

**RESERVE BANK HEALTH SOCIETY  
LIMITED**

**(ABN 91 087 648 735)**

**CONSTITUTION**

**November 2017 Revision**

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## Division 1 Interpretation

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### 1.1. Definitions

In this *Constitution* unless a contrary intention is indicated:

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

'*ASIC*' means Australian Securities & Investments Commission;

'*board*' means the board of *directors* of the *company*;

'*company*' means Reserve Bank Health Society Limited (ABN 91 087 648 735);

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

'*director*' means a *director* of the *company*;

'*general meeting*' means a general meeting of the *members*;

'*Health Fund*' means the health benefits fund operated by the *company*;

'*Health Fund Rules*' means the rules of the *Health Fund*;

'*member*' means a *person* whose name has been entered for the time being in the *Register of Members*;

'*ordinary resolution*' means a resolution passed at a *general meeting* by a majority of the votes cast by *members* entitled to vote on the resolution;

'*person*' means a natural person and includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the *person*, as the context requires;

'*Private Health Insurance Act*' means the *Private Health Insurance Act 2007* (Cth);

'*Prudential Standard*' has the same meaning as in the *Private Health Insurance Act*;

'*Register of Members*' means the register of members kept as required by sections 168 and 169 of the *Act*;

'*Restricted Access Group*' has the same meaning as in the *Private Health Insurance Act* and comprises the *persons* described in rule 2.1(d);

'*secretary*' means any *person* who is appointed in accordance with the *Act* to the statutory office of company secretary;

'*special resolution*' has the meaning given by section 9 of the *Act*.

## 1.2. Interpretation

In this *Constitution*, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) where an expression is defined in this *Constitution*, any other grammatical form of the expression has a corresponding meaning;
- (c) words and expressions (other than a word or expression defined in rule 1.1) defined in the *Act* have the same meaning in this *Constitution* where it relates to the same matters as the matters for which it is defined in the *Act*;
- (d) headings are for purposes of convenience only and do not affect the interpretation of this *Constitution*;
- (e) a reference to a statute or regulation includes all amendments, consolidations or replacements of the statute or regulation and includes any subordinate legislation issued under it;
- (f) a reference to this *Constitution* or another instrument includes all amendments or replacements of the *Constitution* or the other instrument;
- (g) a reference to a statutory or other body that ceases to exist or the powers and functions of which are transferred to another body includes a reference to the body:
  - (i) that replaces it; or
  - (ii) to which substantially all the powers and functions relevant to this *Constitution* are transferred;
- (h) words and expressions (other than words and expressions defined in rule 1.1) defined by the *Private Health Insurance Act* have the same meaning in this *Constitution* where it relates to the same matters as the matters for which they are defined in the *Private Health Insurance Act*;
- (i) a reference to anything (including a right, obligation or concept) includes each part of it;
- (j) a word which suggests one gender includes the other genders;
- (k) if an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing;
- (l) the word 'agreement' includes an undertaking or other binding arrangement or understanding, whether or not in writing;

- (m) a power to do something includes a power, exercisable in the like circumstances, to revoke or undo it. A reference to a power is also a reference to authority or discretion;
- (n) the notes to this *Constitution* are for purposes of convenience only and do not affect the interpretation of this *Constitution*. The notes do not form part of this *Constitution* and may be removed or modified without the *company* complying with the requirements of the *Act* that apply to removal or modification of constitutional provisions.

### 1.3. Time

Unless expressly provided otherwise, when this *Constitution*, or any notice given under this *Constitution*, states a time or a period of time, the time stated is, or the period of time is calculated by reference to, standard time or summer time, as the case may be, at the *company's* registered office.

### 1.4. Replaceable Rules do not Apply

The replaceable rules referred to in section 141 of the *Act* do not apply to the *company* and are replaced by the rules set out in this *Constitution*.

### 1.5. Notices

- (1) This rule applies to all notices and documents that the *Act* or this *Constitution* requires a party to this *Constitution* to send to another party to this *Constitution*.
- (2) In this rule, *business day* means a day that is not:
  - (a) a Saturday or Sunday; or
  - (b) a public holiday or bank holiday in the place where the notice is received.
- (3) A *person* sending a notice must do so in writing and must address it to the recipient.
- (4) The address for service:
  - (a) for the *company* — is its registered office or such other address as the *company* specifies to *members* from time to time; and
  - (b) for a *member* — is the *member's* address appearing on the *Register of Members* from time to time.
- (4) A *person* may send a notice or other document to another *person* in any of the ways set out in the second column of the table. The other *person* receives the notice at the time set out in the third column:

	<i>Delivery Method</i>	<i>Time Person Receives Notice</i>
1	Hand delivering the notice personally	<p>The other <i>person</i> receives the notice:</p> <ul style="list-style-type: none"> <li>(i) if hand delivered before 5:00pm (local time in the place of receipt) on a <b><i>business day</i></b> — on that <b><i>business day</i></b></li> <li>(ii) if hand delivered after 5:00pm (local time in the place of receipt) on a <b><i>business day</i></b> — on the next <b><i>business day</i></b></li> <li>(iii) if hand delivered on a day other than a <b><i>business day</i></b> — on the next <b><i>business day</i></b></li> </ul>
2	Sending the notice by pre-paid mail (by airmail, if the recipient is overseas)	<p>The other <i>person</i> receives the notice on the third <b><i>business day</i></b> after posting unless it is actually delivered earlier</p>
3	Sending the notice by facsimile transmission to the facsimile number (if any) nominated by that <i>person</i>	<p>The other <i>person</i> receives the notice:</p> <ul style="list-style-type: none"> <li>(i) if sent before 5:00pm (local time in the place from which it is sent) on a <b><i>business day</i></b> — on that <b><i>business day</i></b></li> <li>(ii) if sent after 5:00pm (local time in the place from which it is sent) on a <b><i>business day</i></b> — on the next <b><i>business day</i></b></li> <li>(iii) if sent on a day other than a <b><i>business day</i></b> — on the next <b><i>business day</i></b></li> </ul> <p>This rule does not apply where the <i>person</i> sending the facsimile has evidence that the transmission was unsuccessful</p>
4	Sending the notice by electronic means to the electronic address (if any) nominated by that <i>person</i>	<p>The other <i>person</i> receives the notice:</p> <ul style="list-style-type: none"> <li>(i) if sent before 5:00pm (local time in the place from which it is sent) on a <b><i>business day</i></b> — on that <b><i>business day</i></b></li> <li>(ii) if sent after 5:00pm (local time in the place from which it is sent) on a <b><i>business day</i></b> — on the next <b><i>business day</i></b></li> <li>(iii) if sent on a day other than a <b><i>business day</i></b> — on the next <b><i>business day</i></b></li> </ul> <p>This rule does not apply where the <i>person</i> sending the notice by electronic means has evidence that the notice did not reach the other <i>person's</i> electronic address</p>

(5) A certificate in writing signed by a *director* or *secretary* stating that a notice was sent is conclusive evidence of service.

(6) If:

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

- (b) the *board* believes on other reasonable grounds that a *member* is not at the address shown in the *Register of Members* or notified to the *company*,

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

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

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## Division 2 Objects and Limit on Powers

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**Corporations Act Commentary**

The *Corporations Act 2001* provides that the *company* has the legal capacity and powers of an individual and of a body corporate: see s 124.

The *Corporations Act 2001* allows the *Constitution* to set out the *company's* objects and to expressly limit the *company's* exercise of its powers: see s 125. The statement of objects is optional.

### 2.1. Objects

The objects for which the *company* is established are:

- (a) to provide health and welfare facilities and services for *members* or their dependants, including but not limited to hospital, medical, dental, pharmaceutical, optical and physiotherapy benefits;
- (b) to provide facilities and benefits for the relief and maintenance of *members* or their dependants in the case of death, sickness, disability or accident;
- (c) to provide any products or services for *members* or their dependants which the *company* may from time to time deem beneficial to such *persons*; and
- (d) to conduct and manage the *Health Fund* as a private health insurer under the *Private Health Insurance Act* for the benefit of those *persons* comprising the *Restricted Access Group*, being:
  - I. any *person* who is, or was, an employee of the Reserve Bank of Australia or Note Printing Australia Limited;
  - II. any *person* who, by the operation of the *Private Health Insurance (Registration) Rules*, is taken to belong to the *Restricted Access Group*.

### 2.2. Complying Health Insurance Products

While the *company* is registered as a restricted access private health insurer under the *Private Health Insurance Act*, the *company* is prohibited from issuing a complying health insurance product to a *person* who does not belong to the *Restricted Access Group* and the *company* is prohibited from ceasing to insure a *person* for the reason that the *person* has ceased to belong to the *Restricted Access Group*.



### 2.3. Powers of Company

The *company* must exercise its powers solely for the purpose of carrying out the objects and may carry out activities which are incidental or conducive to the objects in rule 2.1.

#### 2.3A. Application of income and property

The *company* must apply its assets and income solely towards promoting the objects of the *company* as stated in rule 2.1. No part of the *company's* assets or income may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise to *members*. This rule does not prevent the payment of reasonable remuneration to any officer or employee of the *company* or to any *member* of the *company* or other *person* in return for service rendered to the *company*. In addition, this rule does not prevent the *company* paying to a *member* benefits under a complying health insurance policy in accordance with the *Health Fund Rules* or reasonable remuneration for goods supplied by the *member* to the *company* in the ordinary course of business.

### 2.4. Binding Effects of the Health Fund Rules

The *Health Fund Rules* are binding on the *company* and all its *members* as if there was a covenant on the part of the *company* and each *member* to observe the *Health Fund Rules*.

### 2.5. Alteration of Constitution

Any alteration to the *Constitution* which may affect the tax-exempt status of the income of the *company* shall not take effect until the *company* has received confirmation from the Commissioner of Taxation that the Commissioner does not object to the alteration.

### 2.6 Limited Liability

- (1) The liability of the *members* is limited.
- (2) Each *member* agrees that, if the *company* is wound up during the time they are a *member*, or within one year after they ceased to be a *member*, they will contribute to the assets of the *company*, for payment of the debts and liabilities of the *company* (contracted before they ceased to be a *member*) and of the costs, charges, and expenses of winding up and for the adjustment among the *members* of the rights of the *members*, such amount as may be required, but not exceeding \$1.

### 2.7 Excess Assets on Winding up

- (1) On winding up *members* are not entitled to any surplus that would otherwise be available for distribution to *members*.
- (2) In the event of winding up, the *company* will distribute the assets of the *Health Fund* as required by the *Private Health Insurance Act* and must then pay any other surplus to another body corporate incorporated in an Australian state or territory that has:

- (a) objects similar or in part similar to the objects of the *company* and objects incidental or conducive to those so specified; and
  - (b) whose constitution prohibits the distribution of its income and property among its members to at least as great an extent as is imposed on the *company* under this *Constitution*.
- (3) The payment of surplus to another body corporate in accordance with sub-rule (2) shall be determined by the *members* in a *general meeting* and/or any order of a Court having jurisdiction in the matter.

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## Division 3 Membership

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Corporations Act 2001 Commentary

A *person* becomes a *member* of the *company* if the *person* agrees to become a *member* and the *company* enters the *person's* name in the *Register of Members*: see s 231.

### 3.1 Admission to Membership

- (1) Subject to any other rule allowing admission of *members*, the *company* may admit a natural person as a *member* only if the *person* is a member of the *Restricted Access Group* and is insured under a complying health insurance policy issued by the *company*.
- (2) An application of a *person* for membership of the *company* must:
  - (a) be made in writing in the form as the *company* may from time to time require;
  - (b) be lodged with the *company*; and
  - (c) be accompanied by any evidence of eligibility for membership as the *company* may require.
- (3) The *board* may exercise the *company's* power to admit or refuse to admit *members* without any obligation to give reasons for admitting or not admitting a *person* as a *member*.
- (4) When the *company* admits a *person* as a *member*, the *company* must:
  - (a) enter the *person's* particulars in the *Register of Members* as required by the *Act*; and
  - (b) give the *person* notice that it has admitted the *person* as a *member*.
- (5) When the *company* admits a *person* as a *member* the *member* agrees to be bound by this *Constitution*.

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## Division 4 Termination of Membership

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### 4.1 Cessation of Membership

A *member* of the *company* ceases to be a *member*:

- (a) on receipt by the *company* of the *member's* written resignation;
- (b) if the *member* ceases to be insured under a complying health insurance policy issued by the *company* for any reason; or
- (c) if the *member's* membership is terminated under rule 4.3.

### 4.2 Removal from Register of Members

- (1) The *board* must remove the name of a *member* ceasing to be a *member* from the *Register of Members*.
- (2) The *company* may remove a *member's* name from the *Register of Members* if the *member*:
  - (a) dies; or
  - (b) becomes bankrupt.

### 4.3 Termination by the Board

- (1) The *company* may terminate a *person's* membership by *board* resolution if:
  - (a) the *member* fails to discharge the *member's* obligations to the *company*, including the obligation to comply with this *Constitution*;
  - (b) the *member* is guilty of conduct that the *board* reasonably considers to be detrimental to the *company*; or
  - (c) the *member* obtains membership by misrepresentation or mistake.
- (2) At least 14 days before the *board* holds a meeting to terminate a membership, the *board* must give a written notice to the *member* which states the allegations against the *member* and the proposed resolution to terminate his or her membership.
- (3) At the time, the board considers the proposed resolution, the *member* is entitled:
  - (a) to be present with or without the *member's* legal representative; and
  - (b) to be heard, either in person or through the *member's* legal representative.

- (4) The **board** may determine, where permitted by law, that a **person** whose membership in the **company** is terminated ceases to be insured under a complying health insurance policy issued by the **company**.
- (5) Subject to rule 3.1, the **board** may reinstate a **member** who has ceased to be a **member** and restore the name of that **member** to the **Register of Members** subject to any terms and conditions that the **board** decides.

#### 4.4 Effect of cessation of membership

Subject to rule 2.6 a **person** who ceases to be a **member** shall continue to be liable for all moneys due by the **member** to the **company**. A **member** ceasing to be a **member** does not have any claim on the **company**, its funds or property (other than as may arise as a **person** insured under a complying health insurance policy issued by the **company**).

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## Division 5 Meeting of Members

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### Corporations Act 2001 Commentary

#### Holding a members' meeting

A general *meeting* must be held at a reasonable time and place: see s 249R.

A *general meeting* can be held using any technology (such as video conferencing), provided that it gives the *members* as a whole a reasonable opportunity to participate in the meeting: see s 249S.

#### Notice of members' meeting

At least 21 days notice must be given of a *general meeting*. A meeting can be called on shorter notice with the consent of the requisite number of *members*, but not to remove a *director* or auditor: see 249H.

Written notice must be given individually to each *member* and *director*.

Notice may be given in the ways outlined in section 249J. See Sub-rule 1.5.

The auditor must also receive the notice convening a *general meeting* and other communication *members* are entitled to receive: see s 249K.

#### Content of notice

A notice convening a *general meeting* must:

- set out the place, date and time of the meeting and the technology to be used to conduct the meeting if it is to be held in 2 or more places;
- state the general nature of the meeting's business;
- state the terms of any *special resolution* and the fact that it is proposed as a *special resolution*;
- in relation to proxies, state:
  - that the *member* has a right to appoint a proxy; and
  - whether or not the proxy needs to be a *member* of the *company*.

#### Auditor's right to attend

The auditor has a right to attend any *general meeting* and to speak: see s 249V.

#### Members' right to give notice of a resolution

*Members* with at least 5% of the votes that may be cast on a resolution at a *general meeting* or at least 100 *members* entitled to vote at a *general meeting* may give the *company* notice of a resolution that they propose to move at a *general meeting*: see s 249N.

This resolution is to be considered at the next *general meeting* that occurs more than 2 months after the notice is given: see s 249O.

#### Members' request for statement to be distributed

A *company* must distribute a statement about a resolution, or other matter to be considered at a *general meeting*, as requested by *members* with at least 5% of the votes that may be cast on the resolution at a *general meeting* or at least 100 *members* entitled to vote at the *general meeting*: see s 249P.

## 5.1. Calling Meetings of Members

**Corporations Act 2001 Commentary**

**Members' right to call a general meeting**

A *general meeting* must be held if 100 *members*, or *members* with at least 5% of the votes ask for it. The *board* has to call a *general meeting* within 21 days after the request and the meeting itself must be held within 2 months: see ss 249D. In any case, *members* who hold at least 5% of the votes can call and arrange to hold a meeting; see s 249F.

- (1) The *board* may convene a *general meeting* at any time.
- (2) Subject to sections 249D (5) and 250N of the *Act*, the *board* may:
  - (a) postpone a *general meeting*;
  - (b) cancel a *general meeting*; or
  - (c) change the place for a *general meeting*,

by notice given individually to each *person* entitled to be given notice of the meeting.

### 5.1A. Attendance at general meetings

- (1) Every *member* has the right to attend any *general meeting*.
- (2) Every *director* has the right to attend and speak at any *general meeting*.
- (3) The auditor has the right to attend any *general meeting* and to speak on any part of the business of the meeting which concerns the auditor in the capacity of auditor.

## 5.2. Adjourning Meetings of Members

- (1) The chair of a *general meeting* at which a quorum is present:
  - (a) may adjourn the meeting to another time and place with the consent of the meeting by *ordinary resolution*; and
  - (b) must, adjourn the meeting to another time and place if directed by *ordinary resolution* of the meeting.
- (2) If a *general meeting* is postponed or adjourned for one month or more, the *company* must give new notice of the resumed meeting.
- (3) Subject to sub-rule (2), it is not necessary to give any notice of a resumed meeting or of the business to be transacted at a resumed meeting adjourned under sub-rule (1).
- (4) The only business that an adjourned *general meeting* may deal with is business unfinished at the *general meeting* that was adjourned.

### 5.3 Accidental omission

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

Corporations Act 2001 Commentary

Technology

The *company* may hold a meeting of its *members* at two (2) or more venues using any technology that gives the *members* as a whole a reasonable opportunity to participate: see s249S.

### 5.3. Quorum

No business shall be transacted at any *general meeting* unless a quorum of *members* is present at the time when the meeting proceeds to the business. A quorum shall consist of:

- (a) 10 *members*; or
- (b) if less than 20 *members* are eligible to attend and vote at a *general meeting* – 50% of the *members* eligible to attend and vote at the *general meeting*.

### 5.4 Proceedings at Members' Meetings

- (1) In determining whether a quorum is present, individuals attending as a proxy or attorney for a *member* shall be counted. However, if a *member* has appointed more than one (1) proxy, only one (1) of them shall be counted. If an individual is attending both as a *member* and as a proxy then that *person* will be counted as present in each capacity.
- (2) If within 15 minutes from the time appointed for the meeting a quorum is not present, the *general meeting* is adjourned to the date, time and place the *board* specifies. If the *board* does not specify one or more of those things, the meeting is adjourned to:
  - (a) if the date is not specified – the same day in the next week;
  - (b) if the time is not specified – the same time; and
  - (c) if the place is not specified – the same place.
- (3) If no quorum is present at the resumed meeting within 30 minutes after the time for the meeting, the meeting is dissolved.

### 5.5. Chair of Members' Meetings

- (1) The chair of *general meetings*:
  - (a) is the chair of meetings of the *board*; or
  - (b) if the chair of meetings of the *board* is not present or declines to act for the meeting (or part of it) – the deputy chair of meetings of the *board*.



- (2) If the chair or deputy chair is not present within five minutes after the time appointed for the holding of the *general meeting* or is unable or unwilling to act, then the *members* present must elect one of their number to be chair of the meeting.

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## Division 6 Voting at Members' Meetings

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### 6.1. Voting

- (1) A resolution put to the vote at a **general meeting** must be decided on a show of hands unless a poll is demanded before or immediately after declaration of the result of the vote on a show of hands. Unless a poll is demanded under sub-rule (5), the chair's declaration of a decision on a show of hands is final. Neither the chair nor the minutes of the meeting need to state the number or proportion of the votes recorded in favour or against on a show of hands. The minutes only need to record that the resolution was passed or not passed.
- (2) Subject to section 250A (4) of the **Act**:
  - (a) each **member** has one vote on a show of hands or a poll; and
  - (b) a **member** who is present and entitled to vote and is also a proxy or attorney of another **member** has one vote on a show of hands.
- (3) Before a **general meeting** votes on a resolution, the chair must inform the meeting:
  - (a) how many proxy documents the **company** has received that validly appoint a **person** present at the meeting as a proxy;
  - (b) how many of these proxy documents direct the proxies how to vote on the resolution; and
  - (c) how the proxies are directed to vote on the resolution.
- (4) If an equal number of votes are cast for and against a resolution at a **general meeting**, the chair of the meeting has a casting vote whether or not the chair is a **member**. The chair's casting vote is in addition to any vote he or she may have in his or her capacity as a **member** or proxy. The chair has discretion whether or not to use his or her casting vote.
- (5) Each of the chair of the meeting and any **member** entitled to vote who is present at a meeting in person or by proxy is entitled to demand a poll on any resolution (except a resolution concerning the election of the chair of a meeting). The demand for a poll does not affect the continuation of the meeting for the transaction of other business and may be withdrawn.
- (6) No **member** shall be entitled to vote at any **general meeting** if the premiums payable by the **member** under a complying health insurance policy issued by the **company** are in arrears at the date of the meeting, nor shall any **person** be entitled to vote on behalf of any such **member**.

- (7) If a proxy purports to vote in a way or in circumstances that contravene section 250A (4) of the Act, on a show of hands the vote is invalid and the company must not count it and on a poll rule 6.2(2) applies.
- (8) An objection to a *person's* right to vote at a *general meeting*:
  - (a) may only be made at the meeting or adjourned meeting at which the vote objected to is cast; and
  - (b) must be determined by the chair of the meeting, whose decision is final.

## 6.2. Voting on a Poll

- (1) If a poll is demanded it shall be taken when and where and, subject to rule 6.2(2), in such manner as the chair directs. The result of the poll shall be the resolution of the meeting at which the poll was demanded.
- (2) On a poll, votes which section 250A (4) of the *Act* requires to be cast in a given way must be treated as cast in that way.
- (3) Subject to rule 6.2(2), a *person* voting who has the right to cast two or more votes need not cast all those votes and may cast those votes in different ways.
- (4) The *general meeting* may conduct other business even though a poll is demanded on a resolution.

## 6.3. Who can appoint a Proxy

- (1) Any *member* who is entitled to attend and cast a vote at a *general meeting* may appoint a *person* as the *member's* proxy to attend and vote for the *member* at the meeting.
- (2) Any instrument appointing a proxy shall be in writing under the hand of the appointer or of the attorney of the appointer duly authorised in writing.

<b>Corporations Act 2001 Commentary</b>
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Sections 249X to 250C set out <i>members'</i> powers to appoint proxies and the rights and obligations of proxies.
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- (3) The *board* may determine the form of proxy document from time to time.
- (4) The instrument appointing a proxy shall be deemed to confer authority to speak at the meeting, demand or join in demanding a poll and (to the extent allowed by the instrument) to vote on a poll. The authority of a proxy to speak and vote for a *member* at a meeting is suspended while the *member* is present at the meeting.
- (5) If the *company* sends a *member* a proxy appointment form for a meeting or a list of *persons* willing to act as proxies at a meeting:

- (a) if the *member* requested the form or list, the *company* must send the form or list to all *members* who requested it and who are entitled to appoint a proxy to attend and vote at the meeting; or
  - (b) otherwise – the *company* must send the form or list to all its *members* entitled to appoint a proxy to attend and vote at the meeting.
- (6) A proxy does not have a right to vote on a show of hands except in his or her capacity as a *member*.

#### 6.4. Appointing a Proxy

- (1) An appointment of a proxy is valid if it is signed by the *member* making the appointment (or his or her attorney) and contains the following information:
- (a) the *member's* name and address;
  - (b) the name of the *company*;
  - (c) the date of the appointment (an undated appointment is taken to have been dated on the day it is given to the *company*); and
  - (d) the proxy's name or the name of the office that the proxy holds.
- (2) The instrument of appointment may specify the meetings at which the appointment may be used.
- (3) An appointment may specify the way the proxy is to vote on a particular resolution.
- (4) An instrument of appointment of a proxy does not have to be witnessed.
- (5) An appointment of proxy by a *member* is revoked if the *company* receives a further appointment of proxy from that *member* which would result in there being more than one proxy of that *member* entitled to act at a meeting. The appointment of proxy made first in time is the first to be treated as revoked or suspended by this sub-rule.

#### 6.5. Notification to the Company

- (1) For an appointment of a proxy to be effective the instrument of appointment and authority, if any, under which it is signed or a certified copy of that authority must be received by the *company* at least twenty-four (24) hours before the start of the relevant meeting or adjourned meeting.
- (2) The *company* shall have received an appointment instrument when it is received at any of the following:
- (a) the *company's* registered office;
  - (b) a facsimile number at the *company's* registered office; or

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

#### 6.6. Validity of Proxy Vote

Unless the *company* receives written notice of the matter before the meeting at which a proxy vote is cast starts or resumes, the proxy's vote at that meeting will be valid if, before the proxy votes:

- (a) the appointing *member* dies;
- (b) the *member* is mentally incapacitated;
- (c) the *member* revokes the proxy's appointment; or
- (d) the *member* revokes the authority under which the proxy was appointed by a third party.

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## Division 7 Annual General Meetings

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### 7.1 Annual general meeting

The **company** must hold an annual general meeting as required by section 250N of the **Act**.

Corporations Act 2001 Commentary
<p>The <b>company</b> must hold an annual general meeting (AGM) at least once in each calendar year and within five (5) months after the end of its financial year; see s250N (2).</p>
<p>An AGM is to be held in addition to any other <b>general meetings</b> held by the <b>company</b> in the year; see s250N (3).</p>
<p>The <b>directors</b> must lay before the AGM the annual financial report, the <b>directors'</b> report and the auditor's report for the last financial year that ended before the AGM.</p>
<p><b>Business of AGM</b></p> <p>The business of an AGM may include any of the following, even if not referred to in the notice of meeting:</p>
<ul style="list-style-type: none"> <li>(a) consideration of the annual financial report, <b>directors'</b> report and auditor's report;</li> <li>(b) the election of <b>directors</b>;</li> <li>(c) the appointment of the auditor; and</li> <li>(d) the fixing of the auditor's remuneration; see s250R.</li> </ul>
<p><b>Questions and comments by members on management</b></p> <p>The chairperson of the AGM must allow a reasonable opportunity for the <b>members</b> as a whole at the meeting to ask questions about, or make comments on, the management of the <b>company</b>; see s250S.</p>
<p><b>Questions by members of auditors</b></p> <p>If the <b>company's</b> auditor or his or her representative is at the meeting, the chairperson of the AGM must allow a reasonable opportunity for the <b>members</b> as a whole at the meeting to ask the auditor or representative questions relevant to the conduct of the audit and the preparation and content of the auditor's report; see s250T.</p>
<p><b>Members' access to minutes</b></p> <p>The <b>company</b> must ensure that the minute books for the meetings of its <b>members</b> and for resolutions of <b>members</b> passed without meetings are open for inspection by <b>members</b> free of charge; see s251B (1).</p>
<p>A <b>member</b> of the <b>company</b> may ask the <b>company</b> in writing for a copy of:</p>
<ul style="list-style-type: none"> <li>(i) any minutes of a meeting of the <b>company's members</b> or an extract of the minutes; or</li> <li>(ii) any minutes of a resolution passed by <b>members</b> without a meeting; see s251B (2).</li> </ul>

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## Division 8 Directors – Appointment and Vacation of Office

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### 8.1. Number of Directors

The *board* must comprise of not more than seven (7) *directors* of which:

- (a) up to seven (7) *directors* are elected by the *members* of the *company*; and
- (b) subject to rule 8.7, up to two (2) *directors* may be appointed by the *board* provided that the total number of all *directors* on the *board* shall not exceed (7). A *director* appointed by the *board* to fill a casual vacancy is not counted as an appointment for the purposes of this rule 8.1

**Corporations Act 2001 Commentary**

Section 201A (2) of the *Act* requires a public company to have at least three (3) *directors*, of which at least two (2) must ordinarily reside in Australia.

### 8.2. Eligibility

A *person* is not eligible to be a *director* if the *person* is or becomes ineligible to be a *director* under rule 8.4.

### 8.3. Election of Directors

- (1) Subject to this *Constitution*, section 201E of the *Act* and to the number of *directors* for the time being fixed under rule 8.1 not being exceeded, the *company* may elect *directors* in accordance with this rule 8.3.
- (2) A candidate for election as a *director* must submit to the *company* at its registered office by 5:00pm on the day that is 60 days prior to the date of the annual general meeting of the *company* at which the candidate seeks election:
  - (i) a nomination in writing in such form as the *board* requires; and
  - (ii) a written consent to act as *director*, signed by the candidate.
- (3) If the number of candidates for election as *directors* is equal to or less than the number of vacancies on the *board*, those candidates will be elected as directors by *ordinary resolution* of the *members* at the annual general meeting.
- (4) If the number of candidates for election as *directors* is greater than the number of vacancies on the *board*, a ballot of the *members* of the *company* must be held in accordance with this rule for the election of *directors*. Each *member* eligible to vote at the annual general meeting at which the election of *directors* is to be declared is entitled to lodge a direct vote in respect of that ballot in advance of the annual general meeting.

- (5) The **directors** may determine that a direct vote may be lodged with the **company** by means specified by the **directors**. The **directors** may specify procedures and rules for direct voting.
- (6) The **board** must appoint a person, being a **member** or a **director** who is not standing for election or re-election as a **director**, as the returning officer for the election of **directors**.
- (7) The returning officer must send to each **member** eligible to vote at the annual general meeting at which the election of **directors** is to be declared a ballot paper.
- (8) The returning officer must declare the result of a ballot at the annual general meeting of the **company**. The director who receives the highest number of votes is elected to the first vacancy, the director who receives the second highest number of votes is elected to the second vacancy, and so on until all vacancies are filled. In the event of an equality of votes, the returning officer must determine the candidate or candidates to be elected as **director(s)** by drawing of lots.

#### 8.4. Eligibility for Appointment and Automatic Vacation of Office

- (1) A **person** automatically ceases to be eligible to be a **director** and, if already appointed, automatically ceases to be a **director** if the **person**:
  - (a) is not permitted by the **Act** (or an order made under the **Act**) to be a **director**;
  - (b) becomes disqualified from managing corporations under Part 2D.6 of the **Act** and is not given permission or leave to manage the **company** under section 206F or 206G of the **Act**;
  - (c) dies;
  - (d) becomes bankrupt or makes any arrangement or composition with his or her creditors generally;
  - (e) becomes of unsound mind or mentally incapable of performing the functions of that office;
  - (f) is absent without permission of the **board** from either 3 consecutive meetings of the **board** or 3 meetings of the **board** held in any financial year; or
  - (g) is a disqualified **person** as defined in the **Private Health Insurance Act** (including where the Private Health Insurance Administration Council has determined that the **person** is not a fit and proper **person** to be or to act as a director of a private health insurer).
- (2) Neither the **board** or the **members** at a **general meeting** may waive the operation of this rule.



#### 8.5. Retirement of Directors

- (1) A **director** must retire from office at the third annual general meeting after the **director** was elected or last re-elected.
- (2) A **director** may elect to retire and seek re-election at an annual general meeting before the time required by rule 8.5(1), provided at least 60 days (or any other period as the **board** may determine) before the annual general meeting the **director** has given the **board** notice of their intention to do so. If the **director** gives such a notice, the **director** must then retire from office at the relevant annual general meeting.
- (3) A **director** who retires under this rule 8.5 is eligible for re-election.
- (4) A **director's** retirement under rule 8.5(1) takes effect at the end of the relevant annual general meeting unless the **director** is re-elected at that meeting.

#### 8.6. Resignation

A **director** may resign by giving the **company** notice of the **director's** resignation. The **director's** office becomes vacant:

- (a) if the notice of resignation specifies a date of resignation, on the date of resignation; or
- (b) otherwise on the date the **company** receives the notice of resignation.

#### 8.7. Appointment by the Board

- (1) Subject to this **Constitution**, section 201E of the **Act** and to the number of **directors** for the time being fixed under rule 8.1 not being exceeded, the **board** may appoint a person to be a **director** at any time except during a **general meeting** (including to fill a casual vacancy).
- (2) The board may only appoint a **person** who is eligible to be a **director** under this rule.
- (3) Any director so appointed automatically retires at the next annual general meeting and is eligible for election by that **general meeting**.

#### 8.8. Chair and Deputy Chair

- (1) The **board** may elect a chair and deputy chair at the first **board** meeting following an annual general meeting and who, subject to resignation or removal under this rule 8.8, will serve in the position until the next annual general meeting or until such time as the **board** determines as it sees fit.
- (2) The **board** by resolution may remove the chair or deputy chair from the position of chair at any time.

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## Division 9 General Powers of Directors

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9.1. Except as otherwise required by the *Act*, any other applicable law or this *Constitution*, the *board*:

- (1) has power to manage the business of the *company*;
- (2) may exercise all the powers of the *company* except any powers that the *Act* or this *Constitution* expressly allocates to the *company* in *general meeting*; and
- (3) subject to the *Private Health Insurance Act*, may exercise all the powers of the *company* to manage the *Health Fund*, including but not limited to making, rescinding and varying the *Health Fund Rules*.

9.2. Exercise of powers

A power of the *board* can be exercised only:

- (1) by resolution passed at a meeting of the *board* or otherwise in accordance with rule 10.2; or
- (2) in accordance with a delegation of the power under rule 9.4.

9.3. Board charter

The *directors* must adopt a charter in writing which must be consistent with the *Act*, the *Prudential Standards*, and this *Constitution*.

9.4. Delegation

(1) The *board* may delegate to any committee in accordance with rule 10.5 or to any other *person* any of the powers conferred on the *board* by the *Constitution* or the *Act*, provided that:

(a) any delegation of a power to expend money shall be limited to a sum to be determined by the *board*; and

(b) the *board* may permit the delegate to sub-delegate any powers delegated to them subject to any limitations imposed by the *board*.

**Corporations Act 2001 Commentary**

The delegate must exercise the powers delegated in accordance with any directions of the *board*. A power so exercised is taken to have been exercised by the *board*: see s 198D.

(2) The *board* must ensure that the delegation is made in accordance with the *Prudential Standards*.

- (3) The **board** must establish policies for the guidance of delegates in the exercise of any powers so delegated.
- (4) A delegation must be in writing and retained as a record by the **company**.

#### 9.5 Remuneration of Directors

- (a) The aggregate limit of remuneration of **directors** is determined by resolution of **members** at the **AGM**;
- (b) The aggregate limit of remuneration approved by **members** will be indexed annually on 1 November using the Australian Bureau of Statistics, All Groups Consumer Price Index for Sydney (Publication Number 6401.0) for the latest quarter published prior to the annual review date; and
- (c) The individual **directors** are to be paid the remuneration that the **Board** determines by resolution.

#### 9.6 Payments to directors with board approval

With the approval of the **board**, the **company** may pay to a **director**:

- (a) reasonable expenses (including travelling and accommodation) incurred in carrying out duties as a **director**;
- (b) reasonable remuneration where the **director** is an employee of the **company** and the terms of employment have been approved by the **board**; and
- (c) reasonable remuneration for goods supplied by the **director** to the **company** in the ordinary course of business.

#### 9.7. Negotiable Instruments

The **board** may authorise a **person** or **persons** to sign, draw, accept, endorse or otherwise execute negotiable instruments for the **company**. The **board** may authorise the application of signatures to negotiable instruments by machine or other facsimile method.

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## Division 10 Directors' Meetings

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Corporations Act 2001 Commentary

Section 248D says that a meeting may be called and held using any technology consented to by all *directors*. The consent may be a standing one. A *director* can withdraw consent within a reasonable period before the meeting.

### 10.1. Calling and Conduct of Board Meetings

- (1) The *board* shall meet as and when necessary to carry out the efficient operation of the *company*, and it may adjourn and otherwise regulate its meetings as it thinks fit provided that the *board* shall meet at least four (4) times every calendar year.
- (2) A *director* may and the *secretary* must (on request from a *director*) call a *board* meeting by giving reasonable notice to every other *director* (and may give that notice orally, including by telephone or by any electronic means, or in writing in accordance with the custom or agreed protocol of the *board*). Failure to give notice to, or non-receipt of notice by, a *director* does not result in a *board* meeting being invalid.
- (3) The *board* may meet, adjourn and (subject to this *Constitution*) otherwise regulate its meetings as it thinks fit.
- (4) Subject to the *Act*, a board meeting may be held by the *directors* communicating with each other by any electronic means by which they are able to simultaneously hear each other and participate in discussion.

### 10.2 Passing of Directors' Resolutions

- (1) A resolution of the *board* must be passed by a majority of the votes cast by the *directors* present or deemed to be present and entitled to vote on the resolution.
- (2) Each director shall have one vote. In case of an equality of votes the chair of the meeting shall have a second or casting vote. The chair of a board meeting has discretion as to whether or not to use his or her casting vote.
- (3) If an equal number of votes are cast for and against a resolution, and the chair of the meeting does not exercise his or her casting vote, the matter is decided in the negative.
- (4) In relation to a resolution in writing, a document generated by electronic means which purports to be a resolution of the *board* is to be treated as a resolution in writing and a document generated electronically bearing a copy of a signature is to be treated as signed.

### 10.3. Quorum of the Board

- (1) The quorum necessary for a **board** meeting shall be at least three (3) **directors** or one half of the total number of **directors** for the time being in office (rounded upwards if not a whole number), whichever is greater and the quorum must be present at all times during the meeting. A **director** is treated as present at a meeting held solely or partly by audio or audio-visual communication if the **director** is able to hear and be heard by all others attending. If a meeting is held in another way permitted by section 248D of the **Act**, the **board** must resolve the basis on which **directors** are treated as present.
- (2) If a quorum is not present within 30 minutes after the time for which a **board** meeting is called, the meeting is adjourned to the same day in the next week at the same time and place, or otherwise as the **directors** present decide.
- (3) If, at any time, the number of **directors** is less than the quorum the **board** may meet only for the purpose of filling any casual vacancies or for calling a **general meeting**.

### 10.4. Chair of Board

The chair elected under rule 8.8 will preside as chair at every meeting of the **board**. If there is no chair elected under rule 8.8, or if the chair is not present within 10 minutes after the time appointed for holding the meeting, or if the chair is unwilling to act, then the deputy chair shall preside over the meeting. If there is no deputy chair elected under rule 8.8, or if the deputy chair is not present within 10 minutes after the time appointed for holding the meeting, or if the deputy chair is unwilling to act, then the **directors** present must choose one of their number to chair the meeting.

### 10.5. Committees of Directors

- (1) The **board** may delegate any of its powers and/or functions (not being duties imposed exclusively on the **board** by the **Act** or the **Constitution**) to one or more committees consisting of such number of **directors** as the **board** thinks fit.
- (2) The **persons** making up a committee may appoint one of their number as a chair of their meetings.
- (3) Each **person** making up any committee shall have one vote at meetings of that committee.
- (4) Subject to any restrictions that the **board** imposes, a committee may meet and adjourn or otherwise regulate its meeting as it thinks fit.
- (5) Questions arising at any meeting shall be determined by a majority of votes of the **persons** present and voting.
- (6) In the case of an equality of votes, the chair of that meeting will have a second or casting vote.

#### 10.5A. Audit committee

- (1) The **board** must establish an audit committee.
- (2) The audit committee must have a membership consistent with, and must operate in accordance with, the **Prudential Standards**.
- (3) The functions and responsibilities of the audit committee are:
  - (a) those functions and responsibilities set out in the **Prudential Standards**; and
  - (b) such other functions and responsibilities, not inconsistent with the **Prudential Standards**, as determined by the **board**.
- (4) The **board** must adopt an audit committee charter in accordance with the **Prudential Standards**.

#### 10.6. Circulating Resolutions

- (1) The **directors** may pass a resolution without a **board** meeting being held if the chair and all other **directors** entitled to receive notice of a **board** meeting and to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.
- (2) Two or more separate documents in identical terms, each of which is signed by one or more **directors**, are treated as one document. A facsimile or electronic message containing the text of the document expressed to have been approved by a **director** that is sent to the **company** is taken to be a document signed by that **director** at the time of its receipt by the **company**.
- (3) The resolution is passed when the last **director** signs.

#### 10.7 Valid proceedings

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

- (a) there was a defect in the appointment of the **person**; or
- (b) the **person** was disqualified from continuing in office, voting on the resolution or doing the thing.

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## Division 11 Director's Conflict of Interest

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Corporations Act 2001 Commentary

Part 2D.1 and Chapter 2E deal with conflicts of interest and financial benefits to related parties.

### 11.1. Where a Director Acts in Matters Relating to Director's Interests

- (1) This rule applies if:
  - (a) a **director** has an interest or duty in relation to a matter that is not a material personal interest; or
  - (b) if a **director** with a material personal interest in relation to the **company's** affairs:
    - (i) complies with the requirements of section 191 of the **Act** in relation to disclosure of the nature and extent of the interest and its relation to the **company's** affairs before acting in a matter that relates to the interest; and
    - (ii) may be present and vote on the matter under section 195(2) or section 195(3) of the **Act**.
- (2) The **director** may be counted in a quorum at a **board** meeting that considers the matter in which that **director** has an interest, and the **director** may be present and vote on the matter that relates to the **director's** interest.
- (3) In relation to any transactions that relate to the **director's** interest:
  - (a) the **company** may proceed with any transaction that relates to the interest and the **director** may participate in the execution of any relevant document by or on behalf of the **company**;
  - (b) the **company** cannot avoid the transactions merely because of the **director's** interest; and
  - (c) the **director** may retain benefits under the transactions despite the **director's** interest.

### 11.2. Where a Director Does Not Act in Matters Relating to Director's Interests

- (1) This rule applies if a **director** with a material personal interest in relation to a matter:
  - (a) complies with the requirements of section 191 of the **Act** in relation to disclosure of the nature and extent of the interest and its relation to the **company's** affairs; but
  - (b) must not be present and vote on the matter under section 195(1) of the **Act**.

Corporations Act 2001 Commentary

Section 195 provides that a *director* of a *company* who has a material personal interest in the matter that a *board* meeting is considering must not:

- be present while the matter is being considered at the *board* meeting; or
- vote on the matter,

unless:

- the other *directors* approve the *director* being present: see s 195(2);
- *ASIC* approves the *director* being present: see s 195(3); or
- the interest does not have to be disclosed: see s 191.

- (2) The *board* may vote on matters that relate to the *director's* interest in the *director's* absence.
- (3) In relation to any transactions that relate to the *director's* interest:
  - (a) the *company* may proceed with any transaction that relates to the interest and the *director* may participate in the execution of any relevant document by or on behalf of the *company*;
  - (b) the *company* cannot avoid the transactions merely because of the *director's* interest; and
  - (c) the *director* may retain benefits under the transactions despite the *director's* interest.



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## Division 12 Indemnity

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### 12.1. Indemnities for Officers and Former Officers

**Corporations Act 2001 Commentary**

Section 199A restricts the *company* from giving an indemnity to *persons* who are, or have been, officers or auditors against certain liabilities they incur while acting in that position. Those liabilities include:

- liability (other than for legal costs) owed to the *company* or a related body corporate;
- liability for pecuniary penalty orders under s 1317G or compensation orders under s 1317H or s 1317HA;
- liability (other than for legal costs) owed to someone other than the *company* or a related body corporate and arising out of conduct involving a lack of good faith;
- liability for legal costs or expenses that the officer incurs:
  - in defending proceedings where the *person* is found to have a liability (for which they could not be indemnified on the grounds described above);
  - in defending criminal proceedings where the *person* is found guilty;
  - in defending proceedings brought by ASIC or a liquidator for a court order if the grounds for the court order are established;
  - in connection with proceedings for relief under the *Act* where the court denies relief.

Section 199B restricts the *company* from paying or agreeing to pay for insurance for a *person* who is or has been an officer or auditor of the *company* against liability (other than for legal costs) arising out of conduct involving a wilful breach of duty or a contravention of their duty not to misuse their position or information.

- (1) In this rule *indemnified person* means an officer or former officer of the *company*.
- (2) To the extent that the *Act*, the *Competition and Consumer Act 2010* (Cth) and any other applicable law permits:
  - (a) the *company* must indemnify (to the extent the *person* is not otherwise indemnified) an *indemnified person* against any liability that the *indemnified person* incurs as an officer of the *company* including, without limitation, legal costs and expenses incurred in participating or being involved in or in defending legal proceedings, including an inquiry, royal commission or other regulatory investigation;
  - (b) the *company* may indemnify, agree to indemnify or enter into (and pay premiums on) a contract of insurance in relation to liability incurred by an *indemnified person* as an officer of the *company*; and
  - (c) the *company* may indemnify, agree to indemnify or enter into (and pay premiums on) a contract of insurance in relation to any other *person*.

- (3) The indemnity in sub-rule 2(a):
  - (a) applies in relation to an *indemnified person* for all incidents occurring during the period that *person* is an officer of the *company*, even though a claim is made against the *indemnified person* after they have ceased to be an officer of the *company*; and
  - (b) covers costs and expenses in defending proceedings, whether civil or criminal, in which judgment is given in favour of the *indemnified person* or in which the *indemnified person* is acquitted.
- (4) The indemnity in sub-rule 2(a) does not cover any liability that arises out of conduct which is wilful breach of duty or neglect or a lack of good faith.

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## Division 13 SECRETARY

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### 13.1. Secretary

The *board*:

- (a) must appoint at least one individual; and
- (b) may appoint more than one individual,

to be a *secretary* either for a specified term or without specifying a term.

**Corporations Act 2001 Commentary**

Under s 204A (2), the *company* must have at least 1 *secretary* and at least 1 *secretary* must reside in Australia.

Section 204B (1) provides that only individuals (not bodies corporate) who are at least 18 may be secretaries.

Section 204B (2) provides that a *person* who has been disqualified from managing corporations under Part 2D.6 may only be appointed a *secretary* if the appointment is made with ASIC's permission under s 206F or the Court's leave under s 206G.

Subject to rule 13.2 the *board* may determine the *secretary's* terms of appointment, powers and duties. At any time, the *board* may vary or revoke a determination, or an appointment, whatever the terms of the appointment and whether or not the appointment was expressed to be for a specified term.

### 13.2. Resignation of Secretary

- (1) A *secretary* may resign by giving the *company* notice of the *secretary's* resignation.
- (2) The *secretary's* office becomes vacant:
  - (a) if the notice of resignation specifies a date of resignation — on the date of resignation; or
  - (b) otherwise — on the date the *company* receives the notice of resignation.

### 13.3. Cessation of secretary's appointment

The *person* automatically ceases to be eligible to be a *secretary*, and, if already appointed, automatically ceases to be a *secretary* if the *person*:

- (a) is not permitted by the **Act** (or an order made under the **Act**) to be a secretary of a company;
- (b) becomes disqualified from managing corporations under Part 2D.6 and is not given permission or leave to manage the *company* under section 206F or 206G of the **Act**;
- (c) is determined to be a disqualified *person* under the **Private Health Insurance Act**;

- (d) becomes of unsound mind or mentally incapable of performing the functions of that office; or
- (e) is removed from office under rule 13.4.

#### 13.4. Removal from Office

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

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## Division 14 ADMINISTRATION

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### 14.1 Minutes must be kept

The *board* must cause minutes of:

- (a) proceedings and resolutions of *general meetings*;
- (b) the names of *directors* present at each *board* meeting or committee meeting;
- (c) proceedings and resolutions of *board* meetings (including meetings of a committee to which *board* powers are delegated);
- (d) resolutions passed by *directors* without a meeting; and
- (e) disclosures and notices of *directors'* interests,

to be kept in accordance with sections 191, 192 and 251A of the *Act*.

### 14.2 Minutes as evidence

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

### 14.3 Inspection of minute books

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

### 14.4 Company must keep financial records

The *board* must cause the *company* to keep written financial records that:

- (a) correctly record and explain its transactions (including transactions undertaken as trustee) and financial position and performance; and
- (b) would enable true and fair financial statements to be prepared and audited,

and must allow a *director* and the auditor to inspect those records at all reasonable times.

### 14.5 Financial reporting

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

#### 14.6 Audit

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

#### 14.7 Conclusive reports

Audited financial reports laid before the **company** in **general meetings** are conclusive except as regards errors notified to the **company** within three months after the relevant **general meeting**. If the **company** receives notice of an error within that period, it must immediately correct the report and the report as corrected is then conclusive.

#### 14.8 Inspection of financial records and books

Subject to rule 14.3 and section 247A of the **Act**, a **member** who is not a **director** does not have any right to inspect any document of the **company** except as authorised by the **board** or by **ordinary resolution**.

#### 14.9 Register of Members

The **company** must set up and maintain the **Register of Members**. In accordance with section 169 of the **Act**, the **Register of Members** must contain the following information:

- (a) the name and address of each **member**;
- (b) the date on which the entry of the **member's** name in the **Register of Members** is made;
- (c) the name and details of each **person** who stopped being a **member** within the last seven years;
- (d) the date on which the **person** stopped being a **member**; and
- (e) an index of **members'** names if the **Register of Members** itself is not kept in a form that operates effectively as an index.