



MERMAID MARINE
AUSTRALIA LTD

CORPORATE OFFICE

Endeavour Shed, 1 Mews Road
FREMANTLE WA 6160
PO Box 715, SOUTH FREMANTLE WA 6162
T (+61) 8 9431 7431 F (+61) 8 9431 7432
E corporate@mma.com.au
W www.mma.com.au
ABN 21 083 185 693

18 October 2012

The Listing Manager
Australian Securities Exchange Ltd
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

MERMAID MARINE AUSTRALIA LIMITED (“COMPANY”) - NOTICE OF 2012 ANNUAL GENERAL MEETING

Pursuant to Listing Rule 3.17, please find **attached** a copy of the following documents which have been mailed to the Company's shareholders today:

- Notice of Annual General Meeting;
- Proxy Form; and
- Constitution.

A copy of the Company's 2012 Annual Report was released to the ASX on 21st September 2012 and is available for review on the Company's website at www.mma.com.au.

Kind regards,
MERMAID MARINE AUSTRALIA LTD

Dylan Roberts
General Manager Legal / Company Secretary

MERMAID MARINE ASIA PTE LTD

81 Tras Street, SINGAPORE 079020
T (+65) 6220 7388 F (+65) 6223 7383

DAMPIER SUPPLY BASE

MERMAID SUPPLY BASE PTY LTD
PO Box 822, KARRATHA WA 6714
Mermaid Road, DAMPIER WA 6713
T (+61) 8 9183 6600 F (+61) 8 9183 6660

BROOME SUPPLY BASE

TOLL MERMAID LOGISTICS BROOME PTY LTD
PO Box 3401, BROOME WA 6725
Lot 549 Port Drive, BROOME WA 6725
P (+61) 8 9194 4200 F (+61) 8 9194 4299

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**AGM** or **Meeting**) of members of Mermaid Marine Australia Limited ABN 21 083 185 693 (**Company**) will be held at the Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia 6000 on Thursday, 22 November 2012 at 10.30am (Perth time).

BUSINESS

Item 1. Annual Financial Report, Directors' Report and Auditor's Report

To consider the Annual Report of the Company for the period ended 30 June 2012, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Item 2. Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 1

"That the Remuneration Report for the year ended 30 June 2012 be adopted."

The Remuneration Report is set out in the 2012 Annual Report. Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement for Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) both of the following apply:
 - (i) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
 - (ii) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above; or
- (d) all of the following apply:
 - (i) the person is the Chairman of the meeting; and
 - (ii) the Chairman does so as a proxy appointed by writing that does not specify how the proxy is to vote on Resolution 1; and
 - (iii) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above; and
 - (iv) the Shareholder/s on whose behalf the Chairman is acting as proxy marks/mark the box on the proxy form, directing the Chairman to vote in accordance with the Chairman's stated voting intentions (where the Shareholder/s has/have not indicated in the proxy form a different voting intention for Resolution 1).

Item 3. Re-election of Mr. Anthony (Tony) Howarth as a Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 2

"That Mr. Tony Howarth who will retire as a Director by rotation in accordance with article 72.1 of the Company's Constitution, and who is eligible for re-election as a Director in accordance with article 72.2 of the Company's Constitution and who offers himself for re-election, be re-elected as a Director."

Item 4. Re-election of Ms. Eva Alexandra (Eve) Howell as a Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 3

"That Ms. Eva Howell who was appointed as an addition to the existing Directors in accordance with article 75.1 of the Company's Constitution, and who is eligible for re-election as a Director in accordance with article 75.2 of the Company's Constitution and who offers herself for re-election, be re-elected as a Director."

Item 5. Re-election of Mr. Chiang Gnee Heng as a Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 4

"That Mr. Chiang Gnee Heng who was appointed as an addition to the existing Directors in accordance with article 75.1 of the Company's Constitution, and who is eligible for re-election as a Director in accordance with article 75.2 of the Company's Constitution and who offers himself for re-election, be re-elected as a Director."

Item 6. Approval of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2012

To consider and, if thought fit, to pass the following as an ordinary resolution with or without amendment:

Resolution 5

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and section 260C(4) of the Corporations Act and for all other purposes, the Shareholders approve the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2012, the terms of which are summarised in Item 6 and Schedule 1 of the accompanying Explanatory Statement, and the issue of securities under it."

Voting Prohibition Statement for Resolution 5

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 5 if:

- (a) the proxy is either;
 - (i) a member of the key management personnel for the Company; or

- (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 5.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the meeting; and
- (d) the appointment expressly authorised the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

Voting Exclusion

The Company will disregard any votes cast on Resolution 5 by:

- (a) Mr Jeffrey Weber and any other Director who is eligible to participate in any employee incentive scheme in relation to the Company; and
- (b) an associate of any of those persons.

However, the Company will not disregard a vote (subject to the prohibitions described above) if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Item 7. Grant of Performance Rights to the Managing Director, Mr. Jeffrey Weber

To consider and, if thought fit, to pass the following as an ordinary resolution with or without amendment:

Resolution 6

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve and authorise the grant of 317,865 performance rights over ordinary shares in the Company to the Managing Director, Mr. Jeffrey Weber, pursuant to the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2012, the terms of which are summarised in Item 6 and Schedule 1 of the accompanying Explanatory Statement."

Voting Prohibition Statement for Resolution 6

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

- (a) the proxy is either;
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 6.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the meeting; and
- (d) the appointment expressly authorised the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

Voting Exclusion

The Company will disregard any votes cast on Resolution 6 by:

- (a) Mr Jeffrey Weber and any other Director who is eligible to participate in any employee incentive scheme in relation to the Company; and
- (b) an associate of any of those persons.

However, the Company will not disregard a vote (subject to the prohibitions described above) if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Item 8. Approval of increase in fee pool for non-executive Directors

To consider and, if thought fit, to pass the following as an ordinary resolution with or without amendment:

Resolution 7

“That, for the purposes of ASX Listing Rule 10.17 and article 79 of the Company's Constitution, and for all other purposes, the maximum annual aggregate amount of fees that the non-executive Directors are entitled to be paid for their services out of the funds of the Company be increased by the amount of \$200,000, from \$750,000 to \$950,000 (inclusive of statutory entitlements) per financial year.”

Voting Prohibition Statement for Resolution 7

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 7 if:

- (a) the proxy is either;
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 7.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the meeting; and
- (d) the appointment expressly authorised the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

Voting Exclusion

The Company will disregard any votes cast on Resolution 7 by:

- (a) a Director of the Company; and
- (b) an associate of any of those persons.

However, the Company will not disregard a vote (subject to the prohibitions described above) if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or

- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Item 9. Adoption of a new Constitution

To consider and, if thought fit, to pass the following as a special resolution with or without amendment:

Resolution 8

“That, with effect from the close of the Meeting and for the purpose of section 136 of the Corporations Act 2001 (Cth), and for all other purposes, the Company approve and adopt the new Constitution (the key terms of which are set out in Schedule 2 of the accompanying Explanatory Statement) which will be tabled at the meeting and signed for identification purposes by the Chairman, as the Constitution of the Company in substitution for the present Constitution of the Company which is repealed in its entirety.”

Item 10. Other Business

Members are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Meeting.

BY ORDER OF THE BOARD



Dylan Darbyshire-Roberts
Company Secretary
Fremantle, Western Australia
Date: 18 October 2012

The Notice of Annual General Meeting, Explanatory Statement and proxy form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek professional advice from their accountant, solicitor or other professional adviser prior to voting.

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments form part of this Notice of Meeting (**Notice**) and are important documents. They should be read carefully. If you have any questions regarding the matters set out in this Notice, including the Explanatory Statement, please contact your professional adviser.

GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of the Company (**Shareholders**) in connection with the AGM of the Company to be held at 10.30am (Perth time) on Thursday, 22 November 2012 at the Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia 6000.

The purpose of this Explanatory Statement is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the resolutions detailed in the Notice.

THE FOLLOWING DOCUMENTS RELATE TO THE AGM:

- Notice of Meeting, including the Explanatory Statement;
- Proxy form and return envelope; and
- Appointment of a corporate representative (for shareholder companies).

If you are attending the AGM in Perth and have not lodged a proxy form, please bring the proxy form with you to assist with registration.

If you are not attending the AGM in Perth, you can lodge a completed proxy form by returning it in the enclosed envelope or alternatively deliver it by:

- facsimile; or
- hand delivery,

to the Company's share registry, Computershare Investor Services Pty Ltd (**Share Registry**).

Please be aware that the proxy form needs to be received by the Company's Share Registry by no later than 10.30am (Perth time) on Tuesday, 20 November 2012. Proxy forms received after this time will be invalid. Further details on lodging your proxy form can be found on the reverse side of the proxy form.

Information about voting

- (a) The Company has determined that, for the purposes of the AGM, all shares in the Company shall be taken to be held by the person who held shares as a registered shareholder at 5.00pm (Perth time) on Tuesday, 20 November 2012 (**Effective Time**).

- (b) All holders of shares in the Company as at the Effective Time are entitled to attend and vote at the AGM and may appoint a proxy to attend the AGM and vote in their stead.
- (c) A proxy need not be a member of the Company.
- (d) The proxy form sent with this Notice should be used for the AGM.
- (e) Each Shareholder who is entitled to cast 2 or more votes at the AGM may appoint 2 persons to act as proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes, each proxy may exercise half of the votes. An additional proxy form will be supplied by the Company on request.
- (f) In the case of an individual, a proxy form must be signed by the individual or his or her attorney duly authorised in writing and, in the case of a corporation, a proxy form must be executed by the corporation pursuant to section 127 of the *Corporations Act 2001* (Cth) (**Corporations Act**) or be signed by a duly authorised officer or attorney of that corporation.
- (g) Any member may, by power of attorney, appoint an attorney to act on his or her behalf and such power of attorney or certified copy of the power of attorney must be received by the Company as specified in paragraph (l).
- (h) Any corporation which is a member of the Company may appoint a representative to attend and vote for that corporation at the AGM. Appointments of representatives by corporations must be received by the Company as specified in paragraph (l) or handed in at the AGM when registering as a corporate representative.
- (i) **Proxy vote if appointment specifies way to vote**

Section 250BB provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (iii) if the proxy is the Chairman of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and
- (iv) if the proxy is not the Chairman – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

(j) **Transfer of non-Chairman proxy to Chairman in certain circumstances**

Section 250BC provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (ii) the appointed proxy is not the Chairman of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either of the following applies:
 - (1) the proxy is not recorded as attending the meeting; or
 - (2) the proxy does not vote on the resolution,

the Chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

(k) **Proxies on Resolution 1 (Adoption of Remuneration Report)**

The Corporations Act addresses conflicts of interest by prohibiting key management personnel and their closely related parties from voting on remuneration matters.

However Section 250R(5) of the Corporations Act provides an exception and allows key management personnel or any closely related party of a member of key management personnel (including a closely related party of the Chairman) to vote as your proxy if, the person is appointed as a proxy in writing and:

- (i) you direct that person how to vote on Resolution 1; or
- (ii) you do not direct that person how to vote on Resolution 1; but
 - (1) the person you appoint is Chairman of the meeting; and
 - (2) you expressly authorise the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of key management personnel, which includes the Chairman.

If you do not act in accordance with the above, your proxy will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 1.

If a Shareholder appoints the Chairman as their proxy in relation to Resolution 1, but does not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution on the proxy form, the Shareholder will be directing the Chairman to vote

on Resolution 1 in accordance with the Chairman's stated voting intention. The Chairman intends to cast all such proxies For Resolution 1.

If a Shareholder wishes to appoint the Chairman as proxy with a direction to vote against, or abstain from voting on Resolution 1, the Shareholder must specify this by completing the "Against" or "Abstain" boxes opposite Resolution 1 on the proxy form.

Please pay particular attention when completing the proxy form.

- (l) To vote by proxy, the proxy form (together, if applicable, with the original of any power of attorney or other authority, or certified copy of that power of attorney or other authority under which the proxy is signed) must be received at the Share Registry of the Company no later than 10:30am (Perth time) on Tuesday, 20 November 2012. Proxy forms received after that time will be invalid. Proxy forms must be received by one of the following methods:
- (i) by post: GPO Box 242, Melbourne, Victoria, 3001;
 - (ii) by facsimile: at the office of Computershare Investor Services Pty Ltd – within Australia 1800 783 447, outside Australia +61 3 9473 2555; or
 - (iii) by electronic lodgement: lodging their proxy electronically via the following website: www.investorvote.com.au
 - (iv) For intermediary Online subscribers only (custodians) www.intermediaryonline.com

Item 1. Annual Financial Report, Directors' Report and Auditor's Report

The Corporations Act requires the Annual Financial Report, Directors' Report and the Auditor's Report (**Annual Report**) to be received and considered at the AGM. A copy of the Company's Annual Report for the year ended 30 June 2012 is available on the Company's website www.mma.com.au.

When you access the Company's Annual Report on-line, you can view it and print a copy of it. Please note that if you have elected to continue to receive a hard copy of the Company's Annual Report, it will be mailed to you no later than 21 days before the AGM.

However, if you did not elect to continue to receive a hard copy of the Company's Annual Report and now (or at some time in the future) wish to receive a hard copy of the Company's Annual Report, please contact the Company, who will arrange to mail you a hard copy.

The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity:

- to ask questions about, or make comments on, the management of the Company; and

- to ask the Company's auditor or the auditor's representative questions relevant to:
 - the conduct of the audit;
 - the preparation and content of the Auditor's Report;
 - the accounting policies adopted by the Company in relation to the preparation of financial statements; and
 - the independence of the auditor in relation to the conduct of the audit.

Shareholders are encouraged to submit any question that they may have regarding the above matters, in writing (including by email), to the Company by no later than 5.00pm (Perth time) on Thursday, 15 November 2012. This will allow the Company time to prepare and present a comprehensive response to Shareholders at the AGM.

A Shareholder of the Company who is entitled to cast a vote at the AGM may also submit a written question to the auditor if the question is relevant to:

- the content of the Auditor's Report to be considered at the AGM; or
- the conduct of the audit of the Annual Report to be considered at the AGM.

A written question to the auditor may only be submitted by giving the question to the Company (attention: the Company Secretary – Mermaid Marine Australia Limited) by no later than 5.00pm (Perth time) on Thursday, 15 November 2012, which the Company will then pass on to the auditor. The Company will allow a reasonable opportunity for the auditor's representative to answer the written questions submitted to the auditor.

The Company will make available to Shareholders attending the AGM copies of the list of Shareholder questions presented to the auditor, which the auditor considers relevant.

Item 2. Resolution 1 – Adoption of the Remuneration Report

The Remuneration Report, which is set out in the Company's Annual Report for the year ended 30 June 2012, includes:

- information about the remuneration policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- a description of the relationship between the remuneration policy and the Company's performance; and
- details of the remuneration arrangements for the Directors and senior management of the Company for the year ended 30 June 2012.

Section 250R(3) of the Corporations Act provides that the vote on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company.

However, if a company's Remuneration Report receives an 'against' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must be put at the later annual general meeting that another meeting be held (within 90 days) at which all directors (other than the Managing Director) who were in office at the date of that resolution must stand for re-election. So, in summary, Shareholders will be entitled to vote in favour of holding a general meeting to re-elect the board if the Remuneration Report receives "2 strikes".

The Chairman of the AGM will allow a reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the AGM. The Board considers that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the performance of the Company and the individual.

Directors' Recommendation:

On the above basis, the Directors recommend that members vote in favour of the advisory Resolution 1 set out in Item 2.

Item 3. Resolution 2 – Re-election of Mr. Anthony (Tony) Howarth as a Director

It is a requirement under article 72.1 of the Company's Constitution that Mr. Tony Howarth retire as a Director, by rotation. Mr. Howarth offers himself for re-election and in accordance with article 72.2 of the Company's Constitution, is eligible for re-election.

Tony was appointed as Chairman of the Company on 1 August 2006. Tony is also currently a Non-Executive Director of Wesfarmers Limited and Alinta Holdings. Tony worked in the banking and finance industry for over 30 years. His work has involved a number of overseas appointments. He has previously held the positions of Managing Director of Challenge Bank Limited, CEO of Hartleys Limited, Chairman of Alinta Limited, Deputy Chairman of the Bank of Queensland Limited, a Non-Executive Director of AWB Limited and Chairman of Home Building Society Limited. Tony is also Chairman of St John of God Health Care Inc. He is also Adjunct Professor (Financial Management) at the University of Western Australia Business School. Tony is also involved in a number of community and business organisations including the Senate of the University of Western Australia, Chairman of the Committee for Perth Limited, a member of the Rio Tinto WA Future Fund and the University of Western Australia Business School Advisory Board, Chairman of the International Chamber of Commerce Australia Ltd, the Chamber of Commerce and Industry of Western Australia (Inc) and West Australian Rugby Union Inc. Tony is a member of the Company's Nomination and Remuneration Committee and the Audit and Risk Committee.

Directors' Recommendation:

With Mr. Tony Howarth abstaining, the Directors recommend that members vote in favour of Resolution 2 set out in Item 3.

Item 4. Resolution 3 – Re-election of Ms. Eva Alexandra (Eve) Howell as a Director

In accordance with article 75.1 of the Company's Constitution, the Board appointed Ms. Eve Howell as an additional Director to the Board. It is a requirement under article 75.2 of the Company's Constitution that Ms. Howell only holds office until the next general meeting. Ms. Howell offers herself for re-election and in accordance with article 75.2 of the Company's Constitution, is eligible for re-election.

Eve has over 40 years of experience in the oil and gas industry in a number of technical and managerial roles. Eve was most recently Executive Vice President for Health, Safety & Security at Woodside Energy Ltd and previously served as Executive Vice President of North West Shelf at Woodside and Managing Director at Apache Energy Ltd. Eve is currently a Director of Downer EDI Limited, the West Australian Ballet, the Ngarluma & Yindjibarndi Foundation and Chairman and CEO of EMR Resources Pty Ltd. Eve also currently holds a senior advisor role with Miro Advisors Pty Ltd, an independent business focused on corporate advisory opportunities in the natural resources sector. She has previously served on a number of boards, including the Fremantle Port Authority, the Australian Petroleum Production & Exploration Association and was a Board member and President of the Australian Mines and Metals Association. Eve holds a Bachelor of Science (with Honours in Geology and Mathematics) from the University of London and an MBA from Edinburgh Business School. Eve was appointed as a member of the Company's Nomination and Remuneration Committee on 28 March 2012 and as a member of the Company's Audit and Risk Committee on 22 August 2012.

Directors' Recommendation:

With Ms. Eve Howell abstaining, the Directors recommend that members vote in favour of Resolution 3 set out in Item 4.

Item 5. Resolution 4 – Re-election of Mr. Chiang Gnee Heng as a Director

In accordance with article 75.1 of the Company's Constitution, the Board appointed Mr. Chiang Gnee Heng as an additional Director to the Board. It is a requirement under article 75.2 of the Company's Constitution that Mr. Heng only holds office until the next general meeting. Mr. Heng offers herself for re-election and in accordance with article 75.2 of the Company's Constitution, is eligible for re-election.

Chiang Gnee graduated as a marine engineer in July 1977 from the University of Newcastle Upon Tyne (UK) and spent almost 30 years working in Singapore government-linked companies and in various industries including shipyards, ordnance equipment manufacturing, aircraft engine component manufacturing, amusement and lifestyle businesses and environment management. In June 1989, Chiang Gnee attended the Sloan School of Management at MIT (USA) and graduated with a Masters in Management in July 1990. He was formerly the CEO of Sembawang Shipyard for 10 years and CEO of Sembcorp Environment Management Pte Ltd for 2 years until August 2007. Chiang Gnee is currently the Executive Director of Singapore Maritime Institute (SMI) which focuses on the development of

the Singapore maritime industry - with special focus on training and education, research and development, and policy formulation. He also sits on the local boards of foreign owned companies having operations in Singapore. Chiang Gnee is also engaged in workplace health and safety management and in vocational technical education. He is Deputy Chairman of the Singapore Workplace Safety and Health Council and Deputy Chairman of the Institute of Technical Education (ITE) Board of Governors. Chiang Gnee is currently a Non-Executive Director of Mermaid Marine Asia Pte Ltd (Singapore) - having been appointed to this position on 24th September 2009.

Directors' Recommendation:

With Mr. Chiang Gnee Heng abstaining, the Directors recommend that members vote in favour of Resolution 4 set out in Item 5.

Item 6. Resolution 5 – Approval of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2012

6.1 Background

Resolution 5 seeks Shareholder approval for the purposes of ASX Listing Rule 7.2 (Exception 9) and section 260C(4) of the Corporations Act and for all other purposes, to approve the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan – 2012 (**Plan**).

6.2 Reason Shareholder approval is required

ASX Listing Rule 7.2 (Exception 9)

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares issued pursuant to the vesting of performance rights under the Plan (**Performance Rights**)) that a company can issue or agree to issue without shareholder approval. Generally, a company may not, without shareholder approval, issue in any 12 month period, a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

ASX Listing Rule 7.2 (Exception 9) effectively provides that securities issued pursuant to an employee incentive plan are not included in the calculation of the 15% for ASX Listing Rule 7.1 purposes, provided that the employee incentive scheme and the securities to be issued pursuant to the scheme have been approved by shareholders within the 3 years prior to the issue of securities.

The approval of Shareholders is being sought to provide the Company with maximum flexibility to undertake equity raisings in the future without the need for further Shareholder approval. The requirement to obtain Shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise equity capital. It should be noted that, notwithstanding any approval by Shareholders of resolution 5, any future equity raising will remain subject to the 15% limit set out in ASX Listing Rule 7.1.

Section 260C(4) of the Corporations Act

Section 260C(4) of the Corporations Act provides that the giving of financial assistance is exempted from section 260A of the Corporations Act if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the Company. The operation of the proposed new rules of the Plan (given the establishment of an employee share trust (**EST**) as detailed in 6.4 below) may constitute the Company providing financial assistance for the acquisition of its shares. So, in addition to Shareholder approval being obtained under ASX Listing Rule 7.2 (Exception 9), approval is being sought for the purposes of section 260C(4) of the Corporations Act to allow for the giving of financial assistance by the Company for acquiring shares in the Company. Further details on why the acquisition of shares by the EST on behalf of Mr Weber (upon the vesting of Performance Rights) may be considered to constitute the giving of financial assistance under the Corporations Act are set out in section 6.4 below.

6.3 Terms of the Performance Rights – Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2012

The Plan is a new employee incentive scheme which has been established to assist with the reward, retention and motivation of the Managing Director, Mr. Weber. The Performance Rights to be granted to the Managing Director:

- will be granted subject to the terms and conditions of the Plan; and
- are the long-term incentive component of the Managing Director's remuneration package in line with the Company's remuneration policy which is detailed in the 2012 Annual Report.

A Performance Right is a right to acquire one fully paid ordinary share in the Company. Until a Performance Right vests and a share is issued, the Managing Director, in his capacity as a holder of a Performance Right:

- does not have a legal or beneficial interest in shares of the Company; and
- is not entitled to receive dividends or other Shareholder benefits.

A summary of the terms and conditions of the Plan is set out below. A copy of the Plan is available for inspection by Shareholders by contacting the Company Secretary on (+61) 8 9431 7431.

Board's discretion to invite Managing Director and determine criteria

The Performance Rights will be subject to performance criteria as set out in Schedule 1 (**Performance Criteria**) which must be satisfied over a specified period of time (**Performance Period**) before the Performance Rights can vest.

When issuing an invitation under the Plan, the Board has discretion to determine the terms and conditions of a grant of Performance Rights to ensure that they are appropriate. The Board's discretion includes determining:

- whether the Managing Director is eligible to participate in the Plan (and inviting him to participate);
- the number of Performance Rights granted to the Managing Director; and
- the applicable Performance Criteria and Performance Period.

If Shareholders approve resolution 5 and resolution 6, the Board intends to invite the Managing Director to accept an offer of 317,865 Performance Rights under the Plan. Details of the Performance Criteria and Performance Period applicable to the proposed grant of Performance Rights to the Managing Director are set out in Schedule 1.

Transfers

The Plan does not allow the Managing Director to transfer Performance Rights, except by force of law upon death or bankruptcy, or if the Board gives its prior written consent (**Permitted Transfer**).

No consideration payable

No consideration is payable in respect of the grant of Performance Rights, nor is any amount payable upon the vesting of Performance Rights, or the subsequent issue of shares in respect of them.

5% cap

Broadly, the maximum number of securities which may be issued under the Plan (and any other employee share scheme operated by the Company) in a 5 year period is limited to 5% of the issued shares in the Company (calculated at the date of the invitation under the Plan), subject to a range of exclusions, including, for example, securities issued under a disclosure document, or which did not require disclosure because of section 708 of the Corporations Act.

Vesting of Performance Rights

A Performance Right granted to the Managing Director will vest:

- at the end of the Performance Period upon the Board giving written notice to the Managing Director of the number of Performance Rights in respect of which the Performance Criteria were satisfied over the Performance Period; or
- if the Board determines that it vests early as a result of an event such as a takeover bid or scheme of arrangement.

Fully paid ordinary shares will be issued directly to the Managing Director within a reasonable time after a Performance Right vests.

Lapse of Performance Rights

A Performance Right granted will lapse on the earliest to occur of:

- the end of the Performance Period if the Performance Criteria relating to the Performance Right have not been satisfied;
- the Managing Director purporting to transfer a Performance Right, other than a Permitted Transfer;
- the Managing Director ceasing employment, other than because of a Qualifying Reason (please see definition of Qualified Reason below);
- if in the opinion of the Board, the Managing Director has acted fraudulently or dishonestly or in breach of his obligations to the Company or any of its subsidiaries (together, the **Group**), and the Board determining that the Performance Rights held by the Managing Director should lapse; and
- an event such as a takeover bid or scheme of arrangement occurring (in certain circumstances subject to Board discretion).

Cessation of employment

As noted above, Performance Rights will automatically lapse when the Managing Director ceases to be employed by a member of the Group, other than because of a Qualifying Reason.

A **Qualifying Reason** includes the death, total and permanent disablement or retirement of the Managing Director, or the Managing Director ceasing to be employed by a member of the Group as a result of a relevant body corporate ceasing to be part of the Group or the sale of a business conducted by a member of the Group to a third party. The Board may also determine, in its absolute discretion, that any other reason will constitute a Qualifying Reason.

If the Managing Director's employment with a Group member ceases because of a Qualifying Reason, a proportion of the Managing Director's Performance Rights (calculated by reference to the number of days in the Performance Period which have elapsed as at the date of cessation of employment) will be capable of vesting if, over the Performance Period, the Performance Criteria in respect of those Performance Rights were satisfied. In such circumstances, the remaining Performance Rights of the Managing Director which do not vest, will lapse.

Adjustments upon alterations of capital

Subject to the ASX Listing Rules, if the Company makes a new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital, then the Board may make

adjustments to the Managing Director's Performance Rights (including, without limitation, to the number of shares which may be acquired on vesting of the Performance Rights) and/or the Performance Criteria on any basis it sees fit in its absolute discretion to ensure that no advantage or disadvantage accrues to the Managing Director as a result of such corporate actions.

Subject to the above adjustments, during the currency of any Performance Rights and prior to vesting and the issue of shares in respect of those Performance Rights, the Managing Director is not entitled to participate in any new issue of securities of the Company as a result of his holding of Performance Rights.

Amendments to the Plan

The Board may by written instrument amend all or any of the provisions of the Plan, with retrospective effect, provided that the amendment does not materially reduce the rights of the Managing Director as they existed before the date of amendment. The Plan provisions do, however, provide that in limited circumstances (for example, for the purpose of complying with relevant legislation or the ASX Listing Rules) amendments may be made even if they materially reduce the rights of the Managing Director.

6.4 New rules of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan under the employee share trust (EST)

Background

The rules of the Plan are now subject to the EST which was established on 1 March 2012.

The EST was established to provide a single vehicle for the administration of existing and new long-term employee equity plans. The EST will provide a range of commercial benefits for the Company.

A summary of the key rules under the new EST structure is set out below. This summary is not exhaustive.

New Rules under EST

Under the EST, the rules of the Plan now provide that upon vesting of the Performance Rights:

- The Company must instruct the trustee of the EST (**Trustee**) to subscribe for, acquire and/or allocate, the relevant number of shares to the Managing Director (in respect of which Performance Rights have vested) within a reasonable time after vesting.

Subject to the Trustee receiving from the Company sufficient funds to subscribe for, or acquire, the shares, the Board may, in its absolute discretion, instruct the Trustee to either subscribe for new shares or acquire shares on market to be held on the Managing Director's behalf, or instruct the Trustee to use a combination of both alternatives.

- Legal title to the shares is held by the Trustee of the EST on trust for the Managing Director on the terms of the trust deed.
- Beneficial title to the shares is held by the Managing Director.
- Whilst shares are held on trust dividends are paid by the Company to the Trustee, and the Trustee will pay any such dividends to the Managing Director as soon as reasonably practicable.
- Shares are held on trust for the benefit of the Managing Director unless and until the shares are withdrawn from the trust by:
 - the Managing Director submitting to the Company a withdrawal notice;
 - the Board approving that withdrawal notice; and
 - the Trustee acting in accordance with any such approval by the Board by transferring the legal title in those shares, or by selling those shares, in accordance with the instructions of the Managing Director.

Section 260C(4) of the Corporations Act

The provision of funds by the Company to the Trustee to acquire shares in the Company on behalf of the Managing Director (as outlined above) may be considered to constitute "financial assistance" under the Corporations Act.

Section 260A of the Corporations Act provides that a Company may financially assist a person to acquire shares (or units of shares) in the Company if the assistance is exempted under section 260C of the Corporations Act.

Section 260C(4) of the Corporations Act provides that the giving of financial assistance is exempted from section 260A of the Corporations Act if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company.

In addition to Shareholder approval being obtained under ASX Listing Rules 7.2 (Exception 9), approval is also being sought for the purposes of section 260C(4) of the Corporations Act to allow the Company to provide funds to the Trustee to subscribe for, or acquire on market, the shares (upon the vesting of the Performance Rights) to be held by the Trustee on the Managing Director's behalf.

Item 7. Resolution 6 – Grant of Performance Rights to the Managing Director, Mr. Jeffrey Weber

7.1 Background

Resolution 6 seeks Shareholder approval for the purposes of ASX Listing Rule 10.14 and for all other purposes, to grant 317,865 Performance Rights to the Managing Director, Mr. Jeffrey Weber, pursuant to the Plan.

As detailed in the Remuneration Report of the Company's 2012 Annual Report, the Managing Director's remuneration comprises both a fixed component and an at-risk component (including both a short-term incentive and long-term incentive), which are designed to:

- remunerate the Managing Director for increasing shareholder value and for achieving financial targets and business strategies; and
- retain and reward the Managing Director for meeting prescribed performance criteria which are set by the Board with due regard to the Company's long-term strategy.

The number of Performance Rights to be granted to the Managing Director under the long-term incentive component of the Managing Director's 2013 remuneration package (being 317,865 Performance Rights which are valued at \$669,375 and which equates to 75% of the Managing Director's fixed annual remuneration for the year) is determined by the Board with regard to an independent valuation of the Performance Rights by PricewaterhouseCoopers (**PWC**) which takes into account the Performance Criteria applicable to the Performance Rights.

7.2 Reason Shareholder approval is required

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval prior to the issue of securities under an employee incentive scheme to a director of a company or his or her associate. As Mr. Weber is a Director, approval is being sought for the purposes of ASX Listing Rule 10.14 to allow Mr. Weber to acquire securities under an employee incentive scheme.

7.3 Specific information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders to assist them in determining whether to approve the grant of Performance Rights to Mr. Weber under resolution 6:

- under the terms of the Plan, and subject to Shareholder approval, Mr. Weber will be granted a maximum of 317,865 Performance Rights (giving Mr. Weber an entitlement to potentially acquire a maximum of 317,865 fully paid ordinary shares in the Company under the Plan);

- no consideration is payable by Mr. Weber in respect of the grant of Performance Rights, nor will any amount be payable on vesting of Performance Rights, or the subsequent issue of shares in respect of them;
- as the Plan is a new employee incentive scheme, no person has received Performance Rights under the Plan;
- Mr. Weber is the only person entitled to participate in the Plan;
- a voting exclusion statement for resolution 6 is included in this Notice;
- no loans will be made to Mr. Weber in relation to an acquisition of Performance Rights or shares under the Plan; and
- if Shareholders approve resolution 6, the Performance Rights will be granted to Mr. Weber as soon as practicable after the date of the AGM, and in any event, no later than three months after the date of the AGM.

Directors' Recommendation:

With Mr. Jeffrey Weber abstaining, the Directors recommend that members vote in favour of Resolution 6 set out in Item 7.

Item 8. Resolution 7 - Approval of increase in fee pool for non-executive Directors

In accordance with the ASX Listing Rules and the Company's Constitution, the maximum annual aggregate amount of fees that may be provided to non-executive Directors is the amount determined by Shareholders.

ASX Listing Rule 10.17 provides that an entity must not increase the total amount of directors' fees payable by it or any of its controlled entities without the approval of holders of its ordinary securities. The rule does not apply to the salary of an executive director.

Resolution 7 seeks Shareholder approval for the purposes of ASX Listing Rule 10.17 and article 79 of the Constitution of the Company, and for all other purposes, to authorise the Company to increase the maximum annual aggregate amount of fees that non-executive Directors are entitled to be paid.

Currently, the maximum annual aggregate amount of fees that the non-executive Directors are entitled to be paid for their services out of the funds of the Company is \$750,000, as approved by Shareholders at the Annual General Meeting held on 25 November 2010. If approved, the increase of the maximum annual aggregate amount by \$200,000, to \$950,000, will take effect from 23 November 2012.

Following the recent appointment of two additional non-executive Directors to the Board, this proposed increase is to enable the Company to maintain non-executive Directors' fees in line with those paid by companies of a similar size and complexity. The increased limit will also

enable the Company to continue to retain and attract new directors with appropriate skills and competencies to contribute to the Board.

Directors' Recommendation:

For reasons set out above, and with all of the Directors abstaining, the Directors recommend that members vote in favour of Resolution 7 set out in Item 8.

Item 9. Resolution 8 – Adoption of a new Constitution

Resolution 8 is a special resolution proposing that the existing Constitution be repealed in its entirety and replaced with a new Constitution, a copy of which is available for inspection at the Company's registered office or available upon request from the Company Secretary.

The existing Constitution was adopted on the Company's conversion to a public company on 21 June 1999. Since that date, various requirements under the Corporations Act and the ASX Listing Rules have been amended or deleted. As a result, parts of the existing Constitution are not entirely consistent with the new provisions of the Corporations Act or are otherwise out of date with the provisions of the ASX Listing Rules.

Rather than making a large number of amendments to the existing Constitution to incorporate the necessary changes, the Directors consider it simpler and more practical to replace the existing Constitution with the proposed new Constitution.

Resolution 8 seeks shareholder approval for the adoption of a new Constitution in accordance with section 136 of the Corporations Act, which permits the Company to repeal its existing Constitution and, by special resolution, adopt a new one.

It is proposed that the existing Constitution be replaced to enable the Company to better function in accordance with its constituent documents by:

- taking account of the substantive amendments to the Corporations Act and Listing Rules, changes in Australian corporate governance practices and reflecting terminology shifts, since the existing Constitution was first adopted in 1999; and
- clarifying and simplifying certain provisions in the existing Constitution.

It is proposed that the new Constitution will become effective from the close of the Meeting.

A summary of the key differences between the existing Constitution and the proposed new Constitution is set out in Schedule 2. This summary is not exhaustive.

The proposed new Constitution has been approved by ASX as required by the ASX Listing Rules. Resolution 8 is a special resolution which means that a vote to pass this resolution is decided on a 75% majority of votes cast by shareholders entitled to vote.

Directors' Recommendation:

The Directors' recommend that members vote in favour of Resolution 8 set out in Item 9.

Schedule 1 – Performance Criteria and Performance Period in respect of grant of Performance Rights to the Managing Director, Mr. Jeffrey Weber

The Performance Rights to be granted to the Managing Director will be subject to two Performance Criteria. The table below sets out the Performance Criteria which will determine the extent to which any such Performance Rights vest.

For the purposes of assessing the Performance Criteria, the relevant Performance Period is the period beginning on 1 July 2012 and ending on 30 June 2015.

Performance criteria	No of Performance Rights which are subject to performance criteria	Performance criteria targets	Percentage of Performance Rights specified which vest if target met
Normalised Earnings per Share (EPS) growth	60,413	Less than 6% Equal to 6% Between 6% and 12.5% Equal to 12.5%	Nil 50% 50-100% pro-rata 100%
Company's Total Shareholder Return (TSR) percentile ranking over the Performance Period relative to a selected Peer Group	257,452	Below the 50th percentile At the 50th percentile Between 50th and 90th percentile At the 90th percentile	Nil 50% 50-100% pro-rata 100%

Normalised Earnings per Share (EPS) growth means the growth in earnings per share of the Company, annualised over the Performance Period, to be determined in a manner decided by the Board in its absolute discretion (including any determination that the impact of one-off or non-recurring items should be excluded for the purposes of the calculation).

Total Shareholder Return (TSR) means, broadly, the increase in the share price plus dividends paid (calculated in Australian dollars), excluding franking credits and taxation, over the Performance Period, to be determined in a manner decided by the Board in its absolute discretion.

Peer Group means the peer group comprising the following ASX-listed companies (the composition of which may be changed by the Board in its absolute discretion):

Ausenco Limited (ASX: AAX), Asciano Limited (ASX:AIO), Ausdrill Limited (ASX: ASL), Boart Longyear Limited (ASX: BLY), Clough Limited (ASX:CLO), Emeco Holdings Limited (ASX: EHL), Fleetwood Corporation Limited (ASX:FWD), Imdex Limited (ASX:IMD), Macmahon Holdings Limited (ASX:MAH), Miclyn Express Offshore Limited (ASX:MIO), Programmed Maintenance Services Ltd (ASX:PRG), QUBE Logistics Holdings Limited (ASX:QUB), Skilled Group Limited (ASX:SKE), Toll Holdings Limited (ASX: TOL), Tox Free Solutions Limited (ASX:TOX).

Schedule 2 – Key differences between the existing Constitution of the Company and the proposed new Constitution of the Company

SUBJECT	EXISTING CONSTITUTION	PROPOSED NEW CONSTITUTION
Changes in terminology	A number of the definitions used in the existing Constitution are outdated.	Definitions are updated to reflect changes in the Corporations Act, Listing Rules and the ASX Settlement Rules.
Share premium account	The existing Constitution refers to a share premium account. These references are no longer relevant given amendments to the Corporations Act.	No equivalent provision.
Brokerage and commissions	The Company may exercise the power under the Corporations Law to pay brokerage or commission if the requirements set out in the Corporations Law or Listing Rules are met.	The Company may pay brokerage or commissions. References to restrictions imposed by the Corporations Act or Listing Rules have been removed.
Procedure for calls on shares	The Board may make calls on members in respect of money unpaid on shares. The Company must give each member notice of the call, specifying the day, time and place of payment, and the member must pay to the Company the amount of the call in accordance with the notice.	The Board may make calls on a member for some or all of the money unpaid on a share or make a call payable by installments. The Company must give written notice of the call or installment within the time limits and in the form required by the Listing Rules.
Unmarketable parcels	The provisions regarding the sale of unmarketable parcels are outdated.	Contains rules regarding the sale of unmarketable parcels consistent with the Listing Rules.
Share capital reductions	This provision is outdated given amendments to the Corporations Act.	Permits the Company to reduce or alter its capital in accordance with the Corporations Act.
Postponement or cancellation of meeting	No equivalent provision.	The Board may postpone, cancel or change the place for a meeting of members by written notice given to ASX.
Notice of adjourned meeting	When a meeting is adjourned for 30 days or more, the Company must give notice of the adjourned meeting as if it were an original meeting.	If a meeting of members is postponed or adjourned for one month or more, the Company must give new notice of the adjourned meeting.
Technology and meeting	No equivalent provision.	The Company may hold a meeting of members at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate.
Quorum for meetings of members	The quorum for a meeting of members is three members present personally or by proxy, attorney or representative. If the Company has fewer than three members, the quorum consists of all the members.	The quorum for a meeting of members is two voting members present and entitled to vote at the meeting.
	No equivalent provision.	Each individual present may only be counted once toward a quorum.

SUBJECT	EXISTING CONSTITUTION	PROPOSED NEW CONSTITUTION
	No equivalent provision.	If a member has appointed more than one proxy or representative, only one of them may be counted toward a quorum.
	The quorum must be present within 30 minutes after the time for which a meeting of members is called.	The quorum must be present within 15 minutes after the time for which a meeting of members is called.
Chairman of meetings of members	The Chairman must preside as Chairman of every meeting of members.	If the Board has appointed a Director to chair Board meetings, that Director may also chair meetings of members.
	<p>If the Chairman is not present within 15 minutes after the time for which the meeting is called, or is unwilling to act, the Directors may nominate a Director to preside.</p> <p>If no nomination is made or if no Director is present within 15 minutes after the time for which the meeting is called, or if no Director is willing to act, the members present are to elect a Chairman.</p>	If the Chairman is not present or there is no Chairman, the members present must elect a member or Director present to chair the meeting.
Demand for a poll	The requirement under the existing Constitution regarding the number of members required to demand a poll is inconsistent with section 250L of the Corporations Act and needs to be updated.	A poll may be demanded on any resolution by at least five members entitled to vote on the resolution, members entitled to cast at least 5% of the votes that may be cast on the resolution on a poll, or the chairman.
Casting vote – member meeting	The Chairman does not have a casting vote.	The Chairman has a casting vote. However, if the Chairman is not entitled to vote on the resolution, the matter is decided in the negative.
Proxies	Each member entitled to vote at a meeting of members may vote in person or by proxy, attorney or representative.	A member may appoint a proxy, attorney or representative to act at a particular meeting of members or make a standing appointment (which may be revoked).
	No equivalent provision.	The appointment of a proxy or attorney is not revoked by the member attending and taking part in the meeting of members.
	If a member and its proxy are present at a meeting, the proxy's authority to speak and vote for that member is suspended while the member is present at the meeting.	If a member and its proxy are present at a meeting and the member votes on a resolution, the proxy is not entitled to vote.
Proxies' voting rights	The existing Constitution provides that if a member appoints more than one proxy, the appointment of both proxies is ineffective unless each proxy is appointed to represent a specified number of shares or proportion of the member's voting rights. This is inconsistent with section 249X of the Corporations Act and needs to be updated.	If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of those votes.

SUBJECT	EXISTING CONSTITUTION	PROPOSED NEW CONSTITUTION
Appointment of attorney	<p>A member may appoint an attorney to act on its behalf at a meeting of members.</p> <p>The attorney must be appointed by a duly executed power of attorney, which the Board may at any time require to be produced for inspection.</p>	<p>A member may appoint an attorney to act at a meeting of members. If the appointor is an individual, the power of attorney must be signed in the presence of at least one witness.</p> <p>The instrument effecting the appointment of an attorney must be received by the Company at least 48 hours before the time for which the meeting is called.</p>
Number of Directors	<p>Until otherwise determined by a general meeting, the number of Directors will be no fewer than three nor more than 12.</p>	<p>Not counting alternate Directors, the Company must have at least three (3) and not more than twelve (12) Directors. The Board may from time to time determine to increase the maximum number of Directors but the maximum applying at any time cannot be reduced except by the Company in general meeting.</p>
Eligibility of Directors	<p>No person under the age of 18 years or a body corporate is eligible to be appointed as a Director.</p> <p>A Director may hold any other office in conjunction with the office of Director, except that of auditor.</p>	<p>Neither the auditor of the Company for the time being nor any partner, director or employee of the auditor is eligible to act as a Director.</p>
	<p>No person (other than an eligible retiring Director) is eligible for election as a Director unless consent to nomination is lodged at the registered office at least 30 business days before the meeting of members.</p>	<p>The Company must accept nominations from members for election of Directors up to 45 business days before the meeting of members.</p>
Quorum for Board meetings	<p>The quorum for a meeting of Directors is two Directors, unless otherwise previously determined by the Board.</p>	<p>No change.</p>
	<p>If the Directors confer by electronic or technological means of audio or audio-visual communication and all Directors receive notice of the conference, have access to the Conference, are able to hear each of the other Directors at all times and do not disconnect during the conference, then the conference will be treated as if it were a Board meeting.</p>	<p>A Director is treated as present at a meeting held by audio or audio-visual communication if the Director is able to hear and be heard by all others attending.</p>
Casting vote – Board meeting	<p>The Chairman has a casting vote except where only two Directors are present and form a quorum or are entitled to vote on the matter.</p>	<p>The Chairman has a second or casting vote. However, if there are only two Directors entitled to vote or the Chairman is not entitled to vote, the matter is decided in the negative.</p>
Additional provisions concerning written resolutions	<p>No equivalent provision.</p>	<p>A facsimile or electronic message containing the text of a document which has been signed by a Director is taken to be signed by that Director at the time the document is received by the Company.</p>

SUBJECT	EXISTING CONSTITUTION	PROPOSED NEW CONSTITUTION
Material personal interest	The provisions of the existing Constitution regarding Directors' disclosure of material personal interests need to be updated to be consistent with the Corporations Act.	Each Director must comply with section 195 of the Corporations Act in relation to being present and voting at a Board meeting that considers a matter in which a Director has a material personal interest. These provisions are consistent with the requirements of the Corporations Act.
Removal of Directors	No equivalent provision.	Directors can be removed from office by ordinary resolution or by written notice to the Company from members holding a majority of voting shares (in addition to the powers to remove a director under s 203D).
Remuneration of non-executive Directors	No equivalent provision.	Non-executive Directors are entitled to be paid as remuneration for their services an aggregate amount fixed by ordinary resolution of the Company.
	No equivalent provision.	The remuneration is allocated among the non-executive Directors on an equal basis having regard to the proportion of the relevant year for which each Director held office, or as otherwise decided by the Board. The remuneration is provided in the manner the Board decides, which may include provision of non-cash benefits.
Minutes	No equivalent provision.	The Company must allow members to inspect the minute book.
Notices sent electronically	No equivalent provision.	Notices to members may be sent by electronic message.
	No equivalent provision.	Circulating resolutions may be sent by electronic message.
Payment of dividends	The provisions of the existing Constitution dealing with the payment of dividends need to be updated to be consistent with the Corporations Act.	Subject to the Corporations Act (specifically section 254T), and the terms of issue of the relevant shares, the Board may resolve to pay any dividend it thinks appropriate and fix the time for payment.
Reinvest dividends	No equivalent provision.	The Board may adopt and implement a re-investment plan for dividends paid.
Other share plans	No equivalent provision.	The Board has the power to adopt and implement a number of share plans, including plans for the benefit of employees or Directors of the Company.
Indemnity of officers	The Company may indemnify Directors, other officers or the auditor of the Company or a related body corporate against any liabilities, incurred by the officer in specified circumstances. The provisions of the existing Constitution require updating to be consistent with the provisions of the Corporations Act and the <i>Competition and Consumer Act 2010</i> (Cth).	Subject to the Corporations Act and the <i>Competition and Consumer Act 2010</i> (Cth), the Company must indemnify every officer (including Directors and secretaries) of the Company and its wholly owned subsidiaries.



MERMAID MARINE
AUSTRALIA LTD
ABN 21 083 185 693

— 000001 000 MRM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 727 014
(outside Australia) +61 3 9946 4439

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.30 am (WST) Tuesday 20 November 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Mermaid Marine Australia Ltd hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Mermaid Marine Australia Limited to be held at Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth on Thursday, 22 November 2012 at 10.30 am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2, 6, 7 & 8 (except where I/we have indicated a different voting intention below) in accordance with the Chairman's voting intentions as set out below, even though Items 2, 6, 7 & 8 are connected directly or indirectly with the remuneration of a member of key management personnel.

Important Note: For Item 8, this express authority is also subject to you marking the box in the section below.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 6, 7 & 8 by marking the appropriate box in step 2 below.

Important for Item 8: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Item 8 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Item 8, the Chairman of the Meeting will not cast your votes on Item 8 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 8 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Item 8 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 2	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Mr. Anthony (Tony) Howarth as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Ms. Eva Alexandra (Eve) Howell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Re-election of Mr. Chiang Gnee Heng as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	Approval of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2012	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7	Grant of Performance Rights to the Managing Director, Mr. Jeffrey Weber	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8	Approval of increase in fee pool for non-executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 9	Adoption of a new Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /



MERMAID MARINE
AUSTRALIA LTD
ABN 21 083 185 693

Endeavour Shed
1 Mews Road
FREMANTLE WA 6160



┌ 000001 000 MRM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Mermaid Marine Australia Ltd. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Dylan Darbyshire-Roberts
Company Secretary

Constitution of Mermaid Marine Australia Limited

ACN 083 185 693

Contents

1.	PRELIMINARY	1	
	1.1	Replaceable rules	1
	1.2	Definitions	1
	1.3	Interpretation of this document	2
2.	LISTING RULES	3	
3.	DIRECTORS	4	
	3.1	Number of Directors	4
	3.2	Eligibility	4
	3.3	Appointment by the Board	4
	3.4	Election by general meeting	4
	3.5	Eligible candidates	4
	3.6	Retirement of Directors	4
	3.7	Selection of Directors to retire	5
	3.8	Time of retirement	5
	3.9	Cessation of Director's appointment	5
	3.10	Removal from office	5
	3.11	Too few Directors	6
4.	ALTERNATE DIRECTORS	6	
	4.1	Appointment of Alternates	6
	4.2	Notice of Board meetings	6
	4.3	Obligations and entitlements of Alternates	6
	4.4	Termination of appointment	6
	4.5	Appointments and revocations in writing	7
5.	POWERS OF THE BOARD	7	
	5.1	Powers generally	7
	5.2	Exercise of powers	7
6.	EXECUTING NEGOTIABLE INSTRUMENTS	7	
7.	MANAGING DIRECTOR	7	
	7.1	Appointment and power of Managing Director	7
	7.2	Retirement and removal of Managing Director	7
	7.3	Multiple Managing Directors	8
	7.4	Termination of appointment of Managing Director	8
8.	DELEGATION OF BOARD POWERS	8	
	8.1	Power to delegate	8
	8.2	Power to revoke delegation	8
	8.3	Terms of delegation	8
	8.4	Proceedings of committees	9
9.	DIRECTORS' DUTIES AND INTERESTS	9	
	9.1	Compliance with duties under the Act and general law	9
	9.2	Director can hold other offices etc	9

9.3	Disclosure of interests	9
9.4	Director interested in a matter	9
9.5	Agreements with third parties	9
9.6	Obligation of secrecy	10
10.	DIRECTORS' REMUNERATION	10
10.1	Remuneration of Executive Directors	10
10.2	Remuneration of non-executive Directors	10
10.3	Additional Remuneration for extra services	10
10.4	Expenses of Directors	11
10.5	Directors' retirement benefits	11
11.	OFFICERS' INDEMNITY AND INSURANCE	11
11.1	Indemnity	11
11.2	Insurance	12
11.3	Former officers	12
11.4	Deeds	12
12.	BOARD MEETINGS	12
12.1	Convening Board meetings	12
12.2	Notice of Board meeting	12
12.3	Use of technology	12
12.4	Chairing Board meetings	12
12.5	Quorum	13
12.6	Majority decisions	13
12.7	Procedural rules	13
12.8	Written resolution	13
12.9	Additional provisions concerning written resolutions	13
12.10	Valid proceedings	13
13.	MEETINGS OF MEMBERS	14
13.1	Annual general meeting	14
13.2	Calling meetings of members	14
13.3	Notice of meeting	14
13.4	Postponement or cancellation	14
13.5	Fresh notice	14
13.6	Notice to joint holders of shares	14
13.7	Technology	14
13.8	Accidental omission	15
13.9	Class meetings	15
14.	PROCEEDINGS AT MEETINGS OF MEMBERS	15
14.1	Member present at meeting	15
14.2	Quorum	15
14.3	Quorum not present	15
14.4	Chairing meetings of members	15
14.5	Attendance at meetings of members	15
14.6	Members rights suspended while call unpaid	16
14.7	Chairman's powers at meetings of members	16
14.8	Admission to meetings of members	16
14.9	Adjournment	17
14.10	Business at adjourned meetings	17
15.	PROXIES, ATTORNEYS AND REPRESENTATIVES	17

15.1	Appointment of proxies	17
15.2	Member's attorney	17
15.3	Deposit of proxy appointment forms, powers of attorney and proxy appointment authorities	17
15.4	Evidence of proxy appointment forms, powers of attorney and other appointments	18
15.5	Corporate representatives	18
15.6	Appointment for particular meeting, standing appointment and revocation	18
15.7	Position of proxy or attorney if member present	18
15.8	Priority of conflicting appointments of attorney or representative	18
15.9	More than two current proxy appointments	18
15.10	Continuing authority	19
16.	ENTITLEMENT TO VOTE	19
16.1	Determining voting entitlements	19
16.2	Number of votes	19
16.3	Casting vote of chairman	20
16.4	Votes of joint holders	20
16.5	Votes of transmitters and guardians	20
16.6	Voting restrictions	20
16.7	Decision on right to vote	21
17.	HOW VOTING IS CARRIED OUT	21
17.1	Method of voting	21
17.2	Demand for a poll	21
17.3	When and how polls must be taken	21
18.	SECRETARY	21
18.1	Appointment of Secretary	21
18.2	Terms and conditions of office	22
18.3	Cessation of Secretary's appointment	22
18.4	Removal from office	22
19.	MINUTES	22
19.1	Minutes must be kept	22
19.2	Minutes as evidence	22
19.3	Inspection of minute books	22
20.	COMPANY SEALS	23
20.1	Common seal	23
20.2	Use of seals	23
20.3	Fixing seals to documents	23
21.	FINANCIAL REPORTS AND AUDIT	23
21.1	Company must keep financial records	23
21.2	Financial reporting	23
21.3	Audit	23
21.4	Conclusive reports	23
21.5	Inspection of financial records and books	24
22.	SHARES	24
22.1	Issue at discretion of Board	24

22.2	Preference and redeemable preference shares	24
22.3	Restrictions on issue	24
22.4	Brokerage and commissions	24
22.5	Surrender of shares	24
22.6	Variation of rights	24
23.	CERTIFICATES	25
23.1	Uncertificated securities	25
23.2	Certificated shares	25
23.3	Multiple certificates and joint holders	25
23.4	Lost and worn out certificates	25
24.	REGISTER	25
24.1	Joint holders	25
24.2	Non-beneficial holders	26
25.	PARTLY PAID SHARES	26
25.1	Fixed instalments	26
25.2	Prepayment of calls	26
25.3	Calls made by Board	26
25.4	Notice of call	26
25.5	Classes of shares	27
25.6	Obligation to pay calls	27
25.7	Called Amounts	27
25.8	Proof of call	27
25.9	Forfeiture notice	27
25.10	Forfeiture	27
25.11	Disposal and re-issue of forfeited shares	28
25.12	Notice of forfeiture	28
25.13	Cancellation of forfeiture	28
25.14	Effect of forfeiture	28
25.15	Application of proceeds	28
25.16	Title of new holder	28
25.17	Mortgage of uncalled capital	29
26.	COMPANY LIENS	29
26.1	Existence of liens	29
26.2	Sale under lien	29
26.3	Protection of lien	30
26.4	Indemnity for payments required to be made by the Company	30
27.	DIVIDENDS	30
27.1	Accumulation of reserves	30
27.2	Payment of dividends	30
27.3	Amount of dividend	30
27.4	Prepayments, payments during dividend period and credits without payment	31
27.5	Dividends in kind	31
27.6	Payment of dividend by way of securities in another corporation	31
27.7	Source of dividends	31
27.8	Method of payment	31
27.9	Joint holders' receipt	32
27.10	Retention of dividends by Company	32
27.11	No interest on dividends	32

28.	SHARE PLANS	32
28.1	Implementing share plans	32
28.2	Board's powers and varying, suspending or terminating share plans	33
29.	TRANSFER OF SHARES	33
29.1	Modes of transfer	33
29.2	Market obligations	33
29.3	Delivery of transfer and certificate	33
29.4	Restricted securities	33
29.5	Refusal to register transfer	34
29.6	Transferor remains holder until transfer registered	34
29.7	Powers of attorney	34
30.	TRANSMISSION OF SHARES	35
30.1	Death of joint holder	35
30.2	Death of single holder	35
30.3	Transmission of shares on insolvency or mental incapacity	35
30.4	Refusal to register holder	35
31.	UNMARKETABLE PARCELS	36
31.1	Board power of sale	36
31.2	Notice of proposed sale	36
31.3	No sale where member gives notice	36
31.4	Terms of sale	36
31.5	Share transfers	36
31.6	Application of proceeds	36
31.7	Protections for transferee	37
32.	ALTERATION OF SHARE CAPITAL	37
32.1	Capitalisation of profits	37
32.2	Adjustment of capitalised amounts	37
32.3	Conversion of shares	37
32.4	Adjustments on conversion	37
32.5	Reduction of capital	38
32.6	Payments in kind	38
32.7	Payment in kind by way of securities in another corporation	38
33.	CURRENCY FOR PAYMENTS	38
33.1	Board may decide currency	38
33.2	Conversion to Australian dollars	39
34.	WINDING UP	39
34.1	Entitlement of Members	39
34.2	Distribution of assets generally	39
34.3	No distribution of liabilities	39
34.4	Distribution not in accordance with legal rights	39
35.	NOTICES	39
35.1	Notices by Company	39
35.2	Overseas members	40
35.3	When notice is given	40

35.4	Notice to joint holders	40
35.5	Counting days	40
35.6	Notices to "lost" members	40
36.	UNCLAIMED MONEY	41
	SCHEDULE – TERMS OF ISSUE OF PREFERENCE SHARES	42

Constitution of Mermaid Marine Australia Limited

ACN 083 185 693

1. PRELIMINARY

1.1 Replaceable rules

The replaceable rules referred to in section 141 do not apply to the Company and are replaced by the rules set out in this document.

1.2 Definitions

The following definitions apply in this document.

Act means the *Corporations Act 2001* (Cth).

Alternate means an alternate Director appointed under rule 4.1.

Appointor in relation to an Alternate, means the Director who appointed the Alternate.

Approved Fees for a Director (other than an Executive Director), means fees, salary, bonuses, fringe benefits and superannuation contributions provided by the Company, but does not include:

- (a) a payment made as compensation for loss of office or in connection with retirement from office (which includes resignation from office and death while in office);
- (b) an insurance premium paid by the Company or indemnity under rule 11; or
- (c) any issue or acquisition of securities.

ASX means ASX Limited (ABN 98 008 624 691).

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Board means the Directors acting collectively under this document.

business day has the meaning given by the Listing Rules.

Called Amount in respect of a share means:

- (a) the amount of a call on that share which is due and unpaid; and
- (b) any amount the Board requires a member to pay under rule 25.7.

Company means the company named at the beginning of this document whatever its name is for the time being.

Director means a person who is, for the time being, a director of the Company including, where appropriate, an Alternate.

Executive Director means a Director who is an employee of the Company or a subsidiary or acts in an executive capacity for the Company or a subsidiary under a contract for services and includes a Managing Director.

Interest Rate means, in respect of each rule in which that term is used:

- (a) the rate for the time being prescribed by the Board in respect of that rule; or
- (b) if no rate is prescribed, 15% each year.

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

Managing Director means a managing director appointed under rule 7.1.

member means a person whose name is entered in the Register as the holder of a share.

ordinary resolution means a resolution passed at a meeting of members by a majority of the votes cast by members entitled to vote on the resolution.

Register means the register of members kept as required by sections 168 and 169 and includes a computerised or electronic subregister established and administered under the ASX Settlement Rules.

Secretary means, during the term of that appointment, a person appointed as a secretary of the Company in accordance with this document.

special resolution has the meaning given by section 9.

Unmarketable Parcel means a parcel of shares of a single class registered in the same name or the same joint names which is less than:

- (a) the number that constitutes a marketable parcel of shares of that class under the Listing Rules; or
- (b) subject to the Act, the Listing Rules and the ASX Settlement Rules, any other number determined by the Board from time to time.

Voting Member in relation to a general meeting, or meeting of a class of members, means a member who has the right to be present and to vote on at least one item of business to be considered at the meeting.

1.3 Interpretation of this document

Headings and marginal notes are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation), the Listing Rules or the ASX Settlement Rules is to that legislation or those rules as:
 - (A) amended, modified or waived in relation to the Company; or
 - (B) re-enacted, amended or replaced,and includes any subordinate legislation or rules issued under that legislation or those rules;
 - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;

See sections
168 and 169 and
the Listing Rules

-
- (iii) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (iv) anything (including a right, obligation or concept) includes each part of it.
 - (b) A singular word includes the plural, and vice versa.
 - (c) A word which suggests one gender includes the other genders.
 - (d) If a word is defined, another part of speech has a corresponding meaning.
 - (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
 - (f) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
 - (g) A power to do something includes a power, exercisable in the like circumstances, to revoke or undo it.
 - (h) A reference to a power is also a reference to authority or discretion.
 - (i) A reference to something being **written** or **in writing** includes that thing being represented or reproduced in any mode in a visible form.
 - (j) A word (other than a word defined in rule 1.2) which is defined by the Act has the same meaning in this document where it relates to the same matters as the matters for which it is defined in the Act.
 - (k) A reference to a Chapter, Part, Division, or section is a reference to a Chapter, Part, Division or section of the Act.

2. LISTING RULES

See Listing
Rules 1.1
condition 2 and
15.11

If the Company is admitted to an official list of ASX, it must comply with the following:

- (a) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, the act shall not be done;
- (b) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (e) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (f) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

3. DIRECTORS

3.1 Number of Directors

Not counting Alternates, the Company must have at least three (3) and not more than twelve (12) Directors. The Board may from time to time determine to increase the maximum number of Directors but the maximum applying at any time cannot be reduced except by the Company in general meeting.

3.2 Eligibility

A Director need not be a member. Neither the auditor of the Company for the time being nor any partner, director or employee of the auditor is eligible to act as a Director.

3.3 Appointment by the Board

Replaces
section 201H

Subject to this document, and to the number of Directors for the time being fixed under rule 3.1 not being exceeded, the Board may appoint a person to be a Director at any time except during a general meeting. Any Director so appointed automatically retires at the next annual general meeting and is eligible for election by that general meeting.

3.4 Election by general meeting

Replaces
section 201G

Subject to this document, section 201E and to the number of Directors for the time being fixed under rule 3.1 not being exceeded, the Company may elect Directors by ordinary resolution. A Director appointed to replace one removed from office under rule 3.10 must retire when the Director replaced would have been required to retire if not removed and is eligible for re-election.

3.5 Eligible candidates

The Company in general meeting cannot validly elect a person as a Director unless:

- (a) the person retires under rule 3.3, 3.4 or 3.6 and seeks re-election;
- (b) the Board recommends the appointment; or
- (c) at least 45 business days (or any other period fixed by the Board and notified to ASX) before the date of the meeting at which election is to occur, the Company receives at its registered office both:
 - (i) a nomination of the person by a member (who may be the person); and
 - (ii) a consent to act as a Director signed by the person.

See Listing Rule
14.3

The Company must notify members of every candidate for election as a Director with the notice of meeting.

3.6 Retirement of Directors

- (a) A Director must retire from office at the third annual general meeting after the Director was elected or last re-elected.
- (b) A Director may elect to retire and seek re-election at an annual general meeting before the time required by rule 3.6(a), provided at least 45 business days (or any other period as the Board may determine) before the annual general meeting the Director has given the Board notice of their intention to do so. If the Director gives such a notice, the Director must then retire from office at the relevant annual general meeting.

-
- (c) An election of Directors must be held at each annual general meeting. If no election of Directors is scheduled to occur at an annual general meeting under rule 3.3, 3.6(a) or 3.6(b), then one Director must retire from office at the annual general meeting.
 - (d) None of rules 3.6(a), 3.6(b) and 3.6(c) applies to the Managing Director (or if there is more than one, the one (if any) nominated under rule 7.3(a)) and Alternates.
 - (e) A Director who retires under this rule 3.6 is eligible for re-election.

3.7 Selection of Directors to retire

Subject to rule 3.4, the Director who retires under rule 3.6(c) is the Director who has held office the longest since last being elected. If two or more Directors have been in office for the same period, those Directors may agree which of them will retire. If they do not agree, they must draw lots to decide which of them must retire.

3.8 Time of retirement

A Director's retirement under rule 3.3 or 3.6 takes effect at the end of the relevant annual general meeting unless the Director is re-elected at that meeting.

3.9 Cessation of Director's appointment

A person automatically ceases to be a Director if the person:

- (a) is not permitted by the Act (or an order made under the Act) to be a director;
- (b) becomes disqualified from managing corporations under Part 2D.6 and is not given permission or leave to manage the Company under section 206F or 206G;
- (c) becomes of unsound mind or physically or mentally incapable of performing the functions of that office;
- (d) fails to attend (either personally or by an Alternate) three consecutive Board meetings (not including meetings of a committee of the Board) without leave of absence from the Board;
- (e) resigns by notice in writing to the Company;
- (f) is removed from office under rule 3.10;
- (g) ceases to be eligible to act as a Director under rule 3.2; or
- (h) is a Managing Director and ceases to hold that office.

Rule 3.9(e)
replaces section
203A

3.10 Removal from office

Whether or not a Director's appointment was expressed to be for a specified period:

- (a) the Company by ordinary resolution; or
- (b) members holding a majority of the issued shares of the Company conferring the right to vote, by writing delivered to the Company,

may remove a Director from office.

The powers to remove a Director under this rule are in addition to section 203D.

3.11 Too few Directors

If the number of Directors is reduced below the minimum required by rule 3.1, the continuing Directors may act as the Board only:

- (a) to appoint Directors up to that minimum number;
- (b) to convene a meeting of members; and
- (c) in emergencies.

4. ALTERNATE DIRECTORS

4.1 Appointment of Alternates

Replaces
section 201K

Subject to rule 3.2, a Director (other than an Alternate) may appoint a person who is approved by the Board (without the vote of the Appointor) to act as Alternate for a specified period or each time the Appointor is unable to attend a Board meeting or act as a Director.

4.2 Notice of Board meetings

If the Appointor requests the Company to give the Alternate notice of Board meetings, the Company must do so. Unless the Appointor has requested it, the Company need not give notice of Board meetings to an Alternate.

4.3 Obligations and entitlements of Alternates

An Alternate:

- (a) may attend and vote in place of the Appointor at a Board meeting at which the Appointor is not present;
- (b) if also a Director, has a separate right to vote as Alternate;
- (c) if Alternate for more than one Appointor, has a separate right to vote in place of each Appointor;
- (d) when acting as Alternate, is an officer of the Company and subject to all the duties, and entitled to exercise all the powers and rights, of the Appointor as a Director; and
- (e) is entitled to reasonable travelling, accommodation and other expenses incurred in attending meetings of the Board or of the Company or while otherwise engaged on the business of the Company on the same basis as other Directors but is not entitled to any other remuneration from the Company (but the Appointor may further remunerate the Alternate).

4.4 Termination of appointment

The Appointor may at any time revoke the appointment of a person as an Alternate whether or not that appointment is for a specified period. Any appointment of an Alternate immediately ceases if:

- (a) the Appointor ceases to be a Director; or
- (b) an event occurs which would cause the Alternate to cease to be a Director under rule 3.9 if the Alternate were a Director.

4.5 Appointments and revocations in writing

The Appointor must appoint, and revoke the appointment of, any Alternate in writing. The appointment or revocation is not effective until a copy is provided to the Company.

5. POWERS OF THE BOARD

5.1 Powers generally

Replaces
section 198A

Except as otherwise required by the Act, any other applicable law, the Listing Rules or this document, the Board:

- (a) has power to manage the business of the Company; and
- (b) may exercise every right, power or capacity of the Company to the exclusion of the Company in general meeting and the members.

5.2 Exercise of powers

A power of the Board can be exercised only:

- (a) by resolution passed at a meeting of the Board or otherwise in accordance with rule 12; or
- (b) in accordance with a delegation of the power under rule 7 or 8.

6. EXECUTING NEGOTIABLE INSTRUMENTS

Replaces
section 198B

Negotiable instruments can be executed, accepted or endorsed for and on behalf of the Company by being signed by two Directors or a Director and Secretary or in such other manner (including the use of facsimile signatures if thought appropriate) as the Board may decide.

7. MANAGING DIRECTOR

7.1 Appointment and power of Managing Director

Replaces
sections
198C and
201J

The Board may appoint one or more persons to be a Managing Director either for a specified term (but not for life) or without specifying a term. Subject to this document, a Managing Director has all the duties, and can exercise all the powers and rights, of a Director.

The Board may delegate any of the powers of the Board to a Managing Director:

- (a) on the terms and subject to any restrictions the Board decides; and
- (b) so as to be concurrent with, or to the exclusion of, the powers of the Board,

and may revoke the delegation at any time.

This rule does not limit rule 8.

7.2 Retirement and removal of Managing Director

Subject to rule 7.3, a Managing Director is not:

- (a) subject to automatic retirement under rule 3.3; or

-
- (b) required to retire under rule 3.6,

but (subject to any contract between the Company and that Managing Director) is otherwise subject to the same rules regarding resignation, removal and retirement from office as the other Directors.

7.3 Multiple Managing Directors

If there are two or more Managing Directors at the same time:

- (a) the Board may nominate one of them as the Managing Director to be exempted from retirement under rules 3.3 and 3.6 and may revoke the nomination at any time;
- (b) if a Managing Director has been nominated under rule 7.3(a) and the Board later nominates a different Managing Director under that rule, the one first nominated must retire at the next annual general meeting after the later nomination; and
- (c) if none of them is the subject of a current nomination under rule 7.3(a), each of them must retire as required by rule 3.6.

7.4 Termination of appointment of Managing Director

Replaces
section 203F

The appointment of a Managing Director terminates if:

- (a) the Managing Director ceases for any reason to be a Director; or
- (b) the Board removes the Managing Director from the office of Managing Director (which, without affecting the rights of the Managing Director under any contract between the Company and the Managing Director, the Board has power to do),

whether or not the appointment was expressed to be for a specified term.

8. DELEGATION OF BOARD POWERS

8.1 Power to delegate

The Board may delegate any of its powers as permitted by section 198D.

8.2 Power to revoke delegation

The Board may revoke a delegation previously made whether or not the delegation is expressed to be for a specified period.

8.3 Terms of delegation

A delegation of powers under rule 8.1 may be made:

- (a) for a specified period or without specifying a period; and
- (b) on the terms (including power to further delegate) and subject to any restrictions the Board decides.

A document of delegation may contain the provisions for the protection and convenience of those who deal with the delegate that the Board thinks appropriate.

8.4 Proceedings of committees

Subject to the terms on which a power of the Board is delegated to a committee, the meetings and proceedings of committees are, to the greatest extent practical, governed by the rules of this document which regulate the meetings and proceedings of the Board.

9. DIRECTORS' DUTIES AND INTERESTS

9.1 Compliance with duties under the Act and general law

Each Director must comply with his or her duties under the Act and under the general law.

9.2 Director can hold other offices etc

A Director may:

- (a) hold any office or place of profit or employment other than that of the Company's auditor or any director or employee of the auditor;
- (b) be a member of any corporation (including the Company) or partnership other than the Company's auditor;
- (c) be a creditor of any corporation (including the Company) or partnership; or
- (d) enter into any agreement with the Company.

9.3 Disclosure of interests

Each Director must comply with the general law in respect of disclosure of conflicts of interest or duty and with section 191 in respect of disclosure of material personal interests.

9.4 Director interested in a matter

Each Director must comply with section 195 in relation to being present, and voting, at a Board meeting that considers a matter in which the Director has a material personal interest. Subject to section 195:

- (a) a Director may be counted in a quorum at a Board meeting that considers, and may vote on, any matter in relation to which that Director has a conflict of interest or duty;
- (b) the Company may proceed with any transaction in relation to which a Director has an interest or conflict of duty and the Director may participate in the execution of any relevant document by or on behalf of the Company;
- (c) the Director may retain any benefits accruing to the Director under the transaction; and
- (d) the Company cannot avoid the transaction merely because of the existence of the Director's interest or conflict of duty.

If the interest is required to be disclosed under section 191, paragraph (c) applies only if it is disclosed before the transaction is entered into.

9.5 Agreements with third parties

The Company cannot avoid an agreement with a third party merely because a Director:

- (a) fails to make a disclosure of a conflict of interest or duty; or

-
- (b) is present at, or counted in the quorum for, a Board meeting that considers or votes on that agreement.

9.6 Obligation of secrecy

Every Director and Secretary must keep the transactions and affairs of the Company and the state of its financial reports confidential unless required to disclose them:

- (a) in the course of duties as an officer of the Company;
- (b) by the Board or the Company in general meeting; or
- (c) by law or under the Listing Rules.

The Company may require a Director, Secretary, auditor, trustee, committee member or other person engaged by it to sign a confidentiality undertaking consistent with this rule. A Director or Secretary must do so if required by the Company.

10. DIRECTORS' REMUNERATION

10.1 Remuneration of Executive Directors

Replaces
section
202A

Subject to any contract with the Company and to the Listing Rules, the Board may fix the remuneration of each Executive Director. That remuneration may consist of salary, bonuses or any other elements but must not include a commission on, or percentage of, operating revenue.

10.2 Remuneration of non-executive Directors

The Directors (other than the Executive Directors and those who are Directors only because they are Alternates) are entitled to be paid, out of the funds of the Company, an amount of Approved Fees which:

- (a) does not:
 - (i) in any year exceed in aggregate the amount last fixed by ordinary resolution; or
 - (ii) consist of a commission on, or percentage of, operating revenue; and
- (b) is allocated among them:
 - (i) on an equal basis having regard to the proportion of the relevant year for which each Director held office; or
 - (ii) as otherwise decided by the Board; and
- (c) is provided in the manner the Board decides, which may include provision of non-cash benefits.

If the Board decides to include non-cash benefits in the Approved Fees of a Director, the Board must also decide the manner in which the value of those benefits is to be calculated for the purposes of this rule.

10.3 Additional Remuneration for extra services

If a Director, at the request of the Board and for the purposes of the Company, performs extra services or makes special exertions (including going or living away from the Director's usual residential address), the Company may pay that Director a fixed sum set

by the Board for doing so. Remuneration under this rule may be either in addition to or in substitution for any remuneration to which that Director is entitled under rule 10.1 or 10.2.

10.4 Expenses of Directors

The Company must pay a Director (in addition to any remuneration) all reasonable expenses (including travelling and accommodation expenses) incurred by the Director:

- (a) in attending meetings of the Company, the Board, or a committee of the Board;
- (b) on the business of the Company; or
- (c) in carrying out duties as a Director.

10.5 Directors' retirement benefits

Subject to Division 2 of Part 2D.2 and the Listing Rules, the Company may:

- (a) agree with a Director or person about to become a Director that, when or after the person dies or otherwise ceases to be a Director, the Company will pay a pension or lump sum benefit to:
 - (i) that person; or
 - (ii) after that person's death, any of the surviving spouse, dependants or legal personal representatives of that person; or
- (b) pay such a pension or lump sum benefit regardless of whether the Company has agreed to do so and regardless of the terms of any agreement.

11. OFFICERS' INDEMNITY AND INSURANCE

11.1 Indemnity

Subject to and so far as permitted by the Act, the *Competition and Consumer Act 2010* (Cth) and any other applicable law:

- (a) the Company must, to the extent the person is not otherwise indemnified, indemnify every officer of the Company and its wholly owned subsidiaries and may indemnify its auditor against a Liability incurred as such an officer or auditor to a person (other than the Company or a related body corporate) including a Liability incurred as a result of appointment or nomination by the Company or subsidiary as a trustee or as an officer of another corporation, unless the Liability arises out of conduct involving a lack of good faith; and
- (b) the Company may make a payment (whether by way of advance, loan or otherwise) in respect of legal costs incurred by an officer or employee or auditor in defending an action for a Liability incurred as such an officer, employee or auditor or in resisting or responding to actions taken by a government agency or a liquidator.

In this rule, **Liability** means a liability of any kind (whether actual or contingent and whether fixed or unascertained) and includes costs, damages and expenses, including costs and expenses incurred in connection with any investigation or inquiry by a government agency or a liquidator.

11.2 Insurance

Subject to the Act and any other applicable law, the Company may enter into, and pay premiums on, a contract of insurance in respect of any person.

11.3 Former officers

The indemnity in favour of officers under rule 11.1 is a continuing indemnity. It applies in respect of all acts done by a person while an officer of the Company or one of its wholly owned subsidiaries even though the person is not an officer at the time the claim is made.

11.4 Deeds

Subject to the Act, the *Competition and Consumer Act 2010* (Cth) and any other applicable law, the Company may, without limiting a person's rights under this rule 11, enter into an agreement with a person who is or has been an officer of the Company or any of the Company's subsidiaries, to give effect to the rights of the person under this rule 11 on any terms and conditions that the Board thinks fit.

12. BOARD MEETINGS

12.1 Convening Board meetings

Replaces
section 248C

A Director may at any time, and a Secretary must on request from a Director, convene a Board meeting.

12.2 Notice of Board meeting

The convenor of each Board meeting:

- (a) must give reasonable notice of the meeting (and, if it is adjourned, of its resumption) individually to:
 - (i) each Director who is in Australia; and
 - (ii) each Alternate in respect of whom the Appointor has given notice under rule 4.2 requiring notice of Board meetings to be given to that Alternate or whose Appointor is not given notice due to being outside Australia; and
- (b) may give that notice orally (including by telephone) or in writing,

but failure to give notice to, or non-receipt of notice by, a Director does not result in a Board meeting being invalid.

12.3 Use of technology

A Board meeting may be held using any means of audio or audio-visual communication by which each Director participating can hear and be heard by each other Director participating or in any other way permitted by section 248D. A Board meeting held solely or partly by technology is treated as held at the place at which the greatest number of the Directors present at the meeting is located or, if an equal number of Directors is located in each of two or more places, at the place where the chairman of the meeting is located.

12.4 Chairing Board meetings

Replaces
section 248E

The Board may elect a Director to chair its meetings and decide the period for which that Director holds that office. If there is no chairman of Directors or the chairman is not present within 15 minutes after the time for which a Board meeting is called or is unwilling to act, the Directors present must elect a Director present to chair the meeting.

12.5 Quorum

Replaces
section 248F

Unless the Board decides otherwise, the quorum for a Board meeting is two Directors and a quorum must be present for the whole meeting. An Alternate who is also a Director or a person who is an Alternate for more than one Appointor may only be counted once toward a quorum. A Director is treated as present at a meeting held by audio or audio-visual communication if the Director is able to hear and be heard by all others attending. If a meeting is held in another way permitted by section 248D, the Board must resolve the basis on which Directors are treated as present.

12.6 Majority decisions

Replaces
section 248G

A resolution of the Board must be passed by a majority of the votes cast by Directors entitled to vote on the resolution. If an equal number of votes is cast for and against a resolution:

- (a) the chairman of the meeting has a second or casting vote unless:
 - (i) only two Directors are entitled to vote; or
 - (ii) the chairman of the meeting is not entitled to vote; and
- (b) if the chairman does not have a second or casting vote under rule 12.6(a), the matter is decided in the negative.

12.7 Procedural rules

The Board may adjourn and, subject to this document, otherwise regulate its meetings as it decides.

12.8 Written resolution

Replaces
section 248A

If all the Directors entitled to receive notice of a Board meeting and to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document, a Board resolution in those terms is passed at the time when the last Director signs.

12.9 Additional provisions concerning written resolutions

For the purpose of rule 12.8:

- (a) two or more separate documents in identical terms, each of which is signed by one or more Directors, are treated as one document;
- (b) signature of a document by an Alternate is not required if the Appointor of that Alternate has signed the document;
- (c) signature of a document by the Appointor of an Alternate is not required if that Alternate has signed the document in that capacity; and
- (d) a facsimile or electronic message containing the text of the document expressed to have been signed by a Director that is sent to the Company is a document signed by that Director at the time of its receipt by the Company.

12.10 Valid proceedings

Each resolution passed or thing done by, or with the participation of, a person acting as a Director or member of a committee is valid even if it is later discovered that:

- (a) there was a defect in the appointment of the person; or

-
- (b) the person was disqualified from continuing in office, voting on the resolution or doing the thing.

13. MEETINGS OF MEMBERS

13.1 Annual general meeting

The Company must hold an annual general meeting as required by section 250N.

13.2 Calling meetings of members

A meeting of members:

- (a) may be convened at any time by the Board or a Director; and
- (b) must be convened by the Board when required by section 249D or 250N or by order made under section 249G.

13.3 Notice of meeting

Subject to rule 13.6, at least 28 days' written notice of a meeting of members must be given individually to:

- (a) each member (whether or not the member is entitled to vote at the meeting);
- (b) each Director (other than an Alternate); and
- (c) to the auditor.

Subject to any regulation made under section 249LA, the notice of meeting must comply with sections 249L and 250BA, the regulations made under section 1074E and the Listing Rules and may be given in any manner permitted by section 249J(3).

13.4 Postponement or cancellation

Subject to sections 249D(5) and 250N, the Board may:

- (a) postpone a meeting of members;
- (b) cancel a meeting of members; or
- (c) change the place for a general meeting,

by written notice given to ASX.

13.5 Fresh notice

Replaces
section 249M

If a meeting of members is postponed or adjourned for one month or more, the Company must give new notice of the resumed meeting.

13.6 Notice to joint holders of shares

Replaces
section 249J(2)

If a share is held jointly, the Company need only give notice of a meeting of members (or of its cancellation or postponement) to the joint holder who is named first in the Register.

13.7 Technology

See section
249S

The Company may hold a meeting of members at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate.

13.8 Accidental omission

The accidental omission to give notice to, or the non-receipt of notice by, any of those entitled to it does not invalidate any resolution passed at a meeting of members.

13.9 Class meetings

Rules 13 to 17 apply to a separate meeting of a class of members as far as they are capable of application and modified as necessary.

14. PROCEEDINGS AT MEETINGS OF MEMBERS

14.1 Member present at meeting

If a member has appointed a proxy or attorney or (in the case of a member which is a body corporate) a representative to act at a meeting of members, that member is taken to be present at a meeting at which the proxy, attorney or representative is present.

14.2 Quorum

Replaces sections 249T(1) and (2)

The quorum for a meeting of members is two Voting Members. Each individual present may only be counted once toward a quorum. If a member has appointed more than one proxy or representative only one of them may be counted toward a quorum.

14.3 Quorum not present

Replaces sections 249T(3) and (4)

If a quorum is not present within 15 minutes after the time for which a meeting of members is called:

- (a) if called as a result of a request of members under section 249D, the meeting is dissolved; and
- (b) in any other case:
 - (i) the meeting is adjourned to the day, time and place that the Board decides and notifies to members, or if no decision is notified before then, to the same time on the same day in the next week at the same place; and
 - (ii) if a quorum is not present at the adjourned meeting, the meeting is dissolved.

14.4 Chairing meetings of members

Replaces sections 249U(1) to (3)

If the Board has appointed a Director to chair Board meetings, that Director may also chair meetings of members. If:

- (a) there is no Director who the Board has appointed to chair Board meetings for the time being; or
- (b) the Director appointed to chair Board meetings is not present at the time for which a meeting of members is called or is not willing to chair the meeting,

the Voting Members present must elect a member or Director present to chair the meeting.

14.5 Attendance at meetings of members

Subject to rules 14.6 and 14.8:

-
- (a) Every member has the right to attend all meetings of members whether or not entitled to vote.
 - (b) Every Director has the right to attend and speak at all meetings of members whether or not a member.
 - (c) The auditor has the right to attend any meeting of members and to speak on any part of the business of the meeting which concerns the auditor in the capacity of auditor.

See sections
249V and
250RA

14.6 Members rights suspended while call unpaid

If a call on a share is due and unpaid, the holding of that share does not entitle the member to be present, speak or vote at, or be counted in the quorum for, a meeting of members.

14.7 Chairman's powers at meetings of members

- (a) The chairman of a meeting of members:
 - (i) is responsible for the general conduct and procedures to be adopted at the meeting;
 - (ii) may, subject to the Act, at any time terminate discussion or debate on any matter being considered by the meeting, where the chairman considers it necessary or desirable for the proper and orderly conduct of the meeting;
 - (iii) may, subject to the Act, eject a member from the meeting, at any time the chairman considers it is necessary or desirable for the proper and orderly conduct of the meeting;
 - (iv) may require the adoption of any procedure which is in the chairman's opinion necessary or desirable for proper and orderly debate or discussion and the proper and orderly casting or recording of votes at the meeting, and a decision by the chairman under this rule is final.
- (b) The chairman of a meeting may invite a person who is not a member to attend and to speak at the meeting.
- (c) Subject to rule 13.7, if the chairman considers that there are too many persons present at a meeting to fit into the venue where the meeting is to be held, the chairman may nominate a separate meeting place using any technology that gives the members as a whole a reasonable opportunity to participate.
- (d) The chairman's rights under this rule 14.7 are exclusive to the chairman.

14.8 Admission to meetings of members

The chairman of a meeting of members may take any action the chairman considers appropriate for the safety of persons attending the meeting and the orderly conduct of the meeting and may refuse admission to, or require to leave and remain out of, the meeting any person:

- (a) possessing a pictorial-recording or sound-recording device;
- (b) possessing a placard or banner;
- (c) possessing an article considered by the chairman to be dangerous, offensive or liable to cause disruption;

-
- (d) who refuses to produce or to permit examination of any article, or the contents of any article, in the person's possession;
 - (e) who behaves or threatens to behave in a dangerous, offensive or disruptive way; or
 - (f) who is not entitled to receive notice of the meeting.

The chairman may delegate the powers conferred by this rule to any person.

14.9 Adjournment

Replaces
section
249U(4)

Subject to rule 13.5, the chairman of a meeting of members at which a quorum is present:

- (a) may; and
- (b) must, if directed by ordinary resolution of the meeting, adjourn it to another time and place.

14.10 Business at adjourned meetings

Replaces
section
249W(2)

The only business that may be transacted at a meeting resumed after an adjournment is the business left unfinished immediately before the adjournment.

15. PROXIES, ATTORNEYS AND REPRESENTATIVES

15.1 Appointment of proxies

See Listing
Rule 14.2

A member may appoint not more than two proxies to attend and act for the member at a meeting of members. An appointment of proxy must be made by written notice to the Company:

- (a) that complies with section 250A(1); or
- (b) is in a form and mode, and is signed or otherwise authenticated by the member in a manner, satisfactory to the Board.

If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of those votes.

15.2 Member's attorney

A member may appoint an attorney to act, or to appoint a proxy to act, at a meeting of members. If the appointor is an individual, the power of attorney must be signed in the presence of at least one witness.

15.3 Deposit of proxy appointment forms, powers of attorney and proxy appointment authorities

See Listing
Rule 6.10.2

An appointment of a proxy or an attorney is not effective for a particular meeting of members unless the instrument effecting the appointment and, if it is an appointment of proxy which is executed or otherwise authenticated in a manner prescribed by a regulation made for the purposes of section 250A(1) by the appointor's attorney, a document referred to in rule 15.4(a) are received by the Company in accordance with section 250B(3):

- (a) at least 48 hours before the time for which the meeting was called; or

-
- (b) if the meeting has been adjourned, at least 48 hours before the resumption of the meeting.

15.4 Evidence of proxy appointment forms, powers of attorney and other appointments

The Board may require evidence of:

- (a) in the case of a proxy appointment form executed or otherwise authenticated by an attorney, the relevant power of attorney or other authority under which the appointment was authenticated or a certified copy of it;
- (b) in the case of an attorney, the power of attorney or a certified copy of it;
- (c) in the case of a corporate representative of a member or a proxy, the appointment of the representative in accordance with the Act; or
- (d) in the case of any appointment under this rule 15 which is transmitted to the Company electronically, the identity of the person who transmitted the message containing the appointment.

15.5 Corporate representatives

A member that is a body corporate may appoint an individual to act as its representative at meetings of members as permitted by section 250D.

15.6 Appointment for particular meeting, standing appointment and revocation

A member may appoint a proxy, attorney or representative to act at a particular meeting of members or make a standing appointment and may revoke any appointment. A proxy, attorney or representative may, but need not, be a member.

15.7 Position of proxy or attorney if member present

The appointment of a proxy or attorney is not revoked by the member attending and taking part in the general meeting, but if the member votes on a resolution, the proxy or attorney is not entitled to vote, and must not vote, as the member's proxy or attorney on the resolution.

15.8 Priority of conflicting appointments of attorney or representative

If more than one attorney or representative appointed by a member is present at a meeting of members and the Company has not received notice of revocation of any of the appointments:

- (a) an attorney or representative appointed to act at that particular meeting may act to the exclusion of an attorney or representative appointed under a standing appointment; and
- (b) subject to rule 15.8(a), an attorney or representative appointed under a more recent appointment may act to the exclusion of an attorney or representative appointed earlier in time.

15.9 More than two current proxy appointments

An appointment of proxy by a member is revoked (or, in the case of a standing appointment, suspended for that particular meeting) if the Company receives a further appointment of proxy from that member which would result in there being more than two proxies of that member entitled to act at a meeting. The appointment of proxy made first in time is the first to be treated as revoked or suspended by this rule.

15.10 Continuing authority

Replaces
section 250C(2)

An act done at a meeting of members by a proxy, attorney or representative is valid even if, before the act is done, the appointing member:

- (a) dies or becomes mentally incapacitated;
- (b) becomes bankrupt or an insolvent under administration or is wound up;
- (c) revokes the appointment or revokes the authority under which the appointment was made by a third party; or
- (d) transfers the share to which the appointment relates,

unless the Company has received written notice of the matter before the start or resumption of the meeting at which the vote is cast.

16. ENTITLEMENT TO VOTE

16.1 Determining voting entitlements

See Listing
Rule 6.10.3

Subject to section 250L(4) and rule 17.2(b), to decide, for the purposes of a particular meeting, who are members of the Company and how many shares they hold, the Company must refer only:

- (a) if the convenor of the meeting determined a specified time under the regulations made under section 1074E before notice of the meeting was given, to the Register as it stood at that time; or
- (b) otherwise, to the Register as it stood 48 hours before the meeting or at any later time required by the ASX Settlement Rules.

16.2 Number of votes

1. Replaces
section 250E(1)
2. See Listing
Rule 6.9

Subject to section 250A(4), rules 14.6, 15, 16.4, 16.5, 16.6 and 29.4 and the terms on which shares are issued:

- (a) on a show of hands:
 - (i) if a member has appointed two proxies, neither of those proxies may vote;
 - (ii) a member who is present and entitled to vote and is also a proxy, attorney or representative of another member has one vote; and
 - (iii) subject to paragraphs (a)(i) and (a)(ii), every individual present who is a member, or a proxy, attorney or representative of a member, entitled to vote has one vote;
- (b) on a poll every member entitled to vote who is present in person or by proxy, attorney or representative:
 - (i) has one vote for every fully paid share held; and
 - (ii) subject to paragraph (c), in respect of each partly paid share held has a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share; and
- (c) unless:

-
- (i) permitted under the Listing Rules; and
 - (ii) otherwise provided in the terms on which shares are issued,
- in calculating the fraction of a vote which the holder of a partly paid share has, the Company must not count an amount:
- (iii) paid in advance of a call; or
 - (iv) credited on a partly paid share without payment in money or money's worth being made to the Company.

16.3 Casting vote of chairman

Replaces
section 250E(3)

If an equal number of votes is cast for and against a resolution at a meeting of members:

- (a) if the chairman of the meeting is not (or if the chairman were a member would not be) entitled to vote, the matter is decided in the negative; and
- (b) otherwise, the chairman has a casting vote whether or not the chairman is a member.

16.4 Votes of joint holders

If there are joint holders of a share, any one of them may vote at a meeting of members, in person or by proxy, attorney or representative, as if that holder were the sole owner of the share. If more than one of the joint holders of a share (including, for the purposes of this rule, joint legal personal representatives of a dead member) are present at a meeting of members, in person or by proxy, attorney or representative, and tender a vote in respect of the share, the Company may only count the vote cast by, or on behalf of, the most senior joint holder who tenders a vote. For this purpose, seniority depends on the order in which the names of the joint holders are listed in the Register.

16.5 Votes of transmitters and guardians

Subject to section 1072C, if the Board is satisfied at least 48 hours before the time fixed for a meeting of members, that a person:

- (a) is entitled to the transmission of a share under rule 30; or
- (b) has power to manage a member's property under a law relating to the management of property of the mentally incapable,

that person may vote as if registered as the holder of the share and the Company must not count the vote (if any) of the actual registered holder.

16.6 Voting restrictions

If:

- (a) the Act or the Listing Rules require that some members are not to vote on a resolution, or that votes cast by some members be disregarded, in order for the resolution to have an intended effect; and
- (b) the notice of the meeting at which the resolution is proposed states that fact,

those members have no right to vote on that resolution and the Company must not count any votes purported to be cast by those members. If a proxy purports to vote in a way or in circumstances that contravene section 250BB(1), on a show of hands the vote is invalid and the Company must not count it and on a poll rule 17.3(c) applies.

16.7 Decision on right to vote

A Voting Member or Director may challenge a person's right to vote at a meeting of members. A challenge may only be made at the meeting. A challenge, or any other doubt as to the validity of a vote, must be decided by the chairman, whose decision is final.

17. HOW VOTING IS CARRIED OUT

17.1 Method of voting

Replaces sections 250J(1) and (2)

A resolution put to the vote at a meeting of members must be decided on a show of hands unless a poll is demanded under rule 17.2 either before or on declaration of the result of the vote on a show of hands. Unless a poll is demanded, the chairman's declaration of a decision on a show of hands is final.

17.2 Demand for a poll

See section 250L

A poll may be demanded on any resolution (except a resolution concerning the election of the chairman of a meeting) by:

- (a) at least five members entitled to vote on the resolution; or
- (b) members entitled to cast at least 5% of the votes that may be cast on the resolution on a poll (worked out as at the midnight before the poll is demanded); or
- (c) the chairman.

The demand for a poll does not affect the continuation of the meeting for the transaction of other business and may be withdrawn.

17.3 When and how polls must be taken

Replaces section 250M

If a poll is demanded:

- (a) if the resolution is for the adjournment of the meeting, the poll must be taken immediately and, subject to rule 17.3(c), in the manner that the chairman of the meeting directs;
- (b) in all other cases, the poll must be taken at the time and place and, subject to rule 17.3(c), in the manner that the chairman of the meeting directs;
- (c) votes which section 250BB(1) requires to be cast in a given way must be treated as cast in that way;
- (d) a person voting who has the right to cast two or more votes need not cast all those votes and may cast those votes in different ways; and
- (e) the result of the poll is the resolution of the meeting at which the poll was demanded.

18. SECRETARY

18.1 Appointment of Secretary

See section 204D

The Board:

- (a) must appoint at least one individual; and

(b) may appoint more than one individual,

to be a Secretary either for a specified term or without specifying a term.

18.2 Terms and conditions of office

Replaces
section 204F

A Secretary holds office on the terms (including as to remuneration) that the Board decides. The Board may vary any decision previously made by it in respect of a Secretary.

18.3 Cessation of Secretary's appointment

A person automatically ceases to be a Secretary if the person:

- (a) is not permitted by the Act (or an order made under the Act) to be a secretary of a company;
- (b) becomes disqualified from managing corporations under Part 2D.6 and is not given permission or leave to manage the Company under section 206F or 206G;
- (c) becomes of unsound mind or physically or mentally incapable of performing the functions of that office;
- (d) resigns by notice in writing to the Company; or
- (e) is removed from office under rule 18.4.

18.4 Removal from office

The Board may remove a Secretary from that office whether or not the appointment was expressed to be for a specified term.

19. MINUTES

19.1 Minutes must be kept

The Board must cause minutes of:

- (a) proceedings and resolutions of meetings of the Company's members;
- (b) the names of Directors present at each Board meeting or committee meeting;
- (c) proceedings and resolutions of Board meetings (including meetings of a committee to which Board powers are delegated under rule 8);
- (d) resolutions passed by Directors without a meeting; and
- (e) disclosures and notices of Directors' interests,

to be kept in accordance with sections 191, 192, 251A and 251AA.

19.2 Minutes as evidence

A minute recorded and signed in accordance with sections 251A and 251AA is evidence of the proceeding, resolution or declaration to which it relates unless the contrary is proved.

19.3 Inspection of minute books

The Company must allow members to inspect, and provide copies of, the minute books for the meetings of members in accordance with section 251B.

20. COMPANY SEALS

20.1 Common seal

The Board:

- (a) may decide whether or not the Company has a common seal; and
- (b) is responsible for the safe custody of that seal (if any) and any duplicate seal it decides to adopt under section 123(2).

20.2 Use of seals

The common seal and duplicate seal (if any) may only be used with the authority of the Board. The Board must not authorise the use of a seal that does not comply with section 123.

20.3 Fixing seals to documents

The fixing of the common seal, or any duplicate seal, to a document must be witnessed:

- (a) by two Directors;
- (b) by one Director and one Secretary; or
- (c) by any other signatories or in any other way (including the use of facsimile signatures) authorised by the Board.

21. FINANCIAL REPORTS AND AUDIT

21.1 Company must keep financial records

The Board must cause the Company to keep written financial records that:

- (a) correctly record and explain its transactions (including transactions undertaken as trustee) and financial position and performance; and
 - (b) would enable true and fair financial statements to be prepared and audited,
- and must allow a Director and the auditor to inspect those records at all reasonable times.

21.2 Financial reporting

The Board must cause the Company to prepare a financial report and a directors' report that comply with Part 2M.3 and must report to members in accordance with section 314 no later than the deadline set by section 315.

21.3 Audit

The Board must cause the Company's financial report for each financial year to be audited and obtain an auditor's report. The eligibility, appointment, rotation, removal, remuneration, rights and duties of the auditor are regulated by Division 3 of Part 2M.3, Divisions 1 to 6 of Part 2M.4, Part 2M.4A and sections 1280, 1289, 1299B and 1299C.

21.4 Conclusive reports

Audited financial reports laid before the Company in general meeting are conclusive except as regards errors notified to the Company within three months after the relevant general

meeting. If the Company receives notice of an error within that period, it must immediately correct the report and the report as corrected is then conclusive.

21.5 Inspection of financial records and books

Subject to rule 19.3 and unless otherwise required by the Act, a member who is not a Director does not have any right to inspect any document of the Company except as authorised by the Board.

22. SHARES

22.1 Issue at discretion of Board

Subject to section 259C and rule 22.3, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides.

22.2 Preference and redeemable preference shares

The Company may issue preference shares (including preference shares that are liable to be redeemed). The rights attached to preference shares are, unless other rights have been approved by special resolution of the Company, the rights set out in or determined in accordance with the schedule.

22.3 Restrictions on issue

The Company must not issue shares or grant options if the issue or grant would result in a breach of the Listing Rules.

22.4 Brokerage and commissions

The Company may pay brokerage or commissions to a person in respect of that person or another person agreeing to take up shares in the Company.

22.5 Surrender of shares

The Board may accept a surrender of shares:

- (a) to compromise a question as to whether those shares have been validly issued; or
- (b) if surrender is otherwise within the Company's powers.

The Company may sell or re-issue surrendered shares in the same way as forfeited shares.

22.6 Variation of rights

If the Company issues different classes of shares, or divides issued shares into different classes, the rights attached to shares in any class may (subject to sections 246C and 246D) be varied or cancelled only:

- (a) with the written consent of the holders of 75% of the issued shares of the affected class; or
- (b) by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

Subject to the terms of issue of shares, the rights attached to a class of shares are not treated as varied by the issue of further shares of that class.

23. CERTIFICATES

23.1 Uncertificated securities

Unless the Listing Rules and the ASX Settlement Rules allow the Company to issue a certificate for particular securities, the Company:

- (a) must not issue a certificate for those securities; and
- (b) may cancel a certificate for them without issuing another certificate.

Rules 23.3 and 23.4 apply only if there is a current certificate for particular securities.

23.2 Certificated shares

See Listing
Rule 8.14

Where allowed under rule 23.1, the Company must issue a certificate of title to shares that complies with section 1070C and deliver it to the holder of those shares in accordance with section 1071H. The Company must not charge any fee to issue a certificate.

23.3 Multiple certificates and joint holders

Subject to rule 23.1, if a member requests the Company to issue several certificates each for a part of the shares registered in the member's name, the Company must do so. For this purpose, joint holders of shares are a single member. The Company may issue only one certificate that relates to each share registered in the names of two or more joint holders and may deliver the certificate to any of those joint holders.

23.4 Lost and worn out certificates

Subject to rule 23.1, if a certificate:

- (a) is lost or destroyed and the owner of the relevant securities applies in accordance with section 1070D(5), the Company must; or
- (b) is defaced or worn out and is produced to the Company, the Company may, issue a new certificate in its place.

24. REGISTER

24.1 Joint holders

If the Register names two or more joint holders of a share, the Company must treat the person named first in the Register in respect of that share as the sole owner of it for all purposes (including the giving of notice) except in relation to:

- (a) delivery of certificates (to which rule 23.3 applies);
- (b) the right to vote (to which rule 16.4 applies);
- (c) the power to give directions as to payment of, or a receipt for, dividends (to which rules 27.8 and 27.9 apply);
- (d) liability for instalments or calls (which, subject to section 1072E(8), is joint and several);
- (e) sale of Unmarketable Parcels under rule 31; and
- (f) transfer.

24.2 Non-beneficial holders

Subject to section 1072E, unless otherwise ordered by a court of competent jurisdiction or required by statute, the Company:

- (a) may treat the registered holder of any share as the absolute owner of it; and
- (b) need not recognise any equitable or other claim to or interest in a share by any person except a registered holder.

25. PARTLY PAID SHARES

25.1 Fixed instalments

If a share is issued on terms that some or all of the issue price is payable by instalments, the registered holder of the share must pay every instalment to the Company when due. If, having been given notice of the instalment in accordance with rule 25.4, the registered holder does not pay it when due, rules 25.7 to 25.16 apply as if the registered holder had failed to pay a call.

25.2 Prepayment of calls

The Board may:

- (a) accept prepayment of some or all of the amount unpaid on a share above the sums actually called as a payment in advance of calls;
- (b) agree to payment by the Company of interest at a rate no higher than the Interest Rate on that part of the advance payment which for the time being exceeds the aggregate amount of the calls then made on the shares in respect of which it was paid; and
- (c) unless otherwise agreed between the member and the Company, repay the sum or part of it.

25.3 Calls made by Board

Subject to the terms of issue of a share and to any special resolution passed under section 254N, the Board may:

- (a) make calls on a member for some or all of the money unpaid on a share held by that member;
- (b) make a call payable by instalments; and
- (c) revoke or postpone a call before the due date for payment.

25.4 Notice of call

The Company must give a member on whom a call has been made or from whom an instalment is due, written notice of the call or instalment:

- (a) within the time limits; and
- (b) in the form,

required by the Listing Rules.

See Listing Rule 6.24 and Appendix 6A, Rules 5 and 5.1

25.5 Classes of shares

The Board may issue shares on terms as to the amount of calls to be paid and the time for payment of those calls which are different as between the holders of those shares. The Board may make different calls on different classes of shares.

25.6 Obligation to pay calls

Subject to section 1072E(8), a member subject to a call must pay the amount of the call to the payee named in the notice of call no later than the time specified in the notice. Joint holders of a share are jointly and severally liable for calls.

25.7 Called Amounts

If a call is not paid on or before the day specified for payment, the Board may require the member liable for the call to pay:

- (a) interest on the amount of the call at the Interest Rate from that day until payment is made; and
- (b) all costs and expenses incurred by the Company because payment was not made on that day.

25.8 Proof of call

If on the hearing of an action for recovery of a Called Amount it is proved that:

- (a) the minute books of the Company record the Board's resolution making the call;
- (b) notice of the call was given under rules 25.4 and 35.1; and
- (c) the person sued appears in the Register as a holder of the share in respect of which the call was made,

proof of those matters is conclusive proof of the debt.

25.9 Forfeiture notice

At any time until a Called Amount is paid, the Board may give the relevant member a notice which:

- (a) requires the member to pay the Called Amount;
- (b) states the Called Amount at the date of the notice;
- (c) specifies how to calculate the Called Amount when payment is made;
- (d) specifies a date at least 14 days after the date of the notice by which and a place at which payment must be made; and
- (e) states that if payment is not made at that place on or before that date, the share to which the call relates is liable to be forfeited.

25.10 Forfeiture

If the requirements of a notice given under rule 25.9 are not satisfied, the Board may forfeit the share in respect of which that notice was given (and all dividends, interest and other money payable in respect of that share and not actually paid before the forfeiture) by resolution passed before the Called Amount is paid.

25.11 Disposal and re-issue of forfeited shares

See Listing
Rule 7.39

A share forfeited under rule 25.10 immediately becomes the property of the Company. Subject to the Listing Rules, the Board, on behalf of the Company, may:

- (a) re-issue the share with or without any money paid on it by any former holder credited as paid; or
- (b) sell or otherwise dispose of the share, and effect or execute and register a transfer of it,

to the person, and on the terms, it decides.

25.12 Notice of forfeiture

The Company must promptly:

- (a) give notice of the forfeiture of a share to the member who held the share immediately before the resolution for forfeiture was passed; and
- (b) enter the forfeiture and its date in the Register.

A written declaration that a share was forfeited on a specified date and notice of forfeiture was given in accordance with this document signed by a Director or Secretary is, in the absence of proof to the contrary, evidence of those facts and of the Company's right to dispose of the share.

25.13 Cancellation of forfeiture

The Board may cancel the forfeiture of a share on any terms at any time before it disposes of that share under rule 25.11.

25.14 Effect of forfeiture

A person who held a share which has been forfeited under rule 25.10 ceases to be a member in respect of that share but remains liable to pay the Called Amount until it is paid in full. The Board may elect not to enforce payment of an amount due to the Company under this rule.

25.15 Application of proceeds

The Company must:

- (a) apply the net proceeds of any re-issue, sale or disposal of a forfeited share under rule 25.11 (after payment of all costs and expenses) to satisfy the Called Amount; and
- (b) subject to the terms of issue of the share, pay any surplus to the person who held the share immediately before forfeiture.

25.16 Title of new holder

The title of the new holder of a forfeited share is not affected by any irregularity in the forfeiture or the re-issue, sale or disposal. The sole remedy of any person previously interested in the share is damages which may be recovered only from the Company. The new holder is not liable for the Called Amount.

25.17 Mortgage of uncalled capital

If the Company grants a mortgage or charge over uncalled capital, the Board may delegate the power to make calls to:

- (a) the person in whose favour the mortgage or charge is granted; or
- (b) a trustee or agent for that person,

on the terms (including power to further delegate) and subject to any restrictions the Board decides. If the Board does so, a call made in accordance with the delegation is treated as made by the Board.

This rule does not limit rule 8.

26. COMPANY LIENS

26.1 Existence of liens

Unless the terms of issue provide otherwise, the Company has a first and paramount lien on each share for:

See Listing
Rule 6.13

- (a) all money called or payable at a fixed time in respect of that share (including money payable under rule 25.7) that is due but unpaid; and
- (b) amounts paid by the Company for which the Company is indemnified under rule 26.4.

The lien extends to all dividends payable in respect of the share and to proceeds of sale of the share.

26.2 Sale under lien

If:

- (a) the Company has a lien on a share;
- (b) an amount secured by the lien is due and payable;
- (c) the Company has given notice to the member registered as the holder of the share:
 - (i) requiring payment of the amount which is due and payable and secured by the lien;
 - (ii) stating the amount due and payable at the date of the notice;
 - (iii) specifying how to calculate the amount due when payment is made; and
 - (iv) specifying a date (at least 10 business days after the date of the notice) by which and a place at which payment of that amount must be made; and
- (d) the requirements of the notice given under paragraph (c) are not fulfilled,

the Company may sell the share as if it had been forfeited under rule 25.10.

Rules 25.11, 25.15 and 25.16 apply, to the extent practical and modified as necessary, as if the Called Amount in respect of that share were the aggregate of the amount referred to in paragraph (b) and the costs and expenses incurred by the Company because that amount was not paid when due.

26.3 Protection of lien

The Company may do anything necessary or desirable under the ASX Settlement Rules to protect a lien or other interest in shares to which it is entitled by law or under this document.

26.4 Indemnity for payments required to be made by the Company

If the law of any jurisdiction imposes or purports to impose any immediate, future or possible liability on the Company, or empowers or purports to empower any person to require the Company to make any payment, on account of a member or referable to a share held by that member (whether alone or jointly) or a dividend or other amount payable in respect of a share held by that member, the Company:

- (a) is fully indemnified by that member from that liability;
- (b) may recover as a debt due from the member the amount of that liability together with interest at the Interest Rate from the date of payment by the Company to the date of repayment by the member; and
- (c) subject to rule 29.5, may refuse to register a transfer of any share by that member until the debt has been paid to the Company.

Paragraph (c)
replaces
section
1072F(3)(b)

Nothing in this document in any way prejudices or affects any right or remedy which the Company has (including any right of set off) and, as between the Company and the member, any such right or remedy is enforceable by the Company.

27. DIVIDENDS

27.1 Accumulation of reserves

The Board may:

- (a) set aside out of profits of the Company reserves to be applied, in the Board's discretion, for any purpose it decides and use any sum so set aside in the business of the Company or invest it in investments selected by the Board and vary and deal with those investments as it decides; or
- (b) carry forward any amount out of profits which the Board decides not to distribute without transferring that amount to a reserve; or
- (c) do both.

27.2 Payment of dividends

Replaces
section 254U

Subject to the Act, rules 27.3 and 27.10, and the terms of issue of shares, the Board may resolve to pay any dividend it thinks appropriate and fix the time for payment. The Company does not incur a debt merely by fixing the amount or time for payment of a dividend. A debt arises only when the time fixed for payment arrives. The decision to pay a dividend may be revoked by the Board at any time before then.

27.3 Amount of dividend

Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class. Subject to rule 27.4, each share of a class on which the Board resolves to pay a dividend carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share bears to the total issue price of the share.

27.4 Prepayments, payments during dividend period and credits without payment

For the purposes of rule 27.3:

- (a) an amount paid in advance of calls is not taken into account as part of the amount for the time being paid on a share;
- (b) if an amount was paid on a share during the period to which a dividend relates, the Board may resolve that only the proportion of that amount which is the same as the proportion which the period from the date of payment to the end of the period to which the dividend relates bears to the total period to which the dividend relates, counts as part of the amount for the time being paid on the share; and
- (c) an amount credited on a partly paid share without payment in money or money's worth being made to the Company is not taken into account as a part of the amount for the time being paid on a share.

27.5 Dividends in kind

The Board may resolve to pay a dividend (either generally or to specific members) in cash or satisfy it by distribution of specific assets (including shares or securities of any other corporation), the issue of shares or the grant of options. If the Board satisfies a dividend by distribution of specific assets, the Board may:

- (a) fix the value of any asset distributed;
- (b) make cash payments to members on the basis of the value fixed so as to adjust the rights of members between themselves; and
- (c) vest an asset in trustees.

27.6 Payment of dividend by way of securities in another corporation

Where the Company satisfies a dividend by way of distribution of specific assets, being shares or other securities in another corporation, each member is taken to have agreed to become a member of that corporation and to have agreed to be bound by the constitution of that corporation. Each member also appoints each Director and each Secretary their agent and attorney to:

- (a) agree to the member becoming a member of that corporation;
- (b) agree to the member being bound by the constitution of that corporation; and
- (c) execute any transfer of shares or securities, or other document required to give effect to the distribution of shares or other securities to that member.

27.7 Source of dividends

Subject to the Act and the Listing Rules, the Board may resolve to pay a dividend to some members from a particular source and pay the same dividend to other members entitled to it from another source.

27.8 Method of payment

The Company may pay any cash dividend, interest or other money payable in respect of shares by cheque sent, and may distribute assets by sending the certificates or other evidence of title to them, through the post directed to:

- (a) the address of the member (or in the case of a jointly held share, the address of the joint holder named first in the Register); or

-
- (b) to any other address the member (or in the case of a jointly held share, all the joint holders) directs in writing,

or by any other method of payment or distribution the Board decides.

27.9 Joint holders' receipt

Any one of the joint holders of a share may give an effective receipt for any dividend, interest or other money payable in relation to that share.

27.10 Retention of dividends by Company

The Company may retain the dividend payable on a share:

- (a) of which a person seeks to be registered as the holder under rule 30.2 or 30.3, until that person is registered as the holder of that share or transfers it; or
- (b) on which the Company has a lien, to satisfy the liabilities in respect of which the lien exists.

27.11 No interest on dividends

No member may claim, and the Company must not pay, interest on a dividend (either in money or kind).

28. SHARE PLANS

28.1 Implementing share plans

The Board may adopt and implement one or more of the following plans on such terms as it thinks appropriate:

- (a) a re-investment plan under which any dividend or other cash payment in respect of a share or convertible security may, at the election of the person entitled to it, be:
 - (i) retained by the Company and applied in payment for fully paid shares issued under the plan; and
 - (ii) treated as having been paid to the person entitled and simultaneously repaid by that person to the Company to be held by it and applied in accordance with the plan;
- (b) any other plan under which members or security holders may elect that dividends or other cash payments in respect of shares or other securities:
 - (i) be satisfied by the issue of shares or other securities of the Company or a related body corporate, or that issues of shares or other securities of the Company or a related body corporate be made in place of dividends or other cash payments;
 - (ii) be paid out of a particular reserve or source; or
 - (iii) be forgone in consideration of another form of distribution from the Company, another body corporate or a trust; or
- (c) a plan under which shares or other securities of the Company or a related body corporate may be issued or otherwise provided for the benefit of employees or Directors of the Company or any of its related bodies corporate.

28.2 Board's powers and varying, suspending or terminating share plans

The Board:

- (a) has all powers necessary or desirable to implement and carry out a plan referred to in rule 28.1 (including a plan approved by members); and
- (b) may:
 - (i) vary the rules governing; or
 - (ii) suspend or terminate the operation of,a plan referred to in rule 28.1 (including a plan approved by members) as it thinks appropriate.

29. TRANSFER OF SHARES

29.1 Modes of transfer

Subject to this document, a member may transfer a share by any means permitted by the Act or by law. Unless permitted by the Listing Rules, the Company must not charge any fee on transfer of a share.

29.2 Market obligations

The Company:

- (a) may do anything permitted by the Act, the Listing Rules or the ASX Settlement Rules that the Board thinks necessary or desirable in connection with the Company taking part in a computerised or electronic system established or recognised by the Act, the Listing Rules or the ASX Settlement Rules for the purpose of facilitating dealings in shares; and
- (b) must comply with obligations imposed on it by the Listing Rules or the ASX Settlement Rules in relation to transfers of shares.

29.3 Delivery of transfer and certificate

Replaces
section
1072F(2)

Except in the case of a transfer under the ASX Settlement Rules, a document of transfer must be:

- (a) delivered to the registered office of the Company or the address of the Register last notified to members by the Company;
- (b) accompanied by the certificate (if any) for the shares to be transferred or evidence satisfactory to the Board of its loss or destruction; and
- (c) marked with payment of any stamp duty payable.

Property in and title to a document of transfer that is delivered to the Company (but not the shares to which it relates) passes to the Company on delivery.

29.4 Restricted securities

If any securities of the Company are classified as restricted securities under the Listing Rules:

-
- (a) during the escrow period set by the restriction agreement required by ASX in relation to those securities:
- (i) the member who holds the restricted securities may not dispose of them; and
 - (ii) the Company must not register a transfer of the restricted securities or otherwise acknowledge a disposal of them,
- except as permitted by the Listing Rules or ASX; and
- (b) if there is a breach of the Listing Rules or of the relevant restriction agreement in relation to a restricted security, the holding of that security does not entitle a member:
- (i) to be present, speak or vote at, or be counted in the quorum for, a meeting of members; or
 - (ii) to receive any dividend or other distribution,
- while the breach continues.

In this rule 29.4, **dispose** (and other grammatical forms of it) has the meaning given by the Listing Rules.

29.5 Refusal to register transfer

Replaces
section
1072F(3)

The Board:

- (a) may refuse to register a transfer of shares only if that refusal would not contravene the Listing Rules or the ASX Settlement Rules;
- (b) without limiting paragraph (a), but subject to the Act, the Listing Rules and the ASX Settlement Rules, may refuse to register a transfer of shares where the registration of the transfer would create a new holding of an Unmarketable Parcel;
- (c) subject to section 259C, must not register a transfer to a subsidiary of the Company; and
- (d) must not register a transfer if the Act, the Listing Rules or the ASX Settlement Rules forbid registration.

If the Board refuses to register a transfer, the Company must give the lodging party notice of the refusal and the reasons for it within five business days after the date on which the transfer was delivered to it.

29.6 Transferor remains holder until transfer registered

Replaces
section
1072F(1)

The transferor of a share remains the holder of it:

- (a) if the transfer is under the ASX Settlement Rules, until the time those rules specify as the time that the transfer takes effect; and
- (b) otherwise, until the transfer is registered and the name of the transferee is entered in the Register as the holder of the share.

29.7 Powers of attorney

The Company may assume, as against a member, that a power of attorney granted by that member that is lodged with or produced or exhibited to the Company remains in force, and

may rely on it, until the Company receives express notice in writing at its registered office of:

- (a) the revocation of the power of attorney; or
- (b) the death, dissolution or insolvency of the member.

30. TRANSMISSION OF SHARES

30.1 Death of joint holder

The Company must recognise only the surviving joint holders as being entitled to shares registered jointly in the names of a deceased member and others. The estate of the deceased joint holder is not released from any liability in respect of the shares.

30.2 Death of single holder

The Company must not recognise any one except the legal personal representative of the deceased member as having any title to shares registered in the sole name of a deceased member. If the personal representative gives the Board the documents described in section 1071B(9) or 1071B(13) or other information that satisfies the Board of the representative's entitlement to be registered as holder of the shares:

- (a) subject to rules 29.5 and 30.4, the Company must register the personal representative as the holder of the shares as soon as practical after receipt of a written and signed notice to the Company from the representative requiring it to do so; and
- (b) whether or not registered as the holder of the shares, the personal representative:
 - (i) may, subject to rule 29, transfer the shares to another person; and
 - (ii) has the same rights as the deceased member.

30.3 Transmission of shares on insolvency or mental incapacity

Subject to the Bankruptcy Act 1966, if a person entitled to shares because of the insolvency or mental incapacity of a member gives the Board the information it reasonably requires to establish the person's entitlement to be registered as holder of the shares:

- (a) subject to rules 29.5 and 30.4, the Company must register that person as the holder of the shares as soon as practical after receipt of a written and signed notice to the Company from that person requiring it to do so; and
- (b) whether or not registered as the holder of the shares, that person:
 - (i) may, subject to rule 29, transfer the shares to another person; and
 - (ii) has the same rights as the insolvent or incapable member.

If section 1072C applies, this rule is supplemental to it.

30.4 Refusal to register holder

The Company has the same right to refuse to register a personal representative or person entitled to shares on the insolvency or mental incapacity of a member as it would have if that person were the transferee named in a transfer signed by a living, solvent, competent member.

31. UNMARKETABLE PARCELS

31.1 Board power of sale

The Board may sell a share that is part of an Unmarketable Parcel if it does so in accordance with this rule. The Board's power to sell lapses if a takeover (as defined in the Listing Rules) is announced after the Board gives a notice under rule 31.2 and before the Board enters into an agreement to sell the share.

31.2 Notice of proposed sale

Once in any 12 month period, the Board may determine that it will give written notice to a member who holds an Unmarketable Parcel. If it does so, the notice must:

- (a) state that it intends to sell the Unmarketable Parcel; and
- (b) specify a date at least six weeks (or any lesser period permitted under the Act or the Listing Rules) after the notice is given by which the member may give the Company written notice that the member wishes to retain the holding.

If the Board's power to sell lapses under rule 31.1, any notice given by the Board under this rule is taken never to have been given and the Board may give a new notice after the close of the offers made under the takeover.

31.3 No sale where member gives notice

The Company must not sell an Unmarketable Parcel if, in response to a notice given by the Company under this rule 31, the Company receives a written notice that the member wants to keep the Unmarketable Parcel.

31.4 Terms of sale

A sale of shares under this rule includes all dividends payable on and other rights attaching to them. The Company must pay the costs of the sale. Otherwise, the Board may decide the manner, time and terms of sale.

31.5 Share transfers

For the purpose of giving effect to this rule, each Director and each Secretary has power to initiate, execute or otherwise effect a transfer of a share as agent for a member who holds an Unmarketable Parcel.

31.6 Application of proceeds

The Company must:

- (a) deduct any Called Amount in respect of the shares sold under this rule from the proceeds of sale and pay the balance into a separate bank account it opens and maintains for the purpose only;
- (b) hold that balance in trust for the previous holder of the shares (**Divested Member**);
- (c) as soon as practical give written notice to the Divested Member stating:
 - (i) what the balance is; and
 - (ii) that it is holding the balance for the Divested Member while awaiting the Divested Member's instructions and return of the certificate (if any) for the shares sold or evidence of its loss or destruction;

-
- (d) if the shares sold were certificated, not pay the proceeds of sale out of the trust account until it has received the certificate for them or evidence of its loss or destruction; and
 - (e) subject to paragraph (d), deal with the amount in the account as the Divested Member instructs.

31.7 Protections for transferee

The title of the new holder of a share sold under this rule is not affected by any irregularity in the sale. The sole remedy of any person previously interested in the share is damages which may be recovered only from the Company.

32. ALTERATION OF SHARE CAPITAL

32.1 Capitalisation of profits

The Company may capitalise profits, reserves or other amounts available for distribution to members. Subject to the terms of issue of shares and rule 32.4, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

32.2 Adjustment of capitalised amounts

The Board may settle any difficulty that arises in regard to a capitalisation of profits as it thinks appropriate and necessary to adjust the rights of members among themselves including:

- (a) fix the value of specific assets;
- (b) make cash payments to members on the basis of the value fixed for assets or in place of fractional entitlements so as to adjust the rights of members between themselves;
- (c) disregard fractional entitlements; and
- (d) vest cash or specific assets in trustees.

32.3 Conversion of shares

Subject to Part 2H.1, the Listing Rules and rules 22.2 and 22.6, the Company may convert:

- (a) an ordinary share into a preference share;
- (b) a preference share into an ordinary share; or
- (c) all or any of its shares into a larger or smaller number of shares by ordinary resolution (but in the case of partly paid shares the proportion between the amount paid and the amount unpaid on each share must be the same as before the conversion).

32.4 Adjustments on conversion

The Board may do anything it thinks appropriate and necessary to give effect to a resolution converting shares including, if a member becomes notionally entitled to a fraction of a share as a result of the conversion:

- (a) make a cash payment or disregard fractional entitlements so as to adjust the rights of members between themselves;

-
- (b) vest fractional entitlements in a trustee to be dealt with as determined by the Board; or
 - (c) round up fractional entitlements to the nearest whole share by capitalising an amount under rule 32.1 even though not all members participate in the capitalisation.

32.5 Reduction of capital

Subject to the Listing Rules, the Company may reduce its share capital:

- (a) by reduction of capital in accordance with Division 1 of Part 2J.1;
- (b) by buying back shares in accordance with Division 2 of Part 2J.1;
- (c) in the ways permitted by sections 258E and 258F; or
- (d) in any other way for the time being permitted by the Act.

32.6 Payments in kind

Where the Company reduces its share capital in accordance with Division 1 of Part 2J.1, it may do so by way of payment of cash, distribution of specific assets (including shares or other securities in another corporation), or in any other manner permitted by law. If the reduction is by distribution of specific assets, the Board may:

- (a) fix the value of any assets distributed;
- (b) make cash payments to members on the basis of the value fixed so as to adjust the rights of members between themselves; and
- (c) vest an asset in trustees.

32.7 Payment in kind by way of securities in another corporation

Where the Company reduces its share capital by way of distribution of specific assets, being shares or other securities in another corporation, each member is taken to have agreed to become a member of that corporation and to have agreed to be bound by the constitution of that corporation. Each member also appoints each Director and each Secretary their agent and attorney to:

- (a) agree to the member becoming a member of that corporation; and
- (b) agree to the member being bound by the constitution of that corporation; and
- (c) execute any transfer of shares or securities, or other document required to give effect to the distribution of shares or other securities to that member.

33. CURRENCY FOR PAYMENTS

33.1 Board may decide currency

The Board may, with the agreement of the recipient or in accordance with the terms of issue of a share, pay:

- (a) dividends;
- (b) other amounts payable to members (including repayments of capital and distributions of capitalised amounts); or

-
- (c) remuneration of Directors or other officers,
in the currency of a country other than Australia.

33.2 Conversion to Australian dollars

If the Board decides to make a payment in a currency other than Australian dollars and it is necessary, for the purposes of these rules or for any other purpose, to calculate the Australian dollar equivalent of the payment, the Board must fix a time (earlier than the time for payment) and specify the buying or selling rate quoted by a particular financial institution as the time and rate that apply for that purpose.

34. WINDING UP

34.1 Entitlement of Members

Subject to the terms of issue of shares and this rule 34, the surplus assets of the Company remaining after payment of its debts are divisible among the members in proportion to the number of fully paid shares held by them and, for this purpose, a partly paid share is counted as a fraction of a fully paid share equal to the proportion which the amount paid on it bears to the total issue price of the share.

34.2 Distribution of assets generally

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- (a) divide the assets of the Company among the members in kind;
- (b) for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different classes of members; and
- (c) vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

34.3 No distribution of liabilities

The liquidator cannot compel a member to accept marketable securities in respect of which there is a liability as part of a distribution of assets of the Company.

34.4 Distribution not in accordance with legal rights

If the liquidator decides on a division or vesting of assets of the Company under rule 34.2 which does not accord with the legal rights of the contributories, any contributory who would be prejudiced by it may dissent and has ancillary rights as if that decision were a special resolution passed under section 507.

35. NOTICES

35.1 Notices by Company

A notice is properly given by the Company to a person if it is:

- (a) in writing signed on behalf of the Company (by original or printed signature);
- (b) addressed to the person to whom it is to be given; and
- (c) either:

-
- (i) delivered personally;
 - (ii) sent by prepaid mail (by airmail, if the addressee is overseas) to that person's address; or
 - (iii) sent by fax to the fax number (if any) nominated by that person; or
 - (iv) sent by electronic message to the electronic address (if any) nominated by that person.

35.2 Overseas members

A member whose registered address is not in Australia may notify the Company in writing of an address in Australia to which notices may be sent.

35.3 When notice is given

A notice to a person by the Company is regarded as given and received:

- (a) if it is delivered personally:
 - (i) by 5.00 pm (local time in the place of receipt) on a business day - on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a business day, or on a day that is not a business day - on the next business day;
- (b) if it is sent by fax or electronic message or given under section 249J(3)(cb):
 - (i) by 5.00 pm (local time in the place from which it is sent or given) on a business day - on that day; or
 - (ii) after 5.00 pm (local time in the place from which it is sent or given) on a business day, or on a day that is not a business day - on the next business day; and
- (c) if it is sent by mail, one business day after posting.

A certificate in writing signed by a Director or Secretary stating that a notice was sent is conclusive evidence of service.

35.4 Notice to joint holders

Notice to joint holders of shares must be given to the joint member named first in the Register. Every person who becomes entitled to a share is bound by every notice in respect of that share that was properly given to a person registered as the holder of the share before the transfer or transmission of the share was entered in the Register.

35.5 Counting days

If a specified period must pass after a notice is given before an action may be taken, neither the day on which the notice is given nor the day on which the action is to be taken may be counted in reckoning the period.

35.6 Notices to "lost" members

If:

- (a) on two or more consecutive occasions a notice served on a member in accordance with this rule is returned unclaimed or with an indication that the member is not known at the address to which it was sent; or

(b) the Board believes on other reasonable grounds that a member is not at the address shown in the Register or notified to the Company under rule 35.2,

the Company may give effective notice to that member by exhibiting the notice at the Company's registered office for at least 48 hours.

This rule ceases to apply if the member gives the Company notice of a new address.

36. UNCLAIMED MONEY

The Company must deal with unclaimed dividends and distributions and unclaimed proceeds of shares sold or reissued under this document in accordance with the law relating to unclaimed money in the Company's jurisdiction of registration.

SCHEDULE

TERMS OF ISSUE OF PREFERENCE SHARES

1. Definitions

The following definitions apply in relation to a preference share issued under rule 22.2.

Dividend Amount for any Dividend Period means the amount calculated as

$$DA = \frac{AP \times DR \times N}{365}$$

where:

DA = Dividend Amount;

AP = amount paid on the share;

DR = Dividend Rate; and

N = number of days in the relevant Dividend Period.

Dividend Date means a date specified in the Issue Resolution on which a dividend in respect of that preference share is payable.

Dividend Period means:

- (a) the period that begins on and includes the Issue Date and ends on and includes the day before the first Dividend Date after the Issue Date; and
- (b) the period that begins on and includes each Dividend Date and ends on and includes the day before the next Dividend Date; and
- (c) the period that begins on and includes the last Dividend Date and ends on and includes the day before the Redemption Date.

Dividend Rate means the rate specified in the Issue Resolution for the calculation of the amount of dividend to be paid on that preference share on any Dividend Date.

franked dividend means a distribution franked in accordance with section 202-5 of the Tax Act.

Issue Date means the date on which the share is issued.

Issue Resolution means the resolution passed under clause 2 of this schedule.

redeemable preference share means a preference share which the Issue Resolution specifies is liable to be redeemed:

- (a) at a fixed time or on the happening of a particular event;
- (b) at the Company's option; or
- (c) at the holder's option.

Redemption Amount in relation to a redeemable preference share means the amount specified in the Issue Resolution to be paid on redemption of that share.

Redemption Date in relation to a redeemable preference share, means the date on which the Issue Resolution requires the Company to redeem that share.

Tax Act means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth), or both, as applicable.

2. Issue Resolution

If the Board resolves to issue a preference share, it must pass an Issue Resolution which specifies:

- (a) the Dividend Date;
- (b) the Dividend Rate;
- (c) whether dividends are cumulative or non-cumulative;
- (d) the priority with respect to payment of dividends and repayment of capital over other classes of shares;
- (e) whether the share is a redeemable preference share or not, and if so:
 - (i) the Redemption Amount; and
 - (ii) if the share is redeemable at the end of a fixed period, the Redemption Date, or otherwise the circumstances (if any) in which the share is redeemable at the option of the holder or of the Company, the way in which that option must be exercised and the way in which the resulting Redemption Date is ascertained,

and may also specify that the dividend must be a franked dividend or must not be a franked dividend.

3. Franked dividends

If the Issue Resolution specifies that the dividend on preference shares must be a franked dividend, it may also specify:

- (a) the extent to which the dividend must be franked (within the meaning of the Tax Act); and
- (b) the consequences of the dividend not being franked to that extent, which may include an increase of the dividend by an amount equal to the additional amount of franking credit which would have been imputed to the holder of the share under the Tax Act if the dividend had been franked in accordance with the Issue Resolution.

4. Dividend entitlement

The holder of a preference share is entitled to be paid on each Dividend Date or, in the case of the final dividend payable on the share, on the Redemption Date, in priority to any payment of dividend on any other class of shares over which the relevant Issue Resolution or rights conferred under rule 22.2 give it priority, a preferential dividend of the Dividend Amount for the Dividend Period ending on the day before that Dividend Date or the Redemption Date (as the case may be).

The dividend entitlement is cumulative if the Issue Resolution states that it is cumulative and otherwise is non-cumulative.

5. **Priority on winding up**

The holder of a preference share is entitled, on a winding up, to payment in cash of:

- (a) the amount then paid up on the share; and
- (b) if the Issue Resolution states that dividends are cumulative, any arrears of dividend,

in priority to any payment to the holders of ordinary shares and any other class of preference share over which the relevant Issue Resolution or rights conferred under rule 22.2 give it priority, but has no right to participate in surplus assets and profits of the Company.

6. **Voting**

The holder of a preference share has no right to vote at any meeting of members except:

- (a) if the Issue Resolution states that dividends are cumulative, during a period during which a dividend (or part of a dividend) on the share is in arrears;
- (b) on a proposal to reduce the Company's share capital;
- (c) on a resolution to approve the terms of a buy-back agreement;
- (d) on a proposal that affects rights attached to the share;
- (e) on a proposal to wind up the Company;
- (f) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- (g) during the winding up of the Company; and
- (h) in any other circumstances as the Board determines prior to the allotment of preference shares.

See Listing
Rule 6.3

7. **Notices and financial reports**

The Company must give the holder of a preference share notice of each meeting of members in accordance with rule 13 and send the holder financial reports in accordance with rule 21.2.

8. **Redemption of redeemable preference shares**

Subject to the Act, the Company must redeem a redeemable preference share on the Redemption Date by paying the Redemption Amount to the holder in cash, by cheque or in any other form that the holder agrees to in writing. If the Company sends the holder of a redeemable preference share a cheque for the Redemption Amount, the share is redeemed on the date on which rule 35.3(c) would treat the cheque as being received by the holder, whether or not the holder has presented the cheque. If the holder of a redeemable preference share does not present a cheque for the Redemption Amount within a reasonable period after it is sent, the Company must deal with the Redemption Amount in accordance with rule 36.

9. **Equal ranking issues**

Subject to the terms of issue of any particular class of preference share, the issue of further preference shares that rank equally with any issued preference shares is not taken to affect the rights of the holders of the existing preference share whether or not the

Dividend Rate for the new preference share is the same as or different from that applicable to that preference share.