, the time of the relevant meeting.
Representative	in relation to a member which is a body corporate and in relation to a meeting means a person authorised in accordance with the Act (or a corresponding previous law) by the body corporate to act as its representative at the meeting.
Seal	any common seal, duplicate seal or certificate seal of the company.
Separation Agreement	the Separation Agreement between the company and Yanzhou (as amended from time to time).
Transmission Event	<ol style="list-style-type: none"> 1 for a member who is an individual – the member's death, the member's bankruptcy, or a member becoming of unsound mind, or a person who, or whose estate, is liable to be dealt with in any way under the laws relating to mental health; and 2 for a member who is a body corporate – the dissolution of the member or the succession by another body corporate to the assets and liabilities of the member.
URL	Uniform Resource Locator, the address that specifies the location of a file on the internet.
Yanzhou	Yanzhou Coal Mining Company Limited.

- (b) A reference in this constitution to a partly paid share is a reference to a share on which there is an amount unpaid.
- (c) A reference in this constitution to an amount unpaid on a share includes a reference to any amount of the issue price which is unpaid.
- (d) A reference in this constitution to a call or an amount called on a share includes a reference to a sum that, by the terms of issue of a share, becomes payable on issue or at a fixed date.
- (e) A reference in this constitution to a member for the purposes of a meeting of members for which the caller of the meeting has determined a Record Time is a reference to a registered holder of shares as at the relevant Record Time.
- (f) A reference in this constitution to a member present at a general meeting is a reference to a member present in person or by proxy, attorney or Representative.
- (g) A chairperson appointed under this constitution may be referred to as chairman or chairwoman, or as chair. A deputy chairperson appointed under this constitution may be referred to as deputy chairman, deputy chairwoman, deputy chair, vice chairman, vice chairwoman, or vice chair.
- (h) A reference in this constitution to a person holding or occupying a particular office or position is a reference to any person who occupies or performs the duties of that office or position.
- (i) Unless the contrary intention appears, in this constitution:
 - (1) the singular includes the plural and the plural includes the singular;
 - (2) words that refer to any gender include all genders;
 - (3) words used to refer to persons generally or to refer to a natural person include a body corporate, body politic, partnership, joint venture, association, board, group or other body (whether or not the body is incorporated);
 - (4) a reference to a person includes that person's successors and legal personal representatives;
 - (5) a reference to a statute or regulation, or a provision of any of them includes all statutes, regulations or provisions amending, consolidating or replacing them, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
 - (6) a reference to the Listing Rules or the ASX Settlement Operating Rules includes any variation, consolidation or replacement of those rules and is to be taken to be subject to any applicable waiver or exemption; and
 - (7) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (j) Specifying anything in this constitution after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary.
- (k) In this constitution, headings and bold type are only for convenience and do not affect the meaning of this constitution.

1.2 Application of the Act, Listing Rules and ASX Settlement Operating Rules

- (a) The rules that apply as replaceable rules to companies under the Act do not apply to the company except so far as they are repeated in this constitution.
- (b) Unless the contrary intention appears:

- (1) an expression in a rule that deals with a matter dealt with by a provision of the Act, the Listing Rules or the ASX Settlement Operating Rules has the same meaning as in that provision; and
- (2) subject to rule 1.2(b)(1), an expression in a rule that is used in the Act has the same meaning in this constitution as in the Act.

1.3 Exercising powers

- (a) The company may, in any way the Act permits:
 - (1) exercise any power;
 - (2) take any action; or
 - (3) engage in any conduct or procedure,
 which, under the Act a company limited by shares may exercise, take or engage in.
- (b) Where this constitution provides that a person 'may' do a particular act or thing, the act or thing may be done at the person's discretion.
- (c) Where this constitution confers a power to do a particular act or thing, the power is, unless the contrary intention appears, to be taken as including a power exercisable in the same way and subject to the same conditions (if any) to repeal, rescind, revoke, amend or vary that act or thing.
- (d) Where this constitution confers a power to do a particular act or thing, the power may be exercised from time to time and may be exercised subject to conditions.
- (e) Where this constitution confers a power to do a particular act or thing concerning particular matters, the power is, unless the contrary intention appears, to be taken to include a power to do that act or thing as to only some of those matters or as to a particular class of those matters, and to make different provision concerning different matters or different classes of matters.
- (f) Where this constitution confers a power to make appointments to an office or position (except the power to appoint a director under rule 8.1(b)), the power is, unless the contrary intention appears, to be taken to include a power:
 - (1) to appoint a person to act in the office or position until a person is appointed to the office or position;
 - (2) to remove or suspend any person appointed (without prejudice to any rights or obligations under any contract between the person and the company); and
 - (3) to appoint another person temporarily in the place of any person removed or suspended or in the place of any sick or absent holder of the office or position.
- (g) Where this constitution gives power to a person to delegate a function or power:
 - (1) the delegation may be concurrent with, or (except in the case of a delegation by the directors) to the exclusion of, the performance or exercise of that function or power by the person;
 - (2) the delegation may be either general or limited in any way provided in the terms of delegation;
 - (3) the delegation need not be to a specified person but may be to any person holding, occupying or performing the duties of a specified office or position;
 - (4) the delegation may include the power to delegate; and
 - (5) where performing or exercising that function or power depends on that person's opinion, belief or state of mind about a matter, that function or power may be performed or exercised by the delegate on the delegate's opinion, belief or state of mind about that matter.

1.4 Currency

Any amount payable to the holder of a share, whether in relation to dividends, repayment of capital, participation in surplus property of the company or otherwise, may, with the agreement of the holder or under the terms of issue of the share, be paid in the currency of a country other than Australia. The directors may fix a time on or before the payment date as the time at which the applicable exchange rate will be determined for that purpose.

1.5 Transitional provisions

This constitution must be interpreted in such a way that:

- (a) every director, CEO, managing director and secretary in office in that capacity immediately before this constitution is adopted continues in office subject to, and is taken to have been appointed or elected under, this constitution;
- (b) the directors are taken, immediately after this constitution is adopted, to have decided under rule 8.1(a) a number which is equal to the number of the persons in office as directors immediately after this constitution is adopted;
- (c) any register maintained by the company immediately before this constitution is adopted is taken to be a register maintained under this constitution;
- (d) any Seal adopted by the company as a Seal immediately before this constitution is adopted is taken to be a Seal which the company has under a relevant authority given by this constitution;
- (e) for the purposes of rule 4.1(o), a cheque issued under the predecessor of rule 4.1(j) is taken to have been issued under rule 4.1(j), any money held at the date of adoption of this constitution for a member under the predecessor of rule 4.1(l) is taken to have been held in an account under rule 4.1(l) and any money held at the date of adoption of this constitution for a member the company regards as uncontactable is taken to have been held in an account under rule 4.1(m); and
- (f) unless a contrary intention appears in this constitution, all persons, things, agreements and circumstances appointed, approved or created by or under the constitution of the company in force before this constitution is adopted continue to have the same status, operation and effect after this constitution is adopted.

2 Share capital

2.1 Shares

Subject to this constitution (including but not limited to rule 7.10), the directors may:

- (a) issue, allot or grant options for, or otherwise dispose of, shares in the company; and
- (b) decide:
 - (1) the persons to whom shares are issued or options are granted;
 - (2) the terms on which shares are issued or options are granted; and
 - (3) the rights and restrictions attached to those shares or options.

2.2 Preference shares

- (a) Subject to rule 7.10, the company may issue preference shares including preference shares which are, or at the option of the company or holder are, liable to be redeemed or convertible into ordinary shares.

- (b) Each preference share confers on the holder a right to receive a preferential dividend, in priority to the payment of any dividend on the ordinary shares, at the rate and on the basis decided by the directors under the terms of issue.
- (c) In addition to the preferential dividend and rights on winding up, each preference share may participate with the ordinary shares in profits and assets of the company, including on a winding up, if and to the extent the directors decide under the terms of issue.
- (d) The preferential dividend may be cumulative only if and to the extent the directors decide under the terms of issue, and will otherwise be non-cumulative.
- (e) Each preference share confers on its holder the right in a winding up and on redemption to payment in priority to the ordinary shares of:
 - (1) the amount of any dividend accrued but unpaid on the share at the date of winding up or the date of redemption; and
 - (2) any additional amount specified in the terms of issue.
- (f) To the extent the directors may 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 confer on its holder any right to participate in the profits or assets of the company except as set out above.
- (h) A preference share does not entitle its holder to vote at any general meeting of the company except in the following circumstances:
 - (1) on any of the proposals specified in rule 2.2(i);
 - (2) on a resolution to approve the terms of a buy back agreement;
 - (3) during a period in which a dividend or part of a dividend on the share is in arrears;
 - (4) during the winding up of the company; or
 - (5) in any other circumstances in which the Listing Rules require holders of preference shares to be entitled to vote.
- (i) The proposals referred to in rule 2.2(h) are proposals:
 - (1) to reduce the share capital of the company;
 - (2) that affect rights attached to the share;
 - (3) to wind up the company; or
 - (4) for the disposal of the whole of the property, business and undertaking of the company.
- (j) The holder of a preference share who is entitled to vote in respect of that share under rule 2.2(h) is, on a poll, entitled to the greater of one vote per share or such other number of votes specified in, or determined in accordance with, the terms of issue for the share.
- (k) In the case of a redeemable preference share, the company must, at the time and place for redemption specified in, or determined in accordance with, the terms of issue for the share, redeem the share and, on receiving a redemption request under the terms of issue, pay to or at the direction of the holder the amount payable on redemption of the share.
- (l) A holder of a preference share must not transfer or purport to transfer, and the directors, to the extent permitted by the Listing Rules, must not register a transfer of, the share if the transfer would contravene any restrictions on the right to transfer the share set out in the terms of issue for the share.

2.3 Alteration of share capital

Subject to the Act, the directors may do anything required to give effect to any resolution altering the company's share capital, including, where a member becomes entitled to a fraction of a share on a consolidation:

- (a) making cash payments;
- (b) determining that fractions may be disregarded to adjust the rights of all parties;
- (c) appointing a trustee to deal with any fractions on behalf of members; and
- (d) rounding up each fractional entitlement to the nearest whole share by capitalising any amount available for capitalisation under rule 4.2 even though only some of the members participate in the capitalisation.

2.4 Conversion or reclassification of shares

Subject to rule 2.5, the company may by resolution convert or reclassify shares from one class to another.

2.5 Variation of class rights

- (a) The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:
 - (1) with the written consent of the holders of 75% of the shares of the class; or
 - (2) by a special resolution passed at a separate meeting of the holders of shares of the class.
- (b) The provisions of this constitution relating to general meetings apply, with necessary changes, to separate class meetings as if they were general meetings.
- (c) The rights conferred on the holders of any class of shares are to be taken as not having been varied by the creation or issue of further shares ranking equally with them.

2.6 Joint holders of shares

Where 2 or more persons are registered as the holders of a share, they hold it as joint tenants with rights of survivorship, on the following conditions:

- (a) they are liable individually as well as jointly for all payments, including calls, in respect of the share;
- (b) subject to rule 2.6(a), on the death of any one of them the survivor is the only person the company will recognise as having any title to the share;
- (c) any one of them may give effective receipts for any dividend, bonus, interest or other distribution or payment in respect of the share; and
- (d) except where persons are jointly entitled to a share because of a Transmission Event, or where required by the Listing Rules or the ASX Settlement Operating Rules, the company may, but is not required to, register more than 3 persons as joint holders of the share.

2.7 Equitable and other claims

The company may treat the registered holder of a share as the absolute owner of that share and need not:

- (a) recognise a person as holding a share on trust, even if the company has notice of a trust; or

- (b) recognise, or be bound by, any equitable, contingent, future or partial claim to or interest in a share by any other person, except an absolute right of ownership in the registered holder, even if the company has notice of that claim or interest.

2.8 Restricted securities

If, at any time, any of the share capital of the company is classified by the Exchange as 'restricted securities', then despite any other provision of this constitution:

- (a) the restricted securities must not be disposed of during the escrow period except as permitted by the Listing Rules or the Exchange;
- (b) the company must refuse to acknowledge a disposal (including registering a transfer) of the restricted securities during the escrow period except as permitted by the Listing Rules or the Exchange; and
- (c) 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.

3 Calls, forfeiture, indemnities, lien and surrender

3.1 Calls

- (a) Subject to the terms on which any shares are issued, the directors may:
 - (1) make calls on the members for any amount unpaid on their shares which is not by the terms of issue of those shares made payable at fixed times; and
 - (2) on the issue of shares, differentiate between members as to the amount of calls to be paid and the time for payment.
- (b) The directors may require a call to be paid by instalments.
- (c) The directors must send members notice of a call at least 14 days (or such longer period required by the Listing Rules) before the amount called is due, specifying the time and place of payment.
- (d) Each member must pay to the company by the time and at the place specified the amount called on the member's shares.
- (e) A call is taken to have been made when the resolution of the directors authorising the call is passed.
- (f) The directors may revoke a call or extend the time for payment.
- (g) A call is valid even if a member for any reason does not receive notice of the call.
- (h) If an amount called on a share is not paid in full by the time specified for payment, the person who owes the amount must pay:
 - (1) interest on the unpaid part of the amount from the date payment is due to the date payment is made, at a rate determined under rule 3.9; and
 - (2) if the share was issued after the date this constitution is adopted, any costs, expenses or damages the company incurs due to the failure to pay or late payment.
- (i) Any amount unpaid on a share that, by the terms of issue of the share, becomes payable on issue or at a fixed date:
 - (1) is treated for the purposes of this constitution as if that amount were payable under a call duly made and notified; and

- (2) must be paid on the date on which it is payable under the terms of issue of the share.
- (j) The directors may, to the extent the law permits, waive or compromise all or part of any payment due to the company under the terms of issue of a share or under this rule 3.1.

3.2 Proceedings to recover calls

- (a) In a proceeding to recover a call, or an amount payable due to the failure to pay or late payment of a call, proof that:
 - (1) the name of the defendant is entered in the register as the holder or one of the holders of the share on which the call is claimed;
 - (2) the resolution making the call is recorded in the minute book; and
 - (3) notice of the call was given to the defendant complying with this constitution,
 is conclusive evidence of the obligation to pay the call and it is not necessary to prove the appointment of the directors who made the call or any other matter.
- (b) In rule 3.2(a), **defendant** includes a person against whom the company alleges a set-off or counterclaim, and a **proceeding** to recover a call or an amount is to be interpreted accordingly.

3.3 Payments in advance of calls

- (a) The directors may accept from a member the whole or a part of the amount unpaid on a share even though no part of that amount has been called.
- (b) The directors may authorise payment by the company of interest on an amount accepted under rule 3.3(a), until the amount becomes payable, at a rate agreed between the directors and the member paying the amount.
- (c) The directors may repay to a member any amount accepted under rule 3.3(a).

3.4 Forfeiting partly paid shares

- (a) If a member fails to pay the whole of a call or an instalment of a call by the time specified for payment, the directors may serve a notice on that member:
 - (1) requiring payment of the unpaid part of the call or instalment, together with any interest that has accrued and all costs, expenses or damages that the company has incurred due to the failure to pay;
 - (2) naming a further time (at least 14 days after the date of the notice) by which, and a place at which, the amount payable under rule 3.4(a)(1) must be paid; and
 - (3) stating that if the whole of the amount payable under rule 3.4(a)(1) is not paid by the time and at the place named, the shares on which the call was made will be liable to be forfeited.
- (b) If a member does not comply with a notice served under rule 3.4(a), the directors may by resolution forfeit any share concerning which the notice was given at any time after the day named in the notice and before the payment required by the notice is made.
- (c) A forfeiture under rule 3.4(b) includes all dividends, interest and other amounts payable by the company on the forfeited share and not actually paid before the forfeiture.
- (d) Where a share has been forfeited:
 - (1) notice of the resolution must be given to the member in whose name the share stood immediately before the forfeiture; and

- (2) an entry of the forfeiture, with the date, must be made in the register of members.
- (e) Failure to give the notice or to make the entry required under rule 3.4(d) does not invalidate the forfeiture.
- (f) A forfeited share becomes the property of the company and the directors may sell, reissue or otherwise dispose of the share as they think fit and, in the case of reissue or other disposal, with or without crediting as paid up any amount paid on the share by any former holder.
- (g) A person whose shares have been forfeited ceases to be a member as to the forfeited shares, but must, if the directors decide, pay to the company:
 - (1) all calls, instalments, interest, costs, expenses and damages owing on the shares at the time of the forfeiture; and
 - (2) interest on the unpaid part of the amount payable under rule 3.4(g)(1), from the date of the forfeiture to the date of payment, at a rate determined under rule 3.9.
- (h) The forfeiture of a share extinguishes all interest in, and all claims and demands against the company relating to, the forfeited share and, subject to rule 3.8(i), all other rights attached to the share.
- (i) The directors may:
 - (1) exempt a share from all or part of this rule 3.4;
 - (2) waive or compromise all or part of any payment due to the company under this rule 3.4; and
 - (3) before a forfeited share has been sold, reissued or otherwise disposed of, cancel the forfeiture on the conditions they decide.

3.5 Members' indemnity

- (a) If the company becomes liable for any reason under a law to make a payment:
 - (1) in respect of shares held solely or jointly by a member;
 - (2) in respect of a transfer or transmission of shares by a member;
 - (3) in respect of dividends, bonuses or other amounts due or payable or which may become due and payable to a member; or
 - (4) in any other way for, on account of or relating to a member,
 rules 3.5(b) and 3.5(c) apply, in addition to any right or remedy the company may otherwise have.
- (b) The member, or, if the member is dead, the member's legal personal representative must:
 - (1) fully indemnify the company against that liability;
 - (2) on demand reimburse the company for any payment made; and
 - (3) pay interest on the unpaid part of the amount payable to the company under rule 3.5(b)(2), from the date of demand until the date the company is reimbursed in full for that payment, at a rate determined under rule 3.9.
- (c) The directors may:
 - (1) exempt a share from all or part of this rule 3.5; and
 - (2) waive or compromise all or part of any payment due to the company under this rule 3.5.

3.6 Lien on shares

- (a) The company has a first lien on:
 - (1) each partly paid share for all unpaid calls and instalments due on that share; and
 - (2) each share for any amounts the company is required by law to pay and has paid in respect of that share.

In each case the lien extends to reasonable interest and expenses incurred because the amount is not paid.
- (b) The company's lien on a share extends to all dividends payable on the share and to the proceeds of sale of the share.
- (c) The directors may sell a share on which the company has a lien as they think fit where:
 - (1) an amount for which a lien exists under this rule 3.6 is presently payable; and
 - (2) the company has given the registered holder a written notice, at least 14 days before the date of the sale, stating and demanding payment of that amount.
- (d) The directors may do anything necessary or desirable under the ASX Settlement Operating Rules to protect any lien, charge or other right to which the company is entitled under this constitution or a law.
- (e) When the company registers a transfer of shares on which the company has a lien without giving the transferee notice of its claim, the company's lien is released so far as it relates to amounts owing by the transferor or any predecessor in title.
- (f) The directors may:
 - (1) exempt a share from all or part of this rule 3.6; and
 - (2) waive or compromise all or part of any payment due to the company under this rule 3.6.

3.7 Surrender of shares

- (a) The directors may accept a surrender of a share by way of compromise of a claim.
- (b) Any share so surrendered may be sold, reissued or otherwise disposed in the same manner as a forfeited share.

3.8 Sale, reissue or other disposal of shares by the company

- (a) A reference in this rule 3.8 to a sale of a share by the company is a reference to any sale, reissue or other disposal of a share under rule 3.4(f) or, rule 3.6(c) or rule 5.4.
- (b) When the company sells a share, the directors may:
 - (1) receive the purchase money or consideration given for the share;
 - (2) effect a transfer of the share or execute or appoint a person to execute, on behalf of the former holder, a transfer of the share; and
 - (3) register as the holder of the share the person to whom the share is sold.
- (c) A person to whom the company sells shares need not take any steps to investigate the regularity or validity of the sale, or to see how the purchase money or consideration on the sale is applied. That person's title to the shares is not affected by any irregularity by the company in relation to the sale. A sale of the share by the company is valid even if a Transmission Event occurs to the member before the sale.
- (d) The only remedy of a person who suffers a loss because of a sale of a share by the company is a claim for damages against the company.

- (e) The proceeds of a sale of shares by the company must be applied in paying:
 - (1) first, the expenses of the sale;
 - (2) secondly, all amounts payable (whether presently or not) by the former holder to the company,
 and any balance must be paid to the former holder on the former holder delivering to the company proof of title to the shares acceptable to the directors.
- (f) The proceeds of sale arising from a notice under rule 5.4(b) must not be applied in payment of the expenses of the sale and must be paid to the former holder on the former holder delivering to the company proof of title to the shares acceptable to the directors.
- (g) Until the proceeds of a sale of a share sold by the company are claimed or otherwise disposed of according to law, the directors may invest or use the proceeds in any other way for the benefit of the company.
- (h) The company is not required to pay interest on money payable to a former holder under this rule 3.8.
- (i) On completion of a sale, reissue or other disposal of a share under rule 3.4(f), the rights which attach to the share which were extinguished under rule 3.4(h) revive.
- (j) A written statement by a director or secretary of the company that a share in the company has been:
 - (1) duly forfeited under rule 3.4(b);
 - (2) duly sold, reissued or otherwise disposed of under rule 3.4(f); or
 - (3) duly sold under rule 3.6(c) or rule 5.4,
 on a date stated in the statement is conclusive evidence of the facts stated as against all persons claiming to be entitled to the share, and of the right of the company to forfeit, sell, reissue or otherwise dispose of the share.

3.9 Interest payable by member

- (a) For the purposes of rules 3.1(h)(1), 3.4(g)(2) and 3.5(b)(3), the rate of interest payable to the company is:
 - (1) if the directors have fixed a rate, that rate; or
 - (2) in any other case, a rate per annum 2% higher than the rate prescribed in respect of unpaid judgments in the Supreme Court of the state or territory in which the company is registered.
- (b) Interest accrues daily and may be capitalised monthly or at such other intervals the directors decide.

4 Distributions

4.1 Dividends

- (a) Subject in each case to applicable laws, the ongoing cash needs of the business, the statutory and common law duties of the directors and the shareholders' rights under rule 7.10, the directors may pay interim and/or final dividends, and must:
 - (1) subject to rule 4.1(a)(2), pay as interim and/or final dividends not less than (A) 50% of net profit after tax (pre-Abnormal Items); or (B) 50% of the free cash flow (pre-Abnormal Items), whichever is higher in each financial year; and

- (2) if the directors determine that it is necessary in order to prudently manage the company's financial position, pay as interim and/or final dividends not less than 25% of net profit after tax (pre-Abnormal Items) in any given financial year.

"Free cash flow" for the purposes of rule 4.1(a)(1) is the net cash inflow from operating activities less payments made for capital expenditure and exploration activities.

- (b) Subject to rule 7.10, the directors may rescind a decision to pay a dividend if they decide, before the payment date, that the company's financial position no longer justifies the payment.
- (c) Subject to rule 7.10, the directors may pay any dividend required to be paid under the terms of issue of a share.
- (d) Subject to any rights or restrictions attached to any shares or class of shares:
 - (1) all dividends must be paid equally on all shares, except that a partly paid share confers an entitlement only to the proportion of the dividend which the amount paid (not credited) on the share is of the total amounts paid and payable (excluding amounts credited);
 - (2) for the purposes of rule 4.1(d)(1), unless the directors decide otherwise, an amount paid on a share in advance of a call is to be taken as not having been paid until it becomes payable; and
 - (3) interest is not payable by the company on any dividend.
- (e) Subject to the ASX Settlement Operating Rules, the directors may fix a record date for a dividend, with or without suspending the registration of transfers from that date under rule 5.3.
- (f) Subject to the ASX Settlement Operating Rules, a dividend in respect of a share must be paid to the person who is registered, or entitled under rule 5.1(c) to be registered, as the holder of the share:
 - (1) where the directors have fixed a record date in respect of the dividend, on that date; or
 - (2) where the directors have not fixed a record date in respect of that dividend, on the date fixed for payment of the dividend,and a transfer of a share that is not registered, or left with the company for registration under rule 5.1(b), on or before that date is not effective, as against the company, to pass any right to the dividend.
- (g) When resolving to pay a dividend, the directors may direct payment of the dividend from any available source permitted by law, including:
 - (1) wholly or partly by the distribution of specific assets, including paid-up shares or other securities of the company or of another body corporate, either generally or to specific members; and
 - (2) unless prevented by the Listing Rules, to particular members wholly or partly out of any particular fund or reserve or out of profits derived from any particular source, and to the other members wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source.
- (h) Subject to the ASX Settlement Operating Rules, where a person is entitled to a share because of a Transmission Event, the directors may, but need not, retain any dividends payable on that share until that person becomes registered as the holder of that share or transfers it.
- (i) The directors may retain from any dividend payable to a member any amount presently payable by the member to the company and apply the amount retained to the amount owing.
- (j) The directors may decide the method of payment of any dividend or other amount in respect of a share. Different methods of payment may apply to different members or

groups of members (such as overseas members). Without limiting any other method of payment which the company may adopt, payment in respect of a share may be made:

- (1) by such electronic or other means approved by the directors directly to an account (of a type approved by the directors) nominated in writing by the member or the joint holders; or
 - (2) by cheque sent to the address of the member shown in the register of members or, in the case of joint holders, to the address shown in the register of members of any of the joint holders, or to such other address as the member or any of the joint holders in writing direct.
- (k) A cheque sent under rule 4.1(j):
- (1) may be made payable to bearer or to the order of the member to whom it is sent or any other person the member directs; and
 - (2) is sent at the member's risk.
- (l) If the directors decide that payments will be made by electronic transfer into an account (of a type approved by the directors) nominated by a member, but no such account is nominated by the member or an electronic transfer into a nominated account is rejected or refunded, the company may credit the amount payable to an account of the company to be held until the member nominates a valid account.
- (m) Where a member does not have a registered address or the company believes that a member is not known at the member's registered address, the company may credit an amount payable in respect of the member's shares to an account of the company to be held until the member claims the amount payable or nominates an account into which a payment may be made.
- (n) An amount credited to an account under rules 4.1(l) or 4.1(m) is to be treated as having been paid to the member at the time it is credited to that account. The company will not be a trustee of the money and no interest will accrue on the money.
- (o) If a cheque for an amount payable under rule 4.1(j) is not presented for payment for at least 11 calendar months after issue or an amount is held in an account under rules 4.1(l) or 4.1(m) for at least 11 calendar months, the directors may reinvest the amount, after deducting reasonable expenses, into shares in the company on behalf of, and in the name of, the member concerned and may stop payment on the cheque. The shares may be acquired on market or by way of new issue at a price the directors accept is market price at the time. Any residual sum which arises from the reinvestment may be carried forward or donated to charity on behalf of the member, as the directors decide. The company's liability to provide the relevant amount is discharged by an application under this rule 4.1(o). The directors may do anything necessary or desirable (including executing any document) on behalf of the member to effect the application of an amount under this rule 4.1(o). The directors may determine other rules to regulate the operation of this rule 4.1(o) and may delegate their power under this rule to any person.

4.2 Capitalising profits

- (a) Subject to the Listing Rules, any rights or restrictions attached to any shares or class of shares and any special resolution of the company, the directors may capitalise and distribute among those members who would be entitled to receive dividends and in the same proportions, any amount:
- (1) forming part of the undivided profits of the company;
 - (2) representing profits arising from an ascertained accretion to capital or a revaluation of the assets of the company;
 - (3) arising from the realisation of any assets of the company; or
 - (4) otherwise available for distribution as a dividend.

- (b) The directors may resolve that all or any part of the capitalised amount is to be applied:
 - (1) in paying up in full, at an issue price decided by the resolution, any unissued shares in or other securities of the company;
 - (2) in paying up any amounts unpaid on shares or other securities held by the members; or
 - (3) partly as specified in rule 4.2(b)(1) and partly as specified in rule 4.2(b)(2).

The members entitled to share in the distribution must accept that application in full satisfaction of their interest in the capitalised amount.
- (c) Rules 4.1(d), 4.1(e) and 4.1(f) apply, so far as they can and with any necessary changes, to capitalising an amount under this rule 4.2 as if references in those rules to:
 - (1) a dividend were references to capitalising an amount; and
 - (2) a record date were references to the date the directors resolve to capitalise the amount under this rule 4.2.
- (d) Where in accordance with the terms and conditions on which options to take up shares are granted (and being options existing at the date of the passing of the resolution referred to in rule 4.2(b)) a holder of those options will be entitled to an issue of bonus shares under this rule 4.2, the directors may in determining the number of unissued shares to be so issued, allow in an appropriate manner for the future issue of bonus shares to options holders.

4.3 Ancillary powers

- (a) To give effect to any resolution to reduce the capital of the company, to satisfy a dividend as set out in rule 4.1(g)(1) or to capitalise any amount under rule 4.2, the directors may:
 - (1) settle as they think expedient any difficulty that arises in making the distribution or capitalisation and, in particular, make cash payments in cases where members are entitled to fractions of shares or other securities and decide that amounts or fractions of less than a particular value decided by the directors may be disregarded to adjust the rights of all parties;
 - (2) fix the value for distribution of any specific assets;
 - (3) pay cash or issue shares or other securities to any member to adjust the rights of all parties;
 - (4) vest any of those specific assets, cash, shares or other securities in a trustee on trust for the persons entitled to the distribution or capitalised amount that seem expedient to the directors; and
 - (5) authorise any person to make, on behalf of all the members entitled to any specific assets, cash, shares or other securities as a result of the distribution or capitalisation, an agreement with the company or another person which provides, as appropriate, for the distribution or issue to them of shares or other securities credited as fully paid up or for payment by the company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares or other securities by applying their respective proportions of the amount resolved to be distributed or capitalised.
- (b) Any agreement made under an authority referred to in rule 4.3(a)(5) is effective and binds all members concerned.
- (c) If a distribution, transfer or issue of specific assets, shares or securities to a particular member or members is, in the directors' discretion, considered impracticable or would give rise to parcels of securities which do not constitute a marketable parcel, the directors may make a cash payment to those members or allocate the assets, shares or securities to a trustee to be sold on behalf of, and for the benefit of, those members, instead of making the distribution, transfer or issue to those members.

- (d) If the company distributes to members (either generally or to specific members) securities in the company or in another body corporate or trust (whether as a dividend or otherwise and whether or not for value), each of those members appoints the company as his or her agent to do anything needed to give effect to that distribution, including agreeing to become a member of that other body corporate.

4.4 Reserves

- (a) Subject to rule 7.10, the directors may set aside out of the company's profits any reserves or provisions they decide.
- (b) The directors may appropriate to the company's profits any amount previously set aside as a reserve or provision.
- (c) Setting aside an amount as a reserve or provision does not require the directors to keep the amount separate from the company's other assets or prevent the amount being used in the company's business or being invested as the directors decide.

4.5 Carrying forward profits

The directors may carry forward any part of the profits remaining that they consider should not be distributed as dividends or capitalised, without transferring those profits to a reserve or provision.

4.6 Share investment plan

Subject to rule 7.10, the directors may:

- (a) establish a share investment plan on terms they decide, under which:
 - (1) the whole or any part of any dividend or interest due to members or holders of any convertible securities of the company who participate in the plan on their shares or any class of shares or any convertible securities; or
 - (2) any other amount payable to members,may be applied in subscribing for or purchasing securities of the company or of a related body corporate; and
- (b) amend, suspend or terminate a share investment plan.

4.7 Dividend selection plans

Subject to rule 7.10, the directors may:

- (a) implement a dividend selection plan on terms they decide, under which participants may choose:
 - (1) to receive a dividend from the company paid wholly or partly out of any available source, including any particular fund or reserve or out of profits derived from any particular source; or
 - (2) to forego a dividend from the company in place of some other form of distribution from the company or another body corporate or a trust; and
- (b) amend, suspend or terminate a dividend selection plan.

5 Transfer and transmission of shares

5.1 Transferring shares

- (a) Subject to this constitution and to any restrictions attached to a member's shares, a member may transfer any of the member's shares by:
 - (1) a Proper ASTC Transfer; or
 - (2) a written transfer in any usual form or in any other form approved by the directors.
- (b) A transfer referred to in rule 5.1(a)(2) must be:
 - (1) signed by or on behalf of both the transferor and the transferee unless the transfer relates only to fully paid shares and the directors have dispensed with a signature by the transferee or the transfer of the shares is effected by a document which is, or documents which together are, a sufficient transfer of those shares under the Act;
 - (2) if required by law to be stamped, duly stamped; and
 - (3) left for registration at the company's registered office, or at any other place the directors decide, with such evidence the directors require to prove the transferor's title or right to the shares and the transferee's right to be registered as the owner of the shares.
- (c) Subject to the powers vested in the directors under rules 5.2(a) and 5.3, where the company receives a transfer complying with rule 5.1, the company must register the transferee named in the transfer as the holder of the shares to which it relates.
- (d) A transferor of shares remains the holder of the shares until a Proper ASTC Transfer has been effected or the transferee's name is entered in the register of members as the holder of the shares.
- (e) The company must not charge a fee for registering a transfer of shares unless:
 - (1) the company is not listed on the Exchange; or
 - (2) the fee is permitted by the Listing Rules.
- (f) The company may retain a registered transfer for any period the directors decide.
- (g) The directors may do anything that is necessary or desirable for the company to participate in any computerised, electronic or other system for facilitating the transfer of shares or operation of the company's registers that may be owned, operated or sponsored by the Exchange or a related body corporate of the Exchange.
- (h) The directors may, to the extent the law permits, waive any of the requirements of this rule 5.1 and prescribe alternative requirements instead, to give effect to rule 5.1(g) or for another purpose.

5.2 Power to decline to register transfers

- (a) The directors may decline to register, or prevent registration of, a transfer of shares or apply a holding lock to prevent a transfer in accordance with the Act or the Listing Rules where:
 - (1) the transfer is not in registrable form;
 - (2) the company has a lien on any of the shares transferred;
 - (3) registration of the transfer may breach a law of Australia;
 - (4) the transfer is paper-based and registration of the transfer will result in a holding which, at the time the transfer is lodged, is less than a marketable parcel;

- (5) the transfer is not permitted under the terms of an employee share plan;
 - (6) the transfer is of restricted securities referred to in rule 2.8; or
 - (7) the company is otherwise permitted or required to do so under the Listing Rules or, except for a Proper ASTC Transfer, under the terms of issue of the shares.
- (b) If the directors decline to register a transfer, the company must give notice of the refusal as required by the Act and the Listing Rules. Failure to give that notice will not invalidate the decision of the directors to decline to register the transfer.
 - (c) The directors may delegate their authority under this rule 5.2 to any person.

5.3 Power to suspend registration of transfers

The directors may suspend the registration of transfers at any times, and for any periods, permitted by the ASX Settlement Operating Rules that they decide.

5.4 Selling non marketable parcels

- (a) The directors may sell shares which constitute less than a marketable parcel by following the procedures in this rule 5.4.
- (b) The directors may send to a member who holds, on the date decided by the directors, less than a marketable parcel of shares in a class of shares of the company, a notice which:
 - (1) explains the effect of the notice under this rule 5.4; and
 - (2) advises the holder that he or she may choose to be exempt from the provisions of this rule. A form of election for that purpose must be sent with the notice.
- (c) If, before 5.00pm Sydney time on a date specified in the notice which is no earlier than 6 weeks after the notice is sent:
 - (1) the company has not received a notice from the member choosing to be exempt from the provisions of this rule 5.4; and
 - (2) the member has not increased his or her shareholding to a marketable parcel,
 the member is taken to have irrevocably appointed the company as his or her agent to do anything in rule 5.4(e).
- (d) In addition to initiating a sale by sending a notice under rule 5.4(b), the directors may also initiate a sale if a member holds less than a marketable parcel at the time that the transfer document was initiated or, in the case of a paper-based transfer document, was lodged with the company. In that case:
 - (1) the member is taken to have irrevocably appointed the company as his or her agent to do anything in rule 5.4(e); and
 - (2) if the holding was created after the adoption of this rule, the directors may remove or change the member's rights to vote or receive dividends in respect of those shares. Any dividends withheld must be sent to the former holder after the sale when the former holder delivers to the company such proof of title as the directors accept.
- (e) The company may:
 - (1) sell the shares constituting less than a marketable parcel as soon as practicable at a price which the directors consider is the best price reasonably available for the shares when they are sold;
 - (2) deal with the proceeds of sale under rule 3.8; and

- (3) receive any disclosure document, including a financial services guide, as agent for the member.
- (f) The costs and expenses of any sale of shares arising from a notice under rule 5.4(b) (including brokerage and stamp duty) are payable by the purchaser or by the company.
- (g) A notice under rule 5.4(b) may be given to a member only once in a 12 month period and may not be given during the offer period of a takeover bid for the company.
- (h) If a takeover bid is announced after a notice is given but before an agreement is entered into for the sale of shares, this rule ceases to operate for those shares. However, despite rule 5.4(g), a new notice under rule 5.4(b) may be given after the offer period of the takeover bid closes.
- (i) The directors may, before a sale is effected under this rule 5.4, revoke a notice given or suspend or terminate the operation of this rule either generally or in specific cases.
- (j) If a member is registered in respect of more than one parcel of shares, the directors may treat the member as a separate member in respect of each of those parcels so that this rule 5.4 will operate as if each parcel was held by different persons.

5.5 Transmission of shares

- (a) Subject to rule 5.5(c), where a member dies, the only persons the company will recognise as having any title to the member's shares or any benefits accruing on those shares are:
 - (1) where the deceased was a sole holder, the legal personal representative of the deceased; and
 - (2) where the deceased was a joint holder, the survivor or survivors.
- (b) Rule 5.5(a) does not release the estate of a deceased member from any liability on a share, whether that share was held by the deceased solely or jointly with other persons.
- (c) The directors may register a transfer of shares signed by a member before a Transmission Event even though the company has notice of the Transmission Event.
- (d) A person who becomes entitled to a share because of a Transmission Event may, on producing such evidence as the directors require to prove that person's entitlement to the share, choose:
 - (1) to be registered as the holder of the share by signing and giving the company a written notice stating that choice; or
 - (2) to nominate some other person to be registered as the transferee of the share by executing or effecting in some other way a transfer of the share to that other person.
- (e) The provisions of this constitution concerning the right to transfer shares and the registration of transfers of shares apply, so far as they can and with any necessary changes, to a notice or transfer under rule 5.5(d) as if the relevant Transmission Event had not occurred and the notice or transfer were executed or effected by the registered holder of the share.
- (f) Where 2 or more persons are jointly entitled to a share because of a Transmission Event they will, on being registered as the holders of the share, be taken to hold the share as joint tenants and rule 2.6 will apply to them.

6 Plebiscite to approve proportional takeover bids

6.1 Definitions

The meanings of the terms used in this rule 6 are set out below.

Term	Meaning
Approving Resolution	in relation to a Proportional Takeover Bid: a resolution to approve the Proportional Takeover Bid passed in accordance with rule 6.3.
Approving Resolution Deadline	in relation to a Proportional Takeover Bid: the day that is 14 days before the last day of the bid period, during which the offers under the Proportional Takeover Bid remain open or a later day allowed by the Australian Securities and Investments Commission.
Proportional Takeover Bid	a takeover bid that is made or purports to be made under section 618(1)(b) of the Act in respect of securities included in a class of securities in the company.
Relevant Class	in relation to a Proportional Takeover Bid, means the class of securities in the company in respect of which offers are made under the Proportional Takeover Bid.

6.2 Transfers not to be registered

Despite rules 5.1(c) and 5.2, a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid must not be registered unless an Approving Resolution to approve the Proportional Takeover Bid has been passed or is taken to have been passed in accordance with rule 6.3.

6.3 Approving Resolution

- (a) Where offers have been made under a Proportional Takeover Bid, the directors must:
- (1) convene a meeting of the persons entitled to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing a resolution to approve the Proportional Takeover Bid; and
 - (2) ensure that the resolution is voted on in accordance with this rule 6.3, before the Approving Resolution Deadline.
- (b) The provisions of this constitution relating to general meetings apply, with such modification as the circumstances require, to a meeting that is convened under rule 6.3(a), as if that meeting were a general meeting of the company.
- (c) The bidder under a Proportional Takeover Bid and any associates of the bidder are not entitled to vote on the Approving Resolution and if they do vote, their votes must not be counted.

- (d) Subject to rule 6.3(c), a person who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held securities of the relevant class, is entitled to vote on the Approving Resolution relating to the Proportional Takeover Bid.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If an Approving Resolution has not been voted on in accordance with this rule 6.3 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution will be taken to have been passed in accordance with this rule 6.3 on the Approving Resolution Deadline.

6.4 Sunset

Rules 6.1, 6.2 and 6.3, cease to have effect at the end of 3 years beginning:

- (a) where those rules have not been renewed in accordance with the Act, on the date that those rules were adopted by the company; or
- (b) where those rules have been renewed in accordance with the Act, on the date those rules were last renewed.

7 General meetings

7.1 Calling general meetings

- (a) A general meeting may only be called:
 - (1) by a directors' resolution; or
 - (2) as otherwise provided in the Act.
- (b) The directors may, by notice to the Exchange, change the venue for, postpone or cancel a general meeting, if they consider that the meeting has become unnecessary, or the venue would be unreasonable or impractical or a change is necessary in the interests of conducting the meeting efficiently, but:
 - (1) a meeting which is not called by a directors' resolution; and
 - (2) a meeting which is called in accordance with a members' requisition under the Act;

may not be postponed or cancelled without the prior written consent of the persons who called or requisitioned the meeting.

7.2 Notice of general meetings

- (a) Notice of a general meeting must be given to each person who at the time of giving the notice:
 - (1) is a member, director or auditor of the company; or
 - (2) is entitled to a share because of a Transmission Event and has satisfied the directors of his or her right to be registered as the holder of, or to transfer, the shares.
- (b) The content of a notice of a general meeting called by the directors is to be decided by the directors, but it must state the general nature of the business to be transacted at the meeting and any other matters required by the Act.

- (c) Unless the Act provides otherwise:
 - (1) no business may be transacted at a general meeting unless the general nature of the business is stated in the notice calling the meeting; and
 - (2) except with the approval of the directors or the chairperson, no person may move any amendment to a proposed resolution the terms of which are set out in the notice calling the meeting or to a document which relates to such a resolution and a copy of which has been made available to members to inspect or obtain.
- (d) A person may, by written notice to the company, waive any objection that person may have to a failure to give notice of any general meeting.
- (e) Failure to give a member or any other person notice of a general meeting or a proxy form, does not invalidate anything done or resolution passed at the general meeting if:
 - (1) the failure occurred by accident or inadvertent error; or
 - (2) before or after the meeting, the person notifies the company of the person's agreement to that thing or resolution.
- (f) A person's attendance at a general meeting waives any objection that person may have to:
 - (1) a failure to give notice, or the giving of a defective notice, of the meeting unless the person at the beginning of the meeting objects to the holding of the meeting; and
 - (2) the consideration of a particular matter at the meeting which is not within the business referred to in the notice of the meeting, unless the person objects to considering the matter when it is presented.

7.3 Admission to general meetings

- (a) The chairperson of a general meeting may take any action he or she considers appropriate for the safety of persons attending the meeting and the orderly conduct of the meeting and may refuse admission to, or require to leave and remain out of, the meeting any person:
 - (1) in possession of a pictorial-recording or sound-recording device;
 - (2) in possession of a placard or banner;
 - (3) in possession of an article considered by the chairperson to be dangerous or offensive;
 - (4) who refuses to produce or permit examination of any article, or the contents of any article, in the person's possession;
 - (5) who behaves or threatens to behave in a dangerous or offensive way; or
 - (6) who is not entitled to receive notice of the meeting.

The chairperson may delegate the powers conferred by this rule to any person he or she thinks fit.
- (b) A person, whether a member or not, requested by the directors or the chairperson to attend a general meeting is entitled to be present and, at the request of the chairperson, to speak at the meeting.
- (c) If the chairperson of a general meeting considers that there is not enough room for the members who wish to attend the meeting, he or she may arrange for any person whom he or she considers cannot be seated in the main meeting room to observe or attend the general meeting in a separate room. Even if the members present in the separate room are not able to participate in the conduct of the meeting, the meeting will nevertheless be treated as validly held in the main room.

- (d) If a separate meeting place is linked to the main place of a general meeting by an instantaneous audio-visual communication device which, by itself or in conjunction with other arrangements:
 - (1) gives the general body of members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;
 - (2) enables the chairperson to be aware of proceedings in the other place; and
 - (3) enables the members in the separate meeting place to vote on a show of hands or on a poll,

a member present at the separate meeting place is taken to be present at the general meeting and entitled to exercise all rights as if he or she was present at the main place.
- (e) If, before or during the meeting, any technical difficulty occurs where one or more of the matters set out in rule 7.3(d) is not satisfied, the chairperson may:
 - (1) adjourn the meeting until the difficulty is remedied; or
 - (2) continue to hold the meeting in the main place (and any other place which is linked under rule 7.3(d)) and transact business, and no member may object to the meeting being held or continuing.
- (f) Nothing in this rule 7.3 or in rule 7.6 is to be taken to limit the powers conferred on the chairperson by law.

7.4 Quorum at general meetings

- (a) No business may be transacted at a general meeting, except the election of a chairperson and the adjournment of the meeting, unless a quorum of members is present when the meeting proceeds to business.
- (b) A quorum is 5 or more members present at the meeting and entitled to vote on a resolution at the meeting.
- (c) If a quorum is not present within 30 minutes after the time appointed for the general meeting:
 - (1) where the meeting was called at the request of members, the meeting must be dissolved; or
 - (2) in any other case, the meeting stands adjourned to the day, and at the time and place, the directors present decide or, if they do not make a decision, to the same day in the next week at the same time and place and if, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting must be dissolved.

7.5 Chairperson of general meetings

- (a) The chairperson of directors or, in the absence of the chairperson of directors, the deputy chairperson of directors (or, if there is more than one deputy chairperson of directors, then the one nominated by the chairperson for this purpose, or if the chairperson has not made such a nomination, then any one of them) is entitled, if present within 15 minutes after the time appointed for a general meeting and willing to act, to preside as chairperson at the meeting.
- (b) The directors present may choose one of their number to preside as chairperson if, at a general meeting:
 - (1) there is no chairperson or deputy chairperson of directors;
 - (2) neither the chairperson nor the deputy chairperson of directors is present within 15 minutes after the time appointed for the meeting; or

- (3) neither the chairperson nor the deputy chairperson of directors is willing to act as chairperson of the meeting.
- (c) If the directors do not choose a chairperson under rule 7.5(b), the members present must elect as chairperson of the meeting:
 - (1) another director who is present and willing to act; or
 - (2) if no other director willing to act is present at the meeting, a member who is present and willing to act.
- (d) A chairperson of a general meeting may, for any item of business or discrete part of the meeting, vacate the chair in favour of another person nominated by him or her (**Acting Chairperson**). Where an instrument of proxy appoints the chairperson as proxy for part of the proceedings for which an Acting Chairperson has been nominated, the instrument of proxy is taken to be in favour of the Acting Chairperson for the relevant part of the proceedings.

7.6 Conduct at general meetings

- (a) Subject to the provisions of the Act, the chairperson of a general meeting is responsible for the general conduct of the meeting and for the procedures to be adopted at the meeting.
- (b) The chairperson may, at any time the chairperson considers it necessary or desirable for the efficient and orderly conduct of the meeting:
 - (1) impose a limit on the time that a person may speak on each motion or other item of business and terminate debate or discussion on any business, question, motion or resolution being considered by the meeting and require the business, question, motion or resolution to be put to a vote of the members present; and
 - (2) adopt any procedures for casting or recording votes at the meeting whether on a show of hands or on a poll, including the appointment of scrutineers.
- (c) A decision by a chairperson under rules 7.6(a) or 7.6(b) is final.
- (d) The chairperson may postpone the meeting before it has started, whether or not a quorum is present, if, at the time and place appointed for the meeting, he or she considers that:
 - (1) there is not enough room for the number of members who wish to attend the meeting; or
 - (2) a postponement is necessary in light of the behaviour of persons present or for any other reason so that the business of the meeting can be properly carried out.
- (e) A postponement under rule 7.6(d) will be to another time, which may be on the same day as the meeting, and may be to another place (and the new time and place will be taken to be the time and place for the meeting as if specified in the notice which called the meeting originally).
- (f) The chairperson may at any time during the course of the meeting:
 - (1) adjourn the meeting or any business, motion, question or resolution being considered or remaining to be considered by the meeting either to a later time at the same meeting or to an adjourned meeting; and
 - (2) for the purpose of allowing any poll to be taken or determined, suspend the proceedings of the meeting for such period/s as he or she decides without effecting an adjournment. No business may be transacted and no discussion may take place during any suspension of proceedings unless the chairperson otherwise allows.

- (g) The chairperson's rights under rules 7.6(d) and 7.6(f) are exclusive and, unless the chairperson requires otherwise, no vote may be taken or demanded by the members present concerning any postponement, adjournment or suspension of proceedings.
- (h) Only unfinished business may be transacted at a meeting resumed after an adjournment.
- (i) Where a meeting is postponed or adjourned under this rule 7.6, notice of the postponed or adjourned meeting must be given to the Exchange, but need not be given to any other person.
- (j) Where a meeting is postponed or adjourned, the directors may, by notice to the Exchange, postpone, cancel or change the place of the postponed or adjourned meeting.

7.7 Decisions at general meetings

- (a) Except where a resolution requires a special majority, questions arising at a general meeting must be decided by a majority of votes cast by the members present at the meeting. A decision made in this way is for all purposes, a decision of the members.
- (b) If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote, in addition to any deliberative vote.
- (c) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is demanded:
 - (1) before the show of hands is taken;
 - (2) before the result of the show of hands is declared; or
 - (3) immediately after the result of the show of hands is declared.
- (d) A poll may be demanded by:
 - (1) the chairperson of the meeting;
 - (2) at least 5 members entitled to vote on the resolution; or
 - (3) members with at least 5% of the votes that may be cast on the resolution on a poll.
- (e) A demand for a poll does not prevent a general meeting continuing to transact any business except the question on which the poll is demanded.
- (f) Unless a poll is duly demanded, a declaration by the chairperson of a general meeting that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.
- (g) If a poll is duly demanded at a general meeting, it must be taken in the way and either at once or after an interval or adjournment as the chairperson of the meeting directs. The result of the poll as declared by the chairperson is the resolution of the meeting at which the poll was demanded.
- (h) A poll cannot be demanded at a general meeting on the election of a chairperson of the meeting.
- (i) The demand for a poll may be withdrawn with the chairperson's consent.

7.8 Voting rights

- (a) Subject to this constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting:
 - (1) on a show of hands, every member present has one vote; and

- (2) on a poll, every member present has one vote for each share held as at the Record Time by the member entitling the member to vote, except for partly paid shares, each of which confers on a poll only the fraction of one vote which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share. An amount paid in advance of a call is disregarded for this purpose.
- (b) If a person present at a general meeting represents personally or by proxy, attorney or Representative more than one member, on a show of hands the person is entitled to one vote only even though he or she represents more than one member.
- (c) A joint holder may vote at a meeting either personally or by proxy, attorney or Representative as if that person was the sole holder. If more than one joint holder tenders a vote in respect of the relevant shares, the vote of the holder named first in the register who tenders a vote, whether in person or by proxy, attorney or Representative, must be accepted to the exclusion of the votes of the other joint holders.
- (d) The parent or guardian of an infant member may vote at any general meeting on such evidence being produced of the relationship or of the appointment of the guardian as the directors may require and any vote so tendered by a parent or guardian of an infant member must be accepted to the exclusion of the vote of the infant member.
- (e) A person entitled to a share because of a Transmission Event may vote at a general meeting in respect of that share in the same way as if that person were the registered holder of the share if, at least 48 hours before the meeting (or such shorter time as the directors determine), the directors:
 - (1) admitted that person's right to vote at that meeting in respect of the share; or
 - (2) were satisfied of that person's right to be registered as the holder of, or to transfer, the share.

Any vote duly tendered by that person must be accepted and the vote of the registered holder of those shares must not be counted.
- (f) Where a member holds a share on which a call or other amount payable to the company has not been duly paid:
 - (1) that member is only entitled to be present at a general meeting and vote if that member holds, as at the Record Time, other shares on which no money is then due and payable; and
 - (2) on a poll, that member is not entitled to vote in respect of that share but may vote in respect of any shares that member holds, as at the Record Time, on which no money is then due and payable.
- (g) A member is not entitled to vote on a resolution if, under the Act or the Listing Rules, the notice which called the meeting specified that:
 - (1) the member must not vote or must abstain from voting on the resolution; or
 - (2) a vote on the resolution by the member must be disregarded for any purposes.

If the member or a person acting as proxy, attorney or Representative of the member does tender a vote on that resolution, their vote must not be counted.
- (h) An objection to the validity of a vote tendered at a general meeting must be:
 - (1) raised before or immediately after the result of the vote is declared; and
 - (2) referred to the chairperson of the meeting, whose decision is final.
- (i) A vote tendered, but not disallowed by the chairperson of a meeting under rule 7.8(h), is valid for all purposes, even if it would not otherwise have been valid.
- (j) The chairperson may decide any difficulty or dispute which arises as to the number of votes which may be cast by or on behalf of any member and the decision of the chairperson is final.

7.9 Representation at general meetings

- (a) Subject to this constitution, each member entitled to vote at a general meeting may vote:
 - (1) in person or, where a member is a body corporate, by its Representative;
 - (2) by not more than 2 proxies; or
 - (3) by not more than 2 attorneys.
- (b) On or after 1 January 2013, if Yanzhou holds more than 70% of the voting shares in the company, it may appoint a proxy with the authority to cast the votes attaching to any voting shares in the company that Yanzhou holds over 70% consistently with the votes cast by the minority shareholders of the company in respect of any member resolution in respect of which Yanzhou is entitled to vote (and any such appointment of proxy may be expressed to be irrevocable). The appointment of a proxy pursuant to this provision applies, and shall have effect in accordance with its terms, despite anything to the contrary in rule 7.9(o) and section 249Y(3) of the Act.
- (c) A proxy, attorney or Representative may, but need not, be a member of the company.
- (d) An instrument appointing a proxy is valid if it is in accordance with the Act or in any form approved by the directors.
- (e) For the purposes of this rule 7.9 a proxy appointment received at an electronic address specified in the notice of general meeting for the receipt of proxy appointment or otherwise received by the company in accordance with the Act is taken to have been signed or executed if the appointment:
 - (1) includes or is accompanied by a personal identification code allocated by the company to the member making the appointment;
 - (2) has been authorised by the member in another manner approved by the directors and specified in or with the notice of meeting; or
 - (3) is otherwise authenticated in accordance with the Act.
- (f) A vote given in accordance with an instrument appointing a proxy or attorney is valid despite the transfer of the share in respect of which the instrument was given if the transfer is not registered by the time at which the instrument appointing the proxy or attorney is required to be received under rule 7.9(k).
- (g) Unless the instrument or resolution appointing a proxy, attorney or Representative provides differently, the proxy, attorney or Representative has the same rights to speak, demand a poll, join in demanding a poll or act generally at the meeting as the member would have had if the member was present.
- (h) Unless otherwise provided in the appointment of a proxy, attorney or Representative, an appointment will be taken to confer authority:
 - (1) even though the instrument may refer to specific resolutions and may direct the proxy, attorney or Representative how to vote on those resolutions, to do any of the acts specified in rule 7.9(i); and
 - (2) even though the instrument may refer to a specific meeting to be held at a specified time or venue, where the meeting is rescheduled or adjourned to another time or changed to another venue, to attend and vote at the rescheduled or adjourned meeting or at the new venue.
- (i) The acts referred to in rule 7.9(h)(1) are:
 - (1) to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion;
 - (2) to vote on any procedural motion, including any motion to elect the chairperson, to vacate the chair or to adjourn the meeting; and
 - (3) to act generally at the meeting.

- (j) A proxy form issued by the company must allow for the insertion of the name of the person to be primarily appointed as proxy and may provide that, in circumstances and on conditions specified in the form that are not inconsistent with this constitution, the chairperson of the relevant meeting (or another person specified in the form) is appointed as proxy.
- (k) A proxy or attorney may not vote at a general meeting or adjourned or postponed meeting or on a poll unless the instrument appointing the proxy or attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the company:
 - (1) at least 48 hours, or such lesser time as specified by the directors and notified in the notice of meeting, (or in the case of an adjournment or postponement of a meeting, including an adjourned meeting, any lesser time that the directors or the chairperson of the meeting decides) before the time for holding the meeting or adjourned or postponed meeting or taking the poll, as applicable; or
 - (2) where rule 7.9(m) applies, such shorter period before the time for holding the meeting or adjourned or postponed meeting or taking the poll, as applicable, as the company determines in its discretion.

A document is received by the company under this rule 7.9(k) when it is received in accordance with the Act, and to the extent permitted by the Act, if the document is produced or the transmission of the document is otherwise verified to the company in the way specified in the notice of meeting.

- (l) The company is entitled to clarify with a member any instruction on an appointment of proxy or attorney which is received by the company within a period referred to in rule 7.9(k)(1) or 7.9(k)(2) as applicable by written or verbal communication. The company, at its discretion, is entitled to amend the contents of any appointment of proxy or attorney to reflect any clarification in instruction and the member at that time is taken to have appointed the company as its attorney for this purpose.
- (m) Where an instrument appointing a proxy or attorney has been received by the company within the period specified in rule 7.9(k)(1) and the company considers that the instrument has not been duly executed, the company, in its discretion, may:
 - (1) return the instrument appointing the proxy or attorney to the appointing member; and
 - (2) request that the member duly execute the appointment and return it to the company within the period determined by the company under rule 7.9(k)(2) and notified to the member.
- (n) An instrument appointing a proxy or attorney which is received by the company in accordance with rule 7.9(m) is taken to have been validly received by the company.
- (o) The appointment of a proxy or attorney is not revoked by the appointor attending and taking part in the general meeting, but if the appointor votes on a resolution, the proxy or attorney is not entitled to vote, and must not vote, as the appointor's proxy or attorney on the resolution.
- (p) Where a member appoints 2 proxies or attorneys to vote at the same general meeting:
 - (1) if the appointment does not specify the proportion or number of the member's votes each proxy or attorney may exercise, each proxy or attorney may exercise half the member's votes;
 - (2) on a show of hands, neither proxy or attorney may vote if more than one proxy or attorney attends; and
 - (3) on a poll, each proxy or attorney may only exercise votes in respect of those shares or voting rights the proxy or attorney represents.
- (q) Unless written notice of the matter has been received at the company's registered office (or at another place specified for lodging an appointment of a proxy or attorney for the

meeting) at least 48 hours (or, in the case of an adjournment or postponement of a meeting, any lesser time that the directors or the chairperson of the meeting decide) before the time for holding a meeting, adjourned meeting or poll, a vote cast by a proxy or attorney is valid even if, before the vote is cast:

- (1) a Transmission Event occurs to the member;
 - (2) the member revokes the appointment of the proxy or attorney or revokes the authority under which a third party appointed the proxy or attorney; or
 - (3) the member has issued a clarifying instruction under rule 7.9(l).
- (r) The chairperson of a meeting may:
- (1) permit a person claiming to be a Representative to exercise the powers of a Representative, even if the person is unable to establish to the chairperson's satisfaction that he or she has been validly appointed; or
 - (2) permit the person to exercise those powers on the condition that, if required by the company, he or she produce evidence of the appointment within the time set by the chairperson.
- (s) The chairperson of a meeting may require a person acting as a proxy, attorney or Representative to establish to the chairperson's satisfaction that the person is the person duly appointed to act. If the person fails to satisfy the requirement, the chairperson may exclude the person from attending or voting at the meeting.
- (t) The chairperson may delegate his or her powers under rules 7.9(q), 7.9(r) and 7.9(s) to any person.
- (u) For the purposes of this rule 7.9, a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or its nominee(s) may appoint or authorise any number of proxy(ies), attorney(s) or Representative(s) to cast votes attaching to voting shares that it holds in the company, provided that if 2 or more proxies, attorneys or Representatives are appointed or authorised to vote at the same general meeting, the proxy form or authorisation must specify the number and class of voting shares in respect of which each proxy, attorney or Representative is appointed or authorised to vote. Each person so authorised under the provisions of this constitution shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if it were an individual shareholder of the company.

7.10 Member approval

- (a) Subject to applicable laws, regulations and the Listing Rules, the matters set out in rule 7.10(b) must be approved either by (except for those matters that must be approved by special approval):
- (1) a resolution of the company; or
 - (2) members holding a majority of the issued shares of the company conferring the right to vote by writing delivered to the company.
- (b) Rule 7.10(a) applies to the following:
- (1) approving the amending or replacing of this constitution by special resolution of the company in accordance with the Act;
 - (2) approving a change in the type of the company by special resolution of the company in accordance with the Act;
 - (3) the appointment or the dismissal of directors. If there exists a casual vacancy on the Board which causes non-compliance with the ASX Listing Rules, the Board has the power to appoint a director to fill that vacancy. However such

- appointment must obtain the approval of the next general meeting, and the members may veto such an appointment;
- (4) approving any reduction of the issued capital of the company, or the issue of equity securities in the company above the limit specified in ASX Listing Rule 7.1, other than issues which are listed as an exception in ASX Listing Rule 7.2 (in each case as those rules may be modified or waived from time to time by ASX);
 - (5) approving the annual financial statements of the company;
 - (6) approving the payment of a dividend under rule 4.1 (including the amount of the dividend and the date of payment);
 - (7) approving a loss recovery plan;
 - (8) approving the terms upon which shares in the company (or options or rights in respect of shares in the company) are made available to employees of the company under an employee incentive scheme;
 - (9) approving the withdrawing of any forfeiture of shares taken by the company over unpaid or partly paid shares in the company;
 - (10) approving the remuneration provided to each director by the company;
 - (11) approving the appointment or removal of the auditor and the annual remuneration paid to the auditor for services provided in relation to the annual audit of the company (not including any amounts paid to the auditor for special or additional services provided by the auditor to the company as determined by the directors of the company);
 - (12) approving any single or accumulated investments by the company in the last 12 months with a value of \$100 million or more;
 - (13) approving any single or accumulated disposal of assets of the company in the last 12 months with a value of \$100 million or more;
 - (14) approving the issuing of any debentures, or any borrowing by the company or other means of financing which is:
 - above the value of 20% of the net assets of the consolidated group as set out in the most recent consolidated, audited financial statements of the company; or
 - causes the company to have a gearing (total debt/total assets) above 60%;
 - (15) approving any single guarantee entered into by the company as guarantor for its subsidiaries for business purposes above \$100 million or accumulated guarantees above the value of \$200 million in the last 12 months, including but not limited to any mortgage, pledge or guarantee of any assets of the company provided always that the company must not offer, provide or purport to provide any guarantee in any form in respect of obligations of enterprises or individuals outside the company group; and
 - (16) any other powers that may be exercised by the members, pursuant to the Act and this constitution.
- (c) Any transaction which is considered to be a related party transaction under the applicable laws and regulations in Australia or the People's Republic of China must only be undertaken in accordance with those laws and regulations.
- (d) The Majority Shareholders may instruct the Board to do any matter set out in rule 7.10(b) by a resolution of the company or by members holding a majority of the issued shares of the company conferring the right to vote by writing delivered to the company. Subject to applicable laws, regulations and the Listing Rules, the Board must give effect to any such instruction.

- (e) Where this constitution (including but not limited to this rule 7.10) permits or requires the Majority Shareholders to approve a matter or otherwise gives a power or authority to the Majority Shareholders:
 - (1) that approval can be granted or withheld, and that power or authority can be exercised, by a resolution of the company or by members holding a majority of the issued shares of the company conferring the right to vote by writing delivered to the company; and
 - (2) subject to applicable laws, regulations and the Listing Rules, the Board must give effect to any such resolution or writing delivered to the company.

7.11 Subsidiaries

- (a) Any act or decision of a company subsidiary is subject to any applicable approval mechanism as set out, from time to time, in this constitution and in the company's corporate governance documents (including, but not limited to the company's Board charter, committee charters and policy documents), as if that act or decision of the subsidiary were an act or decision of the company (subject, in the case of a non-wholly owned subsidiary, to law and to and any rights of the other shareholders). The acts and/or decisions of all subsidiaries will be aggregated with the acts and/or decisions of the company for the purposes of any thresholds that apply to such approval mechanisms.
- (b) The company, as the controlling shareholder of its subsidiaries, will, so far as is reasonably practicable, ensure that the constitution of its subsidiaries is amended to give effect to rule 7.11(a).
- (c) In this clause 7.11:
 - (1) "**subsidiary**" means a body corporate that is controlled by the company; and
 - (2) "**control**" has the definition given to it in section 50AA of the Corporations Act 2001 (Cwlth).

8 Directors

8.1 Appointment, retirement and removal of directors

- (a) The minimum number of directors is 4. The maximum number of directors is to be fixed by the directors, but may not be more than 11 unless the company in general meeting resolves otherwise. The directors must not determine a maximum which is less than the number of directors in office at the time the determination takes effect.
- (b) Members may appoint a director, or approve or reject a director appointed by the directors. However, in the following circumstances, the directors may appoint an individual to be a director:
 - (1) to fill a casual vacancy where the number of directors is, or will be, below the minimum number of directors specified in rule 8.1(a); and
 - (2) in order to comply with any applicable laws, regulations or the Listing Rules, including (without limitation) any Listing Rule requirements in relation to the composition of the Board and any Board committees,
- (c) A director appointed by the directors under rule 8.1(b), holds office until the conclusion of the next general meeting following his or her appointment.
- (d) No director may hold office without re-election beyond the third AGM following the meeting at which the director was last elected or re-elected.

- (e) To the extent that the Listing Rules require an election of directors to be held and no director would otherwise be required (by rules 8.1(c) or 8.1(d)) to submit for election or re-election the director to retire is any director who wishes to retire and offer himself or herself for re-election, otherwise it is the director who has been longest in office since their last election or appointment. As between directors who were last elected or appointed on the same day, the director to retire must be decided by lot (unless they can agree among themselves).
- (f) The directors to retire under rule 8.1(d) or 8.1(e) is decided having regard to the composition of the Board of directors at the date of the notice calling the AGM. A director is not required to retire and is not relieved from retiring because of a change in the number or identity of the directors after the date of the notice but before the meeting closes.
- (g) The company may by resolution at an AGM fill an office vacated by a director under rules 8.1(c), 8.1(d), 8.1(e), 8.1(l) or 8.2 by electing or re-electing an eligible person to that office.
- (h) The retirement of a director from office under this constitution and the re-election of a director or the election of another person to that office (as the case may be) takes effect at the conclusion of the general meeting at which the retirement and re-election or election occur.
- (i) A person is eligible for election to the office of a director at a general meeting only if:
 - (1) the person is in office as a director immediately before that meeting;
 - (2) the person has been nominated by the directors for election at that meeting;
 - (3) where the person is a member, he or she has at least 35 Business Days or, in the case of a general meeting the directors have been duly requested by members under the Act to call, at least 30 Business Days but, in each case, no more than 90 Business Days before the meeting, given the company a notice signed by him or her stating the member's desire to be a candidate for election at that meeting; or
 - (4) where the person is not a member, a member intending to nominate the person for election at that meeting has, at least 35 Business Days and, in the case of a general meeting the directors have been duly requested by members under the Act to call, at least 30 Business Days but, in each case, no more than 90 Business Days before the meeting, given the company a notice signed by the member stating the member's intention to nominate the person for election, and a notice signed by the person stating his or her consent to the nomination.
- (j) A partner, employer or employee of an auditor of the company may not be appointed or elected as a director.
- (k) Whether or not a director's appointment was expressed to be for a specified period:
 - (1) the company by ordinary resolution; or
 - (2) members, holding a majority of the issued shares of the company conferring the right to vote, by writing delivered to the company,
 may remove a director from office.

8.2 Vacating office

In addition to the circumstances prescribed by the Act and this constitution, and notwithstanding rule 7.10 the office of a director becomes vacant if the director:

- (a) becomes of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health;
- (b) becomes bankrupt or insolvent or makes any arrangement or composition with his or her creditors generally;

- (c) is convicted on indictment of an offence and the directors do not within one month after that conviction resolve to confirm the director's appointment or election (as the case may be) to the office of director;
- (d) fails to attend more than 2 consecutive meetings of the directors without leave of absence from the directors and a majority of the other directors have not, within 14 days of having been given a notice by the secretary giving details of the absence, resolved that leave of absence be granted;
- (e) resigns by written notice to the company.

8.3 Remuneration

- (a) Each director is entitled to such remuneration from the company for his or her services as approved by shareholders in accordance with rule 7.10, but the total amount provided to all directors for their services as directors must not exceed in aggregate in any financial year the amount fixed by the company in general meeting.
- (b) When calculating a director's remuneration for the purposes of rule 8.3(a), any amount paid by the company or related body corporate:
 - (1) to a superannuation, retirement or pension fund for a director so that the company is not liable to pay the superannuation guarantee charge or similar statutory charge is to be included; and
 - (2) for any insurance premium paid or agreed to be paid for a director under rule 10.4 is to be excluded.
- (c) Remuneration under rule 8.3(a) may be provided in such manner that the directors decide, including by way of non cash benefit, such as a contribution to a superannuation fund.
- (d) The remuneration is taken to accrue from day to day.
- (e) The remuneration of a director (who is not an executive director) must not include a commission on, or a percentage of, profits or operating revenue.
- (f) The directors are entitled to be paid all travelling and other expenses they incur in attending to the company's affairs, including attending and returning from general meetings of the company or meetings of the directors or of committees of the directors.
- (g) If a director, with the concurrence of the directors, performs extra services or makes any special exertions for the benefit of the company, the directors may cause that director to be paid out of the funds of the company such special and additional remuneration as the directors decide is appropriate having regard to the value to the company of the extra services or special exertions. Any amount paid will not form part of the aggregate remuneration permitted under rule 8.3(a).
- (h) If a director is also an officer of the company or of a related body corporate in a capacity other than director, any remuneration that director may receive for acting as that officer may be either in addition to or instead of that director's remuneration under rule 8.3(a).
- (i) The directors may:
 - (1) at any time after a director dies or ceases to hold office as a director for any other reason, pay or provide to the director or a legal personal representative, spouse, relative or dependant of the director, in addition to the remuneration of that director under rule 8.3(a), a pension or benefit for past services rendered by that director; and
 - (2) direct and coordinate the company to enter into a contract with the director or a legal personal representative, spouse, relative or dependant of the director to give effect to such a payment or provide for such a benefit.
- (j) The directors may establish or support, or assist in the establishment or support of, funds and trusts to provide pension, retirement, superannuation or similar payments or benefits

to or in respect of the directors or former directors and grant pensions and allowances to those persons or their dependants either by periodic payment or a lump sum.

8.4 Director need not be a member

- (a) A director is not required to hold any shares in the company to qualify for appointment.
- (b) A director is entitled to attend and speak at general meetings and at meetings of the holders of a class of shares, even if he or she is not a member or a holder of shares in the relevant class.

8.5 Directors may contract with the company and hold other offices

- (a) The directors may make regulations requiring the disclosure of interests that a director, and any person deemed by the directors to be related to or associated with the director, may have in any matter concerning the company or a related body corporate. Any regulations made under this constitution bind all directors.
- (b) No act, transaction, agreement, instrument, resolution or other thing is invalid or voidable only because a person fails to comply with any regulation made under rule 8.5(a).
- (c) A director is not disqualified from contracting or entering into an arrangement with the company as vendor, purchaser or in another capacity, merely because the director holds office as a director or because of the fiduciary obligations arising from that office.
- (d) A contract or arrangement entered into by or on behalf of the company in which a director is in any way interested is not invalid or voidable merely because the director holds office as a director or because of the fiduciary obligations arising from that office.
- (e) A director who is interested in any arrangement involving the company is not liable to account to the company for any profit realised under the arrangement merely because the director holds office as a director or because of the fiduciary obligations arising from that office, provided that the director complies with the disclosure requirements applicable to the director under rule 8.5(a) and under the Act regarding that interest.
- (f) A director may hold any other office or position (except auditor) in the company or any related body corporate in conjunction with his or her directorship and may be appointed to that office or position on terms (including remuneration and tenure) the directors decide.
- (g) A director may be or become a director or other officer of, or interested in, any related body corporate or any other body corporate associated with the company, and need not account to the company for any remuneration or other benefits the director receives as a director or officer of, or from having an interest in, that body corporate.
- (h) A director who has an interest in a matter that is being considered at a meeting of directors may, despite that interest, vote, be present and be counted in a quorum at the meeting, unless that is prohibited by the Act. No act, transaction, agreement, instrument, resolution or other thing is invalid or voidable only because a director fails to comply with that prohibition.
- (i) The directors may exercise the voting rights given by shares in any corporation held or owned by the company in any way the directors decide. This includes voting for any resolution appointing a director as a director or other officer of that corporation or voting for the payment of remuneration to the directors or other officers of that corporation. A director may, if the law permits, vote for the exercise of those voting rights even though he or she is, or may be about to be appointed, a director or other officer of that other corporation and, in that capacity, may be interested in the exercise of those voting rights.
- (j) A director who is interested in any contract or arrangement may, despite that interest, witness the fixing of the Seal to any document evidencing or otherwise connected with that contract or arrangement.

8.6 Powers and duties of directors

- (a) The directors are responsible for managing the business of the company and may exercise all powers and do all things that are within the company's power and are not expressly required by the Act or this constitution to be exercised by the company in a general meeting or require shareholder approval in accordance with rule 7.10.
- (b) Subject to rules 7.10 and 8.7, the directors may exercise all the powers of the company:
 - (1) to borrow or raise money in any other way;
 - (2) to charge any of the company's property or business or any of its uncalled capital; and
 - (3) to issue debentures or give any security for a debt, liability or obligation of the company or of any other person.
- (c) Subject to rules 7.10 and 8.7, debentures or other securities may be issued on the terms and at prices decided by the directors, including bearing interest or not, with rights to subscribe for, or exchange into, shares or other securities in the company or a related body corporate or with special privileges as to redemption, participating in share issues, attending and voting at general meetings and appointing directors.
- (d) Subject to rules 7.10 and 8.7, the directors may:
 - (1) appoint or employ any person as an officer, agent or attorney of the company for the purposes, with the powers, discretions and duties (including powers, discretions and duties vested in or exercisable by the directors), for any period and on any other conditions they decide;
 - (2) authorise an officer, agent or attorney to delegate any of the powers, discretions and duties vested in the officer, agent or attorney; and
 - (3) remove or dismiss any officer, agent or attorney of the company at any time, with or without cause.
- (e) A power of attorney may contain any provisions for the protection and convenience of the attorney or persons dealing with the attorney that the directors decide.
- (f) Nothing in this rule 8.6 limits the general nature of rule 8.6(a).

8.7 Powers and duties of the Board

The Board has the following powers and duties:

- (a) approve the company's strategic objectives and five-year corporate plan;
- (b) approve the annual production plan, annual sales plan, annual operational expenditure plan, annual capital expenditure plan and annual financial budget of the company;
- (c) a director may be appointed by the directors to fill a vacancy under rule 8.1(b), but such appointment shall be reviewed at the next general meeting following his or her appointment and the members are entitled to veto such appointment;
- (d) approve plans for the establishment of, and changes to, the internal management structure of the company;
- (e) approve the appointment, the dismissal and the succession plan of the senior executive officers, and appoint and remove the CFO and the Company Secretary on the recommendation of the chairperson of the Board;
- (f) approve the role, duties, responsibilities, annual performance, performance indicators, the salary and other benefits of the senior executive officers;
- (g) approve and monitor the process used to evaluate the performance of senior executive officers;

- (h) approve systems of internal control and risk management, the company's human resources and remuneration policy, and other fundamental policies;
- (i) review and approve any significant external communications by the company if there is an emergency affecting production, operation or safety;
- (j) approve any program for increasing the issued capital of the company, subject to shareholder approval where required under this constitution and disclosure obligations;
- (k) approve any single or accumulated investments in the last 12 months that are less than A\$100 million, and ensure that the appropriate disclosures are made, the appropriate regulators in Australia and the Peoples Republic of China (PRC) are notified (if required) and that relevant approvals as may be required are obtained in relation to investments;
- (l) approve any single or accumulated disposals in the last 12 months of the assets of the company that are less than A\$100 million, and ensure that the appropriate disclosures are made, the appropriate regulators in Australia and the Peoples Republic of China (PRC) are notified (if required) and that relevant approvals as may be required are obtained in relation to disposals of assets;
- (m) approve the issuing of any debentures, or any borrowing by the company or other means of financing which is:
 - (1) no more than the value of 20% of the net assets of the consolidated group as set out in the most recent consolidated, audited financial statements of the company; and
 - (2) causes the company to have a gearing (total debt/total assets) no more than 60%;
- (n) approve any single guarantee entered into by the company as guarantor for its subsidiaries for business purposes of no more than \$100 million and accumulated guarantees of no more than \$200 million in the last 12 months, including but not limited to any mortgage, pledge or guarantee of any assets of the company provided always that the company must not offer, provide or purport to provide any guarantee in any form in respect of obligations of enterprises or individuals outside of the company group;
- (o) decide how cheques, promissory notes, banker's drafts, bills of exchange or other negotiable instruments must be signed, drawn, accepted, endorsed or otherwise executed, as applicable, by or on behalf of the company;
- (p) determine the remuneration of the company's external auditor for temporary work outside the scope of the annual audit;
- (q) determine the level of insurance and approve the purchase of any insurance for director, senior executive officers or certain key staff of the company;
- (r) approve the creation of any reserve from the revaluation of any assets or the cancellation of any such reserve if required or permitted by the Australian accounting standards;
- (s) approve any significant operational and external communications by the company other than those that are to be approved by the shareholders;
- (t) propose the terms upon which shares in the company (or options or rights in respect of shares in the company) are made available to senior executive officers and employees of the company under an employee incentive scheme;
- (u) consider and, where appropriate, recommend any changes to this constitution;
- (v) monitor the compliance of the company's key corporate policies and protocols, relevant agreement and daily operations;
- (w) oversee the process that management has in place to identify and manage business opportunities and risks; and
- (x) fulfil such other responsibilities as are allocated to it by this constitution and the shareholders from time to time.

The Board may also exercise all powers of the company which are not required to be exercised by the shareholders under this constitution.

8.8 Proceedings of directors

- (a) The directors may meet together to attend to business and adjourn and otherwise regulate their meetings as they decide.
- (b) The contemporaneous linking together by telephone or other electronic means of a sufficient number of directors to constitute a quorum constitutes a meeting of the directors. All the provisions in this constitution relating to meetings of the directors apply, as far as they can and with any necessary changes, to meetings of the directors by telephone or other electronic means.
- (c) A meeting by telephone or other electronic means is to be taken to be held at the place where the chairperson of the meeting is or at such other place the chairperson of the meeting decides on, as long as at least one of the directors involved was at that place for the duration of the meeting.
- (d) A director taking part in a meeting by telephone or other electronic means is to be taken to be present in person at the meeting.

8.9 Calling meetings of directors

- (a) The chairperson of the directors or any 3 directors may, whenever they think fit, call a meeting of the directors.
- (b) A secretary must, if requested by the chairperson of the directors or any 3 directors, call a meeting of the directors.

8.10 Notice of meetings of directors

- (a) Notice of a meeting of directors must be given to each person who is, at the time the notice is given:
 - (1) a director, except a director on leave of absence approved by the directors; or
 - (2) an alternate director appointed under rule 8.15 by a director on leave of absence approved by the directors.
- (b) A notice of a meeting of directors:
 - (1) must specify the time and place of the meeting;
 - (2) must lay out the matters to be approved by the directors;
 - (3) may, if necessary, be given immediately before the meeting; and
 - (4) may be given in person or by post or by telephone, fax or other electronic means.
- (c) A director or alternate director may waive notice of a meeting of directors by giving notice to that effect in person or by post or by telephone, fax or other electronic means.
- (d) Failure to give a director or alternate director notice of a meeting of directors does not invalidate anything done or any resolution passed at the meeting if:
 - (1) the failure occurred by accident or inadvertent error; or
 - (2) the director or alternate director attended the meeting or waived notice of the meeting (whether before or after the meeting).
- (e) A person who attends a meeting of directors waives any objection that person may have to a failure to give notice of the meeting.

8.11 Quorum at meetings of directors

- (a) No business may be transacted at a meeting of directors unless a quorum of directors is present at the time the business is dealt with.
- (b) Unless the directors decide differently, at least half of the directors constitute a quorum.
- (c) If there is a vacancy in the office of a director, the remaining directors may act provided that if their number is not sufficient to constitute a quorum, they may only act in an emergency or to increase the number of directors to a number sufficient to constitute a quorum or to call a general meeting of the company.

8.12 Chairperson and deputy chairperson of directors

- (a) Members holding a majority of the issued shares of the company conferring the right to vote may nominate a director to the office of chairperson of directors and may elect one or more directors to the office of deputy chairperson of directors by writing delivered to the company. One Vice Chair, who is nominated by the Majority Shareholders, will be appointed by the Board to be the CEC and assume the duties of the CEC as provided for in the Board charter and the Executive Committee charter. The directors may decide the period for which those offices will be held.
- (b) The chairperson of directors is entitled (if present within 10 minutes after the time appointed for the meeting and willing to act) to preside as chairperson at a meeting of directors.
- (c) If at a meeting of directors:
 - (1) there is no chairperson of directors;
 - (2) the chairperson of directors is not present within 10 minutes after the time appointed for the holding of the meeting; or
 - (3) the chairperson of directors is present within that time but is not willing or declines to act as chairperson of the meeting,the deputy chairperson if any, if then present and willing to act, is entitled to be chairperson of the meeting or if the deputy chairperson is not present or is unwilling or declines to act as chairperson of the meeting, the directors present must elect one of themselves to chair the meeting.
- (d) The duties of the chairperson include to:
 - (1) chair Board meetings;
 - (2) establish the agenda for Board meetings;
 - (3) chair meetings of shareholders, including the annual general meeting of the company and ad hoc meetings of the shareholders;
 - (4) be kept fully informed by senior management of all material matters which may be relevant to directors, in their capacity as directors of the company;
 - (5) provide guidance and mentoring to the CEC and the CEO;
 - (6) ensure the process of Board evaluation is conducted;
 - (7) oversee investor relationship management and overall investor communication strategy or delegate it to other directors and/or senior executive officers;
 - (8) exercise the casting vote if the votes are equal on a proposed resolution. If the chairperson is not present at a meeting of directors, the chairperson may, in his or her discretion, nominate another director to have a casting vote in the chairperson's absence by written notice to the Board; and
 - (9) fulfil such other responsibilities as are allocated by this constitution from time to time.

- (e) The duties of a vice chairperson include to:
 - (1) chair Board meetings if the chairperson is not able to be present at the meeting;
 - (2) chair meetings of shareholders, including the annual general meeting of the company and ad hoc meetings of the shareholders if the chairperson is not able to be present at the meeting; and
 - (3) fulfil such other responsibilities as are allocated by the chairperson from time to time.

8.13 Decisions of directors

- (a) The directors, at a meeting at which a quorum is present, may exercise any authorities, powers and discretions vested in or exercisable by the directors under this constitution.
- (b) Questions arising at a meeting of directors must be decided by a majority of votes cast by the directors present entitled to vote on the matter.
- (c) If the votes are equal on a proposed resolution, the chairperson of the directors has a casting vote. If the chairperson of the directors is not present at a meeting of directors, the chairperson may, in his or her discretion, nominate another director to have a casting vote in the chairperson's absence by written notice to the Board.

8.14 Written resolutions

- (a) If:
 - (1) all of the directors (other than any director on leave of absence approved by the directors, any director who disqualifies himself or herself from considering the resolution in question for potential conflicts of interest and any director who would be prohibited by the Act from voting on the resolution in question) sign or consent to a written resolution; and
 - (2) the directors who sign or consent to the resolution would have constituted a quorum at a meeting of directors held to consider that resolution,then the resolution is taken to have been passed by a meeting of the directors.
- (b) A director may consent to a resolution by:
 - (1) signing the document containing the resolution (or a copy of that document);
 - (2) giving to the company at its registered office a written notice (including by fax or other electronic means) addressed to the secretary or to the chairperson of directors signifying assent to the resolution and either setting out its terms or otherwise clearly identifying them; or
 - (3) telephoning the secretary or the chairperson of directors and signifying assent to the resolution and clearly identifying its terms.

8.15 Alternate directors

- (a) A director may, with the approval of a majority of the other directors, appoint a person to be the director's alternate director for such period as the director decides.
- (b) An alternate director may, but need not, be a member or a director of the company.
- (c) One person may act as alternate director to more than one director.
- (d) In the absence of the appointor, an alternate director may exercise any powers (except the power to appoint an alternate director) that the appointor may exercise.
- (e) An alternate director is entitled, if the appointor does not attend a meeting of directors, to attend and vote in place of and on behalf of the appointor.

- (f) An alternate director is entitled to a separate vote for each director the alternate director represents in addition to any vote the alternate director may have as a director in his or her own right.
- (g) An alternate director, when acting as a director, is responsible to the company for his or her own acts and defaults and is not to be taken to be the agent of the director by whom he or she was appointed.
- (h) The office of an alternate director is vacated if and when the appointor vacates office as a director.
- (i) The appointment of an alternate director may be terminated or suspended at any time by the appointor or by a majority of the other directors.
- (j) An appointment, or the termination or suspension of an appointment of an alternate director, must be in writing and signed and takes effect only when the company has received notice in writing of the appointment, termination or suspension.
- (k) An alternate director is not to be taken into account in determining the minimum or maximum number of directors allowed or the rotation of directors under this constitution.
- (l) In determining whether a quorum is present at a meeting of directors, an alternate director who attends the meeting is to be counted as a director for each director on whose behalf the alternate director is attending the meeting.
- (m) An alternate director is not entitled to receive any remuneration as a director from the company otherwise than out of the remuneration of the director appointing the alternate director but is entitled to travelling, hotel and other expenses reasonably incurred for the purpose of attending any meeting of directors at which the appointor is not present.

8.16 Delegation to a committees of directors

- (a) The directors may delegate any powers to a committee of directors.
- (b) A committee to which any powers have been delegated must exercise the powers delegated in accordance with any directions of the directors.
- (c) The provisions of this constitution applying to meetings and resolutions of directors apply, so far as they can and with any necessary changes, to meetings and resolutions of a committee of directors, except to the extent they are contrary to any direction given under rule 8.16(b).

8.17 Delegation to a director

- (a) The directors may delegate any of their powers to one director.
- (b) A director to whom any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.
- (c) The acceptance of a delegation of powers by a director may, if the directors so resolve, be treated as an extra service or special exertion performed by the delegate for the purposes of rule 8.3(g).

8.18 Validity of acts

An act done by a meeting of directors, a committee of directors or a person acting as a director is not invalidated by:

- (a) a defect in the appointment of a person as a director or a member of a committee; or
- (b) a person so appointed being disqualified or not being entitled to vote,
if that circumstance was not known by the directors, committee or person when the act was done.

9 Senior executive officers

Senior executive officers consist of the CEC, the CEO, the CFO and any other officers that the Board appoints as a member of the Executive Committee. The senior executive officers will keep timely communications.

9.1 Executive directors

- (a) The directors may appoint one or more of the directors to any executive office with the company.
- (b) Unless the directors decide differently, an executive director's appointment as an employee automatically terminates if the executive director ceases to be a director.
- (c) An executive director may be referred to by any title the directors decide on.

9.2 Executive Committee

- (a) The Executive Committee will consist of the CEC, the CEO, the CFO, another director appointed by the Majority Shareholder, and such other members as the Board determines from time to time. The Board may approve the appointment of additional members to the Executive Committee or remove and replace members of the Executive Committee by resolution.
- (b) The functions of the Executive Committee are as follows:
 - (1) propose the company's strategic objectives and five-year corporate plan;
 - (2) propose the annual production plan, annual sales plan, annual operational expenditure plan, annual capital expenditure plan and annual financial budget of the company;
 - (3) propose plans for the establishment of, and changes to, the internal management structure of the company;
 - (4) propose systems of internal control and risk management, the company's human resources and remuneration policy, and other fundamental policies;
 - (5) propose the issuing of any debentures, or any borrowing by the company or other means of financing;
 - (6) propose any guarantee or security entered into by the company as guarantor or grantor for its subsidiaries for business purposes, including but not limited to any mortgage, pledge or guarantee of any assets of the company;
 - (7) propose the profit distribution plan and loss recovery plan of the company;
 - (8) determine the monthly production and operation report and relevant senior managers' reports of daily operation, finance and management;
 - (9) monitor the company's production and operational performance, financial position, including the company's cash flows, balance sheet and profit and loss statements; and
 - (10) fulfil such other responsibilities as are allocated to it by this constitution and the Board from time to time.

9.3 Chair of the Executive Committee

- (a) The Majority Shareholders may nominate one director to the office of the CEC.
- (b) Subject to any Board direction or determination:
 - (1) the CEC will have the authority that is delegated to him or her by the Board; and

- (2) the functions of the CEC will be set out in the Board charter and the Executive Committee charter.

9.4 Chief Executive Officer

Subject to any Board direction or determination:

- (a) the CEO will have the authority that is delegated to him or her by the Board; and
- (b) the functions of the CEO will be set out in the Board charter and the Executive Committee charter.

9.5 Chief Financial Officer

Subject to any Board direction or determination:

- (a) the CFO will have the authority that is delegated to him or her by the Board; and
- (b) the functions of the CFO will be set out in the Board charter and the Executive Committee charter.

9.6 Company Secretary

- (a) The directors must appoint at least one secretary and may appoint additional secretaries.
- (b) The functions of the Company Secretary will be set out in the Board charter.

9.7 Provisions applicable to all senior executive officers

- (a) A reference in this rule 9.7 to a senior executive officer is to any senior executive officer of the company appointed under this rule 9.
- (b) Subject to rule 7.10, the appointment of a senior executive officer may be for the period, at the remuneration and on the conditions the directors decide.
- (c) To the extent the Listing Rules so require, the remuneration payable by the company to a senior executive officer must not include a commission on, or percentage of the operating revenue.
- (d) The directors may:
 - (1) delegate to or give a senior executive officer any powers, discretions and duties they decide;
 - (2) withdraw, suspend or vary any of the powers, discretions and duties given to a senior executive officer; and
 - (3) authorise the senior executive officer to delegate any of the powers, discretions and duties given to the senior executive officer.
- (e) Unless the directors decide differently, the office of a director who is employed in an executive capacity by the company or by a subsidiary of the company automatically becomes vacant if the director ceases to be so employed.
- (f) An act done by a person acting as a senior executive officer is not invalidated by:
 - (1) a defect in the appointment of that senior executive officer;
 - (2) the person being disqualified from being a senior executive officer; or
 - (3) the person having vacated office,if the person did not know that circumstance when the act was done.

10 Indemnity and insurance

10.1 Persons to whom rules 10.2 and 10.4 apply

Rules 10.2 and 10.4 apply:

- (a) to each person who is or has been a director, alternate director or senior executive officer (within the meaning of rule 9.7(a)) of the company; and
- (b) to such other officers or former officers of the company or of its related bodies corporate as the directors in each case determine;
(each an **Officer** for the purposes of this rule).

10.2 Indemnity

The company must indemnify each Officer on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses (**Liabilities**) incurred by the Officer as a director or an officer of the company.

10.3 Extent of indemnity

The indemnity in rule 10.2:

- (a) is enforceable without the Officer having to first incur any expense or make any payment;
- (b) is a continuing obligation and is enforceable by the Officer even though the Officer may have ceased to be an officer of the company; and
- (c) applies to Liabilities incurred both before and after the adoption of this constitution.

10.4 Insurance

The company may, to the extent permitted by law:

- (a) purchase and maintain insurance; or
- (b) pay or agree to pay a premium for insurance,
for each Officer (director, senior executive officers or certain key staff) against any Liability incurred by the Officer as an officer of the company including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome.

10.5 Savings

Nothing in rule 10.2 or 10.4:

- (a) affects any other right or remedy that a person to whom those rules apply may have in respect of any Liability referred to in those rules;
- (b) limits the capacity of the company to indemnify or provide or pay for insurance for any person to whom those rules do not apply; or
- (c) limits or diminishes the terms of any indemnity conferred or agreement to indemnify entered into prior to the adoption of this constitution.

10.6 Deed

The company may enter into a deed with any Officer to give effect to the rights conferred by this rule 10 or the exercise of a discretion under this rule 10 on such terms as the directors think fit which are not inconsistent with this rule 10.

11 Other matters

11.1 Financial matters

- (a) Subject to the Majority Shareholders observing the confidentiality obligations set out in the Separation Agreement, the company will comply with its obligations under that agreement, including:
- (1) adopt and implement a financial and management reporting information technology system and platform (**ERP**) that is identical to the system and platform implemented by the Majority Shareholders, in order to provide the Majority Shareholders with access to financial and other information; and;
 - (2) if determined by the directors, the company will establish onshore or offshore accounts at relationship banks nominated by the Majority Shareholders and that the Majority Shareholders will be able to view the related information under those accounts. However, any such bank accounts will be in the name of the company and the company will independently transact on those accounts.
- (b) Subject to the Act and the Listing Rules, and to facilitate compliance by the Majority Shareholders with its own filing obligations, the company will disclose the following reports on the below timeline:
- (1) quarterly report as required by the ASX within 20 calendar days after the end of each quarter;
 - (2) half yearly financial report within 50 calendar days after the end of each financial half year; and
 - (3) annual financial report within 60 calendar days after the end of each financial year.

11.2 Record dates

Subject to applicable laws, regulations and the Listing Rules and notwithstanding any other rules in this constitution, the company or the directors may fix any date as the record date for:

- (a) determining the members entitled to receive any dividend, distribution, allotment or issue;
- (b) determining the members entitled to receive notice of, and to vote at, any general meeting of the company; and
- (c) any other corporate action requiring a record date to be set.

12 Winding up

12.1 Distributing surplus

Subject to this constitution and the rights or restrictions attached to any shares or class of shares:

- (a) if the company is wound up and the property of the company available for distribution among the members is more than sufficient to pay:
- (1) all the debts and liabilities of the company; and
 - (2) the costs, charges and expenses of the winding up,
- the excess must be divided among the members in proportion to the number of shares held by them, irrespective of the amounts paid or credited as paid on the shares;

- (b) for the purpose of calculating the excess referred to in rule 12.1(a), any amount unpaid on a share is to be treated as property of the company;
- (c) the amount of the excess that would otherwise be distributed to the holder of a partly paid share under rule 12.1(a) must be reduced by the amount unpaid on that share at the date of the distribution; and
- (d) if the effect of the reduction under rule 12.1(c) would be to reduce the distribution to the holder of a partly paid share to a negative amount, the holder must contribute that amount to the company.

12.2 Dividing property

- (a) If the company is wound up, the liquidator may, with the sanction of a special resolution:
 - (1) divide among the members the whole or any part of the company's property; and
 - (2) decide how the division is to be carried out as between the members or different classes of members.
- (b) A division under rule 12.2(a) need not accord with the legal rights of the members and, in particular, any class may be given preferential or special rights or may be excluded altogether or in part.
- (c) Where a division under rule 12.2(a) does not accord with the legal rights of the members, a member is entitled to dissent and to exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under section 507 of the Act.
- (d) If any of the property to be divided under rule 12.2(a) includes securities with a liability to calls, any person entitled under the division to any of the securities may, within 10 days after the passing of the special resolution referred to in rule 12.2(a), by written notice direct the liquidator to sell the person's proportion of the securities and account for the net proceeds. The liquidator must, if practicable, act accordingly.
- (e) Nothing in this rule 12.2 takes away from or affects any right to exercise any statutory or other power which would have existed if this rule were omitted.
- (f) Rule 4.3 applies, so far as it can and with any necessary changes, to a division by a liquidator under rule 12.2(a) as if references in rule 4.3 to:
 - (1) the directors were references to the liquidator; and
 - (2) a distribution or capitalisation were references to the division under rule 12.2(a).

13 Inspection of and access to records

- (a) A person who is not a director or a Company Secretary does not have the right to inspect any of the Board papers, books, records or documents of the company, except as provided by law, or this constitution, or as authorised by the directors or the Majority Shareholders.
- (b) The company may enter into contracts with its directors or former directors agreeing to provide continuing access for a specified period after the director ceases to be a director to Board papers, books, records and documents of the company which relate to the period during which the director or former director was a director on such terms and conditions as the directors think fit and which are not inconsistent with this rule 13.
- (c) The company may procure that its subsidiaries provide similar access to Board papers, books, records or documents as that set out in rules 13(a) and 13(b).
- (d) This rule 13 does not limit any right the directors or former directors otherwise have.

14 Seals

14.1 Manner of execution

Without limiting the ways in which the company can execute documents under the Act and subject to this constitution, the company may execute a document if the document is signed by:

- (a) 2 directors;
- (b) a director and a secretary; or
- (c) any other person or persons authorised by the directors for that purpose.

14.2 Common seal

The company may have a common seal. If the company has a common seal, rules 14.3 to 14.7 apply.

14.3 Safe custody of Seal

The directors must provide for the safe custody of the Seal.

14.4 Using the Seal

Subject to rule 14.7 and unless a different procedure is decided by the directors, if the company has a common seal any document to which it is affixed must be signed by:

- (a) 2 directors;
- (b) by a director and a secretary; or
- (c) a director and another person appointed by the directors to countersign that document or a class of documents in which that document is included.

14.5 Seal register

- (a) The company may keep a Seal register and, on affixing the Seal to any document (other than a certificate for securities of the company) may enter in the register particulars of the document, including a short description of the document.
- (b) The register, or any details from it that the directors require, may be produced at meetings of directors for noting the use of the Seal since the previous meeting of directors.

14.6 Duplicate seals and certificate seals

- (a) The company may have one or more duplicate seals for use in place of its common seal outside the state or territory where its common seal is kept. Each duplicate seal must be a facsimile of the common seal of the company with the addition on its face of the words 'duplicate seal' and the name of the place where it is to be used.
- (b) A document sealed with a duplicate seal, or a certificate seal as provided in rule 14.7, is to be taken to have been sealed with the common seal of the company.

14.7 Sealing and signing certificates

The directors may decide either generally or in a particular case that the Seal and the signature of any director, secretary or other person is to be printed on or affixed to any certificates for securities in the company by some mechanical or other means.

15 Notices

15.1 Notices by the company to members

- (a) Without limiting any other way in which notice may be given to a member under this constitution, the Act or the Listing Rules, the company may give a notice to a member by:
- (1) delivering it personally to the member;
 - (2) sending it by prepaid post to the member's address in the register of members or any other address the member supplies to the company for giving notices; or
 - (3) sending it by fax or other electronic means (including providing a URL link to any document or attachment) to the fax number or electronic address the member has supplied to the company for giving notices.
- (b) The company may give a notice to the joint holders of a share by giving the notice in the way authorised by rule 15.1(a) to the joint holder who is named first in the register of members for the share.
- (c) The company may give a notice to a person entitled to a share as a result of a Transmission Event by delivering it or sending it in the manner authorised by rule 15.1(a) addressed to the name or title of the person, to:
- (1) the address, fax number or electronic address that person has supplied to the company for giving notices to that person; or
 - (2) if that person has not supplied an address, fax number or electronic address, to the address, fax number or electronic address to which the notice might have been sent if that Transmission Event had not occurred.
- (d) A notice given to a member under rules 15.1(a) or 15.1(b) is, even if a Transmission Event has occurred and whether or not the company has notice of that occurrence:
- (1) duly given for any shares registered in that person's name, whether solely or jointly with another person; and
 - (2) sufficiently served on any person entitled to the shares because of the Transmission Event.
- (e) A notice given to a person who is entitled to a share because of a Transmission Event is sufficiently served on the member in whose name the share is registered.
- (f) A person who, because of a transfer of shares, becomes entitled to any shares registered in the name of a member, is taken to have received every notice which, before that person's name and address is entered in the register of members for those shares, is given to the member complying with this rule 15.1.
- (g) A signature to any notice given by the company to a member under this rule 15.1 may be printed or affixed by some mechanical or other electronic means.
- (h) Where a member does not have a registered address or where the company believes that member is not known at the member's registered address, all notices are taken to be:
- (1) given to the member if the notice is exhibited in the company's registered office for a period of 48 hours; and
 - (2) served at the commencement of that period,
- unless and until the member informs the company of the member's address.

15.2 Notices by the company to directors

The company may give a notice to a director or alternate director by:

- (a) delivering it personally to him or her;
- (b) sending it by prepaid post to his or her usual residential or business address, or any other address he or she has supplied to the company for giving notices; or
- (c) sending it by fax or other electronic means to the fax number or electronic address he or she has supplied to the company for giving notices.

15.3 Notices by directors to the company

A director or alternate director may give a notice to the company by:

- (a) delivering it to the company's registered office;
- (b) sending it by prepaid post to the company's registered office; or
- (c) sending it by fax or other electronic means to the principal fax number or electronic address at the company's registered office.

15.4 Time of service

- (a) A notice from the company properly addressed and posted is taken to be served:
 - (1) if it is a notice concerning a general meeting, at 10.00am on the day after the date it is posted; or
 - (2) in any other case, at the time the letter would be delivered in the ordinary course of post.
- (b) A certificate signed by a secretary or officer of the company to the effect that a notice was duly posted under this constitution is conclusive evidence of that fact.
- (c) Where the company sends a notice by fax, the notice is taken as served at the time the fax is sent if the correct fax number appears on the facsimile transmission report produced by the sender's fax machine.
- (d) Where the company sends a notice by electronic transmission, the notice is taken as served at the time the electronic transmission is sent if a message indicating receipt has been received by the company.
- (e) Where the company gives a notice to a member by any other means permitted by the Act relating to the giving of notices and electronic means of access to them, the notice is taken as given at 10.00am on the day after the date on which the member is notified that the notice is available.
- (f) Where a given number of days' notice or notice extending over any other period must be given, the day of service is not to be counted in the number of days or other period.

15.5 Other communications and documents

Rules 15.1 to 15.4 (inclusive) apply, so far as they can and with any necessary changes, to serving any communication or document.

15.6 Written notices

A reference in this constitution to a written notice includes a notice given by fax or other electronic means. A signature to a written notice need not be handwritten.

16 General

16.1 Submission to jurisdiction

Each member submits to the non-exclusive jurisdiction of the Supreme Court of the state or territory in which the company is taken to be registered for the purposes of the Act, the Federal Court of Australia and the courts which may hear appeals from those courts.

16.2 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this constitution which is prohibited in any place is, in that place, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this constitution which is void, illegal or unenforceable in any place does not affect the validity, legality or enforceability of that provision in any other place or of the remaining provisions in that or any other place.