CORPORATIONS ACT

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

MEDICAL DEVELOPMENTS INTERNATIONAL LIMITED
(ACN #)

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CONSTITUTION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

1.1.1 In this Constitution:

ASIC means the Australian Securities & Investments Commission and includes any of its successors;

ASX means Australian Stock Exchange Limited (ACN 008 624 691);

CHESS has the same meaning as given to that term under the SCH business rules;

CHESS Approved Securities means securities of the Company for which CHESS approval has been given in accordance with the SCH business rules;

CHESS Subregister means that part of the Register that is administered by SCH and records uncertificated holdings of CHESS Approved Securities in accordance with the SCH business rules;

Company means Medical Developments International Limited ACN #;

Corporations Act means the *Corporations Act* 2001 (Cth) as amended from time to time;

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;

Member means the person whose name is entered in the Register as a member of the Company;

Office means the registered office of the Company;

Register means the register of Members kept by the Company under the Corporations Act;

SCH means securities clearing house (within the meaning of that term under the Corporations Act);

SCH business rules has the same meaning as given to that term under the Corporations Act;

Seal means the common seal of the Company; and

Secretary means a person appointed to perform the duties of a secretary of the Company.

Where a word or phrase is given a defined meaning any other part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

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1.2 References to sections and Constitution

A reference to:

1.2.1 a section of the Corporations Act includes any amendment, extension or re-enactment and any corresponding section for the time being in force; or

1.2.2 this Constitution, where amended, means this Constitution as so amended.

1.3 Presumptions of interpretation

Unless the context otherwise requires a word which denotes:

1.3.1 the singular denotes the plural and vice versa;

1.3.2 any gender denotes the other gender; and

1.3.3 a person denotes an individual and body corporate.

1.4 Replaceable Rules excluded

The Company is a public company limited by shares. The replaceable rules applicable to a public company contained in the Corporations Act from time to time do not apply to the Company.

1.5 Applications of Corporations Act, Listing Rules and SCH Business Rules

1.5.1 This Constitution is to be interpreted subject to the Corporations Act and (while the Company is a listed company) the Listing Rules and the SCH business rules.

1.5.2 While the Company is a listed company, the Company and the directors must comply with the obligations respectively imposed on them under the Listing Rules and the SCH business rules.

1.5.3 Unless the contrary intention appears, an expression in a rule that deals with the matter dealt with by a provision of the Corporations Act, the Listing Rules or the SCH business rules has the same meaning as in that provision.

1.5.4 Subject to **rule 1.5.3**, unless the contrary intention appears an expression in a rule that is defined in section 9 of the Corporations Act has the same meaning as in that section.

1.6 Headings and table of contents

Headings and the table of contents must be ignored in the interpretation of these rules.

1.7 References to and calculations of time

1.7.1 Unless the context otherwise requires a reference to a time of day means that time of day in the state or territory in which the Office is situated.

1.7.2 For the purposes of determining the length of a period a reference to:

(a) a day means a period of time commencing at midnight and ending 24 hours later; and

(b) a month means a calendar month which is a period commencing at the beginning of a day of one of the 12 months of the year and ending immediately before the beginning of the corresponding day of the next month or, if there is no such corresponding day, ending at the expiration of that next month.

1.7.3 Where a period of time is specified and is to be calculated before or after a given day, act or event it must be calculated without counting that day or the day of that act or event.

1.7.4 A provision of this Constitution, except that specifying the time for deposit of proxies with the Company, which has the effect of requiring anything to be done on or by a date which is not a business day must be interpreted as if it required it to be done on or by the next business day.

1.8 Business day

A reference to a business day means a day which is a business day under the Listing Rules.

1.9 Listing Rules compliance

If the Company is admitted to the Official List of ASX, the following clauses apply:

1.9.1 Notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done.

1.9.2 Nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done.

1.9.3 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).

1.9.4 If the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.

1.9.5 If the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.

1.9.6 If any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

2. ISSUE OF SHARES

2.1 Power to issue shares

The shares in the Company may be issued only by the directors.

2.2 Permitted allottees

Subject to this Constitution, the directors have the right to issue shares or grant options over the shares to any person for a price and on the conditions the directors think fit.

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2.3 Special rights

Shares referred to in **rule 2.2** may be issued with those preferred, deferred or other special rights or with those restrictions, whether with regard to dividend, voting, return of capital, participation in the property of the Company on a winding up, or otherwise as the directors determine.

2.4 Effect of allotment on class rights

The rights conferred on the holders of the shares of a class allotted with preferred rights are to be treated as varied by the allotment of further shares by the Company ranking equally with them or by the conversion of existing shares to rank equally or in priority to them.

2.5 Power to issue redeemable preference shares

Subject to the Corporations Act, preferences shares may be issued on terms that they are, or at the option of the Company are liable, to be redeemed.

2.6 Employee share plans

Without limiting the foregoing, the directors may, subject to the provisions of the Corporations Act and the Listing Rules, allot or grant options over shares pursuant to the terms of any employee share option scheme or and shares under employee incentive schemes established by the directors or which may be adopted by the Company from time to time in accordance with this Constitution, the Corporations Act and/or the Listing Rules. All shares allotted by the directors from time to time must be allotted in accordance with the provisions of the Listing Rules.

2.7 Commissions

2.7.1 The Company may exercise the powers of paying commission conferred by the Corporations Act if:

(a) the amount of the proposed payment, or the rate at which the proposed payment is to be made, is disclosed in the manner required by the Corporations Act; and

(b) the commission does not exceed 10% of the price at which the shares in respect of which the commission is paid are issued.

2.7.2 Commission may be satisfied with the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

2.7.3 The Company may on any issue of shares also pay such brokerage as is lawful.

2.8 Trust over shares

2.8.1 Except as required by law, no person is to be recognised by the Company as holding a share on trust.

2.8.2 Except as provided by this Constitution or the law, the Company may recognise only an absolute right to the entirety of a share in the registered holder and, regardless of it having notice of any other interest or right, the Company is not bound by, or compelled in any way to recognise, any equitable, contingent, future, partial or other right or interest in a share or unit of a share.

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2.9 Certificates

2.9.1 Where the Company is required by the Law or the Listing Rules to issue certificates for securities, such certificates will be in the form and will state those matters which the directors of the Company may from time to time determine and will bear the signature or facsimile signature of at least one director and the Secretary or some other person appointed by the directors.

2.9.2 Where the Company is required by the Law or the Listing Rules to issue certificates for shares, every Member will be entitled free of charge to a certificate to each class of securities registered in that Member's name or if that Member so desires, to several certificates in reasonable denominations.

2.10 Entitlement to certificates

2.10.1 The directors may determine that all the shares in a class of shares in the capital of the company are to be allotted on the terms that they may be held only as uncertificated holdings under the SCH business rules. A Member holding shares of that class is not entitled to require the Company to issue or deliver certificates as evidence of title to the shares. The directors may at any time revoke a determination under this rule.

2.10.2 The directors may permit a Member's holding of shares to be held as an uncertificated holding under the SCH business rules and they must do so if the Listing Rules or the SCH business rules require that shares are to be held as uncertificated holdings.

2.10.3 Every Member whose shares are not held as an uncertificated holding of shares is entitled without payment to receive a certificate in respect of shares allotted, as required by the Corporations Act.

2.10.4 The directors may cancel without replacing a certificate for shares held by a Member whose shares are to be held as an uncertificated holding.

2.11 Issue of certificates to joint holders

2.11.1 The Company is not bound to issue more than one certificate or statement in respect of a share or shares held jointly by several persons.

2.11.2 Delivery of a certificate, transaction statement or a statement showing the balance of a holding to one of several joint holders is sufficient delivery to all those holders.

2.12 Rights and obligations of joint holders.

2.12.1 The directors may from time to time determine the maximum number of joint holders, being not more than 4, whose names may be recorded in the Register. Until a determination is made, the maximum number is 4. The Company may record only the names of the first persons within the maximum number from the application for shares, transfer document or notice of death and all other names may be disregarded by the Company.

2.12.2 If several persons are jointly entitled to a share or shares;

(a) in the absence of an express direction from those persons to the contrary, the Company may enter the names of those persons as a Member in the Register in the order in which their names appear on the application for shares or the transfer document or the notice of death or bankruptcy given to the Company to establish those persons' entitlement to the share or shares;

(b) it is sufficient discharge of any of the Company's obligations to those persons if the Company discharges that obligation in relation to the first named holder of the share or shares in the Register;

(c) any one of those persons may give effectual receipts for any dividend or return of capital payment to those persons; and

(d) those persons are jointly and severally liable to pay all calls, interest and other amounts in respect of the share or shares.

3. VARIATION OF CLASS RIGHTS

3.1 Form of consent

If at any time the share capital is divided into different classes of shares, the rights attached to a class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied:

3.1.1 with the consent in writing of the holders of 75% of the issued shares of that class; or

3.1.2 with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

3.2 Separate general meeting

The provisions of this Constitution relating to general meetings, with all necessary changes required by the context of this rule, apply to every separate general meeting except that:

3.2.1 two Members represented in any manner permitted at general meetings who together hold one-third of the issued shares of the class, or the only Member holder shares in the class, is a quorum; and

3.2.2 any person qualified to be counted in a quorum may demand a poll.

4. ALTERATION OF CAPITAL

4.1 Alteration by resolution

The Company may by resolution do any one or more of the following:

4.1.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or

4.1.2 subdivide its shares or any of them into shares of smaller amount than its existing shares but so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each subdivided share is the same as it was in the case of the share from which the subdivided share is derived; or

4.1.3 make any other modifications to the share capital of the Company as are authorised by law.

4.2 Reduction of capital

Subject to the Corporations Act, the Company may reduce its share capital.

4.3 Share buy-back

The Company may, subject to the Corporations Act and the Listing Rules, buy shares in itself.

5. LIEN

5.1 Money secured by lien

5.1.1 The Company has a first and paramount lien on every share which is not fully paid and on all dividends payable in respect of that share and which is due and unpaid:

(a) for all calls or an instalment of a call that is due but unpaid in respect of a share;

(b) if the shares were acquired under an employee incentive plan (as defined in the Listing Rules), for all amounts owing to the Company for acquiring those shares; and

(c) for all amounts which the Company is required by law to pay (and has paid) in respect of the shares of a Member or a deceased Member,

and in each of the above cases the lien extends to reasonable interest and expenses incurred because the amount is not paid.

5.1.2 The directors may exclude at any time by resolution a share either wholly or in part from the lien created under this Constitution.

5.2 Power of sale

5.2.1 The Company may sell, in any manner which the directors think fit, any shares on which the Company has a lien.

5.2.2 A share on which the Company has a lien must not be sold unless:

(a) a sum in respect of which the lien exists is presently payable; and

(b) a period of 14 days has elapsed after the Company has given to the Member in whose name the share is registered or the person entitled to the share by reason of the Member's death or bankruptcy a notice in writing of the Company's intention to sell the share.

5.2.3 The notice must:

(a) state the amount, and demand payment, of the part of the amount in respect of which the lien exists as is presently payable; and

(b) comply with the requirements, if any, of the SCH business rules and the Listing Rules.

5.2.4 The Company may do all things necessary to give effect to the sale of those shares on which the Company has a lien, including authorise a director, Secretary or other person to effect a transfer of the shares held in favour of the purchaser of the shares.

5.2.5 The Company must register the purchaser of any shares sold as the holder of the shares. The purchaser is not bound to see to the application of the purchase money.

5.2.6 The title of the purchaser to the shares is not affected by an irregularity or invalidity in connection with the sale.

5.3 Application of proceeds of sale

5.3.1 The proceeds of the sale must be received by the Company and the money remaining after deducting the expenses of sale must be applied in payment of that part of the amount in respect of which the lien exists as is presently payable.

5.3.2 The residue, if any, must (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

6. CALLS ON SHARES

6.1 Power to make calls

6.1.1 The directors may from time to time in accordance with this Constitution make calls on Members for any money unpaid on the Members' shares which is not by the conditions of allotment of the share made payable at fixed times.

6.1.2 The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

6.1.3 The directors may require that a call be paid by instalments.

6.1.4 A call or an instalment of a call may not be made payable at a date less than one month after the date fixed for the payment of the last proceeding call or instalment.

6.1.5 The directors may at any time revoke or postpone a call.

6.2 Time of call

A call is to be treated as made at the time when the resolution of the directors authorising the call is passed.

6.3 Notice of call

6.3.1 A Member on whom a call is made must be given at least 30 business days' notice specifying:

(a) the name of the Member;

(b) the number of shares held by the Member to whom the notice is given;

(c) the amount of the call;

(d) the due date for payment;

(e) the consequences of a failure to pay the call; and

(f) all matters required to be included in the notice by the Listing Rules.

6.3.2 A call is not invalidated by the non-receipt of a notice of a call or the accidental omission to give notice of a call to any member.

6.4 Liability to pay calls

A Member on whom a call is made in accordance with this Constitution must pay to the Company the amount called on his shares at the time or times and place specified.

6.5 Interest on unpaid calls

6.5.1 If a sum called in respect of a share is not paid before or on the day appointed for payment, the person from whom the sum is due must pay interest on the sum from the day appointed for payment of the sum called to the time of actual payment at a rate not exceeding 20% per annum determined by the directors.

6.5.2 The directors may waive payment of interest, either wholly or in part, on sums called but unpaid.

6.6 Sums payable on allotment or at a fixed date

6.6.1 Any sum which by the terms of issue of a share becomes payable on allotment or at a fixed date, whether on account of the nominal value of the share or by way of premium, is for the purposes of this Constitution treated as a call duly made and payable on the date on which by the terms of issue the sum becomes payable.

6.6.2 In case of non-payment of a sum payable on allotment or at a fixed date, all the relevant provisions of these rules as to payment of interest and expenses, forfeiture, or otherwise apply as if the sum had become payable by virtue of a call duly made and notified.

6.7 Advances of uncalled capital

6.7.1 The directors may accept all or part of the money uncalled and unpaid upon any shares held by a Member which the Member is willing to advance to the Company.

6.7.2 The directors may authorise the payment of interest on the whole or a part of an advance of uncalled capital until the date and amount would have been payable but for the advance at a rate not exceeding 10% per annum or a rate fixed from time to time by the Company in general meeting.

6.7.3 The directors may authorise the repayment by the Company to a Member of all or any of the amount accepted under **rule 6.7.1**.

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6.8 Proof of Unpaid Capital

On the trial or hearing of any action for, relating to or involving any sum called in respect of a Member's share remaining unpaid, it will be sufficient for the Company, in order to establish conclusive evidence of the debt, to prove that:

(a) such sum was not received by the Company;

(b) the name of that Member is entered in the Register as the registered holder or one of the registered holders of the share in respect of which such sum is outstanding;

(c) the resolution authorising the making of the call is duly recorded in minutes of the directors meeting, and

(d) it will not be necessary to prove the appointment of the directors who made such call nor any other matter .

6.9 Capital Paid in Advance

Capital paid on shares in advance of calls on such shares will not confer a right on the Member which holds such shares to participate in profits of the Company.

7. TRANSFER OF SHARES

7.1 Form of transfer

7.1.1 A transfer of shares must be either:

(a) in writing in a usual form or in another form approved by the directors; or

(b) a proper SCH transfer for the purposes of the Corporations Act.

7.1.2 A transfer must be executed by or on behalf of the transferor and the transferee unless the transfer is either:

(a) a sufficient transfer of marketable securities for the purposes of the Corporations Act; or

(b) a proper SCH transfer for the purposes of the Corporations Act.

7.1.3 The Company must not charge a fee for the registration of a transfer of shares.

7.1.4 An instrument of transfer must be duly stamped if required by law to be stamped.

7.2 Effect of transfer

A transferor remains the holder of the shares transferred until the transfer is registered by the Company and the name of the transferee is entered in the Register in respect of the shares.

7.3 Registration procedure

7.3.1 The document of transfer of shares that is not an SCH-regulated transfer must be left for registration at the Office, or at another place determined by the directors, accompanied by:

(a) the certificate for the shares to which it relates; and

(b) evidence reasonably required by the directors to show the right of the transferor to make the transfer.

7.3.2 Subject to **rule 7.4**, the directors must register the transferee as a Member and retain the document of transfer.

7.3.3 An SCH-regulated transfer must be effected by a proper SCH transfer and registered in accordance with the SCH business rules.

7.4 Directors power to refuse registration

7.4.1 The directors may refuse to register a transfer of shares that is not an SCH-regulated transfer where:

(a) the Listing Rules permit the Company to do so;

(b) the Company has a lien over such shares in accordance with this Constitution and/or the Listing Rules;

(c) the Company is required to do so in accordance with a law relating to stamp duty;

(d) the Company is served with a court order which restricts the holder's capacity to transfer the shares; or

(e) the Company has notified ASX of a law of a State, Territory or the Commonwealth which may be contravened by the registration of a transfer of a share from or into a holding and ASX has authorised the Company in writing to not register such transfer.

7.4.2 The directors may suspend registration of transfers of shares at the times and for the periods they determine. The periods of suspension must not exceed 30 days in any one calendar year.

7.5 Circumstances where registration prohibited

7.5.1 The directors must refuse to register a transfer of shares that is not an SCH-regulated transfer:

(a) if the Listing Rules require the Company so to do; or

(b) if the shares are classified under the Listing Rules or by ASX as restricted securities and the transfer is or might be in breach of the Listing Rules or an escrow agreement entered into by the Company under the Listing Rules in relation to those shares.

7.5.2 While **rule 7.8** is in operation, the directors must refuse to register a transfer of shares that are not entered on the CHESS Subregister where the transfer would give effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid (as defined by the Corporations Act) unless and until a resolution to approve the takeover scheme is passed in accordance with **rule 7.8**.

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7.6 Notification of refusal to register

If in exercise of their rights under these rules the directors refuse to register a transfer of a share, they must give written notice of the refusal to the person who lodged the transfer in accordance with the Listing Rules.

7.7 Operation of register

7.7.1 If the Company operates a Company sponsored subregister then the Company must comply with the requirements of the Listing Rules in connection with that subregister.

7.7.2 The Company must process proper SCH transfers affecting subregisters administered by the Company on all business days.

7.8 Takeover approval provisions

7.8.1 In this rule:

(a) "**Approving Resolution**" means a resolution to approve a proportional takeover bid; and

(b) "**proportional takeover bid**" has the same meaning given to that term by the Corporations Act.

7.8.2 **[Directors to ensure vote]** If offers in respect of shares in the Company are made under a proportional takeover bid the directors must ensure that an Approving Resolution is voted on in accordance with this Constitution more than 14 days before the end of the period during which the offers under the proportional takeover scheme remain open.

7.8.3 **[Meeting procedure]** The Approving Resolution must be voted on at a meeting convened and conducted as if it is a general meeting of the Company convened and conducted in accordance with this Constitution and the Corporations Act.

7.8.4 **[Persons who may not vote]** The offeror under the proportional takeover scheme and any person who is associated with the offeror for the purposes of the Corporations Act must not vote on an Approving Resolution.

7.8.5 **[Persons entitled to vote]** The persons entitled to vote on an Approving Resolution are those persons, other than the offeror or an associate of the offeror, who, at the end of the day when the first offer was made under the proportional takeover scheme, held shares included in the class of shares in respect of which the offer under the takeover scheme was made.

7.8.6 **[Voting entitlements]** Each person who is entitled to vote is entitled to one vote for each share of that class held at the end of the day when the first offer was made.

7.8.7 **[Requirements for approval]** An Approving Resolution is taken to be passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half. If it is not so passed, it is taken to be rejected.

7.8.8 **[Deemed approval]** If an Approving Resolution is not voted on before the end of the day, that is 15 days before the end of the period during which the offers under the proportional takeover scheme remain open, a resolution to approve the scheme is deemed to have been passed in accordance with this Constitution.

7.8.9 **[Duration and renewal of these provisions] Rules 7.8.1** to **7.8.8** inclusive cease to have effect on the day 3 years after the later of:

(a) the date when those rules first became binding on the Company; or

(b) the date when those rules are last renewed by the Company passing a special resolution for their renewal.

7.9 Sale of unmarketable shareholdings

7.9.1 In this rule:

"**Appointment Date**" means the day after the end of the 42 day period specified in the notice given in accordance with this rule to Members with Unmarketable Holdings;

"**Authorised Price**" means the price per share of the shares of an Unmarketable Holding equal to the simple average of the last sale prices of the shares traded on ASX for each of the 10 trading days immediately preceding the Appointment Date;

"**Authorising Member**" means a Member with an Unmarketable Holding who does not give notice to the Company in accordance with **rule 7.9.2(c)**;

"**Terms of Sale**" means the terms of sale of each Authorising Member's shares set out in **rule 7.9.4**;

"**Unmarketable Holding**" means a holding of shares in the Company that is a less than a marketable parcel within the meaning of the Listing Rules.

7.9.2 If the directors propose to reduce or eliminate Unmarketable Holdings, they may give notice under this rule to each Member with an Unmarketable Holding. The notice must comply with the requirements of the Listing Rules and the SCH business rules and must include statements to the effect that:

(a) the notice is given in accordance with this rule;

(b) the Company intends to sell Members' Unmarketable Holdings;

(c) Members who desire to retain their share holdings must give notice of their desire to the Company within 42 days after the date of the notice; and

(d) a Member who does not give notice to the Company under this rule is to be regarded as irrevocably appointing the Company as the Member's agent to sell the Member's Unmarketable Holding in accordance with this rule.

7.9.3 Except if **rule 7.9.13** applies, only one notice under this clause may be given in each period of 12 months after the Appointment Date.

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7.9.4 On the Appointment Date each Authorising Member is regarded as having irrevocably appointed the Company as the Member's agent to sell all the Member's Unmarketable Holdings. The terms of appointment are that:

(a) the Company may take all necessary steps to cause the Authorising Member's shares to be moved from the CHESS Subregister to a subregister administered by the Company;

(b) the purchase price must be not less than the Authorised Price;

(c) the Company may effect a transfer of the Authorising Member's shares as attorney for the Authorising Member;

(d) the sale of the Unmarketable Holding must be made within 10 business days after the end of the period of 42 days specified in the notice to Members under this rule;

(e) completion of the Sale must occur within 5 business days after the date of sale or a later date which the Company and the purchaser agree in writing;

(f) the purchase price must be payable in cash;

(g) the Company may receive the proceeds of sale to be dealt with in accordance with this rule, which proceeds must be paid into a bank account opened and maintained by the Company for that purpose only;

(h) the Company or the purchaser must pay all stamp duty and other expenses incurred in respect of the sale that would otherwise be borne by the Authorising Member;

(i) the Company may enforce the terms of the offer and any contract arising from it on behalf of all or any of the Authorising Members; and

(j) a dispute arising between any of the purchaser, the Company and an Authorising Member in respect of the terms of the offer and the implementation of this rule must be determined by the auditor of the Company acting as an expert and not an arbitrator.

7.9.5 The Company must do all that is reasonable to sell the Unmarketable Holdings of the Authorising Members. A sale may be made only in accordance with the Terms of Sale.

7.9.6 The Company must not sell the shares of a Member who gives notice to the Company in accordance with **rule 7.9.2(c)**.

7.9.7 If all the Shares of 2 or more Authorising Members are sold to one purchaser the transfer may be effected by one transfer document.

7.9.8 The Company must send the proceeds of sale of an Unmarketable Holding to the Authorising Member without deduction by cheque mailed to the Member's address in the Register, or as otherwise directed by the Member, within 14 days after:

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(a) the later of receipt of the proceeds of sale or receipt of the share certificates for the shares from the Authorising Member (unless the directors are satisfied that the certificate has been lost or destroyed); or

(b) receipt of the proceeds of sale of an uncertificated holding.

7.9.9 If an Authorising Member's whereabouts are unknown or if an Authorising Member fails to deliver the share certificate or certificates relating to the shares sold, the proceeds of sale must be applied in accordance with the applicable laws dealing with unclaimed moneys.

7.9.10 The receipt of the Company for the proceeds of sale of the shares of an Authorising Member is a good discharge to the purchaser who is not bound to see to the regularity of the actions and proceedings of the Company under this rule or to the application of the proceeds of sale.

7.9.11 After entry of the name of the purchaser in the Register as the holder of the shares acquired from an Authorising Member the validity of the sale may not be questioned by any person.

7.9.12 The directors may not give a notice to Members under this article during the takeover period under a takeover scheme or takeover announcement.

7.9.13 If a takeover offer or takeover announcement is made after the giving of notice to Members under this rule and before the sale of an Unmarketable Holding:

(a) the authority of the Company to sell that Unmarketable Holding terminates; and

(b) after the end of the takeover period a further notice under this rule may be given to all Members who then hold Unmarketable Holdings.

7.10 Restricted securities

Shares which are classified under the Listing Rules or by ASX as restricted securities and which are subject to escrow restrictions cannot be disposed (as that term is defined in the Listing Rules) of during the escrow period.

8. TRANSMISSION OF SHARES

8.1 Recognised interests

8.1.1 In the case of death of a Member the survivor or survivors where the deceased was a joint holder and the legal personal representative of the deceased where he was a sole holder, are the only persons who may be recognised by the Company as having title to the deceased Member's interest in the shares.

8.1.2 Nothing in this Constitution releases the estate of the deceased joint holder from a liability in respect of a share which had been jointly held by the deceased Member with other persons.

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8.2 Transmission

8.2.1 Subject to the Bankruptcy Act 1966, a person becoming entitled to a share in consequence of the death or bankruptcy of a Member ("**transmission event**") may either:

(a) give to the Company a notice in writing signed by the person entitled electing to be registered as the holder of the share; or

(b) effect a transfer of the share in favour of a person nominated by the person entitled as the transferee of the share.

8.2.2 The directors are not required to register a transmission notice or transfer under this rule unless the applicant produces to the Company the evidence properly required by the directors to establish the entitlement of the applicant to be registered or to transfer the share.

8.2.3 Notwithstanding **rule 8.2.1**, the directors may register a transfer of shares signed by a member before a transmission event even though the Company has notice of the transmission event.

8.3 Restrictions on transfer

8.3.1 All the limitations, restrictions and provisions of this Constitution relating to the right to transfer, and the registration of transfers of, shares apply to a notice or transfer following the death or bankruptcy of a Member as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

8.3.2 If 2 or more persons become jointly entitled to a share under a transmission event, on registration as the holders of the share, those persons are taken to hold the share as joint tenants subject to **rules 2.9** and **2.10**.

8.4 Rights of personal representatives

8.4.1 If a Member dies or becomes bankrupt, his personal representative or the trustee of his estate is, on the production of the evidence properly required by the directors, entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company, or to voting, or otherwise) as the Member would have been entitled to if he had not died or become bankrupt.

8.4.2 Where 2 or more persons are jointly entitled to a share in consequence of the death of a Member they are, for the purposes of this Constitution, treated as joint holders of the share.

9. FORFEITURE OF SHARES

9.1 Notice of default

9.1.1 If a Member fails to pay a call or instalment of a call on the day when it is due for payment, the directors may, while any part of the call or instalment remains unpaid, give notice requiring the Member to pay the unpaid call or instalment together with any interest which may have accrued and all costs, expenses or damages that may

have been incurred by the Company by reason of the non-payment or late payment of the call or instalment.

9.1.2 The notice must:

(a) specify a further day (not earlier than 14 days after the date of the notice) on or before which the payment required by the notice is to be made;

(b) state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited; and

(c) comply with the requirements, if any, of the SCH business rules and the Listing Rules.

9.2 Forfeiture

9.2.1 If the requirements of a notice relating to forfeiture given under this Constitution are not complied with, any share in respect of which the notice has been given may be forfeited by a resolution of the Members to that effect, at a meeting convened in accordance with the Listing Rules, at any time before the payment required by the notice has been made.

9.2.2 If the share the subject of a resolution of forfeiture is entered on the CHESS subregister, the Company may take all necessary steps to move the share to a subregister administered by the Company. The forfeiture of the share is effective at the time the share is entered in that subregister.

9.2.3 A forfeiture includes all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

9.2.4 Before a sale or disposition of a forfeited share the directors may annul the forfeiture on terms determined by the directors.

9.3 Sale of forfeited shares

A forfeited share becomes the property of the Company and may be sold or otherwise disposed of on the terms and in the manner determined by the directors in accordance with the Corporations Act, the SCH business rules and the Listing Rules.

9.4 Transfer and consideration

9.4.1 The Company may receive the consideration, if any, given for a forfeited share on any sale or disposition of the share and may effect a transfer of the share in favour of the transferee.

9.4.2 The Company must give effect to the transfer document and register the transferee as the holder of the share. The transferee is not bound to see to the application of any money paid as consideration.

9.4.3 The title of the transferee to the share is not affected by any irregularity or invalidity in connection with the forfeiture, sale, or disposal of the share.

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9.5 Liability of former Member

9.5.1 A person whose shares have been forfeited ceases to be a Member in respect of the forfeited shares but remains liable to pay to the Company all money that, at the date of forfeiture, was payable by him to the Company in respect of the shares.

9.5.2 The money which the former Member is liable to pay to the Company and which may be recovered at the discretion of the directors includes:

(a) interest on the money for the time being unpaid; and

(b) the expenses incurred by the Company in respect of the forfeiture and sale of the shares.

9.5.3 The liability of a defaulting Member ceases if and when the Company receives payment in full of all the money which the defaulting Member is liable to pay.

9.6 Statement of forfeiture

A statement in writing declaring that the person making the statement is a director or secretary of the Company, and that a share has been duly forfeited on a date stated in the statement, may not be objected to by any person claiming to be entitled to the share.

9.7 Non-payment of other sums

The provisions of this Constitution as to forfeiture apply in the case of non-payment of a sum that, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by virtue of premium, as if that sum had been payable by virtue of a call duly made and notified.

9.8 Surrender of Shares

The directors of the Company may in their discretion accept a surrender of shares in the Company by way of compromise of any question as to whether or not the same have been validly issued or in any other case where a surrender is within the powers of the Company. Any shares so surrendered may be sold or re-issued in the same manner as forfeited shares.

10. GENERAL MEETING

10.1 Voting qualification time

10.1.1 Except as stated in **rule 10.1.5**, in this Constitution:

"Voting Qualification Time" in relation to a general meeting means:

(a) if a determination is made by the convenor of a meeting under **rule 10.1.2**, the time specified in that determination; or

(b) if a determination is not made by the convenor of the meeting, 48 hours before the time for commencement of the meeting or a lesser time fixed in relation to general meetings of the Company for the purposes of this rule by determination of the directors.

10.1.2 For the purpose of determining voting entitlements at a general meeting, the convenor of a meeting may determine that all the issued voting shares in the Company at a specified time before the meeting are to be regarded as held at the time of the meeting by the persons who held them at the specified time.

10.1.3 A determination of a specified time before the meeting must be made before notice of the meeting is given.

10.1.4 The specified time must be not more than 48 hours before the meeting.

10.1.5 Before the ordinary shares of the Company are CHESS Approved Securities:

(a) the preceding clauses of this rule do not operate; and

(b) the Voting Qualification Time in relation to a general meeting is the time of commencement of the general meeting.

10.2 Convening of meetings by directors

The directors may convene a general meeting at any time.

10.3 Directors attendance at general meetings

A director is entitled to receive notice of and to attend all general meetings and all general meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at all those meetings.

10.4 Notice of general meeting

10.4.1 A notice of a general meeting must specify the place, the day, the hour of meeting and the general nature of the business to be transacted.

10.4.2 The accidental omission to give notice of a general meeting to, or the non receipt of a notice by, a person entitled to receive notice does not invalidate a resolution passed at the general meeting.

10.4.3 A person may waive notice of any general meeting by notice in writing to the Company.

10.5 Cancellation of general meeting

10.5.1 The directors may cancel a general meeting, other than a general meeting convened under section 249D, 249E, 249F or 249G of the Corporations Act.

10.5.2 A meeting may only be cancelled in accordance with this rule if notice of the cancellation is given to all persons entitled to receive notice of the meeting not less than 5 business days prior to the time of the meeting as specified in notice of meeting.

10.6 Admission to general meetings

10.6.1 The Chairman of the general meeting (appointed in accordance with **rule 10.10**) may refuse admission to a person or require that person to leave and remain out of the meeting, if that person:

(a) has a camera, tape recorder or video camera, or another audio or visual recording device;

(b) has a placard or banner;

(c) has an article which the Chair considers to be dangerous, offensive or liable to cause destruction;

(d) refuses to produce or permit examination of any article or the contents of any article the person's possession;

(e) behaves or threatens to behave in a dangerous, offensive or disruptive manner; or

(f) is not:

(i) a Member or a proxy, attorney or a representative of a Member;

(ii) a director; or

(iii) an auditor of the Company.

10.6.2 A person requested by the directors or the Chairman of a general meeting (appointed under **rule 10.10**) to attend that general meeting is entitled to be present whether the person is a member or not.

10.7 Quorum at general meeting

10.7.1 Business may not be transacted at a general meeting unless a quorum of Members is present at the time when the meeting proceeds to business.

10.7.2 Except as otherwise set out in this Constitution, 3 Members present is a quorum.

10.7.3 If a quorum is not present within half an hour from the time appointed for the meeting or a longer period allowed by the chairman:

(a) and if the meeting was convened by or on the requisition of Members, it must be dissolved; or

(b) it must stand adjourned to the same day in the next week at the same time and place or to another day and at another time and place determined by the directors.

10.7.4 If a meeting has been adjourned to another time and place determined by the directors, not less than 7 days notice of the adjourned meeting must be given in the same manner as in the case of the original meeting.

10.7.5 For the purposes of determining whether a quorum is present, a person attending as a proxy, or as representing a corporation that is a Member, will be deemed to be a Member.

10.8 Quorum at adjourned general meeting

At the adjourned meeting 2 Members present is a quorum but if a quorum is not present within half an hour after the time appointed for the meeting, the meeting must be dissolved.

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10.9 Representatives of Members

10.9.1 At meetings of Members or classes of Members each Member entitled to vote may vote in person or by proxy or by attorney.

10.9.2 A person attending as a proxy, as the attorney of a Member, or as representing a corporation which is a Member is to be treated as a Member for the purposes of:

(a) determining whether a quorum is present; and

(b) demanding a poll.

10.10 Appointment of chairman

10.10.1 If the directors have elected one of their number as chairman of their meetings, that person is entitled to preside as chairman at every general meeting.

10.10.2 The directors present at a general meeting must elect one of their number to be chairman of the meeting if:

(a) a director has not been elected as chairman of directors meetings; or

(b) the chairman is not present within 15 minutes after the time appointed for the holding of the meeting or he is unwilling to act.

10.10.3 The Members present at a general meeting must elect one of their number to be chairman of the meeting if:

(a) there are no directors present within 15 minutes after the time appointed for the holding of the meeting; or

(b) all directors present decline to take the chair.

10.11 Chairman's power

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

10.12 Adjournment of meetings

10.12.1 The chairman may, with the consent of any meeting at which a quorum is present, and must if so directed by the meeting, adjourn the meeting to another time and to another place.

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

10.12.3 When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting.

10.12.4 Except when a meeting is adjourned for 30 days or more, it is not necessary to give a notice of an adjournment or of the business to be transacted at an adjourned meeting.

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10.13 Voting on show of hands

10.13.1 At a general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded.

10.13.2 If a poll is not duly demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

10.14 Demand for a poll

10.14.1 A poll may be demanded by:

(a) the chairman;

(b) any 3 Members who have the right to vote on the resolution;

(c) any Member or Members representing not less than 5% of the total voting rights of all the Members having the right to vote on the resolution on a poll; or

(d) a Member or Members holding shares conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than 5% of the total sum paid up on all the shares conferring that right.

10.14.2 The demand for a poll may be withdrawn.

10.14.3 The demand for a poll does not prevent the continuance of a meeting for the transaction of business other than the question on which a poll is demanded.

10.14.4 If the poll is duly demanded, it must be taken in the manner and, except as to the election of a chairman or on a question of adjournment, either at once or after an interval or adjournment or otherwise as the chairman directs. The result of the poll is the resolution of the meeting at which the poll is demanded.

10.14.5 A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately.

10.15 Voting rights of Members

10.15.1 Subject to the rights or restrictions attached to a class or classes of shares, on a show of hands every person present who was a Member at the Voting Qualification Time or who is the representative of a corporation who was a Member at that time has one vote.

10.15.2 Subject to the rights or restrictions attached to a class or classes of shares, on a poll every person present who was a Member at the Voting Qualification Time and who is present in person or by proxy, attorney or representative has:

(a) one vote for each fully paid share that person held at that time;

(b) for each partly paid share that person held, a fraction of one vote equal to the fraction;

$$\frac{AP}{NV}$$ where:

AP is the amount paid on the partly paid share, excluding amounts credited as paid or paid in advance of a call; and

NV is the total amount paid and payable (excluding amounts credited) on that share.

10.15.3 A Member is not entitled to cast a vote in respect of shares which are classified under the Listing Rules or by ASX as restricted securities while there subsists a breach of an escrow agreement entered into by the Company in respect of the shares.

10.16 Joint shareholders' vote

In the case of joint holders the vote of the senior holder who tenders a vote, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority must be determined by the order in which the names stand in the Register.

10.17 Persons representing Members of unsound mind

If a Member is of unsound mind or is a person whose estate is liable to be dealt with in any way under the law relating to mental health, the committee or trustee of that Member or another person who properly has the management of the Member's estate may exercise the rights of the Member in relation to a general meeting as if the committee, trustee or other person is the Member.

10.18 Voting rights where calls unpaid

A Member is not entitled to vote at a general meeting unless all calls or other sums presently payable by the Member in respect of shares have been paid.

10.19 Objections to voter qualifications

10.19.1 No objection may be raised to the qualification of a voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered.

10.19.2 An objection to the qualification of a voter must be referred to the chairman of the meeting, whose decision is final.

10.19.3 A vote not disallowed according to an objection as provided in this Constitution is valid for all purposes.

11. PROXIES

11.1 Appointment of Proxies

11.1.1 A document appointing a proxy must be in writing, signed:

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(a) by the appointor or the attorney of the appointor duly authorised in writing; or

(b) if the appointor is a corporation, either under seal or by an officer or attorney of the appointor duly authorised in writing.

11.1.2 If the notice of the general meeting for which a proxy is appointed states that proxies may be sent to a specified facsimile number for or on behalf of the Company, a document generated from the image of a document appointing a proxy that is transmitted to that facsimile number is treated as being:

(a) in writing;

(b) signed if bearing a facsimile of a signature;

(c) under seal if bearing a facsimile of a seal; and

(d) deposited with the Company in accordance with **rule 11.4**.

11.1.3 If the document appointing a proxy is sent by facsimile transmission, any power of attorney or other authority under which the appointment is signed, or a notarially certified copy of that power or authority, will be taken to be deposited with the Company in accordance with **rule 11.4** if it is transmitted by facsimile with the facsimile transmission of the document appointing the proxy.

11.1.4 A proxy need not be a Member.

11.2 Form of proxy

A document appointing a proxy must be in the following form or in a form that is as similar to the following form as the circumstances allow or in another common form approved by the directors of the Company from time to time:

MEDICAL DEVELOPMENTS INTERNATIONAL LIMITED

(ACN #)

PROXY FORM

I/We being a member/members of Medical Developments International Limited, hereby appoint:

.....

of.....

for.....% of my/our voting rights or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote on my/our behalf at the **[insert number of meeting]** annual general meeting of the Company to be held at **[insert time of meeting]** on **[insert date of meeting]** at **[insert place of meeting]** and any adjournment thereof.

Should you desire to direct your proxy how to vote, please insert a "x" or a "✓" in the appropriate box against each item, otherwise your proxy may vote as he/she thinks fit or abstain from voting.

Special Business	**For**	**Against**	**Abstain**
Item 1 [insert resolution]	☐	☐☐☐☐	☐☐☐☐

Holders must sign below:

Individuals

Signature of Holder

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Date ___/___/___

Companies

Signature of Director or Sole Director and Sole Company Secretary (delete one)

Signature of Director or Company Secretary (delete as applicable)

Date ___/___/___

Affix common seal here, if required by constitution.

11.3 Authority of proxies

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

11.3.2 A proxy may vote on a show of hands but a person holding proxy for more than one Member has only one vote.

11.3.3 A document appointing a proxy confers authority to demand or join in demanding poll.

11.3.4 Except as expressly provided by the document appointing a proxy, an appointment of a proxy confers authority to agree to a meeting being convened by shorter notice than is required by the Corporations Act or by this Constitution and to a resolution being proposed and passed as a special resolution at a meeting of which less than 21 days' notice has been given.

11.4 Verification of proxies

11.4.1 Before the time for holding the meeting or adjourned meeting at which a proxy proposes to vote, there must be deposited with the Company:

(a) the document appointing the proxy; and

(b) the power of attorney or other authority (if any) under which the document is signed or a notarially certified copy of that power or authority.

11.4.2 Those documents must be deposited at the Office, or at another place specified for that purpose in the notice convening the meeting not less than **48 hours** before:

(a) the time for holding the meeting or adjourned meeting; or

(b) in the case of a poll, the time appointed for the taking of the poll.

11.5 Validity of proxies

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

11.6 Revocation of appointment of proxy

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

(a) the previous death or unsoundness of mind of the principal;

(b) the revocation of the instrument or of the authority under which the instrument was executed; or

(c) the transfer of the share in respect of which the instrument or power is given.

12. APPOINTMENT AND RETIREMENT OF DIRECTORS

12.1 Number of directors

12.1.1 Until otherwise determined in accordance with this Constitution, the number of directors must not be less than 3 nor more than 15.

12.1.2 The Company may, by resolution, increase or reduce the number of directors and may also determine in what rotation the increased or reduced number is to go out of office in accordance with **rule 12.4**.

12.1.3 Alternate directors are not to be treated as directors for the purpose of determining the minimum or maximum number of directors holding office.

12.2 Nomination of directors

12.2.1 A person other than a director who retires by rotation or who ceases to be a director in accordance with **rule 12.7** is not eligible to be appointed as a director at a general meeting unless notice of nomination of the person to be a director is given to the Company in accordance with this rule.

12.2.2 A notice of nomination of a person to be a director is:

(a) a statement that the person is, or is nominated as, a candidate for election as a director, signed by the person or a Member; and

(b) a written consent by the person to act as a director of the Company.

12.2.3 A notice of nomination must be given to the Company not later than the last date for nomination fixed in accordance with this rule.

12.2.4 The last date for the nomination of persons for election as directors at a general meeting is:

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(a) 30 business days before the date of the general meeting; or

(b) a later date, which may not be later than the last date on which the notice convening the general meeting may be lawfully given, fixed in relation to that general meeting by resolution of the directors.

12.2.5 A director who retires by rotation at a general meeting or who ceases to be a director at a general meeting in accordance with **rule 12.7** is regarded as offering to be re-elected at that general meeting unless before the last date for nomination of directors the director gives to the Company written notice that the director is not available to be re-elected.

12.3 Appointment of directors

12.3.1 At a meeting at which a director retires, the Company may by resolution fill the vacated office by electing a person to that office.

12.3.2 A retiring director who offers to be re-elected at a general meeting is re-appointed to the office of director with effect from the end of that meeting if:

(a) the vacated office is not filled by the election of a director at the meeting; and

(b) the director is not disqualified under the Corporations Act from holding office as a director,

unless at that general meeting:

(c) it is expressly resolved not to fill the vacated office; or

(d) a resolution for the re-election of that director is put and lost.

12.4 Retirement of directors

12.4.1 **[Directors to retire at annual general meeting]** At each annual general meeting of the Company the following directors must retire from office:

(a) one third of the directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest one third; and

(b) any other director, except a managing director, who has been in office for 3 years or more since that director's election or last re-election as a director.

12.4.2 **[Order in which directors must retire]** Subject to **rule 12.1.2**, the directors to retire at an annual general meeting are those who have been longest in office since their last election. If 2 or more persons became directors on the same day, those to retire must be determined by lot unless they otherwise agree among themselves.

12.4.3 **[Eligibility for re-appointment of retiring directors]** A director retiring at an annual general meeting who is not disqualified by law from being reappointed is eligible for re-election and may act as a director throughout the meeting at which that director retires.

12.4.4 **[Voluntary retirement]** A director may retire from office by giving notice in writing to the Company of that director's intention to retire. A notice of resignation takes effect at the time which is the later of:

(a) the time of giving the notice to the Company; or

(b) the expiration of the period, if any, specified in the notice.

12.5 Share qualification

A director or alternate director is not required to hold a share in order to hold office as a director or alternate director.

12.6 Casual vacancies

12.6.1 The directors or the surviving director may at any time appoint a person to be a director, either to fill a casual vacancy or as an addition to the existing number of directors. The total number of directors may not exceed the number fixed in accordance with this Constitution.

12.6.2 A director appointed under this rule:

(a) except a managing director, holds office only until the next general meeting after the appointment and is then eligible for re-election; and

(b) must not be taken into account in determining the directors who are to retire by rotation at that general meeting.

12.7 Removal from office

12.7.1 The Company may by resolution and pursuant to section 203D of the Corporations Act remove a director from office and may by resolution appoint another person as a replacement.

12.7.2 A person appointed to replace a director removed from office must retire as a director at the time ascertained as if the person became a director on the day on which the director removed from office was elected or last re-elected a director.

12.8 Vacation of office

12.8.1 In addition to the circumstances in which the office of a director becomes vacant by virtue of the Corporations Act or another provision of this Constitution, the office of director becomes vacant if the director:

(a) becomes an insolvent under administration;

(b) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;

(c) is absent without the consent of the directors from the meetings of the directors held during a continuous period of 6 months and the board resolves that the office of that director be vacated;

(d) or any partner, employer or employee of the director accepts or holds the office of auditor of the Company; or

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(e) becomes prohibited from being a director by reason of an order made under the Corporations Act.

12.9 Age limit for directors

12.9.1 A person over the age of 72 years may not be appointed or reappointed as a director except under a resolution of the Company in accordance with the Corporations Act.

12.9.2 The office of a director becomes vacant at the conclusion of the next annual general meeting after the director attains the age of 72 years.

12.9.3 The director who ceases to hold office at an annual general meeting because the director attains the age of 72 is not to be counted in the number of directors who must retire by rotation at that meeting.

13. DIRECTORS' REMUNERATION

13.1 Determination of fees

13.1.1 The directors must be paid by way of fees for their services a sum determined by the directors from time to time, which sum must not exceed the aggregate sum determined from time to time by the Company in general meeting.

13.1.2 The sum determined under **rule 13.1.1** must be divided among the directors in the proportions and in the manner from time to time agreed by the directors. If they do not agree it must be divided equally.

13.1.3 The fees payable by the Company to directors other than executive directors must be by a fixed sum and must not be paid by way of commission on or a percentage of profits or operating revenue.

13.1.4 Directors' fees accrue from day to day.

13.1.5 The aggregate sum of the directors fees must not be increased except with the prior approval of the Company in general meeting. The notice convening the meeting must state the amount of the increase in the aggregate sum and the maximum sum that may be paid following the increase.

13.2 Fees of directors

Unless increased by the Company in general meeting, the aggregate sum of the fees payable by the Company to the non executive directors is a maximum of $300,000 per annum.

13.3 Payment for expenses

In addition to their fees, the directors must be paid all travelling, accommodation, and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings or otherwise in connection with the Company's business.

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13.4 Payment for extra services

13.4.1 A director who is called upon to perform extra services or to make a special exertion or to undertake executive or other work for the Company beyond the director's ordinary duties may be paid additional fees for those services, exertions or work.

13.4.2 The additional amount may be paid:

(a) either by fixed sum or salary determined by the directors; and

(b) either in addition to or in substitution for the fees otherwise payable to the director.

13.5 Payments to former directors

Subject to the Corporations Act and the Listing Rules, the directors may determine that the Company:

(a) pay a gratuity, pension or allowance, at the time of or following retirement or other vacation of office to a director or to a relative of a director; and

(b) make contributions to any fund and pay any premiums for the purchase or provision of that gratuity, pension or allowance.

14. POWERS AND DUTIES OF DIRECTORS

14.1 Management of Company

14.1.1 The business of the Company is to be managed by or under the direction of the directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all those powers of the Company as are not, by the Corporations Act or this Constitution, required to be exercised by the Company in general meeting.

14.1.2 Without limiting the powers of management conferred on the directors by any other provision of this Constitution, the directors may exercise all the powers of the Company to:

(a) borrow or otherwise raise money;

(b) mortgage or charge any property or business of the Company or all or any of its uncalled capital;

(c) issue debentures;

(d) give any other security for any debt, liability or obligation of the Company or of any other person; and

(e) revalue the assets of the Company.

14.1.3 The directors may from time to time provide for the business of the Company in any specified locality to be managed in any such manner as the directors think fit and, without limiting the foregoing, the directors may:

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(a) from time to time and at any time establish any local boards or agencies for managing any of the affairs of the Company in any such specified locality and may appoint any persons to be members of such local boards or any managers or agents and may fix their remuneration;

(b) from time to time and at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the directors other than the power of making calls and may authorise the members for the time being of any such local board or any of them to fill up any vacancies on such board and to act notwithstanding such vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the directors may think fit and the directors may at any time remove any person so appointed and may annul or vary any such delegation;

(c) at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under this Constitution) as the directors may from time to time think fit. Any such appointment may (if the directors think fit) be made in favour of the members or any of the members of any local board established as referred to above or in favour of any managers of any company or a firm or in favour of any fluctuating body of persons whether nominated directly or indirectly by the directors and any such powers of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the directors may think fit.

14.2 Attorneys

14.2.1 The directors may from time to time by power of attorney appoint a corporation, firm, or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Company.

14.2.2 The attorney may be granted all powers, authorities, and discretions (not exceeding those vested in or exercisable by the directors under this Constitution) for the period and subject to the conditions which the directors think fit.

14.2.3 A power of attorney may contain any provisions for the protection and convenience of persons dealing with the attorney which the directors think fit. It may also authorise the attorney to delegate all or any of the powers, authorities, and discretions vested in him under the power of attorney.

14.3 Cheques

All cheques, promissory notes, bankers drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the Company, must be signed, drawn, accepted, endorsed, or otherwise executed by 2 directors or in another manner from time to time determined by the directors.

14.4 Disposal of main undertaking

The directors must not authorise a disposal of, or an agreement of dispose of, the Company's main undertaking unless:

(a) the Company has by resolution in general meeting authorised the disposal; or

(b) the agreement is subject to approval by the Company in general meeting,

and at any meeting convened to approve or ratify any such disposal, any person who may benefit from such disposal other than only as a holder of any debt or equity shares of the Company and any person who would be an associate of any such person within the meaning of the Corporations Act must abstain from voting on the resolution to approve or ratify such disposal.

15. PROCEEDINGS OF DIRECTORS' MEETINGS

15.1 Convening of directors' meetings

A director may at any time, and a Secretary must on the requisition of a director, convene a meeting of the directors.

15.2 Notice of meeting of directors

15.2.1 Subject to this Constitution, notice of a meeting of directors must be given to each person who was at the time of giving the notice:

(a) a director other than a director on leave of absence approved by the directors;

(b) an alternate director appointed under **rule 17.1** by a director on leave of absence approved by the directors.

15.2.2 A notice of a meeting of directors:

(a) must specify the time and place of the meeting;

(b) need not state the nature of the business to be transacted at the meeting;

(c) may be given in person by post, fax, electronic, telephone or other method of written, audio or audiovisual communication; and

(d) will be taken to have been given to an alternate director if it is given to the director who appointed that alternate director.

15.2.3 A meeting conducted by telephone or other means of audio or audio visual communication, will be deemed to be held at the place agreed by the directors attending that meeting, provided that at least one of the directors present at the meeting was at such place for the duration of the meeting.

15.2.4 A director or alternate director may waive notice of the meeting of directors by notifying the Company to that effect in person or by post, fax, electronic, telephone or other method of written, audio or audio visual communication.

15.2.5 An original document, or a photocopy or facsimile copy of such a document, which is in the possession of, or had been seen by, all directors attending a meeting of directors prior to, or at the time of, that meeting, will be deemed to be a document tabled at that meeting.

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15.3 Mode of meeting for directors

15.3.1 The directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.

15.3.2 The directors are to be treated as present together when in communication by telephone or other means of audio or audio visual communication if each of the directors participating in the communication is able to hear and understand each of the other participating directors.

15.4 Quorum at directors' meetings

15.4.1 At a meeting of directors, the number of directors whose presence is necessary to constitute a quorum is 2 or another number determined by the directors.

15.4.2 If the number of directors is reduced below the number necessary for a quorum of directors, the continuing director or directors may act only to appoint additional directors to the number necessary for a quorum or to convene a general meeting of the Company.

15.5 Voting at directors' meetings

Questions arising at a meeting of directors must be decided by a majority of votes of directors present and voting. A decision of the majority is for all purposes a decision of the directors.

15.6 Appointment of chairman of directors

15.6.1 The directors may elect a chairman of their meetings and determine the period for which the person elected is to hold office.

15.6.2 If a chairman has not been elected, or if at any meeting the chairman is not present within 10 minutes after the time appointed for holding the meeting or is unwilling to act, the directors present may choose one of their number to be chairman of the meeting.

15.7 Chairman's vote at directors' meetings

15.7.1 The chairman does not have a casting vote:

(a) at a meeting of directors at which only 2 directors are present; or

(b) on the vote on a question to be decided on which only 2 directors are competent to vote.

15.7.2 In all other cases of an equality of votes, the chairman of the meeting has a casting vote in addition to the chairman's deliberative vote as a director.

15.8 Directors' contracts

15.8.1 If a director is interested in a contract or proposed contract with the Company and any financial benefit to the director under the contract is authorised by the Corporations Act:

(a) the director is not disqualified by holding office as director from contracting or entering into any arrangement with the Company, whether as vendor, purchaser or otherwise;

(b) a contract or arrangement entered into by or on behalf of the Company in which the director is in any way, whether directly or indirectly, interested, is not liable to be avoided; and

(c) the director is not liable to account to the Company for a profit realised from that contract or arrangement by reason of the director holding that office.

15.8.2 A director and a firm in which the director is interested may act in a professional capacity for the Company. The director and that firm are entitled to remuneration for professional services as if the director was not a director of the Company.

15.8.3 Nothing in this rule authorises a director or a firm in which the director is interested to act as auditor of the Company.

15.9 Directors holding office of profit

A director may hold any other office or place of profit under the Company (except that of auditor) in conjunction with the office of director for the period and on the terms as to remuneration and otherwise as the directors may determine.

15.10 Participation where directors interested

15.10.1 A director who has a material personal interest in a matter that is being considered at a meeting of directors must not:

(a) be present while the matter is being considered at the meeting;

(b) be present during the consideration of a proposed resolution of a kind referred to in **rule 15.10.3** in relation to the matter, whether in relation to that or another director; or

(c) vote in respect of that matter or that proposed resolution.

15.10.2 Despite **rule 15.10.1**, a director may be present and may vote on a matter if the director's interest is held:

(a) as a member of the company; and

(b) in common with the other members of the company.

15.10.3 Despite **rule 15.10.1**, a director may be present and, unless prohibited from voting by the Listing Rules, may vote on a matter if the board of directors has at any time passed a resolution that:

(a) specifies the director, the interest and the matter; and

(b) states that the directors voting for the resolution are satisfied that the interest should not disqualify the director from considering and voting on the matter.

15.10.4 A quorum is not present during the consideration of a matter at a meeting of directors unless at least 2 directors are present who are entitled to vote on any motion that may be moved at the meeting in relation to the matter.

15.10.5 Despite **rules 15.10.4** and **15.10.1**, a director may be counted in the quorum and may vote on a resolution proposed by a person other than the director if:

(a) the resolution is in connection with a general meeting of the company dealing with the matter; and

(b) section 195(4) of the Corporations Act would apply.

15.10.6 A director may attest the affixing of the Seal to a contract or arrangement entered into by the director or in which the director is, directly or indirectly, interested.

15.11 Delegation of powers to committee

15.11.1 The directors may delegate any of their powers to committees consisting of directors or other persons as they think fit to act in Australia or elsewhere.

15.11.2 The exercise of a power by a committee in accordance with this Constitution is to be treated as the exercise of that power by the directors.

15.11.3 In the exercise of any powers delegated to it, a committee formed by the directors must conform to the directions of the directors.

15.12 Proceedings of committees

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

15.13 Validity of acts of directors

All acts done by a meeting of the directors or of a committee of directors or by a person acting as a director are valid even if it is later discovered that there is a defect in the appointment of a person to be a director or a member of the committee or that they or any of them were disqualified or were not entitled to vote.

15.14 Minutes

15.14.1 The directors must cause minutes of all proceedings of general meetings, of meetings of the directors and of committees formed by the directors to be entered, within one month after the relevant meeting is held, in books kept for the purpose.

15.14.2 The directors must cause all minutes, except resolutions in writing treated as determination of the directors, to be signed by the chairman of the next succeeding meeting.

15.14.3 Where a document is assented to in accordance with **rule 15.15.2**, the document is to be taken as a minute of a meeting of directors.

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15.15 Resolution in Writing

15.15.1 An act, matter or thing is taken to have been done or a resolution passed by a meeting of the directors duly convened and held, if a document containing a statement of that effect is assented to by all the directors other than:

(a) a director on leave of absence approved by the directors;

(b) a director who disqualifies himself or herself when considering the act, matter or thing in question on the grounds that he or she is not entitled at law to do so or has a conflict of interest; and

(c) a director who the directors reasonably believe is not entitled to do the act, matter or thing or to vote on the resolution in question,

and the directors who assent to the document would have constituted a quorum at a meeting held to consider that act, matter, thing or resolution.

15.15.2 A director may signify assent to a document by signing the document or by notifying the Company of the directors assent in person or by post, fax, electronic, telephone or other method of written, audio or audio-visual communication.

15.16 Form of resolution in writing

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

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

15.16.3 In relation to a resolution in writing:

(a) a document generated by electronic means which purports to be a facsimile of a resolution of directors is to be treated as a resolution in writing; and

(b) a document bearing a facsimile of a signature is to be treated as signed.

16. EXECUTIVE DIRECTORS

16.1 Appointment

16.1.1 The directors may appoint one or more of their number to hold any executive office of the Company, including that of executive chairman or managing director.

16.1.2 A director appointed to an executive office of the company is referred to in this Constitution as an executive director.

16.1.3 The appointment of a director to an executive office may be for the period and on the terms determined by the directors, subject to the provisions of the Corporations Act.

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16.2 Termination of appointment

16.2.1 The directors may revoke or terminate any appointment of a director to an executive office, but without affecting any claim for damages for breach of any employment contract between the director and the Company.

16.2.2 A director appointed as executive chairman or managing director (or some equivalent title) or in relation to any other executive office will automatically cease to hold that office if they cease to be a director, but without affecting any claim for damages for breach of any employment contract between the director and the Company.

16.2.3 The office of a director who is an employee of the Company, or any subsidiary of the Company, is terminated on the director ceasing to be employed by the Company or any subsidiary of the Company but the person concerned is eligible for re-appointment or re-election as a director of the Company.

16.3 Retirement by rotation

An executive director who is appointed as a managing director is not subject to retirement by rotation and is not to be counted in determining the rotation or retirement of the other directors. Any other executive director is subject to retirement by rotation.

16.4 Remuneration of executive directors

16.4.1 Subject to the terms of any agreement entered into between the Company and an executive director, that executive director is entitled to receive the remuneration determined by the directors.

16.4.2 The remuneration of an executive director may be paid by way of salary, commission, or participation in profits, or partly in one way and partly in another as determined by the directors.

16.4.3 The remuneration of an executive director must not include a commission on or percentage of operating revenue.

16.5 Powers of executive directors

16.5.1 The directors may entrust to and confer on an executive director any of the powers exercisable by them on the terms and conditions and with the restrictions determined by the directors.

16.5.2 The powers conferred on an executive director may be conferred on terms that they are to be exercised either concurrently with or to the exclusion of the directors' own powers.

16.5.3 The directors may revoke, withdraw, alter, or vary from time to time all or any of the powers of an executive director.

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17. ALTERNATE DIRECTORS

17.1 Appointment of alternate directors

A director, with the approval of the other directors, may appoint a person, whether a member of the Company or not, to be an alternate director in the director's place during those periods when the director is unable to act.

17.2 Powers of alternate directors

17.2.1 An alternate director is subject in all respects to the terms and conditions applying to the other directors except:

(a) the provisions of this Constitution which relate to the election of directors, their fees and remuneration and the power to appoint an alternate director; and

(b) as expressly provided in this Constitution.

17.2.2 An alternate director is entitled to:

(a) perform all duties of a director while the director who appointed the alternate director is not exercising or performing them;

(b) receive notice of meetings of the directors; and

(c) attend and vote at meetings of the directors if the director who appointed the alternate director is not present.

17.3 Termination of appointment of alternate directors

17.3.1 The appointment of an alternate director is immediately terminated if:

(a) the director who appointed the alternate director ceases for any reason to be a director;

(b) the director who appointed the alternate director gives notice of termination of the appointment to the Company; or

(c) the directors resolve to terminate the appointment after giving 7 days' notice of intention to remove the alternate director to the director who appointed the alternate director.

18. SECRETARY

18.1 Appointment of secretaries

The directors may appoint one or more Secretaries and may at any time terminate the appointment or appointments.

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18.2 Terms of appointment of secretaries

The directors may determine the terms and conditions of appointment of a Secretary, including remuneration.

18.3 Secretaries may act separately

Any one of the Secretaries may carry out any act or deed required by this Constitution, the Corporations Act or by any other statute to be carried out by the Secretary of the Company.

19. SEAL

19.1 Adoption of seal

19.1.1 The directors may provide for the Company to have a seal or for the Company to no longer have a seal.

19.1.2 **Rules 19.2**, **19.3** and **19.4** of this Constitution apply only if the Company has a Seal.

19.2 Use and custody of seal

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

19.2.2 The Seal may be used only by the authority of the directors or of a committee of the directors authorised by the directors to authorise the use of the Seal.

19.2.3 The authority to use the Seal may be given before or after the Seal is used.

19.2.4 Subject to **rule 19.4.2** every document to which the Seal is affixed must be signed by a director and countersigned by either:

(a) the secretary;

(b) a second director; or

(c) another person appointed by the directors to countersign that document or a class of documents in which that document is included.

19.3 Duplicate seal

19.3.1 The Company may have for use in place of the Seal outside the jurisdiction where the Seal is kept one or more duplicate seals, each of which must be a facsimile of the seal with the addition on its face of "duplicate seal" and the name of every place where it is to be used.

19.3.2 The directors may from time to time appoint persons to affix a duplicate seal and to sign and countersign a document to which the duplicate seal is affixed.

19.3.3 A person affixing the duplicate seal must;

(a) certify in writing on the document to which it is affixed the date on which and the place at which it is affixed; and

(b) sign the certification.

19.3.4 A document sealed with a duplicate seal is to be taken as having been sealed with the common seal of the Company.

19.4 Share seal or certificate seal

19.4.1 The Company may have for use on certificates of the Company in place of its Seal one or more duplicate seals each of which must be a facsimile of the Seal with the addition on its face of the words "Share Seal" or "Certificate Seal". A certificate referring to or relating to securities of the Company sealed with such a share seal or certificate seal is taken to be sealed with the Seal.

19.4.2 Certificates referring to or relating to securities of the Company may be issued bearing a printed impression of the share seal and printed facsimiles of the signatures of the persons permitted by this Constitution to sign and countersign the affixing of the Seal. A certificate so issued is to be taken as sealed with the Seal.

20. DIVIDENDS AND RESERVES

20.1 Declaration of dividends

20.1.1 The directors may determine that a dividend is payable and fix the amount, the time for payment and the method of payment. The methods of payment may include the payment of cash, the issues of shares, the grant of options and the transfer of assets.

20.1.2 The directors may pay any dividend required to be paid under the terms of the issue of a share.

20.1.3 The directors may declare a dividend from time to time.

20.2 Interim dividends

The directors may from time to time pay to the Members those interim dividends as appear to the directors to be justified by the financial position of the Company.

20.3 Source of dividends

No dividend may be payable except out of the profits.

20.4 Interest

Interest is not payable by the Company in respect of a dividend.

20.5 Reserves

20.5.1 Before declaring or determining to pay a dividend, the directors may set aside out of the profits of the Company those sums which they think proper as reserves to be applied, at the discretion of the directors, for any purpose for which the profits of the Company may be properly applied.

20.5.2 Pending an application, at the discretion of the directors, the reserves may either be employed in the business of the Company or be invested in those investments which the directors think fit.

20.5.3 The directors may carry forward the profits which they consider ought not to be distributed as dividends without transferring those profits to a reserve.

20.6 Entitlements to dividends

20.6.1 Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends must be declared and paid, or determined to be paid, according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid.

20.6.2 All dividends must be declared and paid, or determined to be paid, on shares in proportion to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. However, if a share is issued on terms that it ranks for dividend as from a particular date, that share ranks for dividend from that date.

20.6.3 An amount paid on a share in advance of a call must not be treated for the purposes of this rule as paid or credited as paid on the share.

20.6.4 Shares which are classified under the Listing Rules or by ASX as restricted securities do not confer a right to receive dividends on the holders of those shares while there subsists a breach of an escrow agreement entered into by the Company in respect of the shares.

20.7 Amounts due by Member

The directors may deduct from any dividend payable to a Member all sums of money, if any, presently payable by the Member to the Company on account of calls or otherwise in relation to shares in the Company.

20.8 Payment of dividends by transfer of property

When declaring, or determining to pay, a dividend the directors may direct payment of the dividend wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, another corporation.

20.9 Settlement of differences

20.9.1 Where any difficulty arises in regard to a distribution satisfied wholly or in part by the distribution of assets, the directors may settle the matter as they think expedient and to that end may:

(a) fix the value for distribution of those specific assets or any part of them;

(b) determine that cash payments are to be made to any Members on the footing of the value so fixed in order to adjust the rights of all parties; and

(c) vest any of those specific assets in trustees as the directors consider expedient.

20.10 Payment of dividends in cash

20.10.1 A dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or bankers draft sent through the post directed to:

(a) the address of the holder as shown in the Register or, in the case of joint holders, to the address shown in the Register of the joint holder who is first named in the Register; or

(b) the address which the holder or joint holders direct in writing as the address for payment of dividends.

20.10.2 Every cheque or draft for moneys referred to in this rule must be made payable to the person to whom it is sent and may be made payable to bearer.

20.10.3 Any one of 2 or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders.

20.11 Dividend reinvestment

The directors may grant to Members or a class of Members the right to elect to reinvest cash dividends paid by the Company by subscribing for shares in the Company on the terms and conditions determined by the directors.

20.12 Establishment of Dividend Plans

20.12.1 The directors of the Company may establish and maintain one or more dividend plans (including the establishment of rules in respect of such plans) pursuant to which Members or a class of Members may elect with respect to some or all of their shares in the Company (subject to the rules of the relevant plan):

(a) to reinvest either in whole or in part dividends paid or payable or which may become payable by the Company to the Member in cash by subscribing for shares in the Company;

(b) to forego the right to receive dividends payable in cash in respect of any shares or classes of shares and to receive instead an issue of shares in the Company credited as fully paid on such terms as the directors decide;

(c) that dividends from the Company not be declared or paid and that instead a payment or distribution other than a dividend be made the Company;

(d) that cash dividends from the Company not be paid and that instead a cash dividend be received from a related body corporate nominated by the directors of the Company;

(e) to participate in a dividend selection plan, including but not limited to a plan pursuant to which Members may elect to receive a dividend from the Company or any related body corporate which is less in amount but franked to a greater extent than the ordinary cash dividend declared by the Company or any related body corporate or to receive a dividend from the Company or any related body corporate which is greater in amount but franked to a lesser extent than the ordinary cash dividend declared by the Company or any related body corporate.

20.12.2 Under any dividend plan established in accordance with **rule 20.12.1**, any Member may elect for a specified period or for a period to be determined by specified notice (in either case determined by the directors of the Company and prescribed in the

rules of the relevant plan) that all or some of the ordinary shares held by that Member and designated by the Member in accordance with the rules of the plan ("designated shares") will participate in the dividend plan. During that period, the designated shares will be entitled to participate in the dividend plan subject to the rules of the dividend plan.

20.12.3 In the event of any inconsistency between any dividend plan established in accordance with this **rule 20.12** or the rules of any dividend plan and this Constitution, this Constitution will prevail.

20.12.4 The directors of the Company are authorised to do all things which they consider to be desirable or necessary for the purposes of implementing every dividend plan established in accordance with this **rule 20.12**.

20.12.5 The directors of the Company are authorised to vary the rules of any dividend plan established in accordance with this **rule 20.12** at their discretion and to suspend or terminate any dividend plan at their discretion. Any dividend plan may also be suspended, terminated or varied by ordinary resolution of the Members in general meeting.

20.13 Unclaimed monies

Subject to the provisions of any legislation dealing with any unclaimed monies which may be enforced from time to time, all dividends unclaimed for at least 12 months after having been declared may be invested or otherwise made use of for the benefit of the Company until claimed. Any interest or profit derived on such unclaimed money will belong absolutely to the Company and the Member in respect of whom such dividend was declared will have no claim against the Company in relation to such interest or profit.

21. CAPITALISATION OF PROFITS

21.1 Authority to capitalise profits

21.1.1 The Company in general meeting may direct by resolution that the whole or a part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution be capitalised and applied in a manner permitted by this Constitution.

21.1.2 The Company may not pass a resolution directing that an amount be capitalised and applied in a particular manner unless the resolution has been recommended by the directors.

21.1.3 The directors must do all things necessary to give effect to a resolution of the Company under this rule.

21.2 Application of capitalised sum

21.2.1 A sum capitalised must be applied for the benefit of the Members in the proportions in which those Members would have been entitled to that sum if distributed by way of dividend.

21.2.2 A sum capitalised may be applied for the benefit of Members by:

(a) paying up those amounts for the time being unpaid on shares held by Members;

(b) paying up in full unissued shares or debentures of the Company to be allotted to Members as fully paid; or

(c) paying partly as mentioned in paragraph (a) and partly as mentioned in paragraph (b).

21.3 Appropriations and adjustments

21.3.1 To the extent necessary to adjust the rights of Members among themselves, the directors may issue fractional certificates or make cash payments in cases where shares or debentures become issuable in fractions.

21.3.2 The directors may also authorise a person to make, on behalf of all the Members entitled to any further shares or debentures upon the capitalisation, an agreement with the Company requiring the application of their respective proportions of the profits resolved to be capitalised for:

(a) the issue to them, credited as fully paid up, of any of the further shares or debentures to which they may be entitled; or

(b) the payment up of the amounts or any part of the amounts remaining unpaid on their existing shares.

21.3.3 The agreements made on behalf of Members by an authorised person is binding on all Members concerned.

22. NOTICES

22.1 Method of giving notices

22.1.1 A notice may be given by the Company to a Member by:

(a) delivering it to the address of the Member; or

(b) sending it by prepaid ordinary post (airmail if outside Australia) to the address of the Member; or

(c) faxing it to such fax number as has been supplied to the Company for the giving of notices.

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

22.2 Notices to joint holders

22.2.1 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.

22.2.2 Any person who is entitled to a share in the Company, by operation of law, transfer or otherwise, will be bound by every notice given in respect of that share given to the Member who is the registered holder of that share in accordance with this **rule 22.2**.

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22.3 Address for giving notices

22.3.1 The address of a Member is:

(a) the address of the Member shown in the Register; or

(b) the address which the Member may specify by written notice to the Company as an alternate address at which notices may be given to the Member.

22.3.2 Until a person entitled to a share in consequence of the death or bankruptcy of a Member gives notice to the Company of an address for the giving of notices, the address of that person is the address of the deceased or bankrupt Member.

22.4 Time of service of notices

22.4.1 A notice given in accordance with this Constitution is to be taken as given, served and received:

(a) if delivered to the address of the Member, at the time of delivery;

(b) if it is sent by post to the address of the Member, on the business day after the day of posting; or

(c) if by fax, the business day after the fax is sent.

22.4.2 A certificate signed by a director or Secretary of the Company that a notice was delivered or posted at a particular time is conclusive evidence that the notice was delivered or posted at that time.

22.5 Persons entitled to notice of meeting

22.5.1 Notice of every general meeting must be given in the manner authorised by this Constitution to:

(a) every Member;

(b) every person entitled to a share in consequence of the death or bankruptcy of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;

(c) every director and alternate director;

(d) ASX; and

(e) the auditor of the Company.

22.5.2 No other person is entitled to receive notices of general meetings.

22.6 Service on the Company

A summons, notice, order or other document required to be given to the Company or on an officer of the Company may be given and served by leaving it at the Office.

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23. WINDING UP

23.1 Division of property

23.1.1 If the Company is wound up the liquidator may, with the sanction of a special resolution, do either or both of the following:

(a) divide amongst the Members in kind the whole or any part of the property of the Company and may for that purpose set a value which he considers fair on any property to be so divided and may determine how the division is to be carried out as between the Members or different classes of Members; or

(b) vest the whole or any part of that property in trustees on those trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member may be compelled to accept any shares or other securities in respect of which there is any liability.

23.1.2 If the Company is wound up and the assets available for distribution among the Members are insufficient to repay the whole of the paid up capital, the assets shall be distributed so that as nearly as may be, the shortfall will be borne by the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on those shares held by each of the Members respectively.

23.1.3 If in a winding up, the assets available for distribution among the Members are more than sufficient to repay the whole of the paid up capital at the commencement of the winding up, the excess will be distributed among the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively.

23.1.4 This rule does not add to or detract from the rights of the holders of preference shares or other shares issued on special terms and conditions.

23.2 Ranking of restricted securities

If at the commencement of a winding up the Company has issued shares which are classified under the Listing Rules or by ASX as restricted securities and the shares are subject to escrow restrictions, on a return of capital the holders of those shares rank behind all others shares in the Company.

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24. INDEMNITY, INSURANCE AND ACCESS

24.1 Indemnity

The Company is to indemnify each officer of the Company out of the assets of the Company to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer. Where the directors consider it appropriate, the Company may execute a documentary indemnity in any form in favour of any officer of the Company.

24.2 Insurance

Where the directors consider it appropriate, to the extent to which the Company is not precluded by law from doing so, the Company may:

(a) make payments of amounts by way of premium in respect of any contract effecting insurance on behalf or in respect of an officer of the Company against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer; and

(b) bind itself in any contract or deed with any officer of the Company to make the payments.

24.3 Access

Where the directors consider it appropriate, the Company may:

(a) give a director or former director access to certain papers, including documents provided or available to the directors and other papers referred to in those documents; and

(b) bind itself in any contract or deed with a director or former director to give the access.

24.4 Interpretation

In this **rule 24**:

(a) "officer" means a director, secretary or executive officer of the Company or a person who formerly held one of those positions;

(b) "duties of the officer" includes, in any particular case where the directors consider it appropriate, duties arising by reason of the appointment, nomination or secondment in any capacity of an officer by the Company or, where applicable, a subsidiary of the Company to any other corporation;

(c) "to the relevant extent" means:

(i) to the extent the Company is not precluded by law from doing so; and

(ii) to the extent and for the amount that the officer is not otherwise entitled to be indemnified and is not actually indemnified and is not actually indemnified by another person (including, in particular, an insurer under any insurance policy);

(d) "liability" means all costs, charges, losses, damages, expenses, penalties and liabilities of any kind including, in particular, legal costs incurred in defending any proceedings (whether criminal, civil, administrative or judicial) or appearing before any court, tribunal, government authority or otherwise.

24.5 Discovery

No Member is entitled to require discovery of:

(a) any information relating to the Company's trading; or

(b) any matter which is or may be in the nature of a trade secret or a secret process which may relate to the conduct of the business of the Company,

the disclosure of which, in the opinion of the directors of the Company, may not be in the interests of the Members.

25. INSPECTION OF RECORDS

The directors may determine whether and to what extent, at what time and places and under what conditions, the books of the Company or any of them may be open for inspection of Members other than the directors, but a Member other than a director does not have the right to inspect any document or any books of the Company except as provided by the Corporations Act or as otherwise authorised by the directors or by the Company in general meeting.