

COMPANY

CONSTITUTION.

VIPA LOSS OF LICENCE FUND LTD

ACN 163 594 269

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1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context or subject matter otherwise requires:

Claim means damages, expenses, liabilities or losses incurred by a Member that holds a Schedule of Protection.

Company means the Company whose members have adopted this Constitution;

Constitution means the Company whose members have adopted this Constitution;

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

Discretionary Risk Business means the Company offering mutual discretionary protection to the Members.

Eligible Person means a person who is a commercial pilot employed by Virgin Australia or its affiliated companies (including Virgin Australia Regional Airlines and Tigerair).

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

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

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

Office means the registered office of the Company.

Ordinary Resolution means the rate specified by the Company from time to time expressed as a rate per cent per annum or if no rate is specified, the Prescribed Rate is 8% per annum;

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

Protection Year means the period between 1 May and 31 April in each year of membership.

Register means the Register of Members of the Company required to be kept by section 169 of the Law;

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

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

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

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

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

Subordinate Regulations means any code of conduct, rules, by-laws, regulations or standards issued from time to time by the Company under Rule 13 and **Subordinate Regulation** means any of them;

Termination Event means:

- a. the Member dies;
- b. the Member commits an act of bankruptcy, is declared bankrupt or makes any arrangement with or enters into a composition with creditors generally;
- c. the Member becomes of unsound mind or a person who, or whose estate, is liable to be dealt with in any way under the laws relating to mental health or incapacity;
- d. the Member wilfully refuses or neglects to comply with this Constitution or is or does any act or thing which, in the reasonable opinion of the directors is unacceptable or prejudicial to the interests of the Company;
- e. the Member was an Eligible Member at the time of becoming a Member, the Member ceases to be an Eligible Person; or
- f. the Member reaches the age of sixty-five (65) years.

VIPA means VIPA, a registered association under the Fair Work Act 2009 (Cth) (ABN 81 242 166 461).

1.2 Interpretation

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

- a) **singular** words include the **plural** and vice versa;
- b) any **gender** includes every gender;
- c) **persons** includes a natural person, corporations, trusts, associations, partnerships, government authorities, and other legal entities, and where necessary, includes successors and assigns;
- d) **writing** includes printing, typing, facsimile and other means of representing or reproducing words, figures, drawing or symbols in a visible and tangible or electronic form, in English;
- e) **signature** and **signing** means due execution of a document by a person, corporation or other relevant entity and include signing by an agent or attorney or representative (if a body corporate);
- f) **months** mean calendar months;
- g) **statutes** include statutes amending, consolidating or replacing the statutes referred to and all regulations, orders-in-council, rules, by-laws and ordinances made under those statutes;
- h) **sections** of statutes or terms defined in statutes refer to corresponding sections or defined terms in amended, consolidated or replacement statutes;
- i) an **agreement** or **document** means that agreement or document as amended, novated or supplemented;
- j) **a party** includes that party's executors, administrators, substitutes, successors and assigns;
- k) **sell** or **sold** include transfer, lease, assign, grant options and/or any other form of disposing of or creating an interest in the thing being considered and **buy** or **purchase** will be interpreted accordingly;
- l) where a person is entitled to **vote** or holds the **right to vote** on any matter by virtue of this Constitution, the person may vote by proxy or attorney or representative (if a body corporate);
- m) **headings** and the **table of contents** are for convenience only and will be disregarded in the interpretation of this Constitution;
- n) if a word or phrase is given a **defined meaning**, another grammatical form of that word or phrase has a corresponding meaning; and
- o) **each paragraph** or sub-paragraph in a list is to be **read independently** from the others in the list.

1.3 Actions authorised under the Law

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

1.4 Corporation Act prevails

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

1.5 No limit on exercise of powers

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

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

2. EFFECT OF THE CONSTITUTION

- a) This Constitution will have effect as a contract:
- b) between the Company and each Member;
- c) between the Company and each director and Secretary; and
- d) between a Member and each other Members,
- e) under which each Member agrees to observe and perform the Rules so far as they apply to that Member.

3. OBJECTS

3.1 Primary Objects

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

- a) To receive subscriptions and Contributions from Members to provide mutual discretionary and other programs for the protection of Members in respect of Claims.
- b) In accordance with the Constitution and the guidelines agreed from time to time by the directors to receive, consider and at its sole and absolute discretion pay Claims.
- c) To pay expenses and outgoings and maintain reserves and such financial provision as the directors consider fit for the Discretionary Risk Business including in respect of insurance or reinsurance in respect of the protection of Members in respect of Claims.
- d) Provide such other services to Members as are in their mutual interest, including but not limited to the establishment and implementation of education and risk programs and advising and dealing in insurance products.

3.2 Company's powers

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

- a) except and undertake full or partial trusteeship, Administration and management of trusts and funds, whether as trustee or as agent for the trustee or otherwise, and charged and accept fees, commission or other remuneration in respect of the trusteeship, administration and management;
- b) raise funds and invite and receive contributions, grants, distributions of income or capital, gifts (they will otherwise), loans and deposits from any person;
- c) purchase, take on lease or in exchange, hire or otherwise acquire real or personal property, and any rights or privileges that are required for the purposes of, or capable of being conveniently used in connection with, the company's objects. However, if the company takes or holds any property which is subject to a trust, the company may only deal with that property in the manner allowed by law having regard to that trust;
- d) control, manage, lease, exchange, mortgage, charge, sell, transfer, or surrender, dispose of, develop, carry on business or otherwise deal with any real or personal property of any kind or any estate or interest in the property;

- e) invest, deal with and lend money and otherwise provide financial accommodation to, and guarantee or otherwise secure loans;
- f) construct, improve, maintain and develop, work, manage and control real or personal property and enter into contracts and agreements;
- g) enter into any arrangement with any government or authority that seems conducive to the company's objects, obtained from any government authority any right, privilege or concession that the Company thinks it desirable to obtain, and carry out, exercise and Comply with any of these arrangements, rights, privileges and concessions;
- h) engage, dismiss or suspend any employee, agent, contractor, volunteer or professional person;
- i) borrow, raise the secure the payment of money and secure the repayment or performance of any debt, liability, contract, guarantee or other engagement in any way and, in particular, a mortgage, charge or overdraft or by the issue of debentures or debenture stock (perpetual or otherwise) charge on all or any of the company's property (both present and future) and purchase, redeem or pay off those securities;
- j) spend money and do all other things that it considers desirable to promote the Company's objects;
- k) make, draw, accept, endorse, discount, execute or issue promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments;
- l) print and publish newspapers, periodicals, books or leaflets or otherwise publish information in hard copy or by electronic means;
- m) accept any gift of property, whether subject to any special trust or not, for the Company's objects;
- n) take any steps by personal or written appeals, public meetings or otherwise, that the Company considers expedient to procure contributions to the Company's funds, by way of donations, gifts (by will or otherwise), grants, sponsorships or otherwise;
- o) appoint patrons of the Company;
- p) decline or otherwise refuse to accept any gift (by will or otherwise), donation, settlement or other disposition of money or property;
- q) do all other things are incidental or conducive to attaining the Company's objects.

4. PUBLIC COMPANY

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

- a) the number of members of the company must not be less than one (1); and
- b) the minimum number of directors that the company must have at any time is three (3).

5. POWERS

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

6. CONTRIBUTION ON WINDING UP

- a) In the event of the winding up of the Company, every Member of the Company undertakes to contribute to the property of the Company the amount which is agreed to be paid by each Member to be applied:
 - i. to payment of the debts and liabilities of the Company contacted before ceasing to be a Member; and
 - ii. to the costs, charges and expenses of winding up; and
 - iii. for the adjustment of the rights of the contributors among themselves.
- b) The liability of each Member under Rule 6(a), will terminate on the day which is one (1) year after the date on which the Member's membership of the Company ceases.
- c) until otherwise determined, the amount to be contributed by each Member under this Rule 6 will be \$1.

7. PROMOTION OF OBJECTS

7.1 Benefit the Company

The income and property of the Company must be applied solely for the benefit and promotion of the Company's objects and not part of the income or property will be:

- a) paid or transferred directly or indirectly by way of dividends, bonus or otherwise of the members; or
- b) paid to directors as fees or other remuneration or other benefit in money or money's worth.

7.2 Exception

Nothing in this Rule 7 precludes:

- a) payment in good faith or reasonable and proper remuneration to any director, officer or servant of the Company or to any Member in return for any services rendered to the Company in accordance with Rule 17.6;
- b) the payment of interest at the rate not exceeding the rate charged by the Company's bankers on overdrawn accounts on any money lent to the Company back any Member, director or officer;
- c) in the case of any director who is engaged by the Company as an executive director, consultant or servant, any reasonable and proper remuneration for services provided to the Company;
- d) the repayment of reasonable out-of-pocket expenses, properly incurred by any director; or
- e) payment of a reasonable rental for premises demised or led by any Member to the Company.

7.3 Directors prior approval

Any payment authorised under Rule 7.2 may be made only with the prior written approval of the directors.

8. NOT USED

9. NOT USED

10. MEMBERSHIP

10.1 Members

The members will be made up of:

- a) the subscribers to these Rules; and
- b) any other persons that the directors admit to membership in accordance with the Rules.

10.2 Classes of Membership

The membership of the Company may be divided into classes of membership at the determination of the directors. Where the membership of the Company has been divided into classes, the directors will determine the initial rights and duties of each class of members and of the members of each class.

10.3 Application for membership

- a) Any Eligible Person may apply to be a Member of the Company. The Company may accept applications from other individuals with the approval of the directors.
- b) In order to be admitted as a Member, every applicant for membership (other than the subscribers) must:
 - i. execute and deliver to the Company and application for membership in the form which the directors determine; and
 - ii. added to the Company the membership entrance fee (if any) determined by the directors
- c) Subject to Rule 5, the directors may create classes of Members and determine the rights and privileges attaching to those classes including, but not limited to, the voting rights of the Members in each class.

10.4 Further information

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

10.5 Determination of Directors

- a) The directors will determine the outcome of each membership application within a reasonable time after receipt.
- b) The directors may approve or reject any applicant for membership in the directors' absolute discretion.
- c) The directors are not required to give or assign any reason or explanation for the approval or rejection of any application for membership.

10.6 Entrance fee

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

10.7 Notification of determination

- a) When an application for membership has been accepted, the Secretary will send to the applicant written notice of acceptance and will enter the applicant's name in the Register.
- b) When an application for membership is rejected, the Secretary will send to the applicant written notice of the rejection and the entrance fee paid, if any, by that applicant will be refunded in full.
- c) If an Eligible Person is to be admitted as a Member the Secretary must notify the person of the amount of the Contribution that is payable by the Eligible Person or payable on their behalf in the first Protection Year and the due date that the Contribution must be paid.
- d) An Eligible Person to whom Rule 10.7 c) applies will become a Member on the date that the Company, or its delegate, accept the Member's application for membership.

10.8 Certificates

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

10.9 Membership not transferable

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

10.10 Member rights and obligations

- a) A Member has the right to receive notices of and to attend and be heard at any general meeting and has the right to vote at any general meeting.
- b) If a Member is issued with a Schedule of Protection, the Member is entitled to make a Claim on the Company for discretionary protection if an event detailed in the Product Disclosure Statement issued to the Member occurs.
- c) A Member is entitled to request the directors consider their Claim for protection and the directors may in their sole and absolute discretion decide whether the Company will pay the Claim and the directors must have consideration to the Product Disclosure Statement and the Schedule of Protection issued to the Member, whether payment of the Claim is in the best interests of all Members when exercising their discretion and any guidelines adopted by the directors from time to time in accordance with Rule 18.7.

- d) A Member must ensure that the Contribution for each Protection Year which is payable by them is paid, or take reasonable steps to ensure it is paid on their behalf by the Member's employer to the Company, by the due date determined (at the discretion of the directors) in each year of membership and that the Member otherwise complies with this Constitution.

10.11 Register of Members

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

- a) The full name of the Member and in the case of a body corporate or registered organisation the ABN or other identification of registration of the body or organisation.
- b) The address, telephone and facsimile number, if any, of the Member.
- c) The date of admission to and cessation of membership.
- d) In the case of a Member other than an individual the full name, address and facsimile number, if any, of its corporate representative.
- e) Such other information as the directors require.

10.12 Member to update their contact details

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

11. FEES AND LEVIES

11.1 *Not used*

11.2 Levies

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

11.3 Different fees or levies payable

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

11.4 Contributions

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

11.5 Unpaid Contributions

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

12. VARYING MEMBERS' RIGHTS

- a) If the membership of the Company is divided into different classes of Members, the rights attached to any class of membership may be varied with the written consent of 75% of the Members in that class or with the sanction of a Special Resolution passed at a meeting of the Members of that class.

- b) The right to vary membership rights in Rule 12(a) may be exercised unless otherwise provided by the terms of acceptance of the members of that class and whether or not the Company is being wound up.

13. BY-LAWS, CODE OF CONDUCT, ETC.

- a) The directors may at any time and from time to time issue and/or impose the code of conduct, rules and/or any other by-laws, regulations or standards for the Company which may deal with any matter within the power of the directors including (without limitation):
 - i. the admission and/or disqualification or termination of Members;
 - ii. any fees and levies payable by Members;
 - iii. conditions of Membership;
 - iv. availability of services or facilities of the company and/or access to them by members;
 - v. the rights attaching to Membership;
 - vi. the conditions for the use or licence of any trade or other mark or property of the Company; and/or
 - vii. qualifications required for Membership.

- b) The directors may at any time and from time to time without notice:
 - i. vary, amend, suspend, revoke or otherwise change any Subordinate Regulation;
 - ii. make the Subordinate Regulations,

and the Subordinate Regulations for the time being in force would be binding on all Members. The directors may distinguish between Members in the application or enforcement of any Subordinate Regulation without giving reasons and without being liable for any loss occasioned by doing so.

- c) In the event of any inconsistency or conflict between these Rules and any Subordinate Regulation, these Rules will prevail to the extent of any inconsistency or conflict.

14. CESSATION OF MEMBERSHIP

14.1 Resignation

- a) A Member may resign from membership of the Company by giving written notice to the Secretary.
- b) The resignation of a Member is deemed to take effect from the date of receipt of the notice of resignation or such later date as is provided in the notice.

14.2 Failure to pay

Except where the directors exercise their discretion to extend the due date for payment of Contributions, if a Member has not paid the Contributions payable for the Protection Year in accordance with this Constitution or the Contributions are not paid by the Member's employer and no Schedule of Protection is issued to the Member for the Protection Year, the Member ceases to be a Member six (6) months after the date of notification under Rule 14.5 and the Member's name must be removed from the Register at the end of the six month period.

14.3 Other cessation of membership

A Member ceases to be a Member automatically on any Termination Event occurring in respect of the Member, however in the case of a Member's death, the Member's entitlement to Claim is to be determined by the directors in accordance with Rule 10.10(c).

14.4 Removal from membership

- a) The directors may at their discretion terminate a Member's membership of the Company and remove the person's name from the Register.
- b) The directors must provide at least two (2) month's written notice to any Member of any intention to terminate the Member's membership of the Company and remove the Member's name from the Register so as to enable the Member to provide any written representations to the directors.
- c) The directors do not have to give reasons for the termination of a Member's membership of the Company and the removal of the Member's name from the Register.

14.5 Liability for unpaid Contributions

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

15. GENERAL MEETINGS

15.1 Director may convene

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

15.2 Directors convening a general meeting at the request of members

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

- a) any Member or members holding at least 5% of the votes may be cast at a general meeting; or
- b) at least 100 members who are entitled to vote at a general meeting.

15.3 Form of the members request

The requests from the members must:

- a) state any resolution to be proposed at the meeting;
- b) be signed by the members making the request; and
- c) be given to the Company.

15.4 Directors refusal to convene

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

15.4A Modification of this Constitution or winding up

The Members cannot modify or repeal this Constitution or wind up the Company voluntarily unless a resolution has been passed by at least 90% of the votes cast by the directors entitled to vote on the resolution prior to the time that the notice of the meeting to consider the resolution is sent to Members.

15.5 Members may convene

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

15.6 Notice of general meeting

- a) A general meeting may only be convened by giving the members notice of the meeting.
- b) A notice of general meeting does not need to be given to members who are not entitled to notice of meetings.
- c) A notice of a general meeting must:
 - i. be given at least twenty-one (21) days before the date of the meeting unless otherwise agreed by all the members entitled to notice; and
 - ii. specify the place, the day and the time of the meeting; and
 - iii. describe the nature of the business to be transacted at the meeting; and
 - iv. contain any other information required by the Law.
- d) The director may postpone a general meeting or change the venue for the meeting by giving written notice to all members who received the original notice of meeting at least forty-eight

(48) hours before the appointed time. That notice must specify the time and place for the postponed meeting.

- e) If a Member does not receive a meeting notice or the directors accidentally omit to give the Member a meeting notice, that omission will not invalidate the proceedings or any resolution passed at the meeting.
- f) No business is to be transacted at any general meeting except that contained in the meeting notice unless all the members agree otherwise.

15.6A Cancellation of general meetings

- a) The directors may cancel a general meeting, other than a general meeting which they are required to convene and hold under the Corporations Act.
- b) A meeting may only be cancelled in accordance with Rule 15.6A(a) if notice of the cancellation is given to all persons entitled to receive notice of the meeting at least two (2) business days prior to the time of the meeting as specified in notice of meeting.

15.7 Quorum

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

15.8 Determine a quorum

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

15.9 Procedure where no quorum

- a) If the quorum is not present within thirty (30) minutes after the time appointed for the meeting:
 - i. where the meeting was convened upon the requisition of members, the meeting will be dissolved; or
 - ii. in any other case, the meeting will be adjourned.
- b) Any adjourned meeting will be rescheduled to take place on a day and time and at the place that the directors decide.
- c) If no directors are present at the meeting or if no decision is made by the directors, the meeting will take place on the same day and at the same time and place as originally notified, but in the next succeeding week.
- d) If at the rescheduled meeting the quorum is not present within thirty (30) minutes after the appointed time, then the meeting will be dissolved unless it is adjourned under Rule 15.12.

15.10 Election of chairman

- a) The directors will elect one director to preside as chairman at every general meeting. If the directors have elected a chairman of directors, that person will be deemed to be elected at the chairman at each general meeting.
- b) Where a general meeting is held and:
 - i. a chairman of directors has not been elected;
 - ii. the chairman of directors is not present within 15 minutes after the appointed time; or
 - iii. the chairman of directors is unwilling to act,the members present will elect one Member to be chairman of the meeting.

15.11 Vote of the chairperson at general meetings

The chairman of a general meeting is entitled to a second or casting vote.

15.11A Chairperson's powers

- a) Subject to the terms of this Constitution dealing with adjournment of meetings, the ruling of the chairman 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.
- b) The chairman, in his or her discretion may expel any Member or director from a general meeting if the chairman reasonably considers that the Member or director's conduct is inappropriate behaviour.

15.12 Adjournment of meeting

- a) The chairman make adjourned any meeting of Members.
- b) An adjournment of a meeting of members must only be made:
 - i. with the consent of the meeting provided a quorum is present; or
 - ii. in the case of an adjournment under Rule 15.9(d), with the consent of members present and entitled to vote; or
 - iii. if directed by the meeting to do so.
- c) Any adjournment may change the time or the venue for the meeting. 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.
- d) Only business left unfinished for the meeting adjourned must be transacted at any rescheduled meeting.

15.13 Adjournment of thirty (30) days

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

15.14 Adjournment of less than thirty (30) days

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

15.15 Show of hands or poll

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

- a) by the chairman; or
- b) by at least two (2) members present in person or by proxy; or
- c) Members with at least 5% of the votes that may be cast on the resolution on a poll, present in person or by proxy.

15.16 Declaration on show of hands

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

15.17 Withdraw poll

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

15.18 Demand for poll

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

15.19 Poll for chairman

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

15.20 Voting

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

- a) at meetings of members or classes of members, each Member entitled to vote may vote in person or by proxy or attorney or by representative (if a body corporate); and
- b) on a show of hands every person present who is a Member or a representative of a Member has one (1) vote, and on a poll every Member present in person or by proxy or attorney has one (1) vote.

15.21 Members not to vote unless fully paid

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

15.22 Objection to qualification of member

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

- a) any vote approved will be valid for all purposes; or
- b) any vote disallowed will be invalid and must be disregarded.

15.23 Only members entitled to vote may vote

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

15.24 Rights or third parties to attend general meetings

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

- a) any director; and
- b) any Secretary of the Company; and
- c) any other person invited by the directors.

15.25 Minutes

The directors must ensure that proper minutes are made of:

- a) all general meetings of the Company;
 - b) all appointments of officers;
 - c) the proceedings of all general meetings;
 - d) the attendance at and business transacted at general meetings,
- in the minutes of the meeting, if purporting to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting, will be conclusive evidence of the matters recorded in them without any further proof.

15.26 Mode of meeting for Members

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

15.27 Resolution in writing

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

15.28 Form of resolution in writing

- a) A resolution in writing may consist of several documents in like form, each signed by one or more Members or, in the case of a Member that is a corporation, a person who represents that Member and if so signed it takes effect on the latest date on which a Member or, where permitted, the Member's representative signs one of the documents.
- b) In relation to a resolution in writing, a document generated by electronic means which purports to be a facsimile of a resolution of Members is to be treated as a resolution in writing and a document bearing a facsimile of a signature is to be treated as signed.

15.29 Class and group meetings

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

16. RULES FOR VOTING BY PROXY

16.1 Proxies and representatives of Members

- a) At meetings of Members each Member entitled to vote may vote in person or by proxy or by attorney. A Member which is a corporation may appoint an individual as a representative.
- b) Subject to the terms of their appointment, a person attending as a proxy, or as the attorney of a Member, or as representing a corporation which is a Member has all the powers of a Member, except where expressly stated to the contrary.

16.2 Appointment of proxies

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

16.3 Authority of proxies

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

16.4 Verification of proxies

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

16.5 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.

16.6 Revocation of appointment of proxy

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

- 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.

17. APPOINTMENTS, REMOVAL AND REMUNERATION OF DIRECTORS

17.1 Number of directors

The number of directors must not be less than three (3). The Company may by Ordinary Resolution passed at a general meeting of the members increase or reduce the number of directors but must not reduce the minimum number of directors below three (3). Alternate directors are not to be treated as Directors for the purpose of determining the minimum or maximum number of Directors holding office.

17.2 Appointment of directors

A person, other than the directors holding office at the date of the adoption of this constitution, are only to be appointed as a director of the Company if those individuals meet the following criteria:

- a) Two of them are individuals who are senior managers of the company which is engaged from time to time to act as manager of the Company, as nominated by the directors; and
- b) Five of them are individuals, four of them are selected from the current members of the VIPA executive and/or the management committee of VIPA and one of them is nominated by a majority of the current members of the VIPA executive.

17.3 Retirement of directors

- a) The directors, however appointed, are not required to retire from office at any general meeting of the Company.
- b) A director may retire from office by giving notice in writing to the Company of the director's intention to retire. A notice of resignation takes effect at the time which is the later of either of the following events:
 - i. The time of giving the notice to the Company.
 - ii. The expiration of the period, if any, specified in the notice.

17.4 Vacation of office

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

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

17.5 Removal of director

- a) The Company may remove any director and appoint another director as a replacement.
- b) The removal or replacement of a director must be affected by Ordinary Resolution of the Company.

17.6 Director's expenses

The directors will be entitled to be reimbursed all travelling and other expenses properly incurred by them:

- a) in attending meetings of the directors or any committee of the directors;
- b) in attending general meetings of the Company; or
- c) in connection with the Company's business.

17.7 Directors' remuneration

- a) Subject to Rules 17.7(b) and 17.7(c), the directors will not be entitled to be paid fees for their services.
- b) The directors must be paid reasonable 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 the execution of their duties as directors.
- c) A director who is called upon to perform extra services or to make a special exertion or to undertake executive or other work for the Company beyond or outside of the director's ordinary duties or is engaged to provide any other service, may be paid a fee for those services, exertions or work.

18. POWERS AND DUTIES OF DIRECTORS

18.1 Directors manage the business

- a) Subject to the Law and to these Rules, the Company's business will be managed by the directors.
- b) The directors are entitled to pay or reimburse all expenses incurred in promoting and forming the Company.
- c) The directors may exercise all powers of the Company except where those powers must be exercised by the Company in general meeting under the Law or these Rules.

18.2 All powers of Company

Without limiting Rule 18.1, the directors met exercise all the powers of the Company to:

- a) borrowed money;
- b) charge any property or business of the Company or all or any of its uncalled capital;
- c) issue debentures; or
- d) give any other security for a debt, liability or obligation of the Company or of any other person.

18.3 Corporate groups

- a) If the Company is a wholly owned subsidiary of another Company (the "Holding Company"), the directors may act in the best interests of the Holding Company.
- b) The directors must not act in the way referred to in Rule 18.3(a) if the Company is insolvent at the time or would by virtue of the director's actions become insolvent.

18.4 Appointment of attorney

- a) The directors may appoint any person or persons under a power of attorney to be the attorney or attorneys of the Company.
- b) The appointment may be:
 - i. for any purpose; or
 - ii. in relation to any of the directors' powers, authorities and discretions; or
 - iii. for any period; and/or
 - iv. subject to any conditions as the directors decide.

18.5 Provisions power of attorney

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

18.6 Cheques and promissory notes

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

- a) by any two (2) directors; or
- b) in any other manner as the directors decide.

18.7 Guidelines

Notwithstanding Rule 13, the directors must agree and adopt guidelines from time to time in relation to the offer of discretionary protection to the Members and may amend those guidelines from time to time, prescribing:

- a) the manner and form in which offers of membership of the Company will be made including consideration of applications for admission to membership of the Company;
- b) the types of discretionary protection to be offered to Members;
- c) the form of any Product Disclosure Statement, Schedule of Protection or other document relating to the offer of protection to the Members;
- d) the nature of any insurance policies which are to be purchased by the Company and the setting of aggregate and stop loss limits for the mutual and such insurance;
- e) the nature and extent of the Claims that the Company will consider paying at the discretion of the directors or by a committee or delegate of the directors;
- f) the basis upon which the payment of Claims will be considered by the directors or by a committee or delegate of the directors;
- g) the amounts of Contributions to be paid to the Company in each Protection Year and the due date for payment of Contributions;
- h) the obligations of the Company and the Members in respect of Claims; and
- i) such other matters incidental to the activities of the Company as the directors think fit.

18.8 Delegation of powers to committee

- a) The directors may delegate any of their powers to committees consisting of directors or other persons as they think fit.
- b) 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.
- c) In the exercise of any powers delegated to it, a committee formed by the directors must conform to the directions of the Directors.

18.9 Proceedings of committees

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

19. PROCEEDINGS OF DIRECTORS

19.1 Use of technology

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

19.2 Directors' meetings

- a) Any director may convene a directors' meeting. The Secretary must convene a meeting at the request of a director.
- b) Notice of each meeting of the directors must be given to each director at least 48 hours before the meeting or at another time determined by resolution of the directors. Despite this requirement, all directors may waive in writing the required period of notice for a particular

meeting and it is not necessary to give a notice of a meeting of directors to a director who is out of Australia or who has been given leave of absence.

- c) The notice may be given by telephone or other electronic means of communication. The notice must specify:
- i. the date and time for the proposed meeting;
 - ii. the venue for the meeting unless the meeting is conducted under Rule 19.1;
 - iii. if the meeting is to be conducted under Rule 19.1, the method for conducting the meeting; and
 - iv. the nature of the business to be transacted at the meeting.

19.3 Quorum

- a) At a meeting of directors, the number of directors whose presence is necessary to constitute a quorum is four (4) with at least one director appointed under Rule 17.2(a) and at least one director appointed under Rule 17.2(b) or another number determined by the directors by Special Resolution.
- b) The quorum of directors must be present throughout each director's meeting. If a quorum is not present at any time the meeting is not validly convened but without affecting your validity of any business conducted before the absence of a quorum occurs.

19.4 Directors to continue to act

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

19.5 Election of chairman

The directors may collect one (1) director as chairman of their meetings and may determine the period for which the chairman is to hold office except the first chairman will have a term of not less than 12 months from the date of his appointment by the directors.

19.6 Chairman not present

Where a directors' meeting is held and the chairman:

- a) has not been elected; or
- b) is not present within fifteen (15) minutes after the appointed time; or
- c) is unwilling to act,

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

19.7 No casting votes

The chairman does not have a casting vote in addition to any vote the chairman has as a director.

19.8 Circular resolution

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

19.9 Validity of directors acts

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

- a) there was some defect in the appointment of a person to be a director or a Member of the committee, or to act as a director; or
- b) the person appointed was disqualified.

19.10 Decisions of the directors

- a) Except where a Special Resolution is required under this Constitution or the Law, or where a decision is required to be made by at least 90% of the directors entitled to vote on the resolution in accordance with Rule 15.4A, or unanimously by the directors, questions arising at a meeting of directors must be decided by a majority of votes of directors present and voting and a decision of the majority is for all purposes a decision of the directors.
- b) The following decisions, matters and actions must be decided by the directors unanimously:
 - i. To authorise any borrowings or financial accommodation or increasing existing borrowings or financial accommodation (in whatever form) of an amount in excess of \$5,000 per annum;
 - ii. To incur expenditure or liability exceeding \$5,000 per annum on its capital accounts in any financial year for an individual transaction or a series of transactions in aggregate;
 - iii. To enter into any transaction that is not proposed on a commercial "arm's length basis" or of any unusual or onerous nature or that is outside the ordinary course of the Discretionary Risk Business;
 - iv. To request financial assistance to finance the operations of the Discretionary Risk Business whether by way of capital contribution and/or loan.
 - v. To sell any part of the Discretionary Risk Business;
 - vi. To implement any proposal to cease to carry on the Discretionary Risk Business or a substantial part of the Discretionary Risk Business;
 - vii. To merge all or any substantial part of the Discretionary Risk Business with any other entity's business;
 - viii. To enter into any agreement or arrangement in connection with the Discretionary Risk Business with one of its associates;
 - ix. To give guarantees or indemnities for or on behalf of the Company;
 - x. To make any material change to the accounting policies for the Company (other than as required to comply with applicable Accounting Standards);
 - xi. To transfer, sale or surrender of any asset of VLF or the Discretionary Risk Business or of the whole or any part of any material undertaking of the Discretionary Risk Business;
 - xii. To purchase the freehold in any property or determine the terms and conditions on which VLF will at any time and from time to time lease or purchase premises for VLF or the operation of the Discretionary Risk Business or any other immovable property (such as fixtures/fittings);
 - xiii. To appoint or remove the actuary, accountant or auditors for the Company;
 - xiv. To incorporate a company or otherwise establish any other legal entity to carry on the Discretionary Risk Business or provide services or resources;
 - xv. To commence a new business for the Company;
 - xvi. To commence, defend or settle any legal or arbitration proceedings other than routine debt collection;
 - xvii. To invest the Contributions other than in accordance with a delegated investment mandate given by the unanimous resolution of the directors;
 - xviii. To exercise discretion to pay claims for Discretionary Protection other than in accordance with a delegated claims handling authority given by the unanimous resolution of the directors;
 - xix. To create, grant or release any mortgage, charge, or undertaking or other security or encumbrance over assets of the Company or the Discretionary Risk Business;
 - xx. To dispose of or grant any option or right of pre-emption in respect of assets of the Company or the Discretionary Risk Business;
 - xxi. To acquire any insurances or allow any current insurances to lapse;
 - xxii. To make any material alteration in the nature and/or direction of the Company or the Discretionary Risk Business or the nature or scope of the Discretionary Risk Business;
 - xxiii. To acquire any personal property for the Company with a value in excess of \$5,000;
 - xxiv. To execute any contract or enter into any commitment with a value of \$5,000 or more for each financial year.
- c) The directors may by Special Resolution change or modify the matters, decisions and actions that require unanimous approval of the directors under Rule 19.10(b).

19.11 Minutes

The directors will cause proper minutes to be made of:

- a) all director's meetings;
- b) all appointments of offices;
- c) the proceedings of all director's meetings and committees of directors;
- d) the attendance at all meetings of the directors and the business transacted at those meetings, and any minutes purporting to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting, will be conclusive evidence of the matters recorded in them without any further proof.

19.12 Resolution in writing

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

19.13 Form of resolution in writing

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

20. ALTERNATE DIRECTORS

20.1 Appointment of an alternate

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

- a) with the approval of the other directors; and
- b) while the appointor is not available to act.

20.2 Notice of meetings

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

20.3 Power of alternate

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

20.4 Termination of appointment

The appointment of an alternate director will terminate:

- a) on notice by the appointor even though the appointment period has not expired;
- b) automatically if the appointor ceases to be a director.

20.5 Responsibility

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

20.6 No remuneration

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

21. INTERESTED DIRECTORS

21.1 Notice requirements

- a) If the director has material personal interest in any matter that relates to the affairs of the Company, the director must disclose that interest to the other directors unless the director is not required to disclose the interest in the circumstances listed in Section 191(2) of the Law.
- b) The notice disclosing the director's material personal interest must:
 - i. give details of the nature and extent of the interest and how it relates to the affairs of the Company;
 - ii. be given at the directors' meeting as soon as practicable after the director becomes aware of the interest; and
 - iii. be recorded in the minutes of the directors' meeting at which the notice is given.

21.2 Director must not vote

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

21.3 Exception to rule

Regardless of Rule 21.2, if:

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

21.4 No quorum available

If a quorum of directors is not present at any meeting because of the operation of Rule 21.2, any director may call a general meeting and the general meeting may pass a resolution to deal with the matter.

21.5 Director not disqualified

If a director is permitted to be present and to vote by virtue of Rule 21.3:

- a) that director will not be disqualified by the office from contracting with the Company either as vendor, purchaser or otherwise;
- b) no contract made by that director with the Company and no contract or arrangement entered into by or on behalf of the Company in which that director is in any wages interested may be avoided by reason only of that director holding that office or of the fiduciary relationship established by it;
- c) that director will not be liable to account to the Company for any profit realised under any contract or arrangement by reason only of that director holding the office or of the fiduciary relationship established by it;
- d) that director may:
 - i. execute any deed or document on behalf of their Company; and
 - ii. count in a quorum

21.6 Standing notice

- a) A director may give the other directors a standing notice that:
- i. the director is a director or Member of any specified company or firm and is to be regarded as interested in all subsequent transactions with that company or firm; or
 - ii. the director has any other interest in any matter,
- at any time and whether or not the matter relates to the Company's affairs at the time.

21.7 Other office may be held

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

21.8 Professional director may act

Any director make act in a professional capacity for the Company, and will be entitled to remuneration for professional services regardless of the directorship.

22. COMMON SEAL

22.1 Election to adopt company seal

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

- a) only the Company's name where the Company has its ACN as its name; or
- b) the Company's name, the expression "ACN" and its Australian Company number in all other cases.

22.2 Duplicate common seal

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

22.3 Prohibited use

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

23. EXECUTION OF DOCUMENTS

23.1 Execution with or without the common seal

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

- a) two (2) directors; or
- b) one (1) director where authorised by a resolution of a director's meeting; or
- c) a director and the Secretary.

23.2 Execution of deeds

The Company meet execute a document as a deed if the document is expressed to be executed as a deed and is executed in accordance with this Rule 23.

23.3 No limitation

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

24. COMMITTEE

24.1 Delegation to committee

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

24.2 Powers of committee

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

24.3 Committee chairman

The members of the committee may collect one (1) of their number is chairman of their meetings.

24.4 Election of chairman

Where a committee meeting is held and:

- a) a chairman has not been elected; or
 - b) the chairman is not present within fifteen (15) minutes after the appointed time; or
 - c) the chairman is unwilling to act,
- the committee members present may collect one (1) of their number to be chairman of the meeting.

24.5 Decision by majority

Questions arising at a committee meeting will be determined by a majority of votes of the committee members who are present and voting.

24.6 Casting vote

The chairman has the casting vote, if necessary, in addition to any vote the chairman has a committee Member.

25. MANAGING DIRECTOR

25.1 Appointment

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

25.2 Termination

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

25.3 Remuneration

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

25.4 Powers of managing director

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

26. SECRETARY

26.1 Appointment

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

27. ACCOUNTS AND AUDIT

27.1 Proper records kept

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

27.2 Auditor

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

28. RESERVES

28.1 Make reserve

The Directors may:

- a) write off the Company's earnings any amount for loss or depreciation of any property;
- b) set aside any amount of their Company's profits, as a reserve fund to meet contingencies or for preparing, improving and/or maintaining any of the Company's property and/or for any other purposes which are conducive to the interests of the Company.

28.2 Deal with reserve

The Directors may:

- a) invest, lend or dispose of any reserved amounts in any way;
- b) deal with, vary and dispose of any investments or parts of them for the benefit of the Company;
- c) divide the reserve fund into special funds; and/or
- d) employ the assets constituting the reserve fund in the business of the Company and without being bound to keep the same separate from other assets.

29. INSPECTION OF RECORDS

29.1 Conditions

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

29.2 No right unless authorised

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

29.3 Directors right

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

30. NOTICES

30.1 Form of notice

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

30.2 Time of delivery

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

- a) in the case of a posted letter, on the third day after posting;
- b) in the case of delivery by generally recognised overnight courier, on the second day after dispatch with that courier;
- c) in the case of personal delivery, on the date of delivery;
- d) in the case of facsimile transmission, at the time recorded on the transmission report from the machine from which the facsimile was sent; or
- e) in the case of transmissions by electronic mail, on the day of transmission if the electronic medium sending the notice states that the transmission was completed before 5:00pm on a business day, otherwise on the next business day. This method of service is effective only if the medium's report states that it was sent in full and without error and the message is not rejected or undeliverable as evidenced by a message to that effect received by the sender.

31. INDEMNITY AND INSURANCE

31.1 Indemnity against liability

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

- a) any liability incurred by them in their capacity as a director or officer, to a person other than the Company or Related Body Corporate, except where the liability relates to a wilful breach of duty or a contravention of section 181-184 of the Law;
- b) any liability for legal costs or expenses incurred by them in defending any proceedings in which judgement is given in their favour; or
- c) any liability for legal costs or expenses incurred by them in defending any proceedings in which they are acquitted or the Court grants relief in their favour.

31.2 Insurance

To extent permitted by the Law, the Company may insure or pay any premiums on a policy of insurance for a director or officer of the Company or of a Related Body Corporate against any liability for which the Company indemnifies the director or officer under Rule 31.1.

31.3 Resolution to Grant Indemnity

A director may vote in favour of the resolution that the Company grant an indemnity pursuant to Rule 31.1, take insurance or pay the premiums on an insurance policy pursuant to Rule 31.2 even though the director has a direct and material interest in the outcome of the resolution.

32. RETURN OF CONTRIBUTIONS

32.1 Contributions

Subject to the Law, if upon winding up or dissolution of the Company or prior to closing any Protection Year it appears to the directors at any time that the Contributions and other receipts (including transfers from reserves and provisions) in respect of the previous Protection Year will exceed the claims, expenses, losses and other outgoings (whether incurred, accrued, contingent or anticipated) falling upon the Company for that year together with all transfers to reserves and provisions made out of the Contributions paid in respect of such Protection Year, then the excess may at the discretion of the Directors be disposed of in whole or in part as follows:

- a) To establish reserves which in the opinion of the directors are appropriate for the Company.

- b) By way of a return in whole or in part to the Members who paid such Contributions in proportion to their respective Contributions with a deduction for Claims to be determined by the directors. Such return may be made by way of subsidising the cost of protection for a Member in a future Protection Year or by arranging additional protection benefits for a Member. No return will be made to a Member where the Member's right to have a Claim considered and granted has ceased because:
 - i. the Member has failed to pay a Contribution after the Company has served the Member with a notice requiring payment by a specified due date and the Member fails to pay in full the money on or before the due date; or
 - ii. the Member is the subject of a Termination Event.

32.2 Method of payment

The return of any Contributions payable to a Member may be paid by direct payment to the Member's bank account, or by a cheque or warrant posted to the Member's registered address.