



# **AFTA Insolvency Chargeback Scheme Limited**

## **Company Constitution**

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**ACN: 619 074 074**

**ABN: 45 619 07 4074**

Level 31, 31 Market Street, Sydney, NSW, 2000

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## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

Unless the context or subject matter otherwise requires:

**ATAS** means the Australian Federation of Travel Agent's Travel Accreditation Scheme;

**Board** means the board of the directors of the Company;

**Claim** means damages, expenses, liabilities or losses incurred by a Member who holds a Schedule of Protection and the subject of a claim for discretionary protection under Rule 7.10.3;

**Company** means AFTA Insolvency Chargeback Scheme Limited;

**Constitution** means those rules for the operation of the Company set out in this document;

**Contributions** means any contributions calculated and payable in accordance with the guidelines agreed from time to time by the directors;

**Discretionary Risk Activities** means the Company offering discretionary risk protection to the Members;

**Eligible Person** means a person who operates a travel business in Australia, is a current member of the Australian Federation of Travel Agents, holds ATAS accreditation and also meets any other eligibility criteria which is determined by the Board from time to time;

**Foundation Member** means the Australian Federation of Travel Agents;

**Law** means the *Corporations Act 2001* (Cth);

**Member** means any person whose name appears in the Register as a member of the Company;

**Notice Address** means the last address for a person as recorded in the records of the Company and may include facsimile numbers or electronic mail addresses;

**Office** means the registered office of the Company;

**Ordinary Resolution** means in relation to a resolution of:

- a. The Board, a resolution that is passed by an affirmative vote of 51% or more of the votes cast by those directors present and entitled to vote on the resolution; and
- b. The Members, a resolution that is passed by an affirmative vote of 51% or more of the votes cast by those Members present and entitled to vote on the resolution; and
- c. The committee members, a resolution that is passed by an affirmative vote of 51% or more of the votes cast by those committee members present and entitled to vote on the resolution;

**Product Disclosure Statement** means a document titled 'Product Disclosure Statement' describing the benefits, terms and other conditions applicable to a particular type of protection accessible by a Member;

**Protection Year** means the period between 1 July and 30 June in each year of membership;

**Register** means the register of Members of the Company required to be kept by Section 169 of the Law;

**Related Body Corporate** of a body corporate is a body corporate which is related to that body corporate within the meaning of the Law;

**Rules** mean the provisions of this Constitution and **Rule** means any of them;

**Schedule of Protection** means the schedule issued by or on behalf of the Company to each Member for each Protection Year detailing the types of protection accessible by a Member;

**Secretary** means the secretary of the Company and any assistant or acting secretary and any other person appointed to perform, whether alone or in addition to any other person or persons, the duties of secretary of the Company;

**Special Resolution** has the meaning assigned to that expression by Section 9 of the Law;

**Subordinate Regulations** means any code of conduct, rules, by-laws, regulations or standards issued from time to time by the Company under Rule 10 and **Subordinate Regulation** means any of them;

**Termination Event** means:

- a. The Member commits an act of bankruptcy, is declared bankrupt or makes any arrangement with or enters into a composition with creditors generally;
- b. The Member wilfully refuses or neglects to comply with this Constitution or is or does any act or thing which, in the reasonable opinion of the Board is unacceptable or prejudicial to the interests of the Company;
- c. The Member fails to pay Contributions in accordance with Rule 11.2;
- d. The Member ceases to be an Eligible Person.

## 1.2 Interpretation

Unless the context or subject matter otherwise requires, references to:

- 1.2.1 Singular words include the plural and vice versa;
- 1.2.2 Any gender includes every gender;
- 1.2.3 Persons includes a natural person, corporations, trusts, associations, partnerships, government authorities, and other legal entities, and where necessary, includes successors and assigns;
- 1.2.4 Writing includes printing, typing, facsimile and other means of representing or reproducing words, figures, drawing or symbols in a visible and tangible or electronic form, in English and including the meaning given to the term "in writing" in the Electronic Transactions Act 1999 (Cth);
- 1.2.5 Signature and signing means due execution of a document by a person, corporation or other relevant entity and include signing by an agent or attorney or representative (if a body corporate);
- 1.2.6 Months mean calendar months;
- 1.2.7 Statutes include statutes amending, consolidating or replacing the statutes referred to and all regulations, orders-in-council, rules, by-laws and ordinances made under those statutes;
- 1.2.8 Sections of statutes or terms defined in statutes refer to corresponding sections or defined terms in amended, consolidated or replacement statutes;
- 1.2.9 An agreement or document means that agreement or document as amended, novated or supplemented;

- 1.2.10 A party includes that party's executors, administrators, substitutes, successors and assigns;
- 1.2.11 Sell or sold include transfer, lease, assign, grant options and/or any other form of disposing of or creating an interest in the thing being considered and buy or purchase will be interpreted accordingly;
- 1.2.12 Where a person is entitled to vote or holds the right to vote on any matter by virtue of this Constitution, the person may vote by proxy or attorney or representative (if a body corporate);
- 1.2.13 Headings and the table of contents are for convenience only and will be disregarded in the interpretation of this Constitution;
- 1.2.14 If a word or phrase is given a defined meaning, another grammatical form of that word or phrase has a corresponding meaning; and
- 1.2.15 Each paragraph or sub-paragraph in a list is to be read independently from the others in the list.

### **1.3 Actions authorised under the Law**

Subject to Rule 3, where the Law authorises or permits a company to do any thing if authorised by its constitution, the Company is authorised or permitted to do that thing despite any other provision of this Constitution.

### **1.4 Corporation Act prevails**

Where any provision in this Constitution is invalid or unenforceable or conflicts with any provision of the Law, it will be read and interpreted as being subject to the provisions of the Law and will be ineffective, but only to the extent of any invalidity, unenforceability or conflict.

### **1.5 No limit on exercise of powers**

Subject to Rule 3, where the Company or the directors or any other person is given a power, right or discretion under this Constitution:

- 1.5.1 The power, right or discretion may be exercised absolutely without restriction unless the power, right or discretion is expressly limited; and
- 1.5.2 Any exercise of that power, right or discretion on any occasion will not restrict the further exercise of the power, right or discretion on any other occasion or at any time.

## **2. EFFECT OF THE CONSTITUTION**

This Constitution will have effect as a contract:

- 2.1.1 Between the Company and each Member;
- 2.1.2 Between the Company and each director and Secretary; and
- 2.1.3 Between a Member and each other Member,

under which each Member agrees to observe and perform the Rules so far as they apply to that Member.

### **3. OBJECTS**

#### **3.1 Primary Objects**

Without limiting the legal capacity and powers of the Company conferred by law, the Company has the following objects:

- 3.1.1 To receive subscriptions and Contributions from Members to provide mutual discretionary and other programs for the protection of Members in respect of Claims;
- 3.1.2 In accordance with the Constitution and the guidelines agreed from time to time by the directors to receive, consider and at its sole and absolute discretion pay Claims;
- 3.1.3 To pay expenses and outgoings and maintain reserves and such financial provision as the directors consider fit for the Discretionary Risk Activities including in respect of insurance or reinsurance in respect of the protection of Members in respect of Claims;
- 3.1.4 To provide such other benefits and services to Members as are in their mutual interest, including but not limited to the establishment and implementation of education, training, tools and templates, credit rating/solvency and reference checking and risk management initiatives and programs;
- 3.1.5 To advise on and deal in financial products such as insurance and other forms of risk protection which are beneficial to the Company, the Members and their stakeholders including travel agency business owners and employees; and
- 3.1.6 To support the Foundation Member and ATAS in the promotion of the interests of Members and ATAS-accredited Australian travel agents.

#### **3.2 Company's powers**

The Company has all powers given to it by the Law including all powers necessary to enable the Company to carry out its objects and without limiting the generality of the foregoing, power to:

- 3.2.1 Accept and undertake full or partial trusteeship, administration and management of trusts and funds, whether as trustee or as agent for the trustee or otherwise, and charge and accept fees, commission or other remuneration in respect of the trusteeship, administration and management;
- 3.2.2 Raise funds and invite and receive Contributions, grants, distributions of income or capital, gifts (by will or otherwise), loans and deposits from any person;
- 3.2.3 Purchase, take on lease or in exchange, hire or otherwise acquire real or personal property, and any rights or privileges that are required for the purposes of, or capable of being conveniently used in connection with, the Company's objects. However, if the Company takes or holds any property which is subject to a trust, the Company may only deal with that property in the manner allowed by law having regard to that trust;
- 3.2.4 Control, manage, lease, exchange, mortgage, charge, sell, transfer, surrender, dispose of, develop, carry on business or otherwise deal with any real or personal property of any kind or any estate or interest in the property;
- 3.2.5 Invest, deal with and lend money and otherwise provide financial accommodation to, and guarantee or otherwise secure loans;
- 3.2.6 Construct, improve, maintain and develop, work, manage and control real or personal property and enter into contracts and agreements with any person including a third party provider of goods or services;
- 3.2.7 Enter into any arrangement with any government or authority that seems conducive to the Company's objects, obtain from any government authority any right, privilege or concession that

the Company thinks it desirable to obtain, and carry out, exercise and comply with any of these arrangements, rights, privileges and concessions;

- 3.2.8 Engage, dismiss or suspend any employee, agent, contractor, volunteer or professional person;
- 3.2.9 Borrow, raise or secure the payment of money and secure the repayment or performance of any debt, liability, contract, guarantee or other engagement in any way and, in particular, a mortgage, charge or overdraft or by the issue of debentures or debenture stock (perpetual or otherwise) charged on all or any of the Company's property (both present and future) and purchase, redeem or pay off those securities;
- 3.2.10 Spend money and do all other things that it considers desirable to promote the Company's objects;
- 3.2.11 Make, draw, accept, endorse, discount, execute or issue promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments;
- 3.2.12 Provide relevant information and content about the Company and its activities to the Foundation Member for distribution to ATAS-accredited travel agents from time to time;
- 3.2.13 Print and publish newsletters, periodicals, books or leaflets, develop content, develop and own intellectual property including social media and website content and trade marks or otherwise publish, advertise or circulate information in hard copy or by electronic means, in consultation with the Foundation Member;
- 3.2.14 Engage in marketing, promotional and recruitment activities with and for current Members and prospects, in consultation with the Foundation Member;
- 3.2.15 Accept any gift of property, whether subject to any special trust or not, for the Company's objects;
- 3.2.16 Take any steps by personal or written appeals, public meetings or otherwise, that the Company considers expedient to procure contributions to the Company's funds, by way of donations, gifts (by will or otherwise), grants, sponsorships or otherwise;
- 3.2.17 Decline or otherwise refuse to accept any gift (by will or otherwise), donation, settlement or other disposition of money or property; and
- 3.2.18 Do all other things are incidental or conducive to attaining the Company's objects.

#### **4. PUBLIC COMPANY**

The Company is registered as a public company limited by guarantee and accordingly:

- 4.1.1 The number of Members must not be less than one (1); and
- 4.1.2 The minimum number of directors that the Company must have at any time is three (3).

#### **5. POWERS**

The Company may by Ordinary Resolution or Special Resolution as the Law requires, exercise any power which by the Law a company limited by guarantee may exercise if authorised by its constitution.

#### **6. PROMOTION OF OBJECTS**

##### **6.1 Benefit the Company**

The income and property of the Company must be applied solely for the benefit and promotion of the Company's objects and no part of the income or property will be:

- 6.1.1 Paid or transferred directly or indirectly by way of dividends, bonus or otherwise to the Members; or
- 6.1.2 Paid to directors as fees or other remuneration or other benefit in money or money's worth.

## **6.2 Exception**

Nothing in this Rule 6 precludes:

- 6.2.1 Payment in good faith or reasonable and proper remuneration to any director, officer or servant of the Company or to any Member in return for any services rendered to the Company provided such payment is permitted under Rule 14.8;
- 6.2.2 The payment of interest at the rate not exceeding the rate charged by the Company's bankers on overdrawn accounts on any money lent to the Company by any Member, director or officer;
- 6.2.3 In the case of any director who is engaged by the Company as an executive director, consultant or servant, any reasonable and proper remuneration for services provided to the Company;
- 6.2.4 The repayment of reasonable out-of-pocket expenses, properly incurred by any director provided such payment is permitted under Rule 14.8.

## **6.3 Directors' prior approval**

Any payment authorised under Rule 6.2 may be made only with the prior written approval of the Board.

# **7. MEMBERSHIP**

## **7.1 Members**

The Members will be made up of:

- 7.1.1 The subscribers to these Rules; and
- 7.1.2 Any other persons that the directors admit to membership in accordance with the Rules.

## **7.2 Classes of membership**

The membership of the Company may be divided into classes of membership at the determination of the directors (and the directors may create new classes of membership for that purpose). Where the membership of the Company has been divided into classes, the directors will determine the rights and duties of each class of Members and of the Members of each class.

## **7.3 Application for membership**

- 7.3.1 Any Eligible Person may apply to be a Member of the Company. The Company may accept applications from other individuals with the approval of the directors.
- 7.3.2 In order to be admitted as a Member, every applicant for membership (other than the subscribers) must:
  - a. Execute and deliver to the Company an application for membership in the form which the directors determine; and
  - b. Pay to the Company the membership entrance fee (if any) determined by the directors.

## **7.4 Further information**



An applicant for membership must provide in writing, any other information in addition to that contained in the application, as the directors require.

#### **7.5 Determination of Directors**

- 7.5.1 The Board will determine the outcome of each membership application within a reasonable time after receipt.
- 7.5.2 The Board may approve or reject any applicant for membership in the directors' absolute discretion.
- 7.5.3 The Board are not required to give or assign any reason or explanation for the approval or rejection of any application for membership.
- 7.5.4 The Board may in accordance with Rule 10 create by-laws in relation to membership applications and the Board may delegate its power to approve or reject an applications to the Secretary, a Board committee or such other person employed or engaged by the Company provided that those decisions are made in accordance with the by-law.

#### **7.6 Entrance fee**

The directors may determine the entrance fee payable by any person applying for membership of the Company. The directors may at any time and as many times as they decide, change the entrance fee payable. Until the directors otherwise determine, no entrance fee is payable.

#### **7.7 Notification of determination**

- 7.7.1 When an application for membership has been accepted, the Secretary will send to the applicant written notice of acceptance and will enter the applicant's name in the Register.
- 7.7.2 When an application for membership is rejected, the Secretary will send to the applicant written notice of the rejection and the entrance fee paid, if any, by that applicant will be refunded in full.
- 7.7.3 If an Eligible Person is to be admitted as a Member, the Secretary must notify the person of the amount of the Contribution that is payable by the Eligible Person or payable on their behalf in the first Protection Year and the due date that the Contribution must be paid.
- 7.7.4 An Eligible Person to whom Rule 7.7.3 applies will become a Member on the date that the Company, or its delegate, accepts the Member's application for membership.

#### **7.8 Certificates**

A certificate of membership may be issued by the Company to any Member. Any certificate issued will remain the property of the Company and must be returned to the Company on written demand by the Secretary.

#### **7.9 Membership not transferable**

Membership of the Company is not transferable by operation of law or otherwise. All rights and privileges of membership of the Company will cease immediately upon person ceasing to be a Member for any reason.

#### **7.10 Member rights and obligations**

- 7.10.1 A Member has the right to receive notices of and to attend and be heard at any general meeting and has the right to vote at any general meeting.

- 7.10.2 If a Member is issued with a Schedule of Protection, the Member is entitled to make a Claim on the Company for discretionary protection if an event detailed in the Product Disclosure Statement issued to the Member occurs.
- 7.10.3 A Member is entitled to request the directors consider their Claim for protection and the directors may in their sole and absolute discretion decide whether the Company will pay the Claim and the directors must have consideration to the Product Disclosure Statement and the Schedule of Protection issued to the Member, whether payment of the Claim is in the best interests of all Members when exercising their discretion and any guidelines adopted by the directors from time to time in accordance with Rule 15.7.
- 7.10.4 A Member must ensure that the Contribution for each Protection Year which is payable by them is paid, or take reasonable steps to ensure it is paid on their behalf, by the due date determined (at the discretion of the directors) in each year of membership and that the Member otherwise complies with this Constitution.

## **7.11 Register of Members**

The following details must be entered in the Register in respect of each Member:

- 7.11.1 The full name of the Member and in the case of a body corporate or registered organisation the ABN or other identification of registration of the body or organisation including ATAS accreditation number;
- 7.11.2 The address, telephone and facsimile number, if any, of the Member;
- 7.11.3 The date of admission to and cessation of membership;
- 7.11.4 In the case of a Member other than an individual the full name, address and facsimile number, if any, of its corporate representative; and
- 7.11.5 Such other information as the directors require.

## **7.12 Member to update their contact details**

Each Member must notify the Secretary in writing of any change in that person's name, address, telephone or email address within one (1) month after the change.

# **8. CONTRIBUTIONS AND LEVIES**

## **8.1 Contributions**

Contributions are payable in each Protection Year in accordance with the guidelines established by the directors and the Board will pass a Special Resolution prior to the commencement of each Protection Year to determine the amount of the Contribution payable by each Member or class of Member and the due date for the payment of Contributions.

## **8.2 Unpaid Contributions**

A Member ceases to be entitled to any of the rights or privileges of membership and has no entitlement to be issued with a Schedule of Protection for the current Protection Year if any Contribution payable for the Protection Year by the Member remains unpaid for one (1) month after the due date for payment and a notice of default is given to the Member pursuant to a resolution of the Board. However, the Board may in their absolute discretion extend the time for payment and/or reinstate the rights or privileges of membership (including the issue of a Schedule of Protection) upon payment of all arrears if the directors think fit to do so.

### **8.3 Levies**

In order to provide additional funds required by the operation of the Company, the Board may determine that levies are to be paid by Members and may fix the amount and the dates for payment of them. Until determined by the Board, no levies will be payable by Members.

### **8.4 Different Contributions or levies payable**

In determining Contributions or levies under this Rule, the Board may differentiate between classes of Members as to the amounts and timing of Contributions or levies payable.

## **9. VARYING MEMBERS' RIGHTS**

If the membership of the Company is divided into different classes of Members, the rights attached to any class of membership may be varied with the written consent of 75% of the Members in that class or with the sanction of a Special Resolution passed at a meeting of the Members of that class. The right to vary membership rights may be exercised unless otherwise provided by the terms of acceptance of the Members of that class and whether or not the Company is being wound up.

## **10. BY-LAWS, CODE OF CONDUCT, ETC.**

### **10.1 By-law making power**

- 10.1.1 The Board may at any time and from time to time issue and/or impose the code of conduct, rules and/or any other by-laws, regulations or standards for the Company which may deal with any matter within the power of the directors including (without limitation):
- a. The eligibility criteria for Members;
  - b. The admission and/or disqualification or termination of Members;
  - c. Any Contributions and levies payable by Members;
  - d. Conditions of membership;
  - e. Availability of services or facilities of the Company and/or access to them by Members;
  - f. The rights attaching to membership;
  - g. The conditions for the use or licence of any trade or other mark or property of the Company; and/or
  - h. Qualifications required for membership.

### **10.2 Subordinate Regulations**

- 10.2.1 The Board may at any time and from time to time without notice:
- a. Vary, amend, suspend, revoke or otherwise change any Subordinate Regulation;
  - b. Make new Subordinate Regulations, and the Subordinate Regulations for the time being in force would be binding on all Members.
- 10.2.2 The Board may distinguish between Members in the application or enforcement of any Subordinate Regulation without giving reasons and without being liable for any loss occasioned by doing so.
- 10.2.3 In the event of any inconsistency or conflict between these Rules and any Subordinate Regulation, these Rules will prevail to the extent of any inconsistency or conflict.

## **11. CESSATION OF MEMBERSHIP**

### **11.1 Resignation**

11.1.1 A Member may resign from membership of the Company by giving written notice to the Secretary.

11.1.2 The resignation of a Member is deemed to take effect from the date of receipt of the notice of resignation or such later date as is provided in the notice.

### **11.2 Failure to pay**

Except where the directors exercise their discretion to extend the due date for payment of Contributions, if a Member has not paid the Contributions payable for the Protection Year in accordance with this Constitution and no Schedule of Protection is issued to the Member for the Protection Year, the Member ceases to be a Member three (3) months after the date of notification under Rule 8.2 and the Member's name must be removed from the Register at the end of the three (3) month period.

### **11.3 Other cessation of membership**

A Member ceases to be a Member automatically on any Termination Event occurring in respect of the Member.

### **11.4 Removal from membership**

11.4.1 The Board may at its discretion terminate a Member's membership of the Company and remove the person's name from the Register.

11.4.2 The Board must provide at least two (2) months written notice to any Member of any intention to terminate the Member's membership of the Company and remove the Member's name from the Register so as to enable the Member to provide any written representations to the directors.

11.4.3 The Board do not have to give reasons for the termination of a Member's membership of the Company and the removal of the Member's name from the Register.

### **11.5 Liability for unpaid Contributions**

A Member remains liable for and must pay all Contributions payable for the Protection Year that were payable at the time the Member ceased to be a Member no matter what the reason for the Member ceasing to be a Member, except in the circumstances where the directors exercise their discretion by way of Special Resolution to waive the requirement for a Member to pay the Contribution or authorise the payment of a refund of all or part of the Contribution to the Member.

## **12. GENERAL MEETINGS**

### **12.1 Director may convene**

Any director may convene a general meeting of Members whenever that director decides. A director may cancel any meeting convened by that director. The directors must call and arrange to hold a general meeting if required to do so under the Law.

### **12.2 Directors convening a general meeting at the request of Members**

The directors must call and arrange to hold a general meeting on the request of

12.2.1 Any Member or Members holding at least 5% of the votes that may be cast at a general meeting;  
or

12.2.2 At least 100 Members who are entitled to vote at a general meeting.

### **12.3 Form of the Members request**

The requests from the Members must:

12.3.1 State any resolution to be proposed at the meeting;

12.3.2 Be signed by the Members making the request; and

12.3.3 Be given to the Company.

### **12.4 Directors refusal to convene**

The directors may refuse to convene a general meeting if the voting on the proposed resolution is not within the power of the Members.

### **12.5 Modification of this Constitution or winding up**

The Members cannot modify or repeal this Constitution or wind up the Company voluntarily unless a resolution has been passed in favour of such action by 75% of the votes cast by the directors entitled to vote on the resolution prior to the time that the notice of the meeting to consider the resolution is sent to Members.

### **12.6 Members may convene**

Members holding, between them, at least 5% of the votes that may be cast at a general meeting, may call and arrange to hold a general meeting. The Members calling the meeting must pay the expenses of calling and holding the meeting.

### **12.7 Notice of general meeting**

12.7.1 A general meeting may only be convened by giving the Members notice of the meeting.

12.7.2 A notice of general meeting does not need to be given to Members who are not entitled to notice of meetings.

12.7.3 A notice of a general meeting must:

- a. Be given at least twenty-one (21) days before the date of the meeting unless otherwise agreed by all the Members entitled to notice;
- b. Specify the place, the day and the time of the meeting;
- c. Describe the nature of the business to be transacted at the meeting; and
- d. Contain any other information required by the Law.

12.7.4 The director may postpone a general meeting or change the venue for the meeting by giving written notice to all Members who received the original notice of meeting at least forty-eight (48) hours before the appointed time. That notice must specify the time and place for the postponed meeting.

12.7.5 If a Member does not receive a meeting notice or the directors accidentally omit to give the Member a meeting notice, that omission will not invalidate the proceedings or any resolution passed at the meeting.

12.7.6 No business is to be transacted at any general meeting except that contained in the meeting notice unless all the Members agree otherwise.

## **12.8 Cancellation of general meetings**

- 12.8.1 The directors may cancel a general meeting, other than a general meeting which they are required to convene and hold under the Law.
- 12.8.2 A meeting may only be cancelled in accordance with Rule 12.8.1 if notice of the cancellation is given to all persons entitled to receive notice of the meeting at least two (2) business days prior to the time of the meeting as specified in the notice of meeting.

## **12.9 Quorum**

- 12.9.1 Business must not be transacted at a general meeting if a quorum of Members is not present when the meeting proceeds to business.
- 12.9.2 A quorum will be:
- If the Company has only one (1) Member entitled to receive notice of and vote at the meeting, that Member; or
  - In every other case, two (2) Members entitled to receive notice of and vote at the meeting.
- 12.9.3 A quorum of Members must be present throughout each general meeting. If a quorum is not present at any time the meeting is not validly convened but without affecting the validity of any business conducted before the absence of a quorum occurs.

## **12.10 Determine a quorum**

In determining whether a quorum is present, a person attending as a proxy, or representing a body corporate that is a Member, is deemed to be a Member.

## **12.11 Procedure where no quorum**

- 12.11.1 If the quorum is not present within thirty (30) minutes after the time appointed for the meeting:
- Where the meeting was convened upon the requisition of Members, the meeting will be dissolved; or
  - In any other case, the meeting will be adjourned.
- 12.11.2 Any adjourned meeting will be rescheduled to take place on a day and time and at the place that the directors decide.
- 12.11.3 If no directors are present at the meeting or if no decision is made by the directors, the meeting will take place on the same day and at the same time and place as originally notified, but in the next succeeding week.
- 12.11.4 If at the rescheduled meeting the quorum is not present within thirty (30) minutes after the appointed time, then the meeting will be dissolved unless it is adjourned under Rule 12.15.

## **12.12 Appointment or election of chairperson**

- 12.12.1 The chairperson appointed under Rule 14.4 will preside as chairperson at every general meeting.
- 12.12.2 Where a general meeting is held and:
- A chairperson of the directors has not been elected;
  - The chairperson of the directors is not present within 15 minutes after the appointed time; or
  - The chairperson of the directors is unwilling to act,
- the Members present will elect one (1) Member to be chairperson of the meeting.

**12.13 No casting votes**

The chairperson of a general meeting is entitled to a second or casting vote in addition to any vote he or she has as a Member or director.

**12.14 Chairperson's powers**

12.14.1 Subject to the terms of this Constitution dealing with adjournment of meetings, the ruling of the chairperson on all matters relating to the order of business, procedure and conduct of the general meeting is final and no motion of dissent from a ruling of the chairperson may be accepted.

12.14.2 The chairperson, in his or her discretion may expel any Member or director from a general meeting if the chairperson reasonably considers that the Member or director's conduct is inappropriate behaviour.

**12.15 Adjournment of meeting**

12.15.1 The chairperson may adjourn any meeting of Members.

12.15.2 An adjournment of a meeting of Members must only be made:

- a. With the consent of the meeting provided a quorum is present; or
- b. In the case of an adjournment under Rule 12.11.4, with the consent of Members present and entitled to vote; or
- c. If directed by the meeting to do so.

12.15.3 Any adjournment may change the time or the venue for the meeting.

12.15.4 The only business that may be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.

12.15.5 Only business left unfinished from the meeting adjourned may be transacted at any rescheduled meeting.

**12.16 Adjournment of thirty (30) days**

If the meeting is to be adjourned for thirty (30) days or more, notice of the adjourned meeting must be given as if it was an original meeting.

**12.17 Adjournment of less than thirty (30) days**

A notice of meeting is not required to be given for an adjourned meeting where the adjournment is for less than thirty (30) days.

**12.18 Show of hands or poll**

Any vote taken at a general meeting is decided on a show of hands unless a poll is demanded:

12.18.1 By the chairperson ; or

12.18.2 By at least five (5) Members present in person or by proxy; or

12.18.3 Members with at least 5% of the votes that may be cast on the resolution on a poll, present in person or by proxy.

**12.19 Declaration on show of hands**

If a poll is not demanded, the chairperson's declaration that a resolution has been carried or lost with an entry to that effect in the minute book is conclusive evidence of that fact. It is not necessary to record the number or proportion of votes recorded for or against the resolution.

**12.20 Withdraw poll**

The demand for a poll may be withdrawn at any time.

**12.21 Demand for poll**

A poll will be taken immediately if it is demanded or at any other time after an interval or adjournment or otherwise as the chairperson decides. The result of the poll will be recorded as the resolution of the meeting at which the poll was demanded.

**12.22 Poll for chairperson**

Any poll demanded on the election of a chairperson or on a question of adjournment must be taken immediately.

**12.23 Voting**

Subject to any rights or restrictions attached to any class of membership:

12.23.1 At meetings of Members or classes of Members, each Member entitled to vote may vote in person or by proxy or attorney or by representative (if a body corporate); and

12.23.2 On a show of hands every person present who is a Member or a representative of a Member has one (1) vote, and on a poll every Member present in person or by proxy or attorney has one (1) vote.

**12.24 Members not to vote unless fully paid**

A Member is only entitled to vote at a general meeting if all Contributions and levies and other amounts presently payable by the Member have been paid.

**12.25 Objection to qualification of Member**

Any objection to the qualification of a person to vote must be made at the same meeting at which that person's vote is tendered. Any objection must be referred to the chairperson of the meeting whose decision is final and:

12.25.1 Any vote approved will be valid for all purposes; or

12.25.2 Any vote disallowed will be invalid and must be disregarded.

**12.26 Only Members entitled to vote may vote**

Only those Members who belong to a class of Members who are entitled to vote at a general meeting whether in person or by proxy will be entitled to vote.

**12.27 Rights or third parties to attend general meetings**

Even if they are not Members of the Company, the following persons have the right to attend any general meeting and, if requested by the directors, to speak at the general meeting:

12.27.1 Any director;



12.27.2 Any Secretary; and

12.27.3 Any other person invited by the directors.

## **12.28 Minutes**

The directors must ensure that proper minutes are made of:

12.28.1 All general meetings of the Company;

12.28.2 All appointments of officers;

12.28.3 The proceedings of all general meetings; and

12.28.4 The attendance at and business transacted at general meetings,

and the minutes of the meeting, if purporting to be signed by the chairperson of the meeting or by the chairperson of the next succeeding meeting, will be conclusive evidence of the matters recorded in them without any further proof.

## **12.29 Mode of meeting for Members**

A general meeting may be held at two (2) or more places using any technology that gives the Members as a whole a reasonable opportunity to participate. The Members may otherwise regulate their meetings as they think fit.

## **12.30 Resolution in writing**

A resolution in writing signed by all Members is to be treated as a determination of the Members passed at a meeting of the Members duly convened and held.

## **12.31 Form of resolution in writing**

12.31.1 A resolution in writing may consist of several documents in like form, each signed by one (1) or more Members or, in the case of a Member that is a corporation, a person who represents that Member and if so signed it takes effect on the latest date on which a Member or, where permitted, the Member's representative signs one version of the documents.

12.31.2 In relation to a resolution in writing, a document generated by electronic means which purports to be a facsimile of a resolution of Members is to be treated as a resolution in writing and a document bearing a facsimile of a signature is to be treated as signed.

## **12.32 Class and group meetings**

Any matter to be determined by a class or group of Members must be determined by ordinary resolution of the class or group at a meeting held, as nearly as the circumstances permit, in the same manner as a general meeting of the Company.

# **13. RULES FOR VOTING BY PROXY**

## **13.1 Proxies and representatives of Members**

13.1.1 At meetings of Members each Member entitled to vote may vote in person or by proxy or by attorney. A Member which is a corporation may appoint an individual as a representative.

13.1.2 Subject to the terms of their appointment, a person attending as a proxy, or as the attorney of a Member, or as representing a corporation which is a Member has all the powers of a Member, except where expressly stated to the contrary.

### **13.2 Appointment of proxies**

- 13.2.1 A Member may appoint another person as their proxy to attend and vote instead of the Member. A proxy need not be a Member.
- 13.2.2 A document appointing a proxy must be in writing, in any form permitted by the Law and signed by the Member making the appointment.

### **13.3 Authority of proxies**

A document appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where the document so provides, the proxy is not entitled to vote on the resolution except as specified in the document.

### **13.4 Verification of proxies**

- 13.4.1 Before the time for holding the meeting or adjourned meeting at which a proxy proposes to vote, both of the following documents must be deposited with the Company:
  - a. The document appointing the proxy.
  - b. If the appointment is signed by the appointor's attorney, the authority under which the appointment was signed or a certified copy of that authority.
- 13.4.2 Those documents must be either:
  - a. Received at the Office, at a fax number at the Office or at another place, fax number or electronic address specified for that purpose in the notice convening the meeting not less than twenty four (24) hours before the time for holding the meeting.
  - b. Produced to the chairperson of the meeting before the proxy votes.
- 13.4.3 If a general meeting has been adjourned, an appointment and any authority received by the Company at least twenty four (24) hours before the resumption of the meeting are effective for the resumed part of the meeting.

### **13.5 Validity of proxies**

A proxy document is invalid if it is not deposited or produced prior to a meeting or a vote being taken as required by this Constitution.

### **13.6 Revocation of appointment of proxy**

A vote given in accordance with the terms of a proxy document is valid despite the occurrence of any one or more of the following events if no intimation in writing of any of those events has been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the document is used:

- 13.6.1 The previous death or unsoundness of mind of the principal.
- 13.6.2 The revocation of the instrument or of the authority under which the instrument was executed.

## **14. APPOINTMENTS, REMOVAL AND REMUNERATION OF DIRECTORS**

### **14.1 Number of directors**

The number of directors must not be less than three (3). The Company may by Ordinary Resolution passed at a general meeting of the Members increase or reduce the number of directors but must not

reduce the minimum number of directors below three (3). Alternate directors are not to be treated as directors for the purpose of determining the minimum or maximum number of directors holding office.

## 14.2 Appointment and term of directors

- 14.2.1 A person, other than the directors holding office at the date of the adoption of this Constitution, are only to be appointed as a director of the Company if the following criteria is met:
- Each person's appointment must be approved by the majority of the board of the Foundation Member;
  - Each person must provide a signed consent to act to the Secretary; and
  - All of the directors as a collective group must reasonably satisfy the representative requirements in Rule 14.3.
- 14.2.2 Other than the chief executive officer of the Foundation Member, for the purposes of assessment by the board of the Foundation Member:
- Each candidate's nomination must be supported with information regarding their skills, qualifications and experience including a curriculum vitae; and
  - Each candidate must be available for an interview with the chief executive officer and any other representatives of the board of the Foundation Member.
- 14.2.3 Each director (excluding the chairperson) will be appointed for a three (3) year term and this appointment can be extended to one (1) consecutive three (3) year term if approved by the majority of the board of the Foundation Member.

## 14.3 Representation requirements for the directors

The directors must as a collective group meet the following requirements for relationship, expertise, experience and acumen:

- 14.3.1 **Specialist representatives:** Two (2) directors must be individuals who have relevant experience and knowledge of insurance and risk management nominated by the company which is engaged from time to time to act as the professional mutual manager of the Company or the Discretionary Risk Activities; and
- 14.3.2 **Industry representatives:** Three (3) directors must be individuals who have senior business or financial management experience in a retail travel agency business;
- 14.3.3 **Foundation Member representative:** One (1) director must be the chief executive officer of the Foundation member; and
- 14.3.4 **Independent representative:** One (1) director must be an independent director who is also appointed to act as chairperson and must have either travel industry experience or other business experience.

## 14.4 Appointment and term of chairperson

- 14.4.1 The first independent chairperson appointed under Rule 14.3 will act as chair of Board and Members meetings for a one (1) year term which may be extended for a maximum of two (2) consecutive one (1) year terms by the directors passing an ordinary resolution of the Board.
- 14.4.2 Any independent chairperson appointed after the first chairperson, under Rule 14.3 will act as chair of Board and Members meetings for a three (3) year term.

#### **14.5 Retirement of directors**

A director may retire from office by giving notice in writing to the chairperson of the Foundation Member and the Secretary advising of the director's intention to retire. A notice of resignation takes effect at the time which is the later of either of the following events:

- 14.5.1 The time of giving the notice; and
- 14.5.2 The expiration of the period, if any, specified in the notice.

#### **14.6 Vacation of office**

In addition to the circumstances in which the office of a director becomes vacant by virtue of the Law or another provision of this Constitution, the office of director becomes vacant if any of the following occurs:

- 14.6.1 If the director becomes a bankrupt or an insolvent under administration or disqualified from managing a corporation or providing financial services;
- 14.6.2 If the director becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health; or
- 14.6.3 If the director becomes prohibited from being a director by reason of an order made under the Law.

#### **14.7 Removal of director**

- 14.7.1 The Company may remove any director and appoint another director as a replacement provided that any replacement must be approved by the board of the Foundation Member and that person must satisfy the requirements of Rules 14.2 and 14.3.
- 14.7.2 The removal or replacement of a director must be affected by Ordinary Resolution of the Company or upon notice if the board of the Foundation member resolves to remove the director because it is necessary for the proper functioning of the Board or the director has failed to properly carry out their duties as a director.

#### **14.8 Directors' expenses and remuneration**

- 14.8.1 Subject to Rules 14.8.2, 14.8.3 and 14.8.4, the directors will not be entitled to fees for their services.
- 14.8.2 A director's fee of \$60,000 per annum will be paid to the chairperson and \$12,000 per annum for all other directors excluding the chief executive officer of the Foundation Member, who will receive no payment of fees from the Company. Directors fees may be increased to the amount approved by an Ordinary Resolution of the Members.
- 14.8.3 The directors will be entitled to reimbursement of all travelling, accommodation and other expenses properly incurred by them:
  - a. In attending and returning from meetings of the directors or any committee of the directors;
  - b. In attending and returning from general meetings of the Company; or
  - c. In connection with the Company's business.
- 14.8.4 A director who is called upon to perform extra services or to make a special exertion or to undertake executive or other work for the Company beyond or outside of the director's ordinary duties or is engaged to provide any other service, may be paid a fee for those services, exertions or work provided that those fees are approved by a Special Resolution of the Board.

## **15. POWERS AND DUTIES OF DIRECTORS**

### **15.1 Directors manage the business**

- 15.1.1 Subject to the Law and to these Rules, the Company's business will be managed by the directors.
- 15.1.2 The Foundation Member is entitled to payment or reimbursement of all expenses incurred in promoting and forming the Company.
- 15.1.3 The Board may exercise all powers of the Company except where those powers must be exercised by the Company in general meeting under the Law or these Rules.

### **15.2 All powers of Company**

Without limiting Rule 15.1, the Board may exercise all the powers of the Company to:

- 15.2.1 Borrow money;
- 15.2.2 Charge any property or business of the Company or all or any of its uncalled capital;
- 15.2.3 Issue debentures; or
- 15.2.4 Give any other security for a debt, liability or obligation of the Company or of any other person.

### **15.3 Corporate groups**

- 15.3.1 If the Company is a wholly owned subsidiary of another Company (the "**Holding Company**"), the directors may act in the best interests of the Holding Company.
- 15.3.2 The directors must not act in the way referred to in Rule 15.3.1 if the Company is insolvent at the time or would by virtue of the director's actions become insolvent.

### **15.4 Appointment of attorney**

- 15.4.1 The Board may appoint any person or persons under a power of attorney to be the attorney or attorneys of the Company.
- 15.4.2 The appointment may be:
  - a. For any purpose;
  - b. In relation to any of the directors' powers, authorities and discretions;
  - c. For any period; and
  - d. Subject to any conditions as the directors decide.

### **15.5 Provisions of power of attorney**

Any power of attorney may contain provisions for the protection and convenience of persons dealing with the attorney as the directors decide and may authorise the attorney to delegate all or any of the powers, authorities and discretions vested in him.

### **15.6 Cheques and promissory notes**

All cheques, promissory notes, bankers drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company, must be signed, drawn, accepted, endorsed or otherwise executed:

- 15.6.1 By any two (2) directors; or
- 15.6.2 In any other manner as the directors decide.

## **15.7 Guidelines**

Notwithstanding Rule 10, the directors must agree and adopt guidelines from time to time in relation to the offer of discretionary protection to the Members and may amend those guidelines from time to time, prescribing:

- 15.7.1 The manner and form in which offers of membership of the Company will be made including consideration of applications for admission to membership of the Company;
- 15.7.2 The types of discretionary protection to be offered to Members;
- 15.7.3 The form of any Product Disclosure Statement, Schedule of Protection or other document relating to the offer of protection to the Members;
- 15.7.4 The nature of any insurance policies which are to be purchased by the Company and the setting of aggregate and stop loss limits for the mutual and such insurance;
- 15.7.5 The nature and extent of the Claims that the Company will consider paying at the discretion of the directors or by a committee or delegate of the directors;
- 15.7.6 The basis upon which the payment of Claims will be considered by the directors or by a committee or delegate of the directors;
- 15.7.7 The amounts of Contributions to be paid to the Company in each Protection Year and the due date for payment of Contributions;
- 15.7.8 The obligations of the Company and the Members in respect of Claims;
- 15.7.9 The terms on which services will be provided to the Company including for professional mutual management; and
- 15.7.10 Such other matters incidental to the activities of the Company as the directors think fit.

## **15.8 Delegation of powers to committee**

- 15.8.1 The directors may delegate any of their powers to committees consisting of directors or other persons as they think fit.
- 15.8.2 The exercise of a power by a committee in accordance with this Constitution is to be treated as the exercise of that power by the directors.
- 15.8.3 In the exercise of any powers delegated to it, a committee formed by the directors must conform to the directions of the directors.

## **15.9 Proceedings of committees**

Except as provided in a direction of the directors, the meetings and proceedings of a committee formed by the directors must be governed by the provisions of this Constitution, in so far as they are applicable, as if meetings and proceedings of the committee are meetings and proceedings of the directors.

## **16. PROCEEDINGS OF DIRECTORS**

### **16.1 Use of technology**

Any directors' meeting may be conducted at more than one (1) venue by using any technology that gives each director a reasonable opportunity to participate in the meeting and permits each director present to hear and be heard by each other director present.

### **16.2 Directors' meetings**

- 16.2.1 Any director may convene a directors' meeting. The Secretary must convene a meeting at the request of a director.
- 16.2.2 Notice of each meeting of the directors must be given to each director at least forty-eight (48) hours before the meeting or at another time determined by resolution of the directors. Despite this requirement, all directors may waive in writing the required period of notice for a particular meeting and it is not necessary to give a notice of a meeting of directors to a director who is out of Australia or who has been given leave of absence.
- 16.2.3 The notice may be given by telephone or other electronic means of communication. The notice must specify:
- a. The date and time for the proposed meeting;
  - b. The venue for the meeting unless the meeting is conducted under Rule 16.1;
  - c. If the meeting is to be conducted under Rule 16.1, the method for conducting the meeting; and
  - d. The nature of the business to be transacted at the meeting.

### **16.3 Quorum**

- 16.3.1 At a meeting of directors, the number of directors whose presence is necessary to constitute a quorum is three (3), with at least one (1) director appointed under Rule 14.3.1, at least one (1) director appointed under Rule 14.3.2 and one (1) director appointed under Rule 14.3.3 unless determined by the directors by Special Resolution.
- 16.3.2 The quorum of directors must be present throughout each directors' meeting. If a quorum is not present at any time the meeting is not validly convened but without affecting the validity of any business conducted before the absence of a quorum occurs.

### **16.4 Directors to continue to act**

Where a vacancy in the office of a director occurs, the remaining directors may continue to act. If the number of remaining directors is insufficient to constitute a quorum, the directors may act only for the purpose of increasing the number of directors to that required to constitute a quorum or to convene a general meeting.

### **16.5 Chairperson not present**

Where a directors' meeting is held and the chairperson:

- 16.5.1 Has not been appointed; or
- 16.5.2 Is not present within fifteen (15) minutes after the appointed time; or
- 16.5.3 Is unwilling to act,

then the directors present must elect one (1) other director to be chairperson of the meeting.

### **16.6 Voting**

At meetings of directors:

- 16.6.1 Each director entitled to vote may vote in person or by proxy or attorney or by representative (if a body corporate); and
- 16.6.2 On a show of hands every person present who is a director or a representative of a director has one (1) vote, and on a poll every director present in person or by proxy or attorney has one (1) vote.

#### **16.7 No casting votes**

The chairperson does have a casting vote in addition to any vote the chairperson has as a director.

#### **16.8 Circular resolution**

The Board may pass a resolution without a directors' meeting if all of the directors entitled to vote on the resolution sign a document stating that they are in favour of the resolution. Duplicate copies of the document may be used for signing. The resolution is deemed to be passed when the last director signs.

#### **16.9 Validity of directors acts**

All things done by any directors' meeting or by a committee of directors or by any person acting as a director will be valid even though it subsequently becomes known that:

- 16.9.1 There was some defect in the appointment of a person to be a director or a member of the committee, or to act as a director; or
- 16.9.2 A person appointed was disqualified.

#### **16.10 Decisions of the directors**

16.10.1 Except where a Special Resolution is required under this Constitution or the Law, or where a decision is required to be made unanimously by the directors under Rule 16.10.2, questions arising at a meeting of directors must be decided by an Ordinary Resolution of directors present and voting and an Ordinary Resolution is for all purposes a decision of the directors.

16.10.2 The following decisions, matters and actions must be decided by the directors unanimously:

- a. To authorise any borrowings or financial accommodation or increasing existing borrowings or financial accommodation (in whatever form) of an amount in excess of \$5,000 per annum;
- b. To incur expenditure or liability exceeding \$5,000 per annum on its capital accounts in any financial year for an individual transaction or a series of transactions in aggregate;
- c. To enter into any transaction that is not proposed on a commercial "arm's length basis" or of any unusual or onerous nature or that is outside the ordinary course of the Discretionary Risk Activities;
- d. To request financial assistance to finance the operations of the Company whether by way of capital contribution and/or loan;
- e. To sell any part of the Company or any asset of the Company;
- f. To implement any proposal to cease to carry on the Discretionary Risk Activities or a substantial part of the Discretionary Risk Activities;
- g. To merge all or any substantial part of the assets of the Company with any other entity's business;
- h. To give guarantees or indemnities for or on behalf of the Company;
- i. To make any material change to the accounting policies for the Company (other than as required to comply with applicable accounting standards);
- j. To transfer, sell or surrender any asset of the Company or the whole or any part of any material undertaking of the Company;
- k. To purchase the freehold in any property or determine the terms and conditions on which the Company will at any time and from time to time lease or purchase premises for the Company or the operation of the Discretionary Risk Activities or any other immovable property (such as fixtures/fittings);
- l. To appoint or remove the actuary, accountant or auditors for the Company;



- m. To incorporate a company or otherwise establish any other legal entity to carry on the Discretionary Risk Activities or provide services or resources;
- n. To commence a new business for the Company;
- o. To commence, defend or settle any legal or arbitration proceedings other than routine debt collection;
- p. To invest the Contributions other than in accordance with a delegated investment mandate given by the unanimous resolution of the directors;
- q. To exercise discretion to pay Claims other than in accordance with a delegated claims handling authority given by the unanimous resolution of the directors;
- r. To create, grant or release any mortgage, charge, or undertaking or other security or encumbrance over assets of the Company;
- s. To dispose of or grant any option or right of pre-emption in respect of assets of the Company;
- t. To acquire any insurances or allow any current insurances to lapse;
- u. To make any material alteration in the nature and/or direction of the Company or the Discretionary Risk Activities or the nature or scope of the Discretionary Risk Activities;
- v. To acquire any personal property for the Company with a value in excess of \$5,000;
- w. To execute any contract or enter into any commitment with a value of \$5,000 or more for each financial year.

16.10.3 The directors may by Special Resolution change or modify the matters, decisions and actions that require unanimous approval of the directors under Rule 16.10.2.

#### **16.11 Minutes**

The directors will cause proper minutes to be made of:

16.11.1 All directors' meetings;

16.11.2 All appointments of offices;

16.11.3 The proceedings of all directors' meetings and committees of directors;

16.11.4 The attendance at all meetings of the directors and the business transacted at those meetings, and any minutes purporting to be signed by the chairperson of the meeting or by the chairperson of the next succeeding meeting, will be conclusive evidence of the matters recorded in them without any further proof.

#### **16.12 Resolution in writing**

A resolution in writing signed by all directors, excluding directors who have been given leave of absence or who are outside of Australia, is to be treated as a determination of the directors passed at a meeting of the directors duly convened and held.

#### **16.13 Form of resolution in writing**

16.13.1 A resolution in writing may consist of several documents in like form, each signed by one (1) or more directors and if so signed it takes effect on the latest date on which a director signs one version of the documents.

16.13.2 If a resolution in writing is signed by an alternate director, it must not also be signed by the appointor of the alternate director and vice versa.

16.13.3 In relation to a resolution in writing, a document generated by electronic means which purports to be a facsimile of a resolution of directors is to be treated as a resolution in writing and a document bearing a facsimile of a signature is to be treated as signed.

## **17. ALTERNATE DIRECTORS**

### **17.1 Appointment of an alternate**

A director may appoint any person to be an alternate director during any period as a director requires, but only:

- 17.1.1 With the approval of the other directors; and
- 17.1.2 While the appointor is not available to act.

### **17.2 Notice of meetings**

An alternate director is entitled to notice of and to vote at directors' meetings unless the appointor is present at the meeting.

### **17.3 Power of alternate**

An alternate director may exercise any of the appointor's powers during any period that the appointor is unavailable to do so. The exercise of any power by the alternate director is deemed to be the exercise of that power by the appointor.

### **17.4 Termination of appointment**

The appointment of an alternate director will terminate:

- 17.4.1 On notice by the appointor even though the appointment period has not expired;
- 17.4.2 Automatically if the appointor ceases to be a director.

### **17.5 Responsibility**

An alternate director will, whilst acting as a director, be responsible to the Company for his or her own acts and defaults and will not be deemed to be the agent of the director by whom he was appointed.

### **17.6 No remuneration**

An alternate director will not be entitled in that capacity to receive any remuneration from the Company.

## **18. INTERESTED DIRECTORS**

### **18.1 Notice requirements**

18.1.1 If the director has material personal interest in any matter that relates to the affairs of the Company, the director must disclose that interest to the other directors unless the director is not required to disclose the interest in the circumstances listed in Section 191(2) of the Law.

18.1.2 The notice disclosing the director's material personal interest must:

- a. Give details of the nature and extent of the interest and how it relates to the affairs of the Company;
- b. Be given at the directors' meeting as soon as practicable after the director becomes aware of the interest; and
- c. Be recorded in the minutes of the directors' meeting at which the notice is given.

### **18.2 Director must not vote**

A director who has a material personal interest in any matter being considered at a directors' meeting must not be present while the matter is being considered and must not vote on the matter.

### **18.3 Exception to Rule**

Regardless of Rule 18.2, if:

- 18.3.1 The director is not required to disclose the interest under Section 191 of the Law; or
- 18.3.2 The director has disclosed the interest under Section 191 of the Law and the other directors not having a material personal interest in the matter pass a resolution that:
  - a. Identifies the director, the nature and extent of the director's interest in the matter and its relation to the affairs of the Company; and
  - b. States that those directors are satisfied that the interest should not disqualify the director from voting on the matter or being present; or
- 18.3.3 ASIC has determined that the director may be present and vote under Section 196 of the Law, then the director may be present at the meeting considering the matter and may vote in relation to it.

### **18.4 No quorum available**

If a quorum of directors is not present at any meeting because of the operation of Rule 18.3, any director may call a general meeting and the general meeting may pass a resolution to deal with the matter.

### **18.5 Director not disqualified**

If a director is permitted to be present and to vote by virtue of Rule 18.3:

- 18.5.1 That director will not be disqualified by the office from contracting with the Company either as vendor, purchaser or otherwise;
- 18.5.2 No contract made by that director with the Company and no contract or arrangement entered into by or on behalf of the Company in which that director is in any way interested may be avoided by reason only of that director holding that office or of the fiduciary relationship established by it;
- 18.5.3 That director will not be liable to account to the Company for any profit realised under any contract or arrangement by reason only of that director holding the office or of the fiduciary relationship established by it;
- 18.5.4 That director may:
  - a. Execute any deed or document on behalf of their company; and
  - b. Count in a quorum.

### **18.6 Standing notice**

- 18.6.1 A director may give the other directors a standing notice that:
  - a. The director is a director or Member of any specified company or firm and is to be regarded as interested in all subsequent transactions with that company or firm; or
  - b. The director has any other interest in any matter, at any time and whether or not the matter relates to the Company's affairs at the time.
- 18.6.2 The notice under Rule 18.6.1 must comply with Section 192 of the Law and will only be effective if it has not expired at any relevant time.
- 18.6.3 If a notice is given in accordance with Rule 18.6.1 and the notice is effective at the relevant time, the notice will be sufficient disclosure under these Rules in relation to any contract, proposed contract or arrangement to be made by the Company.

### **18.7 Other office may be held**

A director may hold any other office or place of profit, except that of auditor, in the Company in the conjunction of the directorship and may be appointed upon terms of remuneration, tenure of office and otherwise as the directors decide.

### **18.8 Professional director may act**

Any director may act in a professional capacity for the Company, and will be entitled to remuneration for professional services regardless of the directorship but only in accordance with Rule 14.8.4.

## **19. COMMON SEAL**

### **19.1 Election to adopt common seal**

The directors may resolve that the Company adopt a common seal. If the Company adopts a common seal, it will include:

19.1.1 Only the Company's name where the Company has its ACN as its name; or

19.1.2 The Company's name, the expression "ACN" and its Australian Company number in all other cases.

### **19.2 Duplicate common seal**

The directors may adopt a duplicate common seal. Any duplicate common seal must be a copy of the common seal with the words "Duplicate Seal", or "Certificate Seal" added to it.

### **19.3 Prohibited use**

A director must not use, or authorise the use of a seal which purports to be the common seal of the Company (or a duplicate of the common seal) if the common seal does not comply with the requirements of this Rule.

## **20. EXECUTION OF DOCUMENTS**

### **20.1 Execution with or without the common seal**

The Company may execute a document with or without affixing a common seal. The Company executes a document if the document is signed by:

20.1.1 Two (2) directors; or

20.1.2 One (1) director where authorised by a resolution of a directors' meeting; or

20.1.3 A director and the Secretary.

### **20.2 Execution of deeds**

The Company may execute a document as a deed if the document is expressed to be executed as a deed and is executed in accordance with this Rule 20.

### **20.3 No limitation**

This Rule will not be interpreted as limiting the manner in which the Company may execute a document (including a deed).

## **21. COMMITTEE**

### **21.1 Delegation to committee**

The directors may delegate any of their powers to any committee or committees of directors as they decide.

### **21.2 Powers of committee**

A committee to which any powers have been delegated must exercise the powers delegated in accordance with any directions of the directors. A power exercised in accordance with those directions is deemed to have been exercised the directors.

### **21.3 Committee chairperson**

The members of the committee may elect one (1) of their number as chairperson of their meetings.

### **21.4 Election of chairperson**

Where a committee meeting is held and:

21.4.1 A chairperson has not been elected; or

21.4.2 The chairperson is not present within fifteen (15) minutes after the appointed time; or

21.4.3 The chairperson is unwilling to act,

the committee members present may elect one (1) of their number to be chairperson of the meeting.

### **21.5 Decision by Ordinary Resolution**

Questions arising at a committee meeting will be determined by an Ordinary Resolution of the committee members who are present and voting and each committee member present and entitled to vote shall have one (1) vote.

### **21.6 No casting votes**

The chairperson does have a casting vote, in addition to any vote he or she has a committee member.

## **22. MANAGING DIRECTOR**

### **22.1 Appointment**

The directors may from time to time appoint one (1) or more directors to be the managing director of the Company. The managing director's appointment will be for a period and on terms as the directors decide. The directors may revoke the managing director's appointment.

### **22.2 Termination**

A managing director's appointment automatically terminates if he or she ceases for any reason to be a director.

### **22.3 Remuneration**

A managing director will be entitled to receive any remuneration determined by the directors.

## **22.4 Powers of managing director**

- 22.4.1 The directors may confer upon a managing director any of the powers exercisable by them with any conditions or restrictions as the directors decide.
- 22.4.2 Any of those powers may be made concurrent with or exclusive of the powers of the directors.
- 22.4.3 The directors may at any time withdraw or vary any of these powers.

## **23. SECRETARY**

The Secretary will be appointed by the directors on terms and conditions determined by the directors. The directors may appoint a person as an additional Secretary or as acting Secretary or as a temporary substitute for the Secretary who will, for the purposes of these Rules, be deemed to be the Secretary. The directors may at any time remove or replace the Secretary.

## **24. ACCOUNTS AND AUDIT**

### **24.1 Proper records kept**

The directors must ensure that proper accounting and other records are kept. A balance sheet and profit and loss account must be prepared and distributed to all Members at least once in each Protection Year.

### **24.2 Auditor**

The Company must appoint an auditor or auditors, whose duties will be regulated in accordance with the Law.

## **25. RESERVES**

### **25.1 Make reserve**

The directors may:

- 25.1.1 Write off from the Company's earnings any amount for loss or depreciation of any property;
- 25.1.2 Set aside any amount out of their Company's profits,  
as a reserve fund to meet contingencies or for repairing, improving and/or maintaining any of the Company's property and/or for any other purposes which are conducive to the interests of the Company.

### **25.2 Deal with reserve**

The directors may:

- 25.2.1 Invest, lend or dispose of any reserved amounts in any way;
- 25.2.2 Deal with, vary and dispose of any investments or parts of them for the benefit of the Company;
- 25.2.3 Divide the reserve fund into special funds; and/or
- 25.2.4 Employ the assets constituting the reserve fund in the business of the Company and without being bound to keep the same separate from other assets.

## **26. INSPECTION OF RECORDS**

### **26.1 Conditions**

The directors may determine whether and under what conditions the accounting records or other documents of the Company will be open to the inspection of Members.

### **26.2 No right unless authorised**

A Member does not have the right to inspect any document of the Company except as provided by the Law or authorised by the directors or by the Company in general meeting.

### **26.3 Directors' right**

The directors have the right at any time to inspect the accounting records or other documents of the Company, whether or not they are a Member.

## **27. NOTICES**

### **27.1 Form of notice**

Any notice or other communication in connection with this Constitution must be in writing and signed by the person giving the notice and be addressed to the Notice Address of the person to whom it is to be given.

### **27.2 Time of delivery**

The notice or other communication will be deemed to be received:

27.2.1 In the case of a posted letter, on the third day after posting;

27.2.2 In the case of delivery by generally recognised overnight courier, on the second day after dispatch with that courier;

27.2.3 In the case of personal delivery, on the date of delivery;

27.2.4 In the case of facsimile transmission, at the time recorded on the transmission report from the machine from which the facsimile was sent; or

27.2.5 In the case of transmissions by electronic mail, on the day of transmission if the electronic medium sending the notice states that the transmission was completed before 5:00pm on a business day, otherwise on the next business day. This method of service is effective only if the medium's report states that it was sent in full and without error and the message is not rejected or undeliverable as evidenced by a message to that effect received by the sender.

## **28. INDEMNITY AND INSURANCE**

### **28.1 Indemnity against liability**

To the extent permitted by the Law, the Company may indemnify every person who is, or who has been, a director or officer of the Company or any Related Body Corporate against:

28.1.1 Any liability incurred by them in their capacity as a director or officer, to a person other than the Company or Related Body Corporate, except where the liability relates to a wilful breach of duty or a contravention of Section 181 to 184 of the Law;

28.1.2 Any liability for legal costs or expenses incurred by them in defending any proceedings in which judgement is given in their favour; or

28.1.3 Any liability for legal costs or expenses incurred by them in defending any proceedings in which they are acquitted or the Court grants relief in their favour.

## **28.2 Insurance**

To the extent permitted by the Law, the Company may insure or pay any premiums on a policy of insurance for a director or officer of the Company or of a Related Body Corporate against any liability for which the Company indemnifies the director or officer under Rule 28.1.

## **28.3 Resolution to Grant Indemnity**

A director may vote in favour of the resolution that the Company grant an indemnity pursuant to Rule 28.1, take insurance or pay the premiums on an insurance policy even though the director has a direct and material interest in the outcome of the resolution.

## **29. WINDING UP**

### **29.1 Contributions to cover debts etc.**

In the event of the winding up of the Company, every Member of the Company undertakes to contribute to the property of the Company, the amount which is agreed to be paid by each Member to be applied:

- 29.1.1 To payment of the debts and liabilities of the Company contacted before ceasing to be a Member;
- 29.1.2 To fund the Claims approved for payment by the directors;
- 29.1.3 To the costs, charges and expenses of winding up; and
- 29.1.4 For the adjustment of the rights of the contributors among themselves.

### **29.2 Liability of Members**

- 29.2.1 The liability of each Member under Rule 29.1, will terminate on the day which is six (6) months after the date on which the Member's membership of the Company ceases.
- 29.2.2 Until otherwise determined, the amount to be contributed by each Member under this Rule 29.1 will be \$100.

## **30. SURPLUS FUNDS**

### **30.1 Dealing with surplus funds**

Subject to the Law, if upon winding up or dissolution of the Company or prior to closing any Protection Year, the Board reasonably consider that:

- 30.1.1 The Contributions and other receipts (including transfers from reserves and provisions) in respect of the previous Protection Year; and
- 30.1.2 All transfers to reserves and provisions made out of the Contributions paid for Claims to be determined by the directors in respect of such Protection Year including reasonable provision for likely Claims to be made by the Members,

will or is likely to exceed the claims, expenses, losses and other outgoings (whether incurred, accrued, contingent or anticipated) falling upon the Company for that year, then the excess may at the discretion of the directors be disposed of in whole or in part as follows:



- 30.1.3 To establish any additional Claims reserves which in the reasonable opinion of the directors are appropriate for the Company;
- 30.1.4 To the Foundation Member or its nominee to fund the operations of a non-for-profit association or company which is operated for the benefit of the Members collectively with objects which are similar to the objects of the Company or to provide benefits which are similar to one or more of the benefits provided by the Company;
- 30.1.5 Any other distribution which is permitted by law and consistent with the principles of mutuality.

### **30.2 Surplus following closure of Protection Year**

Except in the case of winding up or dissolution of the Company, a disposal under Rule 30.1 may be made by way of subsidising the cost of protection for a Member or a group of Members in a future Protection Year or by arranging additional benefits for Members in accordance with the objects of the Company.