



CORPORATIONS LAW

CONSTITUTION

Of

QUEENSLAND COUNTRY BANK LIMITED

CONSTITUTION OF QUEENSLAND COUNTRY BANK LIMITED

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PREAMBLE

The company is a public company limited by shares which is regulated under the Corporations Act. The company is authorised to carry on banking business under the Banking Act 1959 (Cth) and is required to comply with the standards issued by the Australian Prudential Regulation Authority (APRA). The company operates on the basis of the following Principles of Mutuality. These Principles of Mutuality are not binding, except to the extent that the Constitution expressly provides otherwise.

Principles of Mutuality

Membership and Member Shares

How to become a member

1. A person can only become a member by subscribing for a member share.

How many member shares a mutual may issue a person

2. Subject to the exception in Principle 3, a mutual may only issue one member share to any person.
3. A trustee for an unincorporated association may be issued 1 member share in the trustee's own right, and 1 member share as trustee for the unincorporated association.

Voting

4. A member share must confer the right to 1 vote, and only 1 vote, at meetings of the mutual's members.

Dividends and Surplus

5. A member share may confer a right to participate in the mutual's profits through payment of dividends.
6. A member share must confer a right to participate in surplus when the mutual is wound up. If the company is wound up, the only people who are allowed to share in any undistributed surplus are current members, a like institution or a charity and, subject to this Constitution and the terms of issue of the MCIs, MCI holders.
7. The company is intended to be an MCI mutual entity as defined in the Corporations Act. If there are any MCI holders, they may receive only dividends and participate in surplus assets in that capacity to the extent permitted by this Constitution, the Corporations Act, the prudential standards and the terms of issue of the MCIs.
8. Any participation in profit or surplus must be on equitable terms.

Redemption and Transfer

8. A member share must confer on the member a right to redeem the member share on request, subject only to:
 - (a) compliance with prudential standards or prudential regulations; and
 - (b) any period of notice set out in the mutual's constitution.
9. Subject to the exceptions in Principle 13, member shares may not be transferred.
10. A trustee for an unincorporated association may transfer the member share that the trustee holds on trust for the unincorporated association.

Additional Shares

Definition

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11. All shares issued by a mutual other than member shares and MCI's are additional shares.

Issue of additional shares only to members

12. A mutual may only issue additional shares to a person who has been a member of the mutual continuously for the past 6 months.

Voting

13. Subject to the exceptions in Principle 14, an additional share must not confer the right to vote.
14. Additional shares may confer the right to vote, at meetings of the holders of additional shares, on questions affecting the continuing existence of the mutual.

Dividends and Surplus

15. An additional share may confer the right to participate in the mutual's profits through payment of dividends.
16. An additional share may confer a right to participate in surplus when the mutual is wound up but only to the extent of:
 - (a) repayment of capital paid on the additional shares; and
 - (b) payment of arrears of cumulative dividends.
17. The right to participate in profits and surplus conferred by additional shares may be preferred, equal or deferred to the rights conferred by the member shares.

Redemption and Transfer

18. An additional share may confer on the holder of the additional share a right to redeem or, subject to Principle 18, to transfer the additional share.
19. The holder of additional shares may only transfer additional shares to a person who has been a member of the mutual continuously for the past 6 months.

Directors

20. Only a member of a mutual may be a director of the mutual.

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PRELIMINARY

1. Preliminary

1.1 In this Constitution, unless the contrary intention appears:

'**Auditor**' means the Company's auditor;

'**Business day**' has the same meaning as in the *Corporations Act 2001 (Cth)*;

'**Company**' means Queensland Country Bank Limited ABN 77 087 651 027 and before 1 July 1999 means the credit union of the same name incorporated and formed under the *Financial Institutions Code*;

'**Constitution**' means the constitution of the Company as amended from time to time;

'**Corporations Law**' means the Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth);

'**Director**' includes any person occupying the position of director of the Company;

'**Directors**' means all or some of the Directors acting as a board;

'**Fit and Proper Policy**' means the policy adopted by the Directors in relation to the fitness and propriety of Directors, senior managers and auditors required by APRA Prudential Standard CPS 520 or any other prudential standard or law applying from time to time.

'**General Meeting**' means a general meeting of the members and any voting MCI holders;

'**MCI**' means a Mutual Capital Instrument as described in Schedule 5;

'**MCI holder**' means a person who is the holder of an MCI and whose name the Company has entered for the time being in the Register of Shareholders it keeps under the Corporations Act;

'**Member**' means a person whose name is entered for the time being on the Register as the holder of one (1) or more Membership Shares;

'**Membership Shares**' means the Membership Shares referred to in **clause 2.4 (a)**;

'**Nominations Committee**' means the committee referred to in **clause 63A**.

'**Office**' means the Company's registered office;

'**Register**' means the register of the Company keeps under the Corporations Act;

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'Registered address' means the last known address of a Member as noted in the Register;

'Representative' means a person appointed by a Corporate Member to act as representative at a General Meeting of the Company under **clause 46** or under Section 250D of the *Corporations Act (2001) (Cth)*;

'Secretary' means any person appointed by the Directors to perform any of the duties of a secretary of the Company and if there are joint secretaries, any one (1) or more of such joint secretaries;

'Shares' means shares of the Company including Membership Shares, Additional Shares and MCIs;

'Subscription price' means:

- (a) In relation to a membership share, the amount payable by a person on subscription for a membership share;
- (b) In relation to an additional share, the amount payable by a person on subscription for an additional share; and
- (c) In relation to an MCI, the amount payable by a person on subscription for an MCI or if the MCI was created on conversion of a capital instrument in accordance with prudential standards, the nominal dollar value of that capital instrument prior to conversion into the MCI.

'Transaction' in **clause 15** in relation to a Member's deposit account with the Company means a debit or credit to the account, other than for:

- (a) the payment of interest by the Company; or
- (b) the charging of a fee by the Company for keeping the account.

'Voting MCI holder' means an MCI holder who has one vote at a general meeting either because such MCI holder is also the holder of a member share or because the MCI holder has been granted one vote under the terms of issue of the MCIs held.

1.2 In this Constitution, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa and words importing a gender include other genders;
- (b) words importing natural persons include corporations;
- (c) words and expressions defined in the *Corporations Law* have the same meaning in this Constitution;
- (d) headings are for ease of reference only and do not affect the construction of this Constitution; and

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- (e) a reference to the *Corporations Law* is a reference to the *Corporations Law* as modified or amended from time to time.
 - (f) a reference to something being written or in writing or printed is a reference to any mode of representing or reproducing words in visible form and includes without limitation emails, facsimiles and documents in electronic form.
- 1.3 An expression in a provision of this Constitution has the same meaning as in a provision of the *Corporations Law* that deals with the same matter as the provision, unless the contrary intention appears in this Constitution.
- 1.4 To the extent permitted by law, the replaceable rules in the *Corporations Law* do not apply to the Company.
- 1.5 (a) The Company is intended to be an MCI mutual entity for the purposes of the *Corporations Act*.
- (b) A resolution of the company that would result in the company ceasing to be an MCI mutual entity can only take effect if:
- (a) there are no MCIs in the company; or
 - (b) the resolution provides for each MCI to be cancelled at or before the time the company ceases to be an MCI mutual entity (whether or not the holders of the MCIs to be cancelled are to receive other securities in respect of those MCIs).

ISSUED SHARES

2. Statutory Membership Shares and Statutory Redeemable Preference Shares

- 2.1 Prior to 1 July 1999, the Company was a credit union regulated under the *Financial Institutions Code* with withdrawable shares on issue.
- 2.2 On 1 July 1999, the Company was taken to have become registered as a public company limited by shares under the *Corporations Law* and:
- (a) each person who was a member of the Company immediately before 1 July 1999, became a Member of the Company;
 - (b) all withdrawable shares of the Company on issue immediately before 1 July 1999 became redeemable preference shares of the Company (Statutory redeemable preference shares); and
 - (c) any person who was a Member of the Company immediately before 1 July 1999 and who did not hold any shares in the Company, was taken to have been issued with a Membership Share on 1 July 1999 (Statutory membership shares).
- 2.3 After 1 July 1999 but before the date of adoption of this Constitution, the Company issued to persons becoming Members of the Company, shares in the Company pursuant to regulation 12.8.12 of the *Corporations Regulations*. These shares are called 'Transitional Redeemable Preference Shares'.

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- 2.4 On 11 August 2000 pursuant to the Corporations Regulations in force at the time the Directors resolved that a new class of Membership Share of ten dollars (\$10) each be created, that all Membership Shares in the Company as at 11 August 2000 be converted to one (1) unpaid ten dollar (\$10) Membership Share and that a Member's ten (10) one dollar (\$1) Redeemable Preference Shares be converted to a fully paid ten dollar (\$10) Membership Share. Accordingly, the issued shares of the Company as at the date of adoption of this Constitution comprise Membership Shares.
- 2.4 (a) At a General Meeting of Members on 17 April 2019, it was resolved that the subscription price of a Membership Share be \$nil.
- 2.5 A Membership Share confers on the holder the following rights and obligations:
- (a) it is taken to have been issued under the Corporations Law;
 - (b) it carries the rights and obligations that were conferred or imposed on the shareholder in a capacity other than that of shareholder by:
 - (i) the Company's rules (as in force immediately before 1 July 1999); and
 - (ii) the previous Financial Institutions Code;
 - (c) the share is not transferable or transmissible by the Member;
 - (d) can be cancelled at the option of the shareholder or the Company in the circumstances in which the Member who holds the share could have had their membership of the Company cancelled immediately before 1 July 1999.
- 2.6 Without limiting **clause 2.5**, the rights and obligations conferred on the holders of Membership Shares in relation to:
- (a) repayment of capital;
 - (b) participation in distribution of profits and surplus assets;
 - (c) voting;
 - (d) priority of payment of capital in respect of any other class of shares in the Company,
- are those which are set out in this Constitution.

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NEW SHARE ISSUES - MEMBERSHIP REQUIREMENTS

3. Eligibility

A person, including a body corporate is only eligible for membership in accordance with this Constitution.

4. Common bond for individuals

A person, other than a body corporate, is eligible for membership under any one of the following categories:

- (a) A resident of the Commonwealth of Australia;
- (b) A person who is a Member but has ceased to be eligible for membership in accordance with the categories of membership.

5. Common bond for bodies corporate

A body corporate is eligible for membership where the body corporate has an office or business address within the area specified in the common bond for individuals under **clause 4(a)**.

- (a) A Body Corporate does not cease to be a Member because the Body Corporate does not retain, subsequently, eligibility for membership under this clause.

6. Admission to membership

The Directors have the power to admit a person to membership provided:

- (a) the person makes written application in a form as required by the Directors. An application for membership may be made by completing an electronic application form, signing it (whether electronically or otherwise) and returning it to the Company. An electronic application received by the Company will be taken to be signed electronically by a person if the application form has been verified in the manner approved by the directors from time to time;
- (b) the person submits evidence satisfactory to the Directors as to that person's eligibility under this Constitution;
- (c) the person subscribes for one (1) Membership Share at an issue price of \$nil per share; and
- (d) pays any admission fee.

7. Membership admission or rejection – delegation of power

The Directors may, by resolution, delegate to officers of the Company, its power to admit or reject Members;

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- (a) any delegation must not include authority to
 - (i) further delegate the power to admit or reject Members.
- (b) The delegation must be evidenced by a resolution of the Directors and a copy of that resolution must be given to each delegate.

8. Admission to membership - absolute discretion

The Directors have an absolute discretion in exercising the power to admit Members without any obligation to assign a reason for not admitting a person as a Member.

9. Issue of new Membership Shares

Upon the Directors admitting a person to membership, the Company must:

- (a) issue and allot the Membership Share;
- (b) enter particulars in the Register; and
- (c) give the person written notification that their application for membership has been accepted.

10. Trusts not recognised

- 10.1 Except as required by law or as otherwise provided by this Constitution, the Company will not recognise any person as holding a Share on trust and the Company will not recognise any equitable, contingent, future or partial interest or any other right in respect of a Share except the registered holder's absolute right of ownership.
- 10.2 Subject to the other clauses, this **clause 10** applies even if the Company has notice of the relevant trust, interest or right.

11. Joint holders

- 11.1 If two (2) or more persons are registered as the holders of a Share, they are taken to hold the Share as joint tenants with benefits of survivorship and the person whose name appears first on the Register is the only joint holder entitled to receive notices from the Company.
- 11.2 Any one of the joint holders of a Share may give effectual receipts for any return of capital payable to the joint holders.

MEMBERSHIP CEASING

12. Cessation of membership

A person ceases to be a Member when:

- (a) that person is expelled under **clause 14**;

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- (b) that person's membership is cancelled under **clause 15**;
- (c) that person redeems his or her Membership Share from the Company in accordance with **clause 22**;
- (d) the capital paid in relation to that person's Membership Share has been appropriated by the Company under **clause 26**;
- (e) the Directors approve an application for cancellation of membership by a holder of a Membership Share on being satisfied that all financial accommodation and other obligations have been discharged;
- (f) that person becomes a bankrupt or, being a body corporate is wound up;
- (g) that person dies; or
- (h) that person fails to pay the unpaid amount on his or her Membership Share which is due under **clause 23.3**.

13. Cancellation of shares

The Shares of a person who ceases to be a Member are cancelled immediately on that person ceasing to be a Member.

14. Expulsion

- (a) The Directors may expel a Member on the grounds that the Member:
 - (i) has failed to discharge his or her obligations to the Company;
 - (ii) has been guilty of conduct that the Board reasonably determines to be detrimental to the Company; or
 - (iii) has obtained membership by misrepresentation or mistake.
- (b) The Directors may, by resolution, delegate their power to expel a Member.
- (c) Before proceedings to consider a resolution to expel a Member, the Directors (or their delegate) must give the Member fourteen (14) days' notice of the proposed resolution.
- (d) At the time the Directors (or their delegate) consider the proposed resolution, the Member is entitled:
 - (i) to be present with or without his or her legal representative; and
 - (ii) to be heard, either in person or through his or her legal representative.
- (e) The Company must pay the expelled Member the amount paid up on that Member's Membership Share after satisfaction of all liabilities and obligations.

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- (f) The expelled Member has the right of appeal (if any) from a decision of the Board (or its delegate) in accordance with the dispute resolution procedure established by the Board in accordance with **clause 80**.

15. Dormancy

- (a) The Company may classify a Member's deposit account as a dormant account if:
 - (i) there have been no Transactions on the account for at least one (1) year;
 - (ii) the Company has given the Member a written notice stating that, unless the Member gives to the Company a written notice within one (1) month stating that the Member wishes the account to remain open, the Company intends to close the account; and
 - (iii) the Company does not receive a written notice from the Member under paragraph (ii).
- (b) The Company may cancel that Member's shares if the Member's only account with the Company is a dormant account.
- (c) The Company may transfer the amount held in a dormant account to a suspense account.
- (d) The Company may charge a Member a fee for keeping an account for the Member in the suspense account but the fee must not be more than the lesser of:
 - (i) the amount held for the person in the suspense account; or
 - (ii) the amount of the fee as determined by the Directors from time to time.
- (e) This clause is subject to any law of unclaimed money.

16. Transmission of Shares on Death

- 16.1 On the death of a Member or MCI holder, the Company may recognise either the personal representative of the deceased Member or MCI holder or another person who appears to the Directors to be entitled to the deceased Member's or MCI holder's estate (the beneficiary) as being entitled to the deceased Member's or MCI holder's interest in the shares.
- 16.2 If the personal representative or beneficiary gives the Directors the information it reasonably requires to establish and to be registered as holder of the shares, the personal representative or beneficiary may elect to:
 - (a) be registered as the holder of the shares; or
 - (b) apply to terminate the Membership

- 16.3 The estate of a deceased Member or MCI holder:

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- (a) remains liable to the Company for the amount of any unpaid financial accommodation provided by the Company to the deceased Member or MCI holder; and
- (b) retains any entitlements due from the Company.

17. Transmission of Shares on Bankruptcy

If the trustee of an estate of a bankrupt Member or MCI holder gives the Directors the information it reasonably requires to establish the trustee's entitlement to be registered as holder of the Member's shares, the trustee may require the Company to register them as holder of the Member's shares.

18. Transmission of Shares on Mental Incapacity

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

- (a) the person may elect to be registered as the holder of the shares; and
- (b) whether or not registered as the holder of the shares, the person has the same rights, obligations and restrictions as the incapacitated Member or MCI holder.

SHARES

19. Classes of Shares

19.1 The Directors may only issue Membership Shares, Additional Shares and MCIs.

19.2 The Directors must not issue:

- (a) options to subscribe for Membership Shares;
- (b) securities that may be converted to Membership Shares; or
- (c) securities with pre-emptive rights to Membership Shares.

19.3 The Directors may only issue a Membership Share to persons who are not minors on the basis that the person pays the full subscription price (if any) in cash on issue. The Directors may issue a Membership Share to minors who subscribe for the Membership Share and agree to pay the issue price (if any) on attaining majority.

19.4 The Directors may only issue one (1) Membership Share to any person.

20. Subscription Price

The subscription price for a Membership Share is \$nil.

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Schedule 1A sets out the process for the Board to make a call for payment on partly paid shares.

21. Share Certificates

For so long as it is permitted by law, no share certificates will be issued in respect of Membership Shares.

If the Company is required by the *Corporations Act* to issue a share certificate to a MCI holder in respect of MCIs, the MCI holder may require the Company to issue to the MCI holder without charge one (1) certificate of each class of MCIs in the Company that the MCI holder holds, unless the terms of issue of the MCIs otherwise provide.

22. Redemption of Membership Shares

22.1 The Company must repay the amount paid up (if any) in respect of a Member's Membership Share if:

- (a) the Member requests it; and
- (b) the Member has repaid all outstanding financial accommodation and discharged all other obligations to the Company.

23. Members who are minors

23.1 The Directors may admit a minor who is eligible to membership of the Company.

23.2 A Member who is a minor may not;

- (a) vote at a meeting of the Company; or
- (b) hold office in the Company.

23.3 A Member who is a minor must, on attaining his or her majority, pay the issue price (if any) of his or her Membership Share.

23.4 Each Member who is a minor must not exercise any rights of membership on attaining majority until he or she satisfies the requirement of **clause 23.3**.

23.5 If the Member consents, the Company may debit the Member's deposit account for the amount required under **clause 23.3**.

24. Transfer of Shares

24.1 A Member may not transfer, sell or assign the Membership Share but may require such Membership Share to be repaid in accordance with **clause 22**.

24.2 An MCI holder wishing to transfer MCIs must use a share transfer that complies with the following requirements:

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- (a) The share transfer relates to one (1) class of shares only;
- (b) The share transfer is in writing; and
- (c) The share transfer is in a form that the Board approves.

24.3 On receiving a share transfer, the Company becomes the owner of the share transfer and has a right to exclusive possession of the share transfer.

24.4 The Company must not register a share transfer if:

- (a) the terms of issue for the shares prohibit the transfer of the shares to the transferee;
- (b) the share transfer is not in the form set out in Rule 24.2; or
- (c) if the transfer of shares is dutiable — the share transfer is not duly stamped.

24.5 The Company may refuse to register a share transfer unless:

- (a) the shares are fully paid;
- (b) the Company does not have a lien on the shares;
- (c) the transferor has executed the share transfer;
- (d) the transferee has executed the share transfer;
- (e) a certificate for the shares accompanies the share transfer;
- (f) the Board has all information that it reasonably requires to establish the right of the transferor to transfer the shares; and
- (g) the board has all information that it reasonably requires to establish that the transferee agrees to be an MCI holder of the Company

25.5 The transferor of shares remains the holder of those shares until the Company enters the transferee's name as holder of those shares in the Register.

25. Additional Shares

All shares are under the control of the Directors who may issue or allot shares to Members only in accordance with this Constitution.

Subject to the approval of a general meeting, compliance with the provisions of the *Corporations Law* and satisfying the requirements of the Australian Prudential Regulation Authority, the Company may raise capital by the issue of Additional Shares of a different class.

26. Right of Set-off on Membership Share or Deposit Account

26.1 If the Company has informed a Member:

- (a) at the time when the Member took up his or her Membership Share or placed money on deposit under the former rules; and
- (b) at least once a year after that time,

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the Company may set-off against that Member's Membership Share or the credit balance of that Member's deposit account any debt owed by the Member to the Company.

- 26.2 If the Company has complied with **clause 26.1**, the Company has in relation to any debt owed by that Member of the Company, a right of set-off against:
- (a) the Member's Membership Share;
 - (b) the credit balance of any deposit account of the Member; and
 - (c) any interest, bonus or rebate payable to the Member.
- 26.3 The Company can exercise its right of set-off by appropriating any capital paid in relation to the Member's Membership Share or any other money subject to the right of set-off. If the Company appropriates the whole of the capital paid in relation to a Member's Membership Share or the credit balance of any deposit account of the Member, the Membership Share held by that person or monies in any such deposit account will be forfeited and any surplus funds must be refunded to the Member.

DIVIDENDS

27. Entitlement of holders of Membership Shares

No dividends are payable on Membership Shares.

28. Entitlement of holders of Additional Shares and MCIs

Dividends may however be payable in respect of Additional Shares and MCIs. Subject to the terms of issue on the shares, the Board may determine:

- (a) the amount of the dividend;
- (b) the time for payment of the dividend; and
- (c) the method of payment of the dividend.

GENERAL MEETINGS

29. Convening general meetings

- 29.1 The Directors must cause a general meeting, called the "annual general meeting", to be held within five (5) months after the close of the Company's financial year.
- 29.2 All other general meetings of the Company are special general meetings which may be convened by the Secretary at any time upon the direction of the Directors.
- 29.3 (a) A Member may request the Directors to convene a general meeting only in accordance with the *Corporations Law*.
- (b) A Member may not convene or join in convening a general meeting except in

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accordance with the *Corporations Law*.

30. Notice of general meeting

30.1 Subject to the provisions of the *Corporations Law* allowing general meetings to be held with shorter notice, at least twenty one (21) days written notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) must be given to Members and voting MCI holders of any general meeting.

30.2 Written notice of a general meeting is to be given to Members and voting MCI holders:

- (a) if the Member or and voting MCI holder has elected to receive such notice, either personally, by post, by facsimile or other electronic means; and
- (b) by advertisement published in a newspaper circulating generally in each State or Territory in which the Company conducts its business.

30.3 A notice convening a general meeting:

- (a) must specify the place, date and time of the meeting and, if the meeting is to be held in two (2) or more places, the technology that will used to facilitate this;
- (b) must state the general nature of the business to be transacted at the meeting;
- (c) must state the terms of any special resolution and the fact that it is proposed as a special resolution;
- (d) may specify a place, facsimile number and electronic address for the purposes of proxy appointment; and
- (e) in relation to proxies:
 - (i) must state that the Member has a right to appoint a proxy;
 - (ii) must state whether or not the proxy needs to be a Member of the Company

30.4 A notice of the annual general meeting must state the business to be transacted at the meeting such as:

- (a) to confirm minutes of the last general meeting; and
- (b) to receive from the Directors, auditors or any officers of the Company reports upon the transactions of the Company during the last financial year, including balance sheets and profit and loss accounts; and
- (c) to announce the results of the postal ballot for the election of Directors; and
- (d) to determine any remuneration of Directors.

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- 30.5 (a) The Directors may postpone or cancel any general meeting whenever they think fit
(other than a meeting convened as the result of a request under **clause 29.3**).
- (b) The Directors must give notice of the postponement or cancellation to all persons entitled to receive notices from the Company.
- 30.6 The failure or accidental omission to send a notice of a general meeting (including a proxy appointment form) to any Member or the non-receipt of a notice (or form) by any Member does not invalidate the proceedings at or any resolution passed at the general meeting.

30A Technology

- (a) The Company may hold a general meeting at two (2) or more venues using any technology that gives the Members as a whole a reasonable opportunity to participate.
- (b) If, before or during a general meeting any technical difficulty occurs where one (1) or more Members may not be able to participate, the Chairman may:
- (i) adjourn the meeting until the difficulty is remedied; or
 - (ii) where a quorum remains present (in the venue at which the Chairman is present) and able to participate, subject to the Corporations Act, continue the meeting.

30B Direct Voting

- (1) In this rule "direct vote" means a vote at a general meeting delivered to the company by such means as approved by the Board.
- (2) The Board may determine:
- (a) that members or voting MCI holders entitled to attend and vote at a general meeting may cast a direct vote;
 - (b) the form, method and timing of giving a direct vote in order for the vote to be valid at a meeting;
 - (c) whether direct votes are counted where the vote is by show of hands.
- (3) A valid direct vote cast by a member or voting MCI holder has the same effect as if the member or voting MCI holder had cast the vote in person at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

31. Member

In clauses **32, 33, 34, 35, 36, 37, 38**, and clause 3(d) of Schedule 4, 'Member' includes a Member present in person or by proxy, attorney or Representative.

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32. Quorum

- 32.1 No business may be transacted at a general meeting unless a quorum of Members is present when the meeting proceeds to business.
- 32.2 A quorum is constituted by twenty (20) Members present at the meeting in person or by proxy. Each individual present may only be counted once toward a quorum. If a Member has appointed more than one (1) proxy or representative only one (1) of them may be counted toward a quorum. A quorum must be present during the entirety of the meeting.
- 32.3 If a quorum is not present within thirty (30) minutes after the time appointed for a meeting:
- (a) if the meeting was convened on the requisition of Members, it is automatically dissolved; or
 - (b) in any other case:
 - (i) it will stand adjourned to the same time and place seven (7) days after the meeting, or to another day, time and place determined by the Directors; and
 - (ii) if at the adjourned meeting a quorum is not present within thirty (30) minutes after the time appointed for the meeting, it is automatically dissolved.

33. Chairperson

- 33.1 The chairperson, or in the chairperson's absence the deputy chairperson of Directors' meetings will be the chairperson at every general meeting.
- 33.2 If:
- (a) there is no chairperson or deputy chairperson; or
 - (b) neither the chairperson nor deputy chairperson is present within fifteen (15) minutes after the time appointed for holding the meeting; or
 - (c) the chairperson and deputy chairperson are unwilling to act as chairperson of the meeting;
- the Directors present may elect a chairperson.
- 33.3 If no election is made under **clause 33.2**, then:
- (a) the Members may elect one of the Directors present as chairperson; or
 - (b) if no Director is present or is willing to take the chair, the Members may elect one of the Members present as chairperson.

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- 33.4 If there is a dispute at a general meeting about a question of procedure, the chairperson may determine the question.

34. Adjournment

- 34.1 The chairperson of a meeting at which a quorum is present:
- (a) in his or her discretion may adjourn a meeting with the meeting's consent; and
 - (b) must adjourn a meeting if the meeting directs him or her to do so.
- 34.2 An adjourned meeting may take place at a different venue to the initial meeting.
- 34.3 The only business that can be transacted at an adjourned meeting is the unfinished business of the initial meeting.
- 34.4 Except when a meeting is adjourned for more than twenty one (21) days, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 34.5 A notice of an adjournment for a meeting adjourned for more than twenty one (21) days is to be given to Members at least fourteen (14) days before the date of the adjourned meeting and must specify the place, the date and the hour of the meeting, and state the general nature of the business left unfinished at the meeting from which the adjournment took place.

35. Decision of questions

- 35.1 Subject to the *Corporations Law* in relation to special resolutions, a resolution is carried if a majority of the votes cast on the resolution are in favour of the resolution.
- 35.2 A resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded in accordance with the *Corporations Law*.
- 35.3 The chairperson does not have a casting vote in addition to the chairperson's votes as a Member, proxy, attorney or Representative.
- 35.4 Unless a poll is demanded:
- (a) a declaration by the chairperson that a resolution has been carried, carried by a specified majority, or lost; and
 - (b) an entry to that effect in the minutes of the meeting,
- are conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against the resolution.
- 35.5 The demand for a poll may be withdrawn.

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35.6 A decision of a general meeting may not be impeached or invalidated on the ground that a person voting at the meeting was not entitled to do so.

35.7 The clauses in **Schedule 3** outline the standing orders for general meetings.

36. Taking a poll

36.1 A poll will be taken when and in the manner that the chairperson directs.

36.2 The result of the poll will be the resolution of the meeting at which the poll was demanded.

36.3 The chairperson may determine any dispute about the admission or rejection of a vote.

36.4 The chairperson's determination, if made in good faith, will be final and conclusive.

36.5 A poll demanded on the election of the chairperson or the adjournment of a meeting must be taken immediately.

36.6 After a poll has been demanded at a meeting, the meeting may continue for the transaction of business other than the question on which the poll was demanded.

VOTES OF MEMBERS

37. Entitlement to vote

A Member's entitlement to vote may not be exercised if, in the case of a Member who is the holder of a Membership Share the Membership Share is not fully paid up:

- (a) in relation to an annual general meeting, on the day before nominations for election of Directors close; and
- (b) in relation to a special general meeting, at least seven (7) days before notice of the special general meeting is given.

38. Voting Rights

At general meetings:

- (a) each Member or voting MCI holder may vote by proxy;
- (b) subject to the provisions in this Constitution regarding voting by corporate representatives or proxy, on a show of hands or on a poll any Member or voting MCI holder present either personally or by proxy has one (1) vote, regardless of the number of Shares held.

39. Joint holders

39.1 Only the joint holder whose name appears first in the Register will be entitled to vote.

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- 39.2 For the purposes of this **clause 39**, several executors or administrators of a deceased Member in whose sole name any Shares are registered will be taken to be joint holders of those Shares.

40. Objections

- 40.1 An objection to the qualification of a voter may be raised only at the meeting or adjourned meeting at which the voter tendered its vote.
- 40.2 An objection must be referred to the chairperson of the meeting, whose decision made in good faith is final.
- 40.3 A vote which the chairperson does not disallow pursuant to an objection is valid for all purposes.

41. Votes by operation of law

A person who has satisfied the Directors in the time frames imposed by **Clause 37** that the person is entitled to a Share by operation of law may exercise all rights attached to the Share in relation to a general meeting, as if the person were the registered holder of the Share.

42. Votes by proxy

- 42.1 If a Member or voting MCI holder appoints a proxy, that proxy may vote on a show of hands.
- 42.2 A proxy may demand or join in demanding a poll.

43. Instrument appointing proxy

- 43.1 A Member or voting MCI holder who is entitled to vote at a meeting may appoint one (1) proxy.
- 43.2 A Member or voting MCI holder who is a natural person may appoint a proxy by a written appointment signed by the appointor or the appointor's attorney duly authorised in writing.
- 43.3 A Member or voting MCI holder which is a corporation may appoint a proxy by a written appointment executed in accordance with the *Corporations Law* or signed by the appointor's attorney duly authorised in writing.
- 43.4 A proxy need not be a Member.
- 43.5 (a) An appointment of a proxy must be in a form approved by the Directors.
- (b) **Schedule 1** sets out a form which will be taken to be approved by the Directors unless they resolve to use a different form.

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43.6 A proxy may vote or abstain as he or she chooses except to the extent that an appointment of the proxy indicates the manner in which the proxy will vote on any resolution. The proxy must vote or abstain on a poll or show of hands in accordance with any instructions on the appointment.

43.7 A proxy's appointment is valid at an adjourned meeting.

44. Lodgement of proxy

44.1 The written appointment of a proxy or attorney must be received by the Company, not less than forty-eight (48) hours (unless otherwise specified in the notice of meeting to which the proxy relates) before:

- (a) the time for holding the meeting or adjourned meeting at which the appointee proposes to vote; or
- (b) the taking of a poll on which the appointee proposes to vote.

44.2 If the appointment purports to be executed under a power of attorney or other authority, then the original document, or an office copy or a notarially certified copy of it, must be forwarded with the appointment.

44.3 The Company receives an appointment of a proxy and any power of attorney or other authority under which it was executed when they are received at:

- (a) the Office;
- (b) a facsimile number at the Office; or
- (c) a place, facsimile number or electronic address specified for that purpose in the notice of meeting.

45. Validity

A vote cast in accordance with an appointment of proxy or power of attorney is valid even if before the vote was cast the appoint or:

- (a) died;
- (b) became of unsound mind;
- (c) revoked the proxy or power; or
- (d) transferred the Shares in respect of which the vote was cast,

unless any written notification of the death, unsoundness of mind, revocation or transfer was received by the Company before the relevant meeting or adjourned meeting.

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46. Representatives of corporations

- 46.1 Any Member or voting MCI holder which is a corporation may appoint an individual as its representative as provided by the *Corporations Law*.
- 46.2 The chairperson of a general meeting may permit a person claiming to be a Representative to exercise his or her powers even if he or she has not produced a certificate evidencing his or her appointment, or may allow the Representative to vote on the condition that he or she subsequently establishes to the satisfaction of the chairperson of the general meeting his or her status as a Representative within a period prescribed by the chairperson of the general meeting.
- 46.3 The appointment of a Representative may set out restrictions on the Representative's powers.

46A Consideration of any resolution that may alter the Company's mutual structure

Schedule 4 applies to any Demutualisation Resolution (as defined in Schedule 4) to be submitted to Members.

APPOINTMENT AND REMOVAL OF DIRECTORS

47. Number of Directors

- 47.1 Subject to the *Corporations Law*, the Company may by resolution passed at a general meeting increase or reduce the minimum or maximum number of Directors.
- 47.2 Until the Company resolves otherwise the Board of the Company shall consist of at least five (5) directors.

48. Qualification

A person is not eligible to be a Director if the person:

- (a) in the case of a member-elected director (except for a director appointed by a resolution of members approving a merger with another mutual entity), has not been a member continuously for at least 12 months at the date of holding the election ; or
- (b) is not the representative of a body corporate member of the Company; or
- (c) is a minor; or
- (d) is a current employee of the Company (except where **clause 50 or 60** applies) or has been an employee in the three years immediately preceding the closing date for nominations; or

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- (e) is bankrupt, has applied to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounded with his or her creditors, or made an assignment of his or her remuneration for their benefit; or
- (f) is disqualified or prevented by law from being a director of the company under any Australian legislation or any regulatory requirement or standard made in accordance with such legislation applicable to the company; or
- (g) fails to provide all information and consents the Directors reasonably request to determine if the person is of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy or is disqualified or prevented by law from being a Director; or
- (h) has been convicted in the last ten (10) years of:
 - (i) an indictable offence in relation to the promotion, formation or management of a body corporate; or
 - (ii) an offence involving fraud or dishonesty; or
 - (iii) is a Member whose voting rights may not be exercised under **clause 37**; or
- (i) is assessed as being not of appropriate fitness and propriety to be and act as Director by reference to the Fit and Proper Policy.

49. Election of Directors and the appointment and removal of Directors

49.1 The clauses in **Schedule 2** apply to the election of Directors.

49.2 The Company may by resolution passed in general meeting:

- (a) remove any Director; and
- (b) appoint another person in the Director's place.

50. Casual Directors

50.1 If there is a casual vacancy in the office of a Director the Directors may appoint a person to be a director to fill the casual vacancy. The Directors may only appoint a person who is eligible to be a Director under **clause 48**. An employee may be appointed by the Board to fill a casual vacancy provided there is no other current Employee Director.

50.2 The term of office for a Director appointed to fill a casual vacancy ends at the end of the next annual general meeting after the Director's appointment unless the Members approve the appointment before the end of the next annual general meeting after the Director's appointment in which case his or her term expires at the end of the term of office of the Director whose office has become vacant. They shall be eligible for re-election.

BOARD APPOINTMENT OF ADDITIONAL DIRECTORS

50A. Appointment of skills-based and experienced directors

- 50A.1 The Board has the power at any time and from time to time to appoint a person as a member of the Board if the Board considers the person:
- (a) has skills or expertise that are required on the board or would benefit the Board;
 - (b) has experience in an area not otherwise available on the Board which will benefit the Board; or
 - (c) if the Board considers the appointment of the person as a director has some other benefit.
- 50A.2 A director appointed under this clause 50A shall hold office for a fixed term, as may be determined by the Board, or otherwise until:
- (a) the office automatically becomes vacant; or
 - (b) the director resigns; or
 - (c) the director is removed by the members; or
 - (d) the director is removed by the Board which the Board may do at any time and without the need to assign any reasons.
- 50A.3 The Board has the power to appoint a maximum of two additional directors in accordance with this Rule 50A from time to time (in addition to any director appointed under clause 50.1 and clause 60).
- 50A.4 For the avoidance of doubt, a Board-appointed director is entitled to vote as a director.
- 50A.5 The Board may only appoint a person under clause 50A if that person is not ineligible under clause 48.
- 50A.6 A person retiring as an elected director may be appointed by the Board under Clause 50A.1 on the basis of their skills, experience and corporate knowledge with the company. Such appointment or proposed appointment, and the reason for their appointment, must be disclosed to the members at the Annual General Meeting at which their term would otherwise complete.

51. Retirement by rotation and nominations of directors

- 51.1 At each annual general meeting one-third of the Directors (excluding an Employee Director) or, if their number is not a multiple of three (3), then the number nearest to but not more than one-third of the Directors must retire from office.

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- 51.2 (a) The Directors (excluding an Employee Director) to retire by rotation at an annual general meeting are those Directors who have been longest in office since their last election or appointment.
- (b) Directors elected or appointed on the same day may agree among themselves or determine by lot which of them must retire.
- 51.3 A Director must retire from office at the conclusion of the third annual general meeting after the Director was last elected, even if his or her retirement results in more than one-third of all Directors retiring from office.
- 51.4 A retiring Director will be eligible for re-election.
- 51.5 A person is eligible for election as a Director at a general meeting if they are eligible for election under **clause 48** and they comply with the Clauses relating to the nomination of candidates in **Schedule 2**.

52. Period of office

Subject to this Constitution, a Director (excluding an Employee Director) is elected for a term of three (3) years, commencing.

- (i) at the end of the annual general meeting at which the director's election is announced but only if the person is permitted by applicable law to be and act as a Director at the time of the announcement; or
- (ii) on the date, no later than 90 days after the annual general meeting, when the person is permitted by applicable law to be and act as a Director;

and ends at the end of the third AGM after the AGM at which the director's election is announced.

A person who is prohibited from being or acting as an "accountable person", or who is disqualified from being a Director, under the Banking Act is taken not to be permitted under applicable law to be or act as a Director unless and until the person is permitted under the Banking Act to be and act as an accountable person or ceases to be so disqualified, as the case may be.

If the person is not registered as an "accountable person" within 90 days after the annual general meeting the person is treated as never having been elected as a director and it is taken that the announcement was never made and that a casual vacancy exists for that position to be dealt with under clause 50.

Subject to this clause, a Director will continue to hold office until he or she dies or until his or her office is vacated pursuant to **clause 53**.

53. Vacation of office

The office of a Director immediately becomes vacant if the Director:

- (a) dies;

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- (b) ceases to be eligible to be a Director under **clause 48**;
- (c) as a representative of a body corporate member of the Company whose eligibility for election to the office was based on being that representative, ceases to be so eligible;
- (d) having been appointed as an Employee Director ceases to be an employee of the Company;
- (e) is absent from three (3) consecutive ordinary meetings of the Directors without its leave;
- (f) resigns by written notice given to the Directors;
- (g) is three (3) months in arrears in relation to money due to the Company and has failed to make arrangement for payment satisfactory to the Company;
- (h) completes a term of office;
- (i) is disqualified or prevented by law from holding office or continuing as a Director of the company under any Australian legislation or any regulatory requirement or standard made in accordance with such legislation applicable to the company;
- (j) fails to provide all information and consents the Directors reasonably request to determine if the person is of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy or is disqualified or prevented by law from being a Director;
- (k) is assessed as being not of appropriate fitness and propriety to be and act as Director by reference to the Fit and Proper Policy; or
- (l) is the subject of a direction under section 23 of the Banking Act 1959 (Cth);
- (m) cannot manage the Company because of his or her mental incapacity and is a person whose estate or property has had a personal representative or trustee appointed to administer it;
- (n) is removed by a resolution of the Company.

REMUNERATION OF DIRECTORS

54. Remuneration of Directors

- 54.1 The Company in general meeting must determine any remuneration of Directors (other than an Employee Director).
- 54.2 In the absence of apportionment determined by the meeting, the Directors may determine how the sum for their remuneration is to be apportioned among them (excluding any Employee Director) and how and when it is to be paid.

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- 54.3 The remuneration of Directors accrues from day to day.
- 54.4 In addition to remuneration, the Directors may be paid all reasonable expenses incurred by them in connection with the business of the Company.
- 54.5 The company may also pay a premium in respect of a contract insuring a person who is or has been a Director against a liability incurred by the person as a Director, except in circumstances prohibited by the *Corporations Law*.

55. Remuneration of Employee Director

- 55.1 The remuneration of an Employee Director may from time to time be fixed by the Directors.
- 55.2 The Company may pay a premium in respect of a contract insuring a person who is or has been an Employee Director against a liability incurred by the person as a Director, except in circumstances prohibited by the *Corporations Law*.

POWERS AND DUTIES OF DIRECTORS

56. Directors to manage Company

- 56.1 The business of the Company is managed by the Directors who may exercise all powers of the Company that this Constitution and the *Corporations Law* do not require to be exercised by the Company in general meeting.
- 56.2 Subject to any restrictions imposed by the *Corporations Law* and this Constitution the Directors may delegate any power, other than the power to delegate, which it may exercise to other officers of the Company.
- 56.3 Every Director and other agent or officer of the Company must:
- (a) keep secret all aspects of all transactions of the Company, except:
 - (i) to the extent necessary to enable the person to perform his or her duties to the Company;
 - (ii) as required by law; and
 - (iii) when requested to disclose information by the Directors, to the auditors of the Company or a general meeting of the Company; and
 - (b) if requested by the Directors, sign and make a declaration that he or she will not disclose or publish any aspect of any transaction of the Company.

PROCEEDINGS OF DIRECTORS

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57. Directors' meetings

- 57.1 The Directors may meet, adjourn and otherwise regulate its meetings as it thinks fit but the Directors must meet at least once every two months.
- 57.2 A meeting of the Directors may be convened:
- (a) by any two (2) Directors; or
 - (b) by the Secretary upon the authority of two (2) Directors.
- 57.3 Forty eight (48) hours' notice must be given of all meetings, except where:
- (a) the Chairperson determines there are exceptional circumstances; or
 - (b) a majority of Directors authorise the Secretary to convene a meeting on shorter notice.
- 57.4 If the Directors decide, a meeting of the Directors may be conducted by radio, telephone, closed circuit television or other electronic means.
- 57.5 A resolution passed by such a meeting is taken to have been passed at a meeting of the Directors held on the day on which and at the time at which the meeting was held and at the place where the Chairperson of Directors of such meeting was present notwithstanding the Directors are not present together in one place at the time of the meeting.
- 57.6 The provisions of this Constitution relating to proceedings of Directors apply so far as they are capable of application to meetings conducted pursuant to **clause 57.4**, with any necessary changes.
- 57.7 A majority of the number of Directors is required to be present to constitute a quorum
- 57.8 If, within thirty (30) minutes of the time appointed for a meeting of the Directors, a quorum is not present the meeting shall stand adjourned to the same day in the next week at the same time and place.

58. Decision of questions

- 58.1 Questions arising at a meeting of the Directors are decided by majority of votes of Directors present and voting.
- 58.2 In the case of an equality of votes, the Chairperson has a casting vote in addition to his or her deliberative vote.

59. Directors' interests

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

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- (a) enter into any contract or arrangement with the Company;
 - (b) be appointed to and hold any office or place of profit under the Company, other than the office of auditor; and
 - (c) act in a professional capacity, other than as auditor, for the Company,
- and may receive and retain for his or her own benefit any remuneration, profits or benefits as if he or she were not a Director.

59.2 Each Director must disclose his or her interests to the Company in accordance with the *Corporations Law* and the Secretary must record all declarations in the minutes of the relevant Directors' meeting.

59.3 A Director's failure to make disclosure under this clause does not render void or voidable a contract or arrangement in which the Director has a direct or indirect interest.

59.4 A Director with a material personal interest in relation to the Company's affairs that is being considered at a Directors meeting must not:

- (a) be present when the matter is being considered at the meeting; or
- (b) vote on the matter

unless the Directors pass a resolution:

- (i) identifying the Director, the nature and extent of the Director's interest in the matter and its relation to the affairs of the Company; and
- (ii) stating that the Directors are satisfied that the interest should not disqualify the Director from voting or being present.

59.5 (a) If the Director does purport to vote, the Director's vote will not be counted.

- (b) The requirement in this **clause 59.5(a)** is in addition to any requirements of the *Corporations Law* in relation to voting by an interested director of a public company.

59.6 A Director may join in executing in accordance with the *Corporations Law* any document relating to a contract or arrangement or proposed contract or arrangement in which the Director has an interest.

60. Employee Directors

The Board may appoint one (1) employee of the Company, otherwise qualified under clause 48 to be a Director of the Company. An employee may be appointed by the Board to fill the casual vacancy provided there is no other current Employee Director.

The Employee Director will stay in office until:

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- a) The office automatically becomes vacant; or
- b) The director resigns; or
- c) The director is removed by the members; or
- d) The director is removed by the board

Clause 51 (Retirement by Rotation) and Clause 52 (Period of Office) shall not apply to an Employee Director.

When the Board appoints a person under Clause 60, it must indicate whether the appointment is effected pursuant to that clause.

61. Remaining Directors

- 61.1 The Directors may act even if there are vacancies on the board.
- 61.2 If the number of Directors is not sufficient to constitute a quorum at a Directors' meeting, the Directors may act only to:
- (a) appoint a Director to fill a casual vacancy; or
 - (b) convene a general meeting.

62. Chairperson

- 62.1 The Directors shall elect one (1) of their number excluding an employee Director as Chairperson of their meetings and one (1) other of their number as Deputy Chairperson and may determine the periods for which they are to hold office.
- 62.2 If neither the Chairperson nor Deputy Chairperson is present within thirty (30) minutes of the time appointed for a meeting or neither is willing to act, the Directors present must elect one (1) of their number to chair that meeting only.
- 62.3 Where the Chairperson is not available to act as required by this Constitution the Deputy Chairperson may act in his or her place.
- 62.4 The Chairperson may be removed from the position of Chairperson by resolution of the majority of the Directors.

63. Directors' committees

- 63.1 Subject to any restrictions imposed by the *Corporations Law* and this Constitution, the Directors may delegate any of their powers to a committee or committees consisting of such of their number as they think fit.
- 63.2 A committee to which any powers have been so delegated must exercise the power delegated in accordance with any directions of the Directors and a power so exercised is taken to have been exercised by the Directors.

CONSTITUTION OF QUEENSLAND COUNTRY BANK LIMITED

63.3 A committee may meet and adjourn as it thinks proper and otherwise regulate its proceedings.

63.4 In the case of an equality of votes, the Chairperson of a committee does not have a casting vote in addition to his or her deliberative vote.

63A Nominations Committee

The Directors shall establish a Nominations Committee in accordance with Schedule 2A.

64. Resolutions without actual meetings

64.1 A resolution in writing of which notice has been given to all Directors and which is approved by a majority of the Directors entitled to vote on the resolution (not being less than the number required for a quorum at a meeting of the Board) is a valid resolution of the Board. The resolution may consist of several documents in the same form each approved by one or more of the Directors.

64.2 For the purposes of clause 64.1:

64.2.1 a reference to "all Directors" does not include a reference to:

- (a) a Director who, at a meeting of Directors, would not be entitled to vote on the resolution;
- (b) a Director who disqualifies himself or herself from considering the resolution in question; and
- (c) any Director on leave of absence approved by the Board.

64.2.2 a statement sent electronically by a Director to an agreed electronic address stating that they are in favour of a specified resolution shall be taken to be a document containing that statement and duly approved by the Director. Such document shall be taken to have been approved by the Director at the time of its receipt at the agreed electronic address.

64.3 A resolution in writing under clause 64.1 shall be deemed to have been passed at a meeting of the Directors held on the day and at the time at which the document was last approved by a Director and the document shall be deemed to constitute a minute of that meeting and shall be recorded by the Secretary in the minute book.

65. Validity of acts of Directors

If it is discovered that:

- (a) there was a defect in the appointment of a person as a Director or member of a Directors' committee; or
- (b) a person appointed to one of those positions was disqualified,

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all acts of the Directors or the Directors' committee before the discovery was made are as valid as if the person had been duly appointed and was not disqualified.

66. Minutes and registers

66.1 The Directors must cause minutes to be made of:

- (a) the names of the Directors present at all general meetings, Directors' meetings and meetings of Directors' committees;
- (b) all proceedings and resolutions of general meetings, Directors' meetings and meetings of Directors' committees;
- (c) all resolutions passed by the Directors in accordance with **clause 64**;
- (d) all orders made by the Directors and Directors' committees; and
- (e) all disclosures of interests made pursuant to **clause 59**.

66.2 Minutes must be signed by the Chairperson of the meeting or by the Chairperson of the next meeting of the relevant body, and if so signed will as between the members be conclusive evidence of the matters stated in such minutes.

67. Appointment of attorneys and agents

67.1 The Directors may from time to time by resolution or power of attorney executed in accordance with the *Corporations Law* appoint any person to be the agent or attorney of the Company:

- (a) for the purposes;
- (b) with the powers, authorities and discretions (not exceeding those exercisable by the Directors under this Constitution);
- (c) for the period; and
- (d) subject to the conditions,
determined by the Directors.

67.2 An appointment by the Directors of an attorney or agent of the Company may be made in favour of:

- (a) any company;
- (b) the members, directors, nominees or managers of any company or firm; or
- (c) any fluctuating body of persons whether nominated directly or indirectly by the Directors.

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- 67.3 A power of attorney may contain such provisions for the protection and convenience of persons dealing with an attorney as the Directors think fit.
- 67.4 The Directors may appoint attorneys or agents in writing to act for and on behalf of the Company.
- 67.5 An attorney or agent appointed under this **clause 67** may be authorised by the Directors to sub-delegate all or any of the powers authorities and discretions for the time being vested in it.

SECRETARY

68. Secretary

- 68.1 There must be at least one (1) secretary of the Company appointed by the Directors for a term and at remuneration and on conditions determined by them.
- 68.2 The Secretary is entitled to attend and be heard on any matter at all Directors' and general meetings.
- 68.3 The Directors may, subject to the terms of the Secretary's employment contract, suspend, remove or dismiss the Secretary.

INSPECTION OF RECORDS

71. Times and authorisation to inspect records

- 71.1 Except as otherwise required by the *Corporations Law*, the Directors may determine whether and to what extent, and at what times and places and under what conditions, the financial records and other documents of the Company or any of them will be open for inspection by Members other than Directors.
- 71.2 A Member other than a Director does not have the right to inspect any financial records or other documents of the Company unless the Member is authorised to do so by a court order or a resolution of the Directors.

RESERVES

72. Calculation and Distribution of reserves

The Company's profit or loss in any one financial year arising from its operations must be determined and dealt with in accordance with any applicable prudential standards. The Directors must also resolve in each financial year the amount of profit which must be carried to a reserve. Reserves can be used in the business of the Company or can be distributed on a winding up in accordance with this Constitution.

NOTICES

CONSTITUTION OF QUEENSLAND COUNTRY BANK LIMITED

73. Service of notices

- 73.1 Notice may be given by the Company to any person who is entitled to notice under this Constitution by:
- (a) serving it on the person;
 - (b) sending it by post, facsimile transmission or electronic notification to the person at the person's address shown in the Register or the address supplied by the person to the Company for sending notices to the person;
 - (c) if the notice is to a Member and the Member has no registered address, posting it on a notice board at the Office; or
 - (d) if the notice is to an MCI holder - in any manner permitted by the Corporations Act and any relevant terms of issue of the MCIs.
- 73.2 A notice sent by post is taken to be served:
- (a) by properly addressing, prepaying and posting a letter containing the notice; and
 - (b) on the day after the day on which it was posted.
- 73.3 A notice sent by facsimile transmission or electronic notification is taken to be served:
- (a) by properly addressing the facsimile transmission or electronic notification and transmitting it; and
 - (b) on the day after its despatch.
- 73.4 A notice posted on a notice board is taken to be served twenty four (24) hours after it is posted on the board.
- 73.5 A notice may be given by the Company to joint holders by giving the notice to the joint holder whose name appears first in the Register.
- 73.6 Every person who is entitled to a Share by operation of law and who is not registered as the holder of the Share is taken to receive any notice served in accordance with this clause on the person from whom it derives its title.
- 73.7 A Member whose registered address is not in Australia may specify in writing an address in Australia as the Member's registered address within the meaning of this clause.
- 73.8 A certificate in writing signed by a Director, Secretary or other officer of the Company that a document or its envelope or wrapper was addressed and stamped and was posted is conclusive evidence of posting.
- 73.9 Subject to the *Corporations Law* the signature to a written notice given by the Company may be written or printed.

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73.10 All notices sent by post outside Australia must be sent by prepaid airmail post.

74. Persons entitled to notice

74.1 Notice of every general meeting must be given to:

- (a) every Member;
- (b) every MCI Holder;
- (c) every Director; and
- (d) any Auditor.

74.2 No other person is entitled to receive notice of a general meeting.

AUDITS AND ACCOUNTS

75. Company to keep accounts

75.1 The Directors must cause the Company to keep written financial records in relation to the business of the Company in accordance with the requirements of the *Corporations Law*.

75.2 The Directors must cause the financial records of the Company to be audited in accordance with the requirements of the *Corporations Law*.

WINDING UP

76. Liability on Winding Up

76.1 Subject to this **clause 76**, on the winding up of the Company:

- (a) a Member's liability is limited to the amount unpaid in relation to the Member's contractual obligations with the Company; and
- (b) the liability of a holder of a Membership Share extends to the amount unpaid in relation to that share.

76.2 Any deposit paid by the holder of a Membership Share for the purposes of becoming a Member of the Company held by the Company at the date of commencement of any winding up will be subordinated to the claims of other creditors.

77. Surplus

On a winding up and subject to Schedule 5 herein, Members are entitled to participate in any surplus equally and without regard to the number of Shares held by any Member. In the case of a voluntary winding-up, the Members at the time they resolve to wind up the Company may resolve that any surplus be transferred to any Company which has a mutual structure in accordance with any current policy of the Australian

CONSTITUTION OF QUEENSLAND COUNTRY BANK LIMITED

Securities and Investments Commission or the Australian Prudential Regulation Authority.

PAYMENTS BY THE COMPANY

78. Indemnity and Insurance

- 78.1 To the extent permitted by law and that the officer or auditor is not indemnified by directors' and officers' liability insurance maintained by the Company, the Company indemnifies every person who is or has been an officer of the Company against any liability:
- (a) incurred by that person as such an officer or auditor to another person other than the Company or a related body corporate of the Company unless the liability arises out of conduct involving a lack of good faith; and
 - (b) for costs and expenses incurred by the person as such an officer or auditor:
 - (i) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or
 - (ii) in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Law.
- 78.2 The Company may pay or agree to pay a premium in respect of a contract insuring a person who is or has been an officer or auditor of the Company against a liability:
- (a) incurred by the person as such an officer or auditor unless the liability arises out of conduct involving:
 - (i) a wilful breach of duty in relation to the Company; or
 - (ii) without limiting **subparagraph (i)**, a contravention of the *Corporations Law*; or
 - (b) for costs and expenses incurred by the person as such an officer or auditor in defending proceedings, whether civil or criminal and whatever their outcome.

GENERAL

79. Dealing with non-Members

- 79.1 The Company must not provide financial accommodation to or accept deposits of money from a person who is not a Member except as provided for in this clause.
- 79.2 This clause however does not limit the powers of the Company to invest funds, subject to any particular laws and prudential standards, otherwise than by way of financial accommodation to its Members.

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- 79.3 The Company may accept deposits of money from non-Members subject to any requirements and restrictions imposed by the Board from time to time.

80. Dispute resolution

- (a) The Directors must appoint a person to settle disputes between the Company and a Member (in the capacity as a Member), and establish procedures for the settlement of such disputes.
- (b) A dispute between the Company and a Member (in the capacity as a Member) where not settled by the Company's internal procedures, will be settled in accordance with Directors policy as amended, from time-to-time.

SCHEDULE 1

FORM OF PROXY

CONSTITUTION OF QUEENSLAND COUNTRY BANK LIMITED

QUEENSLAND COUNTRY BANK LIMITED ABN 77 087 651 027 GENERAL MEETING

PROXY FORM

The Secretary
QUEENSLAND COUNTRY BANK LIMITED ABN 77 087 651 027

I/We
(please print full name)

of
(please print address)

being a Member(s) or voting MCI holder of Queensland Country Bank Limited ABN 77 087 651 027 appoint:

Name of proxy
(please print full name)

Address of proxy
(please print address)

or, in his/her absence, the chairperson of the meeting as my/our proxy to vote on my/our behalf at the general meeting of Queensland Country Bank Limited ABN 77 087 651 027 to be held on atam/pm and at any adjournment of that meeting.

Proxy instructions

To instruct your proxy how to vote, insert 'X' in the appropriate column against each item of business set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.

I/We instruct my/our proxy to vote as follows:

Resolution

For

Against

Abstain

☐☐☐

(refer over)

CONSTITUTION OF QUEENSLAND COUNTRY BANK LIMITED

QUEENSLAND COUNTRY BANK LIMITED ABN 77 087 651 027 GENERAL MEETING

Proxy Form (continued)

This proxy must be signed by each appointing Member/voting MCI holder or their attorney. Proxies given by companies must be executed in accordance with the Corporations Act 2001 or signed by an authorised officer or attorney.

	SIGNATURE(S)	NAME (print)	ADDRESS
Director			
Director/Secretary			

This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be received by Queensland Country Bank Limited ABN 77 087 651 027, [at the specified address] no later than am/pm on , being not later than forty eight (48) hours before the meeting.

Notes:

1. A Member or voting MCI holder who is entitled to vote at the meeting may appoint one proxy.
2. If you require an additional proxy form, the Company will supply it on request.
3. A proxy need not be a Member of the Company.

If you mark the abstain box for a particular item of business you are directing your proxy not to vote on your behalf for a show of hand or on a poll and your vote will not be counted when determining the required majority on a poll.

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SCHEDULE 1A

CALLS AND FORFEITURES

Sch 1A.1 Payment of Calls on Shares

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

Sch 1A.2 Effect of Failure to Pay Unpaid Amounts

- (1) This Clause applies if a member does not pay any amount of the unpaid subscription price for a share at the time the amount becomes due. This Clause does not limit any other remedies that the Company may have against the Member.

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(2) The Member must pay:

- (a) the amount due on the share; and
- (b) all costs and expenses that the Company incurs (including, without limitation, legal expenses on a solicitor and own client basis or full indemnity basis, whichever is the higher) because the Member did not pay the amount when it became due.

The Company may waive all or part of the expenses payable under this SubClause by board resolution.

Sch 1A.3 Forfeiture and Surrender

- (1) If a Member fails to pay a call or instalment of a call on the day appointed for payment of the call or instalment, the Directors may, at any time afterwards during such time as any part of the call or instalment remains unpaid, give a notice to the Member requiring payment of so much of the call or instalment as is unpaid, together with any interest that has accrued and all costs and expenses that may have been incurred by the Company by reason of that non-payment.
- (2) A share in respect of which the notice under Sch 1A.3(1) has not been complied with may at any time, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
- (3) A person whose shares have been forfeited:
 - (a) ceases to be a Member in respect of the forfeited shares and loses all entitlements on the shares; and
 - (b) remains liable to pay the Company all money that, at the date of forfeiture, was payable by that person to the Company in respect of the shares, plus interest from the date of forfeiture and also reasonable expenses of sale.
- (4) A Member may surrender any share to which a forfeiture notice relates. The Company may deal with surrendered shares in the same way as it deals with forfeited shares.

SCHEDULE 2

ELECTION OF DIRECTORS

Sch 2.1 Holding of Election

An election of Directors of the Company is to be held by electronic or postal ballot as determined by the Directors except where the number of nominations is equal to or less than the number of vacancies. If the number of persons who are duly nominated does not exceed the number of Directors to be elected separate resolutions will be proposed at the annual general meeting to confirm the appointment of each nominee. The Company's annual general meeting notice will state that an election of Directors will not take place at the annual general meeting and that separate resolutions will be proposed to confirm the appointment of each nominee.

If an election is to be held the directors must decide the election rules which must be made available to Members and voting MCI holders on request within 7 days after the date on which nominations close.

The directors shall make election rules that are consistent with this Constitution for, or about, the conduct of the elections of directors that this Constitution requires or permits to be prescribed, or that are necessary or convenient to be prescribed – including in relation to:

- (a) the approved methods of voting – which may include voting by electronic means;
- (b) the manner of indicating the candidate for whom an Ordinary Member votes;
- (c) the format and content of Ballot Papers; and
- (d) validating and counting votes.

If election rules are not agreed upon by the directors, the procedures set out in clauses Sch 2.2 to Sch 2.14 of this Schedule apply.

Sch 2.2 Appointment of Returning Officers

The Directors must appoint a Returning Officer who may appoint assistant Returning Officers, none of whom can be a Director of the Company or a person who intends to accept a nomination for the office of Director.

Sch 2.3 Electoral Roll

The Secretary must prepare and give the Returning Officer a list of Members and voting MCI holders eligible to vote on the election of Directors, made up to the day before nominations for the election close.

Sch 2.4 Nominations

- (a) The Directors must call for nominations at least fifty-six (56) days prior to the annual general meeting.

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- (b) Nominations close at least thirty-five (35) days before the annual general meeting.
- (c) In order to be nominated, a candidate must:
- (i) be eligible for election under **clause 48** (Qualification of Directors);
 - (ii) be nominated by two (2) Members;
 - (iii) consent to the nomination and to an assessment under the Fit and Proper Policy in the terms required by the Company; and
 - (iv) give the Returning Officer a notice of nomination and a declaration complying with Schedule 2 before nominations close.
- (d) The Returning Officer must initially accept or reject nominations in accordance with Clause 48 on receipt of the nomination.
- (e) The Returning Officer must cause nominations not rejected pursuant to Clause 48 to be forwarded to the Nominations Committee along with any accompanying documents as soon as practicable thereafter.

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Sch 2.5 Declaration by Candidate

A candidate must furnish to the Returning Officer a declaration in such form as the Directors may require:

- (a) as to his or her eligibility for election under **clause 48** (Qualification of Directors);
- (b) that they are not disqualified or prevented by law from being a Director and provide the Company with all information and consents reasonably requested, to determine if they are disqualified or prevented by law from being a Director;
- (c) as to whether he or she:
 - (i) has any interest in a contract or a proposed contract, with the Company other than a contract or a proposed contract to provide financial accommodation; or
 - (ii) holds an office or has an interest in property, whereby, whether directly or indirectly, duties or interests may be created that could conflict with a Director's duties or interests as a Director of the Company;
- (d) that they agree to comply with the Fit and Proper Policy and any codes of practice and procedures for Directors approved by the Directors from time-to-time; and

The provisions of this clause do not apply to retiring Directors seeking re-election.

Sch 2.6 Interview

- (a) Each Nominee including each retiring Director standing for election must submit to an interview with the Nominations Committee prior to the Postal Ballot being issued.
- (b) The interview can be conducted in such manner as determined by the Nominations Committee.

Sch 2.7 Rejection of Nomination

- (a) The Returning Officer must scrutinise nominations immediately upon receipt and reject a nomination where it appears to the Returning Officer that the candidate is not eligible under **clause 48** (Qualification of Directors).
- (b) Upon rejecting a nomination, the Returning Officer is to notify immediately the candidate, the candidate's proposers and the Directors.
- (c) The Directors must reject a nomination if the Nominations Committee reports that:
 - (i) The Nominee was unavailable to be interviewed by the Nominations Committee; or

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- (ii) The Nominee failed to provide the Nominations Committee with all information and documentation reasonably requested by the Nominations Committee to determine if the Nominee is of appropriate fitness and propriety to be and act as a Director for the coming term by reference to the Fit and Proper Policy.
- (d) The Directors shall determine having regard to the report of the Nominations Committee whether a person is eligible for election under the Fit and Proper Policy.
- (e) Upon determining that a Nominee is not of appropriate fitness and propriety to be an act as a Director for the coming term under the Fit and Proper Policy the Directors are to immediately notify the Returning Officer, the Nominee and their proposer.
- (f) Any Nominee not rejected by the Directors in accordance with this Clause becomes a candidate for election as a Director.

Sch 2.8 Appointment of Scrutineer

- (a) A candidate may appoint a scrutineer and the Directors may appoint a maximum of three scrutineers, none of whom is a candidate or an employee of the Company.
- (b) The duties and responsibilities of scrutineers are to:
 - (i) observe the sorting, counting and recording of ballot papers;
 - (ii) ensure that the votes of unrejected ballot papers are correctly credited to the appropriate candidates; and
 - (iii) raise any query with the Returning Officer regarding any of the ballot papers.

Sch 2.9 Ballot Papers

- (a) After nominations have closed the Returning Officer is to prepare ballot papers for the election.
- (b) The order in which the candidates appear on the ballot paper is to be determined by the Returning Officer by lot.
- (c) The Returning Officer must cause some authenticating mark to appear on each ballot paper prior to their distribution to Members.

Sch 2.10 Postal Vote

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- (a) The Returning Officer must send to each Member or voting MCI holder who is eligible to vote on an election of Directors at least twenty-one (21) days before the annual general meeting:
 - (i) a ballot paper;
 - (ii) an unsealed envelope marked "Ballot Paper";
 - (iii) an unsealed envelope, marked "Returning Officer", the reverse side of which shall bear the following:
 - Name of Member/voting MCI holder
 - Member's/voting MCI holder's Address
 - Member's/voting MCI holder's Signature
 - (iv) a postal envelope addressed to the Returning Officer.
- (b) Ballot papers may be delivered personally or posted to Members or voting MCI holders at their addresses shown in the Register.
- (c) Any Member or voting MCI holder exercising a right to vote must:
 - (i) complete the ballot paper in accordance with this Schedule;
 - (ii) place the ballot paper in the envelope marked "Ballot Paper";
 - (iii) place the sealed "Ballot Paper" envelope in the envelope marked "Returning Officer", complete it and return it to the Returning Officer.
- (d) A Member or voting MCI holder must ensure that his or her ballot papers are received by the Returning Officer by close of business on the day fixed for the closing of the ballot.
- (e) Any ballot paper not received by the Returning Officer prior to the closing of the ballot is excluded from the ballot.
- (f) Any ballot paper received by the Returning Officer is to be kept in secured ballot boxes until the closure of the ballot.
- (g) A Member or voting MCI holder who has not received a ballot paper or has spoiled it may send to the Returning Officer a declaration to that effect and the Returning Officer must:
 - (i) send a duplicate ballot paper to that Member or voting MCI holder;
 - (ii) mark the envelope marked "Returning Officer" "Duplicate"; and
 - (iii) keep a record of all duplicate ballot papers issued.

Sch 2.11 Closure of the Ballot

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The ballot closes at least seven (7) days before the annual general meeting.

Sch 2.12 Procedures After Close of the Ballot

- (a) As soon as practicable after the close of the ballot, the Returning Officer must deal with the ballots as follows:
- (i) open all postal envelopes and extract envelopes marked "Returning Officer";
 - (ii) for each envelope marked "Returning Officer", mark the Member's or voting MCI holder's name as shown on the envelope off the electoral roll;
 - (iii) where a duplicate ballot paper has been issued and the original envelope marked "Returning Officer" received, mark the original envelope "rejected";
 - (iv) if the envelope marked "Returning Officer" has not been signed, or the signature is identified as not being the Member's or there is insufficient detail to identify the Member, mark the envelope "rejected";
 - (v) extract the envelopes marked "Ballot Paper" from all unrejected envelopes marked "Returning Officer", ensuring that no envelope marked "Ballot Paper" could subsequently be identified with any particular Member or voting MCI holder;
 - (vi) when all the envelopes marked "Returning Officer" have been so dealt with, cause all the envelopes marked "Ballot Paper" to be opened and the ballot papers to be taken out;
 - (vii) cause the ballot papers to be scrutinised under his or her supervision and reject such ballot papers as he or she finds to be informal;
 - (viii) using electronic means:
 - (i) check validity of the ballot paper; and
 - (ii) record receipt of the ballot paper;
 - (ix) count the votes in accordance with **clause Sch 2.13** (Voting System). Counting of votes may be undertaken manually, electronically or by using scanning technology and equipment or a combination of such methods;
 - (x) prepare and sign a declaration of the ballot as to:
 - a. the number of ballot papers lodged;
 - b. the number of formal votes;

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- c. the number of informal votes;
 - d. the number of votes cast for each candidate; and
 - e. the names of those persons elected.
- (xi) deliver the statement to the Company's Secretary.
- (b) A ballot paper is informal if:
 - (i) it is not authenticated by the authenticating mark of the Returning Officer; or
 - (ii) it has no vote indicated on it or it does not clearly indicate the Member's or voting MCI holder's preference for a candidate.
- (c) The Returning Officer must preserve the ballot papers for a period of three (3) months after the declaration of the ballot and will then arrange for their destruction.
- (d) No election shall be voided on account of any error or omission of the Returning Officer which did not affect the results of the election.

Sch 2.13 Voting System

- (a) On any ballot, the persons receiving the highest number of votes in accordance with the numbers of vacancies to be filled are elected directors.
- (b) In the case of an equality of votes, the person to be elected must be decided by lot.

Sch 2.14 Electronic Voting

- (a) If the Company has an Electronic Voting System which permits Members or voting MCI holders to vote for the election of Directors by electronic means, then the Board may determine:
 - (i) that Members or voting MCI holders may record their votes in the election by electronic means; and
 - (ii) the manner in which Members or voting MCI holders will be identified for the purposes of voting in the election.
- (b) For the purposes of this Clause:
 - (i) If a determination has been made pursuant to Clause 2.14(a) the term ballot paper includes, when appropriate, a vote submitted by a member electronically using the Electronic Voting System; and
 - (ii) Electronic Voting System means the system approved by the board, which enables members to submit their vote by an electronic or telephonic device.

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- (c) If the Board makes such a determination:
 - (i) Members or voting MCI holders may vote by post or by electronic means, but may only vote once;
 - (ii) the Returning Officer shall, to facilitate voting by electronic means, provide Members or voting MCI holders an interactive copy of the ballot paper in a secure online system and make available reasonable information and voting instructions to assist the voting process. Requirements for an authenticating mark of the Returning Officer on the ballot paper shall not apply, but the Returning Officer must ensure that a Member cannot vote by electronic means more than once in the election;
 - (iii) a Member or voting MCI holder who votes by electronic means must ensure that his or her vote is submitted to the Returning Officer in accordance with any instructions given for voting by electronic means;
 - (iv) in respect of any vote received by the returning officer by electronic means, the Returning Officer must ensure that the fact that the member has voted is recorded;
- (d) the returning officer must cause all votes received by electronic means to be recorded in such a way that they cannot subsequently be identified with any particular member or voting MCI holder.
- (e) if a member or voting MCI holder lodges both a vote by post and a vote by electronic means, then the returning officer must:
 - (i) if one of the votes is informal, accept the formal vote; and
 - (ii) if both votes are formal, accept the vote received first.
- (f) the election procedures set out in the preceding clauses of Schedule 2 are deemed to be otherwise modified to the extent necessary to permit voting by electronic means.
- (g) For electronic voting, the Returning Officer is not liable for an electronic ballot paper not received as a result of any failure in the electronic information or computer system of the Company, of the member or voting MCI holder or of any third-party provider.

SCHEDULE 2A

NOMINATIONS COMMITTEE

Sch 2A.1 Appointment

- 1.1 The Board shall establish a Nominations Committee comprising one Director and two persons independent of the Board and Executive Management. Employees of the Company are not eligible to be appointed to the Nominations Committee.

The Director shall not be a Director standing for election and at least one independent should have extensive knowledge and experience in Board governance and financial services, either as a Director or manager.

Each person on the Nominations Committee must enter into an agreement with the Company to keep confidential their assessments under Sch 2A.2, during and after their appointment.

- 1.2 The Directors may at any time and in their absolute discretion:

- (a) Suspend or terminate the appointment of a Director as a member of the Nominations Committee; and
- (b) Give directions to the Nominations Committee as to the procedures it is to follow.

Sch 2A.2 Role

- 2.1 The Nominations Committee shall assess:

- (a) Persons for election or appointment as a Director; and
- (b) Persons to be appointed to the Board to fill a casual vacancy

prior to election or appointment to determine their fitness and propriety for appointment in accordance with the requirements of the Fit and Proper Policy.

- 2.2 After interviewing all persons seeking election or appointment as a Director the Nominations Committee shall provide to the Directors as soon as practicable and in any event for persons seeking election as a Director at least 5 days prior to the issuing of ballot papers to members with a report stating the:-

- (a) Name of each person interviewed by the Nominations Committee;
- (b) Name of each person who was unavailable to be interviewed by the Nominations Committee;
- (c) Name of each person who failed to provide the Nominations Committee with all information and documentation reasonably requested by the Nominations

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Committee to determine if the person is of appropriate fitness and propriety for appointment/election by reference to the Fit and Proper Policy or is disqualified or prevented by law from appointment/election;

- (d) Name of each person who demonstrated appropriate fitness and propriety by reference to the Bank's Fit and Proper Policy; and
- (e) Name of each person who failed to demonstrate appropriate fitness and propriety by reference to the Fit and Proper Policy.

SCHEDULE 3

STANDING ORDERS FOR GENERAL MEETINGS

The rules of debate at a general meeting of the Company are:

(a) Time Limits for Speakers:

- (i) the mover of a motion may speak for no more than ten (10) minutes;
- (ii) subsequent speakers may speak for no more than five (5) minutes;
- (iii) the mover of the motion may reply for no more than five (5) minutes;
- (iv) the meeting is free to extend the time a speaker may speak.

(b) Amendment:

- (i) on an amendment being proposed to an original motion, no second amendment may be considered until the first amendment has been dealt with;
- (ii) an amendment, when carried, displaces the original motion and becomes the motion to which any further amendment may be moved;
- (iii) if the amendment is not carried, then further amendments to the original motion may be considered.

(c) Speakers:

- (i) the mover of an original motion has a right to reply;
- (ii) the mover of an amendment does not have a right of reply;
- (iii) otherwise, a member may speak only once on the same question except to raise a point of order or, with the consent of the chairperson of the meeting, to give an explanation.

(d) Every motion and every amendment to a motion must be submitted in writing as and when the chairperson of the meeting requests.

(e) Closure of debate:

- (i) debate on a motion or an amendment may be brought to a close by a resolution "that the question be now put":
- (ii) the motion "that the question be now put" must be put to the meeting without debate.

SCHEDULE 4

CONSIDERATION OF DEMUTUALISATION RESOLUTIONS

1. Interpretation

In this Schedule, unless the contrary intention appears:

‘Additional Information’ means:

- (a) an explanation as to how the Demutualisation Resolution will affect Member rights as a holder of Shares and as a customer of the Company;
- (b) an explanation as to the effect of the Demutualisation Resolution on the Company and Members with respect to:
 - (i) the rights of Members to vote and to participate in the distribution of profits and reserves of the Company and the loss of any such rights; and
 - (ii) the effect on the business, operations, employees, products, services, pricing and distribution network of the Company;
- (c) an explanation of the mutuality benefits to Members that will be lost if the Demutualisation Resolution is passed; and
- (d) an explanation of the availability and effect of other alternatives to Demutualisation Resolution.

‘Ballot Closing Date’ means the date upon which a Direct Ballot closes, being a date fixed by the Returning Officer under clause 4.6 of this Schedule and specified in the notice referred to in clause 4.7(e) of this Schedule.

‘Demutualisation Resolution’ means a proposed resolution, or combination of proposed resolutions:

- (a) which, if passed, will or may result in a restructure; or
- (b) in relation to which the consent of the Treasurer is required pursuant to either section 63 of the Banking Act 1959 or section 11 of the Financial Sector (Shareholdings) Act 1998, unless the consent is required for the purposes of a voluntary transfer of the Company’s business, pursuant to the Financial Sector (Transfers of Business) Act 1999, to an Entity that is an authorised deposit taking institution that can or could assume or use the expression “Credit Union”, “Credit Society” or “Credit Co-operative” without committing an offence under the Banking Act or whose authority to use such expressions has been withdrawn by reason of the granting under section 66 of the Banking Act 1959 of authority to use the expressions “Business Banker” or “Banking”; or

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- (c) the effect of which would be to modify or repeal any clause in this Schedule; or
- (d) the effect of which would be to modify or repeal the Constitution where the effect of the modification or repeal is to modify, exclude or restrict the operation of the Clauses in this Schedule.

‘Direct Ballot’ means a ballot of Members in respect of a Demutualisation Resolution that is conducted in accordance with Clause 4 of this Schedule.

‘Directors’ Statement’ means a statement by the Directors containing:

- (a) the recommendation of each Director as to whether the Demutualisation Resolution should be passed and their reasons for making that recommendation;
- (b) details of any benefit to be received by the Directors if the Demutualisation Resolution is passed.

‘Entity’ includes any:

- (a) incorporated or unincorporated bodies;
- (b) trust or partnership; or
- (c) any legal, administrative or fiduciary arrangement, organisational structure or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

‘Information’ means:

- (a) a disclosure statement that:
 - (i) contains all the information that Members would reasonably require and expect to be given to make an informed decision about the Demutualisation Resolution, including but not limited to the Additional Information;
 - (ii) states that the Demutualisation Resolution may alter the Company’s mutual structure and outlines the intentions of the Member or Entity seeking to convene or convening a meeting of the Company;
 - (iii) in relation to the future of the Company if the Demutualisation Resolution is passed;
 - (iv) in relation to Members’ interests if the Demutualisation Resolution is passed;
 - (v) in relation to the Directors if the Demutualisation Resolution is passed; and

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- (vi) explains the effect the passing of the Demutualisation Resolution is likely to have on the business, operations, employees, products, services, pricing and distribution network of the Company;
- (b) an estimate of the financial benefits (if any) the Members, the Directors and/or other officers of the Company will be offered if the Demutualisation Resolution is passed;
- (c) a report by an expert that:
 - (i) states whether, in the expert's opinion:
 - (ii) the Demutualisation Resolution is in the best interests of the Members of the Company as a whole;
 - (iii) whether the Demutualisation Resolution is fair and reasonable to Members having regard to any change of voting rights and the right to participate in profits and reserves; and
 - (iv) sets out the expert's opinions in relation to the Additional Information; and
 - (v) gives the expert's reasons for forming those opinions; and
 - (vi) complies with the requirements of clause 33 of Schedule 4 of the Corporations Act;
 - (vii) contains any additional information required to be provided under the Corporations Act.

"Mutual" means a mutual entity defined in section 51M of the Corporations Act.

'Requisitionists' means the Members who request the convening of a general meeting that is convened by the Directors at the request of Members made under clause 29.3 or who call the meeting in accordance with sections 249E or 249F of the Corporations Act.

'Restructure' means when the Company (whether acting through Board. its members or otherwise) conducts or proposes to conduct a reduction of capital, scheme of arrangement, deed of arrangement, transfer of business or any other form of corporate restructure where after completion of the restructure it will result in:

- (i) the Company ceasing to be an authorised deposit-taking institution that can or could assume or use the expression "Credit Union", "Credit Society" or "Credit Co-operative" or "Bank", "Banker" or "Banking" without committing an offence under the Banking Act 1959; or
- (ii) a voluntary transfer of the Company's business, pursuant to the Financial Sector (Business Transfer and Group Restructure) Act 1999, to an Entity that is not an authorised deposit taking institution that can or

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could assume or use the expression "Credit Union", "Credit Society" or "Credit Co-operative" without committing an offence under the Banking Act 1959 or whose authority to use such expressions has been withdrawn by reason of the granting under section 66 of the Banking Act 1959 of authority to use the expressions "Bank", "Banker" or "Banking"; or

- (iii) Membership Shares becoming transferable or capable of sale or assignment; or
- (iv) a Member becoming entitled to hold more than one Membership Share; or
- (v) a right to vote attaching to any Share other than a Membership Share; or
- (vi) the Company ceases to be a mutual; or
- (vii) the successor to the company's business is not a mutual.

'Returning Officer' means a person appointed by the Directors as a Returning Officer under clause 4.1 of this Schedule.

'Special Resolution' means a resolution:

- (a) in relation to which notice as set out in paragraph 249L(1)(c) of the Corporations Act has been given; and
- (b) that has been passed by at least 75% of the votes cast by Members entitled to vote on the resolution.

2. Application of Schedule 4

Notwithstanding any provision contained in this Constitution to the contrary, this Schedule will apply if a meeting of the Company is convened, or is to be convened, at which a Demutualisation Resolution will be considered.

3. Requirement for General Meeting and Direct Ballot

If a meeting of the Company is convened, or is to be convened, at which a Demutualisation Resolution will be considered:

- (a) A general meeting may be convened and conducted in accordance with this Constitution to consider the Demutualisation Resolution as a Special Resolution;
- (b) The information required by clause 5 of this Schedule must be provided to Members in convening the general meeting to consider the Demutualisation Resolution;

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- (c) The Demutualisation Resolution shall only be passed at the general meeting if at least 75% of the votes cast by Members entitled to vote on the Demutualisation Resolution approve the Demutualisation Resolution;
- (d) The Demutualisation Resolution, if passed at the general meeting, shall not have any effect unless and until:
 - (i) a Direct Ballot is held within 4 months of the date of the general meeting to consider whether the adoption of the Demutualisation Resolution should be approved; and
 - (ii) by the Ballot Closing Date the Company has received votes from 25% of Members entitled to vote; and
 - (iii) of the votes received from Members entitled to vote by the Ballot Closing Date, 75% of the votes are in favour of approving the adoption of the Demutualisation Resolution.

4. Conduct of Direct Ballot

- 4.1 Within 7 days of a Demutualisation Resolution being passed at a general meeting the Directors must appoint a Returning Officer, who must not be a Director or Officer of the Company, and who must then conduct a Direct Ballot in accordance with this clause 4.
- 4.2 The Returning Officer must prepare a roll of the full names and addresses of the Members of the Company, as disclosed by the Register of Members as at midnight on the day before the general meeting referred to in Clause 3(a) of this Schedule, who are Members.
- 4.3 Only Members who are Members as at midnight on the day before the general meeting referred to in Clause 3(a) of this Schedule are entitled to vote in the Direct Ballot.
- 4.4 The Returning Officer must cause ballot papers to be prepared for the Direct Ballot.
- 4.5 Each ballot paper must be initialled or marked by the Returning Officer or an appointed assistant.
- 4.6 The Returning Officer must fix a Ballot Closing Date, which must be a date not more than 4 months after the date of the general meeting at which the Demutualisation Resolution was passed.
- 4.7 The Returning Officer must, at least 30 days prior to the Ballot Closing Date, send by post or otherwise deliver to every Member entitled to vote one set of the following material:
 - (a) one ballot paper;

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- (b) an envelope (in this Schedule referred to as the outer envelope) addressed to the Returning Officer;
- (c) a smaller envelope (in this Schedule referred to as the middle envelope), the reverse side of which contains provision for the name, membership number and signature of the Member;
- (d) a small envelope marked "Ballot Paper" (in this Schedule referred to as the inner envelope) into which the ballot paper is to be enclosed;
- (e) a notice which sets out:
 - (i) details of the Demutualisation Resolution upon which the decision of the Members is to be sought;
 - (ii) details of the number of Members who were eligible to vote at the general meeting at which the Demutualisation Resolution was passed and of the number of those Members who voted;
 - (iii) the Ballot Closing Date;
 - (iv) instructions for voting; and
 - (v) such further information, if any, as the Directors consider appropriate; and
- (f) the Information supplied to the Company and the Directors Statement.

4.8 The Returning Officer may send a duplicate ballot paper to any Member if the Returning Officer is satisfied:

- (a) that the Member has not received a ballot paper; or
- (b) that the ballot paper received by the Member has been lost, spoilt or destroyed and the Member has not already voted.

4.9 A Member casts a vote in the Direct Ballot by:

- (a) firstly, completing the ballot paper according to the instructions on the ballot paper;
- (b) secondly, placing the completed ballot paper in the inner envelope;
- (c) thirdly, completing the details on the reverse side of the middle envelope and signing the middle envelope;
- (d) fourthly, placing the middle envelope in the outer envelope; and

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- (e) fifthly, sending the outer envelope to the Returning Officer so that it is received by noon on the Ballot Closing Date.

4.10 The Returning Officer must:

- (a) provide a ballot box or boxes which must be locked immediately before the ballot papers are delivered to Members in accordance with Clause 4.7 and must remain locked until noon on the Ballot Closing Date; and
- (b) place all outer envelopes received from Members in the ballot box or boxes as they are received.

4.11 The counting of votes received by Direct Ballot shall be supervised by the Returning Officer.

4.12 The Returning Officer may be assisted in the performance of his or her duties by any person (who would be eligible to be a Returning Officer) appointed by the Returning Officer.

4.13 Ballot papers received after noon on the Ballot Closing Date are informal and must not be taken into account in the Direct Ballot.

4.14 As soon as practicable after noon on the Ballot Closing Date, the Returning Officer must, in the presence of such scrutineers as may be appointed by the Directors, open the ballot box or boxes and deal with the contents in accordance with Clause 4.15.

4.15 The Returning Officer must:

- (a) remove the middle envelope from the outer envelope;
- (b) if a duplicate outer envelope has been issued and the original outer envelope is received, reject the original envelope and mark it "Rejected"; and
- (c) according to the information on the middle envelope, for each set of voting papers returned, mark the Member's name on the roll;
- (d) if a Member's name has already been marked on the roll, reject the vote and mark it "Rejected"; and
- (e) if the middle envelope has not been signed, or if the details shown on the envelope are not sufficient to disclose by whom the vote is being exercised, reject the envelope and mark it "Rejected"; and
- (f) extract the inner envelopes containing the ballot papers from all un-rejected middle envelopes, separating the contents from the middle envelopes in such a way that no inner envelope could subsequently be identified with any particular Member; and

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- (g) when all the middle envelopes have been dealt with in the above manner, open all un-rejected inner envelopes and take the ballot papers from them.
- 4.16 Ballot papers must be scrutinised by the Returning Officer who must reject as informal any ballot paper that:
- (a) is not duly initialled or marked by the Returning Officer; or
 - (b) is so imperfectly completed that the intention of the Member cannot be ascertained by the Returning Officer; or
 - (c) has any mark or writing not authorised by this Schedule which, in the opinion of a Returning Officer, will enable the Member to be identified; or
 - (d) has not been completed as prescribed on the ballot paper itself.
- 4.17 No general meeting is required to be held for the counting of the votes received by the Company by Direct Ballot.
- 4.18 The Returning Officer must count all votes cast and make out and sign a statement of:
- (a) the number of formal votes in favour of approving the adoption of the Demutualisation Resolution;
 - (b) the number of formal votes against approving the adoption of the Demutualisation Resolution;
 - (c) the number of informal votes;
 - (d) the number of middle envelopes marked "Rejected";
 - (e) the proportion of the formal votes that were in favour of approving the adoption of the Demutualisation Resolution.
- 4.19 The Returning Officer must forward a copy of the statement to the Chairperson of the Company.
- 4.20 Following the counting of votes in the Direct Ballot the Company:
- (a) will display the result on the notice board at the Office and on the Company's website;
 - (b) will notify Members of the result of the Direct Ballot within 21 days; and
 - (c) retain the Direct Ballot votes in the possession of the Company for a period of 3 months, at the end of which period they will be destroyed.

5. Disclosure Requirements

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- 5.1 If a meeting of the Company at which a Demutualisation Resolution will be considered is convened or is to be convened in accordance with Clause 29.3(a), or otherwise than in accordance with Clause 29.3(b):
- (a) the Member or Members requesting the convening of the meeting shall at the time of requesting the convening of the meeting provide the Information to the Company; and
 - (b) the Company shall at the time of convening the meeting provide the Members with:
 - (i) notice of the Demutualisation Resolution and of the intention to consider the Demutualisation Resolution as a special resolution in accordance with section 249L(1)(c) of the Corporations Act;
 - (ii) the Information supplied to the Company;
 - (iii) the Directors' Statement; and
 - (iv) such further information, if any, as the Directors consider appropriate.
- 5.2 If a meeting of the Company at which a Demutualisation Resolution will be considered is convened or is to be convened in accordance with Clause 29.3(b), the Member or Members requesting the convening of the meeting shall at the time of convening the meeting provide the Information to the Members.
6. **Termination of this Schedule**
- 6.1 This Schedule will cease to have effect if and when the Australian Securities and Investments Commission or its successor publishes a notice to that effect and gives a copy of the notice to the Company.

SCHEDULE 5

MCI

1. Share capital from MCIs

- 1.1 Subject to compliance with the *Corporations Act* and satisfying the requirements of APRA in prudential standards where applicable, the Company may raise capital by issuing MCIs or capital instruments convertible into MCIs.
- 1.2 The Company may create or issue more MCIs at any time. The creation or issue of more MCIs does not vary the rights attached to MCIs or any other shares that the Company has already issued.

2. Issue

- 2.1 The subscription price for an MCI, or a capital instrument convertible to an MCI, will be determined by the Board.
- 2.2 Each MCI must be issued as a fully paid up share.
- 2.3 Any dividends in respect of an MCI are non-cumulative.

3. Rights of MCI Holders

- 3.1 The terms of issue of an MCI (including any terms, conditions or rights attaching to the MCI) will be determined by the Board in its sole discretion, subject to the requirements of this Constitution, the requirements for MCIs in the *Corporations Act* and any applicable prudential standards.
- 3.2 Subject to the terms of issue of an MCI, an MCI holder is entitled to a claim on the surplus assets and profits of the Company in a winding-up of the Company after all senior claims, including the aggregate subscription price paid for any member shares, have been satisfied and:
 - (a) the MCI holder's claim ranks equally and proportionately with the claims of all other MCI holders and members; and
 - (b) the amount of the MCI holder's claim cannot exceed the subscription price of the MCI.
- 3.3 Notwithstanding anything to the contrary in this Constitution, but subject to the requirements for MCIs in the *Corporations Act*, the Board may determine that the terms of issue of any MCIs contain such terms and conditions or attach such rights as the Board considers necessary or desirable for those MCIs to be eligible for inclusion as regulatory capital under any applicable prudential standards.
- 3.4 The following rights attach to each MCI:
 - (a) the right to vote on the terms set out in clause 38;
 - (b) the right to participate in dividends on the terms set out in clause 28; and

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(c) the right to participate in the distribution of profits or assets on a winding-up on the terms set out in clause 77.

3.5 The rights attached to MCIs (or a class of MCIs) may only be varied or cancelled by special resolution of the Company and:

(a) by a special resolution passed at a meeting of MCI holders holding MCIs in the relevant class; or

(b) with the written consent of MCI holders of at least 75% of the issued MCIs of that class.

Any variation of the rights attached to MCIs which constitute Common Equity Tier 1 Capital (as defined by APRA from time to time) of the Company is subject to the prior written approval of APRA, if the variation may affect the eligibility of such MCIs for inclusion as Common Equity Tier 1 Capital of the Company.

4. **Registration as holders of MCIs**

A person becomes registered as the MCI holder of that MCI upon entry by the Company in its Register of Members of the person's particulars in relation to the MCI as required by the *Corporations Act*.