# ASX RELEASE

BOQ GROUP
100 Skyring Terrace
Newstead QLD 4006

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## AMENDED CONSTITUTION

**Tuesday, 8 December 2020, Brisbane:** Amendments to the Bank of Queensland Limited Constitution were approved at today's Annual General Meeting.

In accordance with ASX Listing Rule 15.4.2, the amended Constitution is attached.

**ENDS**

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BOQ GROUP

Bank of Queensland Limited
ACN 009 656 740

# Constitution of Bank of Queensland Limited

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As amended at the 8 December 2020 Annual General Meeting

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**Bank of Queensland Limited, ACN 009 656 740**

**Constitution**

# Preliminary

## 1 Definitions Constitution

In this Constitution:

**Applicable Law** means the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules.

**APRA** means the Australian Prudential Regulation Authority.

**ASX** means ASX Limited ACN 008 624 691.

**Attending Shareholder** means, in relation to a meeting of Shareholders, the Shareholder present at the place of the meeting, in person or by proxy, by attorney or, where the Shareholder is a body corporate, by Corporate Representative.

**Board** means the Directors of the Company from time to time.

**Business Day** has the meaning given in the Listing Rules if the Company is included in the official list of ASX at the time, and otherwise means a day except a Saturday, Sunday or public holiday in the state or territory in which the Company is taken to be registered for the purposes of the Corporations Act.

**Corporate Representative** means a person authorised in accordance with the Corporations Act (or a corresponding previous law) by a Shareholder which is a body corporate to act as its representative at a meeting of Shareholders.

**Corporations Act** means the Corporations Act 2001 (Commonwealth) (as amended from time to time).

**CSF Operator** means ASX Settlement Pty Limited ACN 008 504 532 or its successor as the operator of the clearing and settlement facility for the financial market operated by ASX.

**Direct Vote** means a vote by a Shareholder on a resolution delivered to the Company by a method approved by the Board and in accordance with this Constitution and any rules made by the Board under Article 38(b).

**Direct Voting Shareholder** means, in relation to a meeting of Shareholders (including a meeting of a class of Shareholders), a Shareholder who has the right to cast a Direct Vote on at least one item of business to be considered at the meeting.

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

**Executive Director** means a Director who is an employee (whether full-time or part-time) of the Company or of any related body corporate of the Company.

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

**Jointly Held** means, in relation to a Share, a Share which the Register records 2 or more persons as the holders of that Share.

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**Legal Costs** of a person means legal costs calculated on a solicitor-and-client basis incurred by that person in defending or resisting any proceedings (whether criminal, civil, administrative or judicial), appearing before or responding to actions taken by any court, tribunal, government authority or agency, other body or commission, a liquidator, an administrator, a trustee in bankruptcy or other authorised official, where that proceeding, appearance or response relates to a Liability of that person.

**Liability** of a person means any liability including negligence (except a liability for legal costs) incurred by that person in or arising out of the discharge of duties as an officer of the Company or in or arising out of the conduct of the business of the Company, including as result of appointment or nomination by the Company or a subsidiary as a trustee or as a director, officer or employee of another body corporate.

**Listing Rules** means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX.

**Non-Executive Directors** means all Directors other than Executive Directors.

**Notice** means a notice given pursuant to, or for the purposes of, this Constitution or the Applicable Law and any other communications or documentation given by the Company to Shareholders in their capacity as Shareholders.

**PEPS Terms** means the terms of issues of Perpetual Equity Preference Shares in the form approved by special resolution on 6 December 2007, as amended from time to time including under clause 15 of those terms.

**Personal Representative** means the legal personal representative, executor or administrator of the estate of a deceased person.

**Register** means the register of Shareholders kept pursuant to the Applicable Law and, where appropriate, includes any subregister and branch register.

**Relevant Officer** means a person who is, or has been, a Director or Secretary, or any other officer (as that term is defined in the Corporations Act) of the Company determined by the Directors from time to time.

**Restricted Securities** has the meaning given in the Listing Rules and includes Shares defined as such in any Restriction Agreement.

**Restriction Agreement** means a restriction agreement in a form set out in the Listing Rules or otherwise approved by ASX and includes any agreement which the Company and any Shareholder agrees is a restriction agreement.

**Secretary** means a person appointed as, or to perform the duties of, secretary of the Company for the time being.

**Settlement Rules** means the operating rules of the clearing and settlement facility for the financial market operated by ASX regulating the settlement, clearing and registration of uncertificated Shares or other securities as amended, varied or waived (whether in respect of the Company or generally) from time to time.

**Share** means a share in the capital of the Company.

**Shareholder** means:

(a) in respect of a meeting of holders of Shares or a meeting of holders of a class of Shares, a person whose name is entered in the Register as the holder of a Share or a Share of that class

(as the case may be) at the time specified in the notice of that meeting (or if no time is specified, at the time appointed for that meeting to commence); and

(b) otherwise, a person whose name is entered in the Register as the holder of a Share,

and **registered holder** has a corresponding meaning.

**Standard** means any prudential standard under the Banking Act 1959 (Cth) or guideline issued by APRA from time to time and which applies to the Company.

**Transmission Event** means:

(a) if a Shareholder is an individual, the death or bankruptcy of that Shareholder or that Shareholder becoming of unsound mind or becoming a person whose property is liable to be dealt with pursuant to a law about mental health; or

(b) if a Shareholder is a body corporate, the deregistration of that Shareholder pursuant to the laws of the jurisdiction of its registration or the succession by another body corporate to the assets and liabilities of the Shareholder.

**Uncertificated Securities Holding** means Shares or other securities that under the Corporations Act, the Listing Rules or any Uncertificated Transfer System may be held in uncertificated form.

**Uncertificated Transfer System** means any system operated under the Corporations Act, the Listing Rules or the Settlement Rules that regulates the transfer of registration of, or the settlement transactions affecting, Shares or other securities in uncertificated form and includes CHESS (as defined in the operating rules of ASX Settlement Pty Ltd) as it applies to Shares or other securities in certificated and uncertificated form.

## 2 Interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the context indicates a contrary intention, in this Constitution:

(a) a word importing the singular includes the plural (and vice versa);

(b) a word indicating a gender includes every other gender;

(c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

(d) the word "includes" in any form is not a word of limitation;

(e) a reference to a partly paid Share is a reference to a Share on which there is an amount unpaid;

(f) a reference to a call or an amount called in respect of a Share includes an amount that, by the terms of issue of a Share or otherwise, is payable at one or more fixed times;

(g) a reference to something being "written" or "in writing" includes that thing being represented or reproduced in any mode in a visible form;

(h) a notice or document required by this Constitution to be signed or executed may be authenticated by any other manner permitted by the Corporations Act or any other law; and

(i) a reference to a statute includes its delegated legislation and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements.

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## 3 Application of Applicable Law

(a) Unless the context indicates a contrary intention, in this Constitution:

(i) a reference to the Applicable Law is to the Applicable Law in force in relation to the Company after taking into account any waiver, determination, modification or exemption which is in force either generally or in relation to the Company;

(ii) a word or phrase given a meaning in the Applicable Law has the same meaning in this Constitution where it relates to the same matters as the matters for which it is defined in the Applicable Law, unless that word or phrase is otherwise defined in this Constitution; and

(iii) a reference to the Listing Rules or the ASX Settlement Rules includes any amendment or replacement of those rules from time to time.

(b) The replaceable rules in the Corporations Act do not apply to the Company.

(c) In this Constitution, a reference to the Listing Rules, the ASX Settlement Rules or ASX only applies while the Company is included in the official list of ASX.

(d) In this Constitution, a reference to a Standard or an APRA Prudential Standard only applies while the Company is subject to such regulation by APRA.

(e) If the Company is included in the official list of ASX, then:

(i) notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act must not be done;

(ii) nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done;

(iii) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

(iv) if the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is taken to contain that provision;

(v) if the Listing Rules require this Constitution not to contain a provision and it contains that provision, this Constitution is taken not to contain that provision; and

(vi) if any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is taken not to contain that provision to the extent of the inconsistency.

## 4 Enforcement

(a) Each Shareholder submits to the non-exclusive jurisdiction of the courts of Queensland, the Federal Court of Australia and the courts competent to determine appeals from those courts with respect to any proceedings that may be brought at any time relating to this Constitution.

(b) If at any time any provision of this Constitution is or becomes illegal, invalid or unenforceable in any respect pursuant to the law of any jurisdiction, then that does not affect or impair:

(i) the legality, validity or enforceability in that jurisdiction of any other provision of this Constitution; or

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(ii) the legality, validity or enforceability pursuant to the law of any other jurisdiction of that or any other provision of this Constitution.

## Capital

## 5 Issue of securities

(a) Subject to the Applicable Law and any rights and restrictions attached to a class of Shares or other securities, the Company may by or pursuant to a resolution of the Board issue or dispose of Shares, options to acquire Shares, and other securities with rights of conversion to Shares on any terms, to any person, at any time and for any consideration, as the Board resolves.

(b) The Company may issue preference Shares (including those which may be, or at the option of either or both the Company and the holder are, liable to be redeemed) and may convert any issued Shares into preference Shares, with the rights and on the terms set out in Article 6, with rights which are approved in accordance with the Applicable Law or with the rights and on terms as set out in the PEPS Terms or in Schedule 1 or in Schedule 2.

## 6 Preference Shares Rights

If the Company at any time proposes to issue any preference Shares with the terms set out in this Article 6, subject to and in accordance with the Applicable Law, each preference Share confers on the holder:

(a) the right to convert the preference Share into an ordinary Share if and on the basis the Board resolves under the terms of issue;

(b) the right to receive a dividend at the rate or of the amount (which may be fixed or variable and may specify circumstances in which the dividend is determined by reference to the dividend payable on ordinary shares) and on the conditions (including conditions which may be changed or reset at certain times or upon certain events) that the Board resolves under the terms of issue unless, and to extent that, the Board resolves under the terms of issue that there is no right to receive a dividend, and any such dividend:

(i) is non-cumulative unless, and to the extent that, the Board resolves otherwise under the terms of issue;

(ii) will rank for payment in priority to ordinary Shares unless, and to the extent that, the Board resolves otherwise under the terms of issue; and

(iii) will rank for payment in relation to Shares in any other class of Shares as the Board resolves under the terms of issue;

(c) in addition to the rights (if any) to receive a dividend, the right to participate equally with the ordinary Shares in the distribution of profits (or other amounts) available for dividends if and on the basis the Board resolves under the terms of issue;

(d) if, and to the extent that any dividend on the preference Share is cumulative, the right in a winding up or on a reduction of capital, and on redemption in the case of a redeemable preference Share, to payment of the amount of any dividends accrued but unpaid on the preference Share at the date of winding up or reduction of capital or, in the case of a redeemable preference share, the date of redemption, with the same priority in relation to each other class of Shares as the priority that applies in relation to the payment of the dividend;

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(e) if, and to the extent that any dividend on the preference Share is non-cumulative, and if, and to the extent that, the Board resolves under the terms of issue, the right in a winding up or on a reduction of capital, and on redemption in the case of a redeemable preference Share, to payment of the amount of any dividends accrued but unpaid on the preference Share for the period commencing on the dividend payment date which has then most recently occurred and ending on the date of winding up or reduction of capital or, in the case of a redeemable preference share, the date of redemption, with the same priority in relation to each other class of Shares as the priority that applies in relation to the payment of the dividend;

(f) the right in a winding up or on a reduction of capital, and on redemption in the case of a redeemable preference Share, to payment of any amount (which may include the amount paid or agreed to be considered as paid on the preference Share or an amount that is a lesser amount than the amount subscribed or paid for the preference Share or that is determined by reference to the amount payable on ordinary Shares on a winding up at a particular time) that the Board resolves at the time of issue, and payment of such amount:

(i) will rank for payment in priority to ordinary Shares unless, and to the extent that, the Board resolves otherwise under the terms of issue; and

(ii) will rank for payment in relation to any other class of Shares as the Board resolves under the terms of issue;

(g) the right to a bonus issue or capitalisation of profits in favour of preference Shareholders only, if and to the extent the Board resolves under the terms of issue;

(h) in addition to the rights pursuant to Articles 6(b), 6(c), 6(d), 6(e), 6(f) and 6(g), the right to participate with the ordinary Shares in profits and assets of the Company, including on a winding up, and the right to a return of capital on a winding up, if and to the extent that the Board resolves under the terms of issue;

(i) the right to receive notices, reports and accounts and to attend, participate in, and be heard at, all meetings of Shareholders on the same basis as the holders of ordinary Shares;

(j) no right to vote at meetings of Shareholders except on the questions, proposals or resolutions or during the periods of time or in the circumstances that the Board resolves under the terms of issue, which, unless the Board resolves otherwise under the terms of issue, are:

(i) on any matter considered at a meeting if, at the date of the meeting, the dividend on the preference Shares is in arrears;

(ii) on a proposal to reduce the share capital of the Company;

(iii) on a resolution to approve the terms of a buy-back agreement;

(iv) on a proposal that affects rights attached to the preference Shares;

(v) on a proposal to wind up the Company;

(vi) on a proposal for the disposal of the whole of the property, business and undertaking of the Company; and

(vii) on any matter considered at a meeting held during the winding up of the Company; and

(k) if voting on any matter in respect of which the holder is entitled to vote is by poll the right to cast the number of votes specified in, or determined in accordance with, the terms of issue for the preference Share.

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In the case of a redeemable preference Share, the Company must if required by the terms of issue for that Share but subject to the Corporations Act, at the time and place for redemption specified in, or determined in accordance with, those terms of issue, redeem that Share and, subject to the giving or receiving of a valid redemption notice or other document (if any) required by those terms of issue, pay to or at the direction of the registered holder the amount payable on redemption of that Share.

## 7 Class rights

(a) Subject to the Corporations Act and the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class:

(i) by a special resolution passed at a meeting of the Shareholders holding Shares in that class; or

(ii) with the written consent of Shareholders who are entitled to at least 75% of the votes that may be cast in respect of Shares in that class.

(b) Article 46 applies to a meeting held pursuant to Article 7(a)(i).

(c) The issue of any new Shares ranking equally, or any conversion of existing securities to Shares ranking equally, with existing Shares is not a variation of the rights conferred on the holders of the existing Shares, unless otherwise provided by the terms of issue of the existing Shares or required by the Applicable Law.

(d) The issue of any new Shares ranking in priority, or any conversion of existing securities to Shares ranking in priority, to an existing class of preference Shares is a variation of the rights conferred on the holders of the existing preference Shares, unless the issue or conversion is expressly permitted by the terms of the existing preference Shares.

## 8 Alterations of capital

(a) The Company may by resolution convert Shares from one class to another, subject to the Corporations Act, this Constitution and the terms of issue of a class of Shares.

(b) The Company may reduce, alter or buy-back its share capital in any manner provided by the Applicable Law. The Board may do anything which is required to give effect to any resolution authorising a reduction, alteration or buy-back of the share capital of the Company, including where a Shareholder becomes entitled to a fraction of a Share on a consolidation or subdivision:

(i) making cash payments;

(ii) ignoring fractions;

(iii) appointing a trustee to deal with any fractions on behalf of Shareholders; and

(iv) rounding up each fractional entitlement to the nearest whole Share by capitalising any amount available for capitalisation pursuant to Article 68 even though only some Shareholders participate in the capitalisation.

## 9 Registered holder

(a) Except as required by law, the Settlement Rules or this Constitution, the Company is not required to recognise any interest in, or right in respect of, a Share except an absolute right of legal ownership of the Shareholder registered as the holder of that Share, regardless of whether the Company has notice of the interest or right.

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(b) The Company is not bound to register more than 3 persons as the registered holder of a Share.

(c) If the Company registers two or more persons as the registered holders of a Share, those persons are taken to hold that Share as joint tenants.

## 10 Certificates and statements

(a) Subject to the Applicable Law, the Company need not issue certificates for Shares.

(b) Subject to the Applicable Law, the Company may issue certificates for Shares, cancel any certificates for Shares, and replace lost or destroyed or defaced certificates for Shares, on the basis and in the form which the Board resolves.

(c) If the Company determines to issue certificates for Shares, only the Shareholder whose name appears first in the Register in respect of a Jointly Held Share is entitled to a certificate in respect of that Share and delivery of the certificate to that person is taken to be delivery to all holders of that Share.

(d) The Company must issue to a Shareholder any statements of the holdings of Shares registered in the Shareholder's name as required by the Applicable Law.

# Calls

## 11 Making of calls

(a) Subject to the Applicable Law and the terms of issue of a Share, the Company may by resolution of the Board make calls on the registered holders of a Share for any amount unpaid on that Share which is not by the terms of issue of that Share made payable at fixed times, on any terms and at any times as the Board resolves, including payment by instalments.

(b) The Company may when it issues Shares make calls payable for one or more Shareholders for different amounts and at different times as the Board resolves.

(c) Subject to the Listing Rules, the Company may by resolution of the Board revoke or postpone a call or extend the time for payment of a call, at any time prior to the date on which payment of that call is due.

(d) A call is made at the time of or as specified in the resolution of the Board authorising the call.

## 12 Notice of calls

(a) The Company must give notice of a call to the Shareholder upon whom the call is made at least 10 Business Days (or any other period of notice required by the Listing Rules or required by any terms of issue of the relevant Shares) before the due date for payment. The notice must specify the amount of the call, the time or times and place of payment and any other information as the Board resolves and the Listing Rules require.

(b) The non-receipt of a notice of a call by, or the accidental omission to give notice of a call to, any Shareholder does not invalidate the call.

## 13 Payment of calls

(a) Each Shareholder must pay to the Company the amount of each call in the manner, at the time and at the place specified in the notice of the call.

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(b) The registered holders of a Jointly Held Share are jointly and severally liable in respect of all payments which are required to be made in respect of that Share.

(c) If the terms of issue of a Share require an amount to be paid in respect of a Share on the date of issue or any other fixed date, the Shareholder of that Share must pay that amount to the Company at that time and that amount is treated for the purposes of this Constitution as if a call for that amount had been properly made by the Board of which appropriate notice has been given.

(d) In a proceeding to recover a call, or an amount payable due to the failure to pay or late payment of a call, proof that:

(i) the name of the person is entered in the Register as a registered holder of the Share on which the call was made;

(ii) there is a record in the minute books of the Company of the resolution making the call or the fixed amount payable by the terms of issue of the relevant Shares; and

(iii) notice of the call was given or taken to be given to the person in accordance with this Constitution,

is conclusive evidence of the obligation of that person to pay the call.

## 14 Prepayment of calls

The Company may by resolution of the Board:

(a) accept from a Shareholder the whole or part of the amount unpaid on a Share even if no part of that amount has been called;

(b) agree to pay interest on the whole or any part of the amount so accepted, from the date of acceptance to the date on which the amount becomes payable, at any rate agreed between the Board and the Shareholder paying the amount; and

(c) unless otherwise agreed between the Company and the Shareholder, repay the whole or any part of the amount so accepted at any time.

## 15 Interest payable

(a) If an amount called or otherwise payable to the Company in respect of a Share is not paid before or on the time for payment, the person who owes the amount must pay to the Company:

(i) interest on the unpaid part of the amount from the date payment is due to the date of payment at the rate that the Board resolves; and

(ii) all costs and expenses that the Company incurs due to the failure to pay or the late payment.

(b) Interest pursuant to Article 15(a) accrues daily and may be capitalised at any interval that the Board resolves.

(c) The Company may by resolution of the Board waive payment of some or all of the interest, costs or expenses payable pursuant to Article 15(a).

## Forfeiture and liens

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## 16 Forfeiture procedure

Subject to the Applicable Law, the Company may by a resolution of the Board forfeit a Share of a Shareholder if:

(a) that Shareholder does not pay a call or other amount payable in respect of that Share on or before the date for its payment;

(b) the Company gives that Shareholder notice in writing:

(i) requiring the Shareholder to pay that call or other amount, any interest on it and all costs and expenses that the Company has incurred due to the failure to pay; and

(ii) stating that the Share is liable to be forfeited if that Shareholder does not pay to the Company, at the place specified in the notice, the amount specified in the notice, within 10 Business Days (or any longer period specified) after the date of the notice; and

(c) that Shareholder does not pay that amount in accordance with that notice.

## 17 Effect of forfeiture

(a) A person whose Shares have been forfeited:

(i) ceases to be a Shareholder in respect of the forfeited Shares;

(ii) has no claims or demands against the Company in respect of those Shares;

(iii) has no other rights or entitlements in respect of those Shares, except the rights that are provided by the Corporations Act or saved by this Constitution;

(iv) remains liable to pay, and must immediately pay, to the Company all amounts that at the date of forfeiture were payable by the person to the Company in respect of those Shares; and

(v) must pay to the Company interest at the rate that the Board resolves on those amounts from the date of forfeiture until and including the date of payment of those amounts.

(b) When a Share has been forfeited, the Company must give notice in writing of the forfeiture to the Shareholder registered as its holder before the forfeiture and record the forfeiture with the date of forfeiture in the Register. Failure by the Company to comply with any requirement in this Article does not invalidate the forfeiture.

(c) A statement in writing from the Company that is signed by a Director or Secretary that a Share was forfeited on a specified date is sufficient evidence of the forfeiture of that Share and the right and title of the Company to sell, dispose of or reissue that Share.

(d) Subject to the Applicable Law, the Company may by resolution of the Board waive any or all of its rights pursuant to Article 16 or this Article 17 on any terms that the Board resolves, and at any time before a sale, disposition, reissue or cancellation of a forfeited Share, cancel the forfeiture on any terms as the Board resolves.

## 18 Liens on Shares

(a) Unless the terms of issue of a Share provide otherwise, the Company has a first ranking lien on a Share, the proceeds of sale of that Share, and all dividends and entitlements determined in respect of that Share, for:

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(i) any amount due and unpaid in respect of that Share which has been called or is payable on a fixed date;

(ii) any amount which remains outstanding under loans made by the Company to acquire that Share under an employee incentive scheme, to the extent permitted by the Corporations Act;

(iii) all amounts that the Company is required by law to pay, and has paid, in respect of that Share; and

(iv) all interest and expenses due and payable to the Company in respect of the unpaid amounts, to the extent permitted by the Listing Rules.

(b) The Company may by resolution of the Board waive any or all of its rights pursuant to Article 18(a) on any terms that the Board resolves.

(c) The Company's lien on a Share is released if a transfer of that Share is registered by the Company without the Company giving written notice of the lien to the transferee of that Share.

## 19 Company payments

(a) A Shareholder or the Personal Representative of a deceased Shareholder must pay to the Company on written demand an amount equal to all payments that the Company makes to a government or taxation authority in respect of the Shareholder, the death of the Shareholder, the Shareholder's Shares or any distributions made in respect of the Shareholder's Shares (including dividends), where the Company is either:

(i) obliged by law to make the relevant payment; or

(ii) advised by a lawyer qualified to practice in the jurisdiction of the relevant government or taxation authority that the Company is obliged by law to make the relevant payment.

(b) The Company is not obliged to notify a Shareholder in advance of its intention to make a payment pursuant to Article 19(a).

(c) An amount payable by a Shareholder to the Company pursuant to Article 19(a) is treated for the purposes of this Constitution as if it is a call properly made by the Board of which notice has been given on the date on which the written demand is given by the Company to the Shareholder or the Personal Representative of a deceased Shareholder.

(d) Subject to the Applicable Law, the Company may refuse to register a transfer of any Share by a Shareholder or that Shareholder's Personal Representative until all amounts paid or payable by the Company in respect of that Share pursuant to any law has been paid to the Company by the Shareholder or the Shareholder's Personal Representative.

(e) Nothing in this Article 19 affects any right or remedy which any law confers on the Company.

## 20 Dealing with Shares

(a) Subject to the Applicable Law, the Company may sell, otherwise dispose of or reissue, a Share which has been forfeited to any person on any terms and in any manner as the Board resolves.

(b) Subject to the Applicable Law, the Company may cancel a Share which has been forfeited pursuant to the terms on which the Share is on issue.



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(c) For the purposes of enforcing a lien, the Company may sell the Shares which are subject to the lien in any manner the Board resolves and, subject to the Applicable Law, with or without giving any notice to the Shareholder of those Shares.

(d) The Company may do anything necessary or desirable pursuant to the Applicable Law to protect or enforce a lien or other interest in Shares to which the Company is entitled by law or pursuant to this Constitution.

(e) Nothing in this Article 20 affects any right or remedy which any law confers on the Company.

## 21 Proceeds of sale

(a) The Company must apply the proceeds of any sale of any Shares pursuant to Article 20(a), or 20(c) in the following order:

(i) the expenses of the sale;

(ii) the amounts due and unpaid in respect of those Shares; and

(iii) subject to the terms of issue of the Shares and any lien pursuant to Article 18 for an amount unpaid in respect of the Shares, the balance (if any) to or at the direction of the person entitled to the Shares immediately prior to the sale, on delivery by that person of any evidence of ownership of, or entitlement to, those Shares as the Board requires.

(b) The Company is not required to pay interest on any amount payable pursuant to Article 21(a)(iii).

## 22 Sale procedure

(a) The Company may:

(i) effect a transfer of Shares sold pursuant to Article 20; and

(ii) receive the consideration (if any) given for Shares sold pursuant to Article 20.

(b) The validity of the sale of Shares pursuant to Article 20 may not be called into question by any person after the transfer has been registered, and the buyer of the Shares need not enquire as to the validity of the sale or the application of the sale proceeds by the Company.

(c) The title of the buyer of Shares sold pursuant to Article 20 is not affected by any irregularity or invalidity in connection with the sale.

(d) The sole remedy (if any) of any person aggrieved by a sale of Shares pursuant to Article 20 is in damages only and against the Company exclusively.

(e) A certificate in writing from the Company signed by a Director or Secretary that a Share was sold, disposed of or reissued in accordance with Article 20 is conclusive evidence of those matters.

# Transfer of Shares

## 23 Electronic Transfer Systems

(a) The Company may do any act, matter or thing permitted pursuant to the Applicable Law to facilitate involvement by the Company in any clearing and settlement facility provided pursuant to the Applicable Law for the transfer of financial products.

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(b) The Company must comply with the obligations imposed on it by the Settlement Rules in relation to a transfer of Shares.

(c) Notwithstanding any other provision in this Constitution, if and for so long as dealings in Shares or other securities take place under an Uncertificated Transfer System:

(i) the Company need not issue any certificate in respect of Shares or other securities held as an Uncertificated Securities Holding; and

(ii) the Register may distinguish between Shares or other securities held in certificated form and Shares or other securities held as an Uncertificated Securities Holding.

## 24 Transfers

(a) Subject to this Constitution and any restrictions attached to a Share, a Shareholder may transfer one or more Shares that Shareholder holds by:

(i) any method provided by the Operating Rules of an applicable clearance and settlement facility;

(ii) a proper ASTC transfer (as defined in the Corporations Regulations, 2001 (Commonwealth));

(iii) a written instrument of transfer in any usual form or in any other form approved by the Board that is otherwise permitted by law; or

(iv) any other method that is required or permitted by the Applicable Law and is approved by the Board.

(b) An instrument of transfer of a Share referred to in Article 24(a)(iii) must be:

(i) executed by or on behalf of the transferor and the transferee, unless the Corporations Act provides otherwise or the Board has resolved that the execution of the transferee is not required;

(ii) duly stamped, if required by law;

(iii) delivered to the Company, at the place where the Register is kept, together with the certificate (if any) of the Share to be transferred and any other evidence as the Board may require to prove the title of the transferor to that Share, the right of the transferor to transfer that Share, and the proper execution of the instrument of transfer; and

(iv) accompanied by payment of any applicable fee which the Company is entitled to charge pursuant to Article 24(e).

(c) A Shareholder must not dispose of Restricted Securities during the escrow period for those securities, except as permitted by the Restriction Agreement, the Listing Rules or ASX.

(d) A person transferring a Share remains the registered holder of that Share until a transfer for that Share has been effected in accordance with the Settlement Rules, or a transfer for that Share has been registered and the transferee is entered in the Register as the holder of that Share.

(e) The Company must not charge a fee to register all registrable transfer forms, split certificates, renunciations and transfers, or to issue certificates and transmission receipts, or to mark or note transfer forms, each in accordance with this Constitution except as permitted by the Applicable Law.

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## 25 Refusal to register transfers

(a) The Company must not refuse or fail to register a transfer of Shares, except where required by the Applicable Law or permitted pursuant to Article 19(d), 24(b) or 25.

(b) The Company may refuse to register a transfer of Shares where the Applicable Law permits the Company to do so.

(c) If permitted by the Applicable Law, the Company may refuse to register an instrument of transfer of Shares where:

(i) the transfer is not in registrable form;

(ii) the Company has a lien on any of the Shares transferred;

(iii) the registration of the transfer may breach an Australian law or a court order;

(iv) the registration of the transfer will create a new holding of Shares which at the time the transfer is lodged is less than a marketable parcel;

(v) the transfer does not comply with the terms of an employee incentive scheme; or

(vi) the Company is otherwise permitted or required to do so pursuant to the terms of issue of the Shares.

(d) The Company must refuse to register a transfer of Shares where the Applicable Law or a law about stamp duty requires the Company to do so or this Constitution otherwise requires.

(e) The Company must:

(i) request any applicable CSF Operator to apply a holding lock to prevent a transfer of Shares from being registered on the clearing and settlement facility's sub-register; or

(ii) refuse to register any transfer of Shares to which paragraph (i) does not apply,

if:

(iii) any Applicable Law requires the Company to do so; or

(iv) the transfer is in breach of Applicable Law or a Restriction Agreement.

(f) Restricted Securities cannot be disposed of during the escrow period for those securities except as permitted by the Listing Rules or the ASX.

(g) The Company must refuse to acknowledge a disposal (including registering a transfer) of Restricted Securities during the escrow period for those securities, except as permitted by the Listing Rules or ASX.

(h) If the Restricted Securities are in the same class as quoted securities, the holder will be deemed to have agreed in writing that the Restricted Securities will be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the escrow period for those securities.

(i) During the escrow period for the Restricted Securities, the holder of the Restricted Securities is not entitled to participate in any return of capital on those Restricted Securities

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during the escrow period for those securities except as permitted by the Listing Rules or ASX.

(j) The Company may apply, or may ask the CSF Operator to apply, a holding lock (including to prevent a transfer, or to refuse to register a paper-based transfer document) where the Applicable Law permits the Company to do so.

(k) Failure by the Company to give notice of refusal to register any transfer or of any holding lock as may be required pursuant to the Applicable Law does not invalidate the refusal to register the transfer or the holding lock.

## Transmission of Shares

### 26 Transmission on death

(a) If the registered holder of a Share which is not Jointly Held dies, the Company must recognise only the Personal Representative of that registered holder as having any title to or interest in, or any benefits accruing in respect of, that Share.

(b) If a registered holder of a Share which is Jointly Held dies, the Company must recognise only the surviving registered holders of that Share as having any title to or interest in, or any benefits accruing in respect of, that Share.

(c) The estate of a deceased Shareholder is not released from any liability in respect of the Shares that are registered in the name of that Shareholder.

(d) Where 2 or more persons are jointly entitled to any Share as a consequence of the death of the registered holder of that Share, they are taken to be Joint Holders of that Share.

(e) Notwithstanding Articles 26(a) and 26(b), the Company may register or give effect to a transfer of Shares to a transferee who dies before the transfer is registered or given effect to by the Company.

### 27 Transmission Events

(a) Subject to the Bankruptcy Act 1966 (Commonwealth) and the Applicable Law, a person who establishes to the satisfaction of the Board that it is entitled to a Share because of a Transmission Event may:

(i) elect to be registered as a Shareholder in respect of that Share by giving a signed notice in writing to the Company; or

(ii) transfer that Share to another person.

(b) Subject to the Applicable Law, a transfer pursuant to Article 27(a) is subject to all of the provisions of this Constitution relating to transfers of Shares.

## Proceedings of Shareholders

### 28 Calling meetings of Shareholders

(a) The Board may call a meeting of Shareholders to be held at the time and place (including 2 or more venues using technology which gives Attending Shareholders as a whole a reasonable opportunity to participate) and in the manner that the Board decides.

(b) The Board may in accordance with the Applicable Law specify a time by reference to which persons will be taken to hold Shares for the purpose of a meeting of Shareholders.

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(c) No Shareholder may call or arrange to hold a meeting of Shareholders except where permitted by the Corporations Act.

## 29 Notice of meetings of Shareholders

(a) Where the Company has called a meeting of Shareholders, notice of the meeting and any proxy form for the meeting may be given in the form and in the manner in which the Board decides, subject to any requirements of the Applicable Law.

(b) A person may waive notice of any meeting of Shareholders by written notice to the Company.

(c) A person who has not duly received notice of a meeting of Shareholders may, before or after the meeting, notify the Company of the person's agreement to anything done or resolution passed at the meeting.

(d) A person's attendance at a meeting of Shareholders waives any objection which that person may have had to a failure to give notice or the giving of a defective notice of, or the consideration of a particular matter which is not within the business referred to in the notice for, the meeting, unless the person at the beginning of the meeting objects to the holding of the meeting.

(e) Subject to the Corporations Act, anything done (including the passing of a resolution) at a meeting of Shareholders is not invalid because either or both a person does not receive notice of the meeting or a proxy form, or the Company accidentally does not give notice of the meeting or a proxy form to a person.

## 30 Business of meetings

Except with the approval of the Board, with the permission of the chairperson of the meeting or pursuant to the Corporations Act, no person may move at any meeting of Shareholders:

(a) any resolution (except in the form set out in the notice of meeting given pursuant to Article 29(a)); or

(b) any amendment of any resolution or a document which relates to any resolution and a copy of which has been made available to Shareholders to inspect or obtain.

## 31 Quorum

(a) No business may be transacted at a meeting of Shareholders except, subject to Article 32, the election of the chairperson of the meeting unless a quorum for a meeting of Shareholders is present at the time when the meeting commences.

(b) A quorum for a meeting of Shareholders is 2 Attending Shareholders entitled to vote on a resolution at that meeting. Each individual present may only be counted once towards a quorum. If a Shareholder has appointed more than one proxy or attorney or Corporate Representative, only one of them may be counted towards a quorum. If a Shareholder entitled to vote on a resolution at that meeting would not otherwise be counted in the quorum and that Shareholder casts a valid Direct Vote, then that Shareholder must also be counted in the quorum.

(c) If a quorum is not present within 30 minutes after the time appointed for the commencement of a meeting of Shareholders, the meeting is dissolved unless the chairperson of the meeting or the Board adjourn the meeting to a date, time and place or venues determined by that chairperson or the Board.

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(d) If a quorum is not present within 30 minutes after the time appointed for the commencement of an adjourned meeting of Shareholders, the meeting is dissolved.

## 32 Chairperson of meetings of Shareholders

(a) Subject to Articles 32(b) and 32(c), the chairperson of the Board must chair each meeting of Shareholders.

(b) If at a meeting of Shareholders:

(i) there is no chairperson of the Board; or

(ii) the chairperson of the Board is not present within 15 minutes after the time appointed for the commencement of a meeting of Shareholders or is not willing to chair all or part of the meeting,

the Directors who are or will be present at the meeting may (by majority vote) elect one of their number or, in the absence of all the Directors or if none of the Directors present is willing to act, the Attending Shareholders may elect one of their number, to chair that meeting.

(c) A chairperson of a meeting of Shareholders may, for any item of business at that meeting or for any part of that meeting, vacate the chair in favour of another person nominated by him or her (**Acting Chair**). Where an instrument of proxy appoints the chairperson as proxy for part of proceedings for which an Acting Chair has been nominated, the instrument of proxy is taken to be in favour of the Acting Chair for the relevant part of the proceedings.

## 33 Conduct of meetings of Shareholders

(a) Subject to the Corporations Act, the chairperson of a meeting of Shareholders is responsible for the general conduct of that meeting and for the procedures to be adopted at that meeting.

(b) The chairperson of a meeting of Shareholders may make rulings without putting the question (or any question) to the vote if that action is required to ensure the orderly conduct of the meeting.

(c) The chairperson of a meeting of Shareholders may determine the procedures to be adopted for proper and orderly discussion or debate at the meeting, and the casting or recording of votes at the meeting.

(d) The chairperson of a meeting of Shareholders may determine any dispute concerning the admission, validity or rejection of a vote (including a Direct Vote) at the meeting.

(e) The chairperson of a meeting of Shareholders may, subject to the Corporations Act, at any time terminate discussion or debate on any matter being considered at the meeting and require that matter be put to a vote.

(f) The chairperson of a meeting of Shareholders may refuse to allow debate or discussion on any matter which is not business referred to in the notice of that meeting or is not business of the meeting permitted pursuant to the Corporations Act without being referred to in the notice of meeting.

(g) The chairperson of a meeting of Shareholders may withdraw from consideration by the meeting any resolution that is set out in the notice of that meeting (other than those requisitioned by Shareholders or required by Applicable Law).

(h) The chairperson of a meeting of Shareholders may determine that a vote be disregarded and treated as not having been cast (without requiring that the matter be put to a vote), if a

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person purports to cast a vote at or for the purposes of a general meeting in contravention of Applicable Law.

(i) Subject to the Corporations Act, the chairperson of a meeting of Shareholders may refuse to allow:

(i) any amendment to be moved to a resolution set out in the notice of that meeting; and

(ii) any business to be transacted unless the general nature of the business is stated in the notice calling the meeting.

(j) The Chairperson of a meeting of Shareholders may require any person wishing to attend the meeting to comply with searches, restrictions or other security arrangements considered appropriate.

(k) The chairperson of a meeting of Shareholders may refuse any person admission to, or require a person to leave and remain out of, the meeting if that person:

(i) in the opinion of the chairperson, is not complying with any security arrangements or the reasonable directions of the chairperson;

(ii) has any audio or visual recording or broadcasting device;

(iii) has a placard or banner;

(iv) has an article the chairperson considers to be dangerous, offensive or liable to cause disruption;

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

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

(vii) is not entitled pursuant to the Corporations Act or this Constitution to attend the meeting.

(l) If the chairperson of a meeting of Shareholders considers that there are too many persons present at the meeting to fit into the venue where the meeting is to be held, the chairperson may nominate a separate meeting place using any technology that gives Attending Shareholders as a whole a reasonable opportunity to participate.

(m) The chairperson of a meeting of Shareholders may delegate any power conferred by this Article 33 to any person.

(n) Nothing contained in this Article 33 limits the powers conferred by law on the chairperson of a meeting of Shareholders.

## 34 Attendance at meeting of Shareholders

(a) Subject to this Constitution and any rights and restrictions attached to a class of Shares, a Shareholder who is entitled to attend and cast a vote at a meeting of Shareholders, may attend and vote in person or by proxy, by attorney or, if the Shareholder is a body corporate, by Corporate Representative.

(b) The chairperson of a meeting of Shareholders may require a person acting as a proxy, attorney or Corporate Representative at that meeting to establish to the chairperson's satisfaction that the person is the person who is duly appointed to act. If the person fails to

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satisfy this requirement, the chairperson may exclude the person from attending or voting at the meeting.

(c) A Director is entitled to receive notice of and to attend all meetings of Shareholders and all meetings of a class of Shareholders and is entitled to speak at those meetings.

(d) A person who is requested by the Board to attend a meeting of Shareholders or a meeting of a class of Shareholders is, regardless of whether that person is a Shareholder, entitled to attend that meeting and, at the request of the chairperson of the meeting, is entitled to speak at that meeting.

## 35 Authority of Attending Shareholders

(a) Unless otherwise provided in the document or resolution appointing a person as proxy, attorney or Corporate Representative of a Shareholder, the person so appointed has the same rights to speak, participate, demand a poll, join in demanding a poll or act generally at a meeting of Shareholder to which the appointment relates, as the appointing Shareholder would have had if that Shareholder was present at the meeting.

(b) Unless otherwise provided in the document or resolution appointing a person as proxy, attorney or Corporate Representative of a Shareholder, the appointment is taken to confer authority to:

(i) vote on any amendment moved to a proposed resolution and on any motion that a proposed resolution not be put or any similar motion; and

(ii) vote on any procedural motion, including any motion to elect the chairperson of the meeting of Shareholders to which the appointment relates, to vacate the chair or to adjourn the meeting,

even though the appointment may refer to specific resolutions and may direct the proxy, attorney or Corporate Representative how to vote on particular resolutions.

(c) Unless otherwise provided in the document or resolution appointing a person as proxy, attorney or Corporate Representative of a Shareholder, the appointment is taken to confer authority to attend and vote at a meeting which is rescheduled, postponed or adjourned to another time or changed to another place, even though the appointment may refer to a specific meeting to be held at a specified time or place.

## 36 Multiple appointments

(a) If more than one attorney or Corporate Representative appointed by a Shareholder is present at a meeting of Shareholders and the Company has not received notice of any revocation of any of the appointments:

(i) an attorney or Corporate Representative appointed to act at that particular meeting may act to the exclusion of an attorney or Corporate Representative appointed pursuant to a standing appointment; and

(ii) subject to Article 36(a)(i), an attorney or Corporate Representative appointed pursuant to the most recent appointment may act to the exclusion of an attorney or Corporate Representative appointed earlier in time.

(b) An appointment of a proxy of a Shareholder is revoked (or, in the case of a standing appointment, suspended for that particular meeting of Shareholders) if the Company receives a further appointment of a proxy from that Shareholder which would result in there being more than 2 proxies of that Shareholder entitled to act at the meeting. The

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appointment of proxy made first in time is the first to be treated as revoked or suspended by this Article 36(b).

(c) The appointment of a proxy for a Shareholder is not revoked by an attorney or Corporate Representative for that Shareholder attending and taking part in a meeting of Shareholders to which the appointment relates, but if that attorney or Corporate Representative votes on a resolution at that meeting, the proxy is not entitled to vote, and must not vote, as the Shareholder's proxy on that resolution.

## 37 Voting at meeting of Shareholders

(a) Subject to any rules prescribed by the Board pursuant to Article 38(b), a resolution put to the vote at a meeting of Shareholders must be decided on a show of hands, unless a poll is demanded in accordance with Article 41 and that demand is not withdrawn.

(b) Subject to this Constitution, any Applicable Law, any rules prescribed by the Board pursuant to Article 38(b) and any rights or restrictions attached to a class of Shares, on a show of hands at a meeting of Shareholders, each Attending Shareholder having the right to vote on the resolution has one vote, provided that where a person is entitled to vote in more than one capacity, that person is entitled only to one vote.

(c) Subject to this Constitution, any Applicable Law, any rules prescribed by the Board pursuant to Article 38(b) and any rights or restrictions attached to a class of Shares, on a poll at a meeting of Shareholders, each Attending Shareholder having the right to vote on the resolution has:

(i) one vote for each fully paid up Share held by that Attending Shareholder or by the Shareholder that the Attending Shareholder represents; and

(ii) a fraction of one vote for each partly paid up Share held by that Attending Shareholder or by the Shareholder that Attending Shareholder represents. The fraction is equal to the proportion which the amount paid up bears to the total issue price of that Share. Any amounts credited without payment in money or other consideration being made to the Company and any amounts paid up in advance of the applicable due date for payment are ignored when calculating the proportion.

(d) Subject to this Constitution, any Applicable Law, any rules prescribed by the Board pursuant to Article 38(b) and any rights or restrictions attached to a class of Shares, where the Board has determined other means (including electronic) permitted by law for the casting and recording of votes by Shareholders on any resolution to be put at a meeting of Shareholders, each Shareholder having a right to vote on the resolution has:

(i) one vote for each fully paid up Share that the Shareholder holds; and

(ii) a fraction of one vote for each partly paid up Share that the Shareholder holds. The fraction is equal to the proportion which the amount paid up bears to the total issue price of that Share. Any amounts credited without payment in money or other consideration being made to the Company and any amount paid up in advance of the applicable due date for payment are ignored when calculating the proportion.

(e) If the total number of votes to which a person has pursuant to Article **Error! Reference source not found.** or **Error! Reference source not found.** does not constitute a whole number, the Company must disregard the fractional part of that total.

(f) An objection to a right to vote (including a Direct Vote) at a meeting of Shareholders or to a determination to allow or disregard a vote (including a Direct Vote) at the meeting may only be made at that meeting (or any resumed meeting if that meeting is adjourned). Any

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objection pursuant to this Article 37(f) must be decided by the chairperson of the meeting of Shareholders, whose decision, made in good faith, is final and conclusive.

(g) Except where a resolution at a meeting of Shareholders requires a special majority pursuant to the law or the Listing Rules, the resolution is passed if more votes (including in the case of a resolution decided on a poll, Direct Votes) are cast by Shareholders entitled to vote in favour on the resolution than against it.

(h) In the case of an equality of votes on a resolution at a meeting of Shareholders, the chairperson of that meeting does not have a casting vote on that resolution.

(i) Unless a poll is demanded and the demand is not withdrawn, a determination by the chairperson of a meeting of Shareholders following a vote on a show of hands that a resolution has been passed or not passed is conclusive, without proof of the number or proportion of the votes recorded in favour or against the resolution.

## 38 Direct Voting

(a) The Board may determine that Shareholders entitled to attend and vote at a meeting of Shareholders (including a meeting of a class of Shareholders) may cast a vote to which they are entitled by way of Direct Vote on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, the meeting.

(b) If the Board determines that votes may be cast by Direct Vote, the Board may make such rules as it considers appropriate for the casting of Direct Votes, including rules for:

(i) the form, method and manner of voting by Direct Vote;

(ii) the time by which the votes of Shareholders to be cast by Direct Vote must be received by the Company in order to be effective (which must be no later than the time appointed for the commencement of the meeting or, in the case of an adjourned meeting, the resumption of the meeting); and

(iii) the effect of a Shareholder casting both a Direct Vote and a vote in any other manner.

## 39 Voting by representatives

(a) A person who is entitled to be registered as the holder of a Share because of a Transmission Event may vote in respect of that Share at a meeting of Shareholders provided that person has satisfied the Board of that entitlement not less than 48 hours before the time appointed for the commencement of that meeting. Any vote by that person so entitled must be accepted to the exclusion of the vote of the registered holder of that Share.

(b) The parent or guardian of an infant Shareholder may vote at a meeting of Shareholders upon production of any evidence of the relationship or of the appointment of the guardian as the Board may require and any vote so made by the parent or guardian of an infant Shareholder must be accepted to the exclusion of the vote of the infant Shareholder.

(c) The validity of any resolution passed at a meeting of Shareholders is not affected by the failure of any proxy or attorney to vote in accordance with directions (if any) of the appointing Shareholder.

(d) If a proxy of a Shareholder purports to vote in a way or circumstances that contravene the Corporations Act, on a show of hands the vote of that proxy is invalid and the Company must not count it. If a poll is demanded, votes which the Corporations Act require a proxy of a Shareholder to cast in a given way must be treated as cast in that way.

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(e) Subject to this Constitution and the Applicable Law, a vote cast at a meeting of Shareholders by a person appointed by a Shareholder as a proxy, attorney or Corporate Representative is valid despite:

(i) a Transmission Event occurring in respect of that Shareholder; or

(ii) the revocation of the appointment (or the authority pursuant to which the appointment was executed),

if no notice in writing of that matter has been received by the Company at least 48 hours before the time appointed for the commencement of that meeting.

(f) A vote cast at a meeting of Shareholders by a person appointed by a Shareholder as a proxy, attorney or Corporate Representative is valid despite the transfer of the Share in respect of which the appointment is made, if the transfer is not registered or does not take effect pursuant to the Applicable Law by the time specified pursuant to Article 28(b).

## 40 Restrictions on voting rights

(a) If there is more than one Shareholder of a Jointly Held Share present at a meeting of Shareholders (either in person, by proxy, attorney or Corporate Representative), only the vote by the Shareholder who is present (either in person, by proxy, attorney or Corporate Representative) whose name appears first in the Register in respect of that Share will count.

(b) The authority of a proxy or attorney for a Shareholder to speak, participate, or vote at a meeting of Shareholders in respect of the Shares to which the authority relates is suspended while the Shareholder is present in person at that meeting.

(c) If a Shareholder has appointed two proxies in respect of a meeting of Shareholders and each proxy attends that meeting, neither of those proxies may vote:

(i) on a show of hands; or

(ii) on a poll if the number or proportion of the Shareholder's vote for which the proxies have been appointed exceeds the total number or proportion of votes that could be cast by the Shareholder.

(d) A Shareholder who holds Restricted Securities is not entitled to any voting rights in respect of those Restricted Securities during a breach of the Listing Rules relating to Restricted Securities or a breach of a Restriction Agreement relating to those Restricted Securities, except as permitted by the Restriction Agreement, the Listing Rules or ASX.

(e) An Attending Shareholder or a Direct Voting Shareholder is not entitled to vote on any resolution in respect of any Shares on which any calls due and payable in respect of those Shares have not been paid.

(f) An Attending Shareholder or a Direct Voting Shareholder is not entitled to vote on a resolution at a meeting of Shareholders where that vote is prohibited by the Applicable Law or an order of a court of competent jurisdiction.

(g) The Company must disregard any vote on a resolution at a meeting of Shareholders purported to be cast by an Attending Shareholder or a Direct Voting Shareholder where that person is not entitled to vote on that resolution. A failure by the Company to disregard a vote on a resolution as required by this Article 40(g) does not invalidate that resolution or any act, matter or thing done at the meeting, unless that failure occurred by wilful default of the Company or of the chairperson of that meeting.

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## 41 Polls

(a) A poll on a resolution at a meeting of Shareholders may be demanded by a Shareholder only in accordance with the Corporations Act, or by the chairperson of that meeting.

(b) No poll may be demanded at a meeting of Shareholders on the election of a chairperson of that meeting, or unless the chairperson of the meeting otherwise determines, the adjournment of that meeting.

(c) A demand for a poll may be withdrawn.

(d) A poll demanded on a resolution at a meeting of Shareholders for the adjournment of that meeting must be taken immediately. A poll demanded on any other resolution at a meeting of Shareholders must be taken in the manner and at the time and place or venues the chairperson of the meeting directs.

(e) The result of a poll demanded on a resolution of a meeting of Shareholders is a resolution of that meeting.

(f) A demand for a poll on a resolution of a meeting of Shareholders does not prevent the continuance of that meeting or that meeting dealing with any other business.

(g) The chairperson may close a meeting before the completion of a count of votes on a poll and declare the result of that poll after the meeting has closed.

## 42 Proxies

(a) A Shareholder who is entitled to attend and vote at a meeting of Shareholders may appoint a person as proxy to attend and vote for the Shareholder in accordance with the Corporations Act but not otherwise.

(b) A proxy appointed in accordance with the Corporations Act to attend and vote may only exercise the rights of the Shareholder on the basis and subject to the restrictions provided in the Corporations Act.

(c) A form of appointment of proxy is valid if it is in accordance with the Corporations Act or in any other form (including electronic) which the Board may determine or accept.

(d) If the name of the proxy or the name of the office of the proxy in a proxy appointment of a Shareholder is not filled in, the proxy of that Shareholder is:

(i) the person specified by the Company in the form of proxy in the case that Shareholder does not choose; or

(ii) if no person is so specified, the chairperson of that meeting.

## 43 Receipt of appointments

(a) An appointment of proxy or attorney for a meeting of Shareholders is effective only if the Company receives the appointment (and any authority pursuant to which the appointment was signed or a certified copy of the authority) not less than 48 hours before the time appointed for the commencement of the meeting, or in the case of an adjourned meeting, resumption of the meeting.

(b) Where a notice of meeting specifies an electronic address or other electronic means by which a Shareholder may give the Company a proxy appointment, a proxy given at that electronic address or by that other electronic means is taken to have been given by the

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Shareholder and received by the Company if the requirements set out in the notice of meeting are complied with.

(c) If the Company receives an instrument or form appointing a proxy, attorney or Corporate Representative from a Shareholder and the Directors consider that it is not properly executed or authenticated, or is incomplete or unclear:

(i) if the name, or the name of the office, of the proxy, attorney or Corporate Representative, is not filled in or is unclear, then the proxy, attorney or Corporate Representative of that Shareholder is the person specified by the Company in the instrument or form of proxy or if no person is specified, the chairperson of that meeting;

(ii) if the instrument or form has not been duly signed or authenticated, the Company may return the instrument or form to the appointing Shareholder and request the Shareholder sign or authenticate the instrument or form and return it to the Company within a period determined by the Directors (which may be later than the time specified in the notice of meeting for the receipt of proxy appointments);

(iii) if the instrument or form is otherwise unclear or incomplete, the Company may:

(A) by oral or written communication, clarify with the Shareholder any instruction on the appointment; and

(B) complete or amend the contents of any instrument or form to reflect the clarification in the instructions received from the Shareholder (which may occur later than the time specified in the notice of meeting for the receipt of proxy appointments) and the Shareholder appoints the Company as its attorney for this purpose.

## 44 Adjournments

(a) The chairperson of a meeting of Shareholders may at any time during the meeting adjourn the meeting or any business, motion, question or resolution being considered or remaining to be considered at the meeting or any discussion or debate, either to a later time at the same meeting or to an adjourned meeting to be held at the time and place determined by the chairperson.

(b) If the chairperson of a meeting of Shareholders exercises the right to adjourn that meeting pursuant to Article 44(a), the chairperson may (but is not obliged to) obtain the approval of Attending Shareholders to the adjournment.

(c) No person other than the chairperson of a meeting of Shareholders may adjourn that meeting.

(d) The Company may give such notice of a meeting of Shareholders resumed from an adjourned meeting as the Board resolves. Failure to give notice of an adjournment of a meeting of Shareholders or the failure to receive any notice of the meeting does not invalidate the adjournment or anything done (including the passing of a resolution) at a resumed meeting.

(e) Only business left unfinished is to be transacted at a meeting of Shareholders which is resumed after an adjournment.

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## 45 Cancellations and postponements

(a) Subject to the Corporations Act, the Company may by resolution of the Board cancel or postpone a meeting of Shareholders or change the place for the meeting, prior to the date on which the meeting is to be held.

(b) Article 45(a) does not apply to a meeting called in accordance with the Corporations Act by a Director, by Shareholders or by the Board on the request of Shareholders, unless that Director or those Shareholders consent to the cancellation or postponement of the meeting.

(c) Subject to the Listing Rules, the Company may give notice of a cancellation or postponement or change of place of a meeting of Shareholders as the Board resolves. Failure to give notice of a cancellation or postponement or change of place of a meeting of Shareholders or the failure to receive any notice of the meeting does not invalidate the cancellation, postponement or change of place of a meeting or anything done (including the passing of a resolution) at a postponed meeting or the meeting at the new place.

(d) The only business that may be transacted at a meeting of Shareholders the holding of which is postponed is the business specified in the original notice calling the meeting.

## 46 Meetings of a class of Shareholders

All the provisions of this Constitution relating to a meeting of Shareholders apply so far as they are capable of application and with any necessary changes to a meeting of a class of Shareholders required to be held pursuant to this Constitution or the Applicable Law except that:

(a) a quorum is 2 Attending Shareholders who hold (or whose Shareholder that they represent holds) Shares of the class, or if only one person holds all the Shares of the class, that person (or an Attending Shareholder representing that person). If a Shareholder, who holds Shares of the relevant class and is entitled to vote on a resolution at that meeting, would not otherwise be counted in the quorum and that Shareholder casts a valid Direct Vote, then that Shareholder must also be counted in the quorum; and

(b) any Attending Shareholder who holds (or whose Shareholder that they represent holds) Shares of the class may demand a poll.

# Directors

## 47 Appointment of Directors

(a) The number of Directors (not counting alternate directors of the Company) must be the number, not being less than 3 nor more than 12, determined by the Directors, but the number so determined at a particular time must not be less than the number of Directors when the determination takes effect.

(b) Subject to Article 47(a), the Board may appoint any person as a Director.

(c) Subject to Article 47(a), the Company may, at a meeting of Shareholders at which a Director retires or otherwise vacates office, by resolution fill the vacated office by electing a person to that office.

(d) A Director need not be a Shareholder.

(e) The Directors must take all reasonable steps to ensure that the composition of the Board complies with any relevant Standard.

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(f) Each Director, or candidate for election or appointment as a Director, must provide to the Company on request such information as the Company requires (including consents for the Company to access sensitive information under the Privacy Act 1988) to comply with:

(i) the Fit and Proper Policy;

(ii) any relevant Standard; or

(iii) any other relevant law or financial or other reporting requirement.

(g) Each Director must provide updated information to the Company if the information previously provided in accordance with Article 47(f) changes or becomes out of date where notification of such change is necessary for the Company to maintain compliance with the requirements set out in Article 47(f).

(h) A person is not eligible to be appointed as a Director if the person:

(i) is disqualified or prevented by law from being a director of a body corporate; or

(ii) fails to provide all information and consents the Directors reasonably request to determine if the person is of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy; or

(iii) is assessed as being not of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy.

## 48 Retirement of Directors

(a) Subject to Article 48(e), a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years, following that Director's last election or appointment.

(b) If no Director would otherwise be required to retire pursuant to Article 48(a) but the Listing Rules require that an election of Directors be held at an annual general meeting, the Director to retire at that meeting is (subject to Article 48(e)) any Director who wishes to retire and offer himself or herself for re-election, otherwise it is:

(i) the Director who has held office as Director the longest period of time since his or her last election or appointment to that office; or

(ii) if two or more Directors have held office for the same period of time, the Director determined by lot, unless those Directors agree otherwise.

(c) A Director who retires pursuant to Article 48(a) or 48(b) holds office as a Director until the end of the meeting at which the Director retires and is eligible for re- election.

(d) Subject to Article 48(e), a Director appointed pursuant to Article 47(b) must retire at the next annual general meeting occurring after that appointment and is eligible for re-election at that meeting, but is not to be taken into account in determining the number of Directors who are to retire pursuant to Article 48(b).

(e) The following persons are not subject to Article 48(a), 48(b) or 48(d) and are not taken into account in determining the Directors required to retire at an annual general meeting:

(i) the managing director of the Company, or if there is more than one managing director, the managing director of the Company nominated by the Board for the purpose of this Article 48; and

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(ii) an alternate director of the Company.

(f) No person, other than a Director retiring pursuant to this Article 48 or a Director appointed pursuant to Article 47(b) or a person nominated by the Board, is eligible to be appointed as a Director at any meeting of Shareholders unless a nomination signed by a Shareholder accompanied by the consent of the nominee to act is given to the Company at least 35 Business Days before the meeting, but no more than 90 Business Days before the meeting (or, in the case of a meeting that Shareholders have requested Directors to call in accordance with the Corporations Act, 30 Business Days).

## 49 Termination of office

A person ceases to be a Director if the person:

(a) fails to attend Board meetings (either personally or by an alternate director) for a continuous period of 3 months without the consent of the Board;

(b) resigns by notice in writing to the Company;

(c) retires pursuant to Article 48 and is not re-elected;

(d) is removed from office pursuant to the Corporations Act;

(e) is an Executive Director and ceases to be an employee of the Company or of a related body corporate of the Company;

(f) becomes an insolvent under administration;

(g) becomes of unsound mind or a person whose property is liable to be dealt with pursuant to a law about mental health;

(h) is not permitted to be a director, or to manage a corporation, pursuant to the Corporations Act;

(i) is disqualified or prevented by law from holding office or continuing as a Director; or

(j) is the subject of a direction under section 23 of the *Banking Act 1959* (Cth).

## 50 Alternate directors

(a) A Director may:

(i) without the need for approval of other Directors, appoint another Director; and

(ii) with the approval of a majority of the other Directors, appoint a person who is not a Director,

as an alternate director of that Director for any period. An alternate director need not be a Shareholder.

(b) The appointing Director may terminate the appointment of his or her alternate director at any time.

(c) A notice of appointment, or termination of appointment, of an alternate director by the appointing Director is effective only if the notice is in writing and signed by that Director and is effective when given to the Company.

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(d) An alternate director is entitled to receive notice of Board meetings and, subject to this Constitution and the Applicable Law, to attend, count in the quorum of, speak at, and vote at a Board meeting at which his or her appointing Director is not present.

(e) Subject to this Constitution, the Applicable Law, and the instrument of appointment of an alternate director, an alternate director may exercise all of the powers (except the power pursuant to Article 50(a)) of a Director, to the extent that his or her appointing Director has not exercised them.

(f) The office of an alternate director is terminated if the appointing Director ceases to be a Director.

(g) Subject to Article 51(h), the Company is not required to pay any remuneration or benefit to an alternate director.

(h) An alternate director is an officer of the Company and not an agent of his or her appointing Director.

## 51 Remuneration and benefits of Directors

(a) Subject to the Listing Rules and Article 51(g), the Company may pay or provide to the Non-Executive Directors fees in an amount or value determined by the Board which does not in any financial year exceed in aggregate the amount last determined by the Company in general meeting (or until so determined, as the Board determines). This Article does not apply to any payments made pursuant to Articles 51(f), 51(h), 51(i), 51(j) and 55.

(b) The fees pursuant to Article 51(a) may be a fixed sum for attendance at each Board meeting or may be a share of the fixed amount or value determined by the Board pursuant to Article 51(a). If the fees are a share of such fixed amount or value, those fees are to be allocated among the Non-Executive Directors on an equal basis having regarding to the proportion of the relevant year for which each of them held office, or as the Board otherwise resolves.

(c) The fees pursuant to Article 51(a) may be provided in cash or any other manner agreed between the Company and the relevant Non-Executive Director. The Board must determine the manner in which the value of any non-cash benefit is to be calculated.

(d) The fees of a Non-Executive Director are taken to accrue from day to day, except that fees in the form of a non-cash benefit are taken to accrue at the time the benefit is provided to the Director, subject to the terms on which the benefit is provided.

(e) Subject to Article 51(g) and any agreement with the Company, the Company may pay to each Executive Director an amount of remuneration determined by the Board.

(f) If any Director, with the approval of the Board, performs extra or special services, the Company may, subject to the Corporations Act and Article 51(g), pay additional remuneration or provide benefits to that Director as the Board resolves.

(g) The Company must not pay remuneration to Directors that is calculated as a commission on, or a percentage of operating revenue, or in the case of Non- Executive Directors, profits.

(h) The Company must pay all reasonable travelling, accommodation and other expenses that a Director or alternate director properly incurs in attending meetings of the Board, committees of the Board, meetings of Shareholders, or otherwise in connection with the business of the Company.

(i) Subject to the Applicable Law, the Company may establish and contribute to a fund, trust or scheme for the benefit of:

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(i) past or present employees or Directors of the Company or a related body corporate of the Company; or

(ii) the dependants of, or persons connected with or nominated by, any person referred to in Article 51(i)(i).

(j) Subject to the Applicable Law, the Company may, or may agree to, pay, provide or make any payment or other benefit to a Director, a director of a related body corporate of the Company or any other person in connection with that person's or someone else's retirement, resignation from or loss of office, or death while in office.

## 52 Interests of Directors

(a) A Director is not disqualified by reason only of being a Director (or the fiduciary obligations arising from that office) from:

(i) holding an office (except auditor) or place of profit or employment in the Company or a related body corporate of the Company;

(ii) holding an office or place of profit or employment in any other company, body corporate, trust or entity promoted by the Company or in which it has an interest;

(iii) being a member, creditor or otherwise be interested in any body corporate (including the Company), partnership or entity, except auditor of the Company;

(iv) entering into any agreement or arrangement with the Company; or

(v) acting in a professional capacity (or being a member of a firm which acts in a professional capacity) for the Company, except as auditor of the Company.

(b) Each Director must comply with Applicable Law in relation to the disclosure of the Director's interests.

(c) A Director who has a material personal interest in a matter that is being considered at a Board meeting must not be present while the matter is being considered at the meeting nor vote on the matter, except where permitted by the Corporations Act.

(d) If a Director has an interest in a matter, then subject to Article 52(c), Article 52(e) and this Constitution:

(i) that Director may be counted in a quorum at the Board meeting that considers matters that relate to the interest provided that Director is entitled to vote on at least one of the resolutions to be proposed at that Board meeting;

(ii) that Director may participate in and vote on matters that relate to the interest;

(iii) 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;

(iv) the Director may retain the benefits pursuant to any transaction that relates to the interest even though the Director has the interest; and

(v) the Company cannot avoid any transaction that relates to the interest merely because of the existence of the interest.

(e) If an interest of a Director is required to be disclosed pursuant to Article 52(b), Article 52(d)(iv) applies only if the interest is disclosed before the transaction is entered into.

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## Officers

## 53 Managing Director

(a) The Board may appoint one or more Directors as a managing director of the Company, for any period and on any terms (including, subject to Article 51, as to remuneration) as the Board resolves. Subject to any agreement between the Company and the managing director, the Board may vary or terminate the appointment of a managing director of the Company at any time, with or without cause.

(b) The Board may delegate any of its powers to a managing director of the Company for any period and on any terms (including the power to further delegate) as the Board resolves. The Board may revoke or vary any power delegated to a managing director of the Company.

(c) A managing director of the Company must exercise the powers delegated to him or her in accordance with any directions of the Board.

(d) A person ceases to be a managing director if the person ceases to be a Director.

## 54 Secretary

The Board may appoint one or more Secretaries, for any period and on any terms (including as to remuneration) as the Board resolves. Subject to any agreement between the Company and the Secretary, the Board may vary or terminate the appointment of a Secretary at any time, with or without cause.

## 55 Indemnity and insurance

(a) To the extent permitted by law, the Company must indemnify each Relevant Officer against a Liability of that person and the Legal Costs of that person.

(b) The indemnity pursuant to Article 55(a):

(i) is enforceable without the Relevant Officer having first to incur any expense or make any payment;

(ii) is a continuing obligation and is enforceable by the Relevant Officer even though the Relevant Officer may have ceased to be an officer of the Company; and

(iii) applies to Liabilities and Legal Costs incurred both before and after this Article became effective.

(c) To the extent permitted by law, the Company may make a payment (whether by way of advance, loan or otherwise) to a Relevant Officer in respect of Legal Costs of that person.

(d) To the extent permitted by law, the Company may:

(i) enter into, or agree to enter into; or

(ii) pay, or agree to pay, a premium for,

a contract insuring a Relevant Officer against a Liability of that person and the Legal Costs of that person.

(e) To the extent permitted by law, the Company may enter into an agreement or deed with a Relevant Officer or a person who is, or has been, an officer of the Company or a subsidiary of the Company, pursuant to which the Company must do all or any of the following:

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(i) keep books of the Company and allow either or both that person and that person's advisers access to those books on the terms agreed;

(ii) indemnify that person against any Liability and Legal Costs of that person;

(iii) make a payment (whether by way of advance, loan or otherwise) to that person in respect of Legal Costs of that person; and

(iv) keep that person insured in respect of any act or omission by that person while a Relevant Officer or an officer of the Company or a subsidiary of the Company, on the terms agreed (including as to payment of all or part of the premium for the contract of insurance).

## Powers of the Board

### 56 General powers

(a) The Board has the power to manage the business of the Company and may exercise to the exclusion of the Company in general meeting all powers of the Company which are not, by the law or the Listing Rules or this Constitution, required to be exercised by the Company in general meeting.

(b) A power of the Board can only be exercised by a resolution passed at a meeting of the Board in accordance with Article 61, a resolution passed by signing a document in accordance with Article 60, or in accordance with a delegation of the power pursuant to Article 53, 58 or 59. A reference in this Constitution to the Company exercising a power by a resolution of the Board includes an exercise of that power in accordance with a delegation of the power pursuant to Article 53, 58 or 59.

### 57 Execution of documents

(a) If the Company has a common seal, the Company may execute a document if that seal is fixed to the document and the fixing of that seal is witnessed by one Director and either another Director, a Secretary, or another person appointed by the Board for that purpose.

(b) The Company may execute a document without a common seal if the document is signed by one Director and either another Director, a Secretary, or another person appointed by the Board for that purpose.

(c) The Board may determine the manner in which and the persons by whom cheques, promissory notes, bankers' drafts, bills of exchange and other negotiable or transferable instruments in the name of or on behalf of the Company, and receipts for money paid to the Company, must be signed, drawn, accepted, endorsed or otherwise executed.

### 58 Committees and delegates

(a) The Board may delegate any of its powers to a committee of the Board, a Director, an employee of the Company or any other person. A delegation of those powers may be made for any period and on any terms (including the power to further delegate) as the Board resolves. The Board may revoke or vary any power so delegated.

(b) A committee or delegate must exercise the powers delegated in accordance with any directions of the Board.

(c) Subject to the terms of appointment or reference of a committee, Article 61 applies with the necessary changes to meetings and resolutions of a committee of the Board.

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(d) The powers of delegation expressly or impliedly conferred by this Constitution on the Directors are conferred in substitution for, and to the exclusion of, the power conferred by section 198D of the Corporations Act.

## 59 Attorney or agent

(a) The Board may appoint any person to be attorney or agent of the Company for any purpose, for any period and on any terms (including as to remuneration) as the Board resolves. Subject to the terms of appointment of an attorney or agent of the Company, the Board may revoke or vary that appointment at any time, with or without cause.

(b) The Board may delegate any of their powers (including the power to delegate) to an attorney or agent. The Board may revoke or vary any power delegated to an attorney or agent.

# Proceedings of Directors

## 60 Written resolutions of Directors

(a) The Board may pass a resolution without a Board meeting being held if notice in writing of the resolution (which may be given in person, or by post, fax, email or other electronic means) is given to all Directors and a majority of the Directors entitled to vote on the resolution (not being less than the number required for a quorum at a meeting of Directors) have consented to the resolution in accordance with this Article 60. The resolution is passed when the last participating Director consents to the resolution in accordance with this Article 60. The resolution is not invalidated if it is consented to by a Director who is not entitled to vote.

(b) A Director may consent to a resolution by signing a document that sets out the terms of the resolution and contains a statement to the effect that the Director is in favour of the resolution.

(c) Alternatively, a Director may consent to a resolution by giving the Company a written notice (including by fax, email or other electronic means) addressed to and received by the Secretary or the chairperson:

(i) that signifies the Director's assent to the resolution;

(ii) that sets out the terms of the resolution or identifies those terms; and

(iii) if the Director has notified the Company in writing of a specified means by which his or her consent must be authenticated (including by providing particular personal information or an allocated code), that authenticates the Director's consent by those specified means.

(d) Any document referred to in this Article 60 may be in the form of a fax or electronic notification. Separate copies of a document (including in electronic form) may be signed by one or more Directors if the wording of the resolution and statement is identical in each copy. A facsimile transmission or other document produced by electronic means (including an email or a scan of a hard copy document) under the name of a Director with the Director's authority is taken to be a document signed by the Director for the purposes of this Article 60 and is taken to be signed when received by the Company in legible form.

(e) For the purposes of this Article 60, the reference to Directors includes any alternate director who is appointed by a Director who is at the relevant time on leave of absence approved by the Board but does not include any other alternate directors.

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(f) This Article 60 applies to resolutions of committees of the Board as if the reference to Directors were references to committee members.

## 61 Board Meetings

(a) Subject to this Constitution, the Board may meet, adjourn and otherwise regulate its meetings as it thinks fit.

(b) A Director may call a Board meeting at any time. On request of any Director, a Secretary of the Company must call a meeting of the Directors.

(c) Notice of a Board meeting must be given to each Director (except a Director on leave of absence approved by the Board) and an alternate director appointed by a Director on leave of absence approved by the Board. Notice of a Board meeting may be given in person, or by post or by telephone, fax or other electronic means.

(d) A Director or alternate director may waive notice of a Board meeting by giving notice to that effect to the Company in person or by post or by telephone, fax or other electronic means.

(e) A person who attends a Board meeting waives any objection that person and:

(i) if the person is a Director, any alternate director appointed by that person; or

(ii) if the person is an alternate director, the Director who appointed that person as alternate director,

may have to a failure to give notice of the meeting.

(f) Anything done (including the passing of a resolution) at a Board meeting is not invalid because either or both a person does not receive notice of the meeting or the Company accidentally does not give notice of the meeting to a person.

(g) For the purposes of the Corporations Act, each Director, by consenting to be a Director or by reason of the adoption of this Constitution, consents to the use of each of the following technologies for the holding of a Board meeting:

(i) telephone;

(ii) video;

(iii) any other technology which permits each Director to communicate with every other participating Director; or

(iv) any combination of these technologies.

A Director may withdraw the consent given pursuant to this Article 61(g) in accordance with the Corporations Act.

(h) If a Board meeting is held in 2 or more places linked together by any technology:

(i) a Director present at one of the places is taken to be present at the meeting unless and until the Director states to the chairperson of the meeting that the Director is discontinuing his or her participation in the meeting; and

(ii) the chairperson of that meeting may determine at which of those places the meeting will be taken to have been held.

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(i) If, before or during a Board meeting, any technical difficulty occurs where all Directors may not be able to participate, the chairperson may:

(i) adjourn the meeting until the difficulty is remedied; or

(ii) where a quorum of Directors remains present, continue the meeting.

(j) Until otherwise determined by the Board, a quorum for a Board meeting is 2 Directors entitled to vote on a resolution that may be proposed at that meeting. A quorum for a Board meeting must be present at all times during the meeting. Each individual present is counted towards a quorum in respect of each appointment as an alternate director of another Director in addition (if applicable) to being counted as a Director.

## 62 Chairperson of the Board

(a) The Board may elect a Director as chairperson of the Board or deputy chairperson of the Board for any period that it resolves, or if no period is specified, until that person ceases to be a Director. The Board may remove the chairperson of the Board or deputy chairperson of the Board at any time.

(b) Subject to Article 62(c), the chairperson of the Board must chair each Board meeting.

(c) If at a Board meeting:

(i) a chairperson has not been elected pursuant to Article 62(a); or

(ii) the chairperson of the Board is not present within 15 minutes after the time appointed for the holding of a Board meeting or is not willing to chair all or part of that meeting,

the deputy chairperson of the Board (if any) must, or if there is no deputy chairperson or the deputy chairperson is not willing to act, the Directors present must elect one of their number to, chair that meeting or part of the meeting.

(d) A person does not cease to be a chairperson of the Board or deputy chairperson of the Board if that person retires as a Director at a meeting of Shareholders and is re-elected as a Director at that meeting (or any adjournment of that meeting).

## 63 Board resolutions

(a) A resolution of the Board is passed if more votes are cast by Directors entitled to vote in favour of the resolution than against it.

(b) Subject to Articles 50 and 52 and this Article 63, each Director present in person or by his or her alternate director has one vote on a matter arising at a Board meeting.

(c) Subject to the Applicable Law, in case of an equality of votes on a resolution at a Board meeting, the chairperson of that meeting has a casting vote on that resolution in addition to any vote the chairperson has in his or her capacity as a Director in respect of that resolution, provided that the chairperson is entitled to vote on the resolution and more than two Directors are present and entitled to vote on the resolution.

## 64 Valid proceedings

(a) An act at any Board meeting or a committee of the Board or an act of any person acting as a Director is not invalidated by:

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(i) a defect in the appointment or continuance in office of a person as a Director, a member of the committee or of the person so acting; or

(ii) a person so appointed being disqualified or not being entitled to vote,

if that circumstance was not known by the Board, committee or person (as the case may be) when the act was done.

(b) If the number of Directors is below the minimum required by this Constitution, the Board must not act except in emergencies, to appoint Directors up to that minimum number or to call and arrange to hold a meeting of Shareholders.

## Dividends and Profits

## 65 Determination of dividends

(a) Subject to the Applicable Law, this Constitution and the rights or restrictions attached to a class of Shares, the Board may determine that a dividend is payable on Shares. The Board may fix the amount of the dividend, the time for determining entitlements to the dividend, the time for the payment of the dividend and the method of payment of the dividend. The Board may rescind or alter any such determination or declaration before payment is made.

(b) Subject to the Listing Rules and the rights or restrictions attached to a class of Shares, the Board may determine that dividends be paid on Shares of one class but not another class, and at different rates for different classes of Shares, or on Shares within a class that are to be bought back or otherwise cancelled.

(c) The Company is not required to pay any interest on a dividend.

(d) The Board may, before paying any dividend to Shareholders:

(i) set aside any sums as it thinks proper as a reserve, which at the discretion of the Board may be applied for any purpose it decides, including being used in the business of the Company or invested in investments selected by the Board (and the Board may vary and deal with those investments as it decides);

(ii) carry forward any amount which the Board decides not to distribute or to transfer to a reserve; or

(iii) carry out the steps in both Articles 65(d)(i) and 65(d)(ii).

## 66 Entitlements to dividends

(a) Subject to the Applicable Law, a dividend in respect of a Share must be paid to the person whose name is entered in the Register as the holder of that Share as at the time the Board has fixed for that purpose, or if no such time is fixed, on the date on which the Dividend is paid.

(b) A Shareholder who holds Restricted Securities is not entitled to any dividends in respect of those Restricted Securities during a breach of the Listing Rules relating to Restricted Securities or a breach of a Restriction Agreement relating to those Restricted Securities, except as permitted by the Restriction Agreement, the Listing Rules or ASX.

(c) Subject to any rights or restrictions attached to a class of Shares and Article 66(d), the person entitled to a dividend on a Share is entitled to:

(i) if the Share is fully paid (whether the issue price of the Share was paid or credited or both), the entire dividend; or

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(ii) if the Share is partly paid, a proportion of that dividend equal to the proportion which the amount paid on that Share bears to the total issue price of that Share. Any amounts credited without payment in money or other consideration being made to the Company and any amounts paid up in advance of the applicable due date for payment are ignored when calculating the proportion.

(d) If an amount is paid on a Share during the period to which a dividend relates, the Board may resolve that only the proportion of that amount equal to the proportion which the period from the date of payment to the end of the period to which the dividend relates bears to the total period to which the dividend relates, counts as part of the amount for the time being paid on the Share, unless the terms of issue of the Shares provide otherwise.

(e) If a transfer of a Share is registered after the time determined for entitlements to a dividend on that Share but before the dividend is paid, the person transferring that Share is entitled to that dividend, unless the Settlement Rules provide otherwise.

(f) The Company may retain the whole or part of any dividend on which the Company has a lien and apply that amount in total or part satisfaction of any amount secured by that lien.

## 67 Dividend plans

(a) The Company may establish a bonus share plan on any terms as the Board resolves, pursuant to which participants may elect in respect of all or part of their Shares to be issued financial products of the Company or another body corporate or trust credited as fully paid instead of receiving a cash dividend from the Company in respect of those Shares.

(b) The Company may establish a dividend reinvestment plan on any terms as the Board resolves, pursuant to which participants may elect in respect of all or part of their Shares to apply the whole or any part of a dividend from the Company, or any other amount paid or payable to Shareholders, in subscribing for or purchasing financial products of the Company or another body corporate or trust.

(c) The Board is under no obligation to admit any Shareholder as a participant in any plan nor to comply with any request made by a Shareholder who is not admitted as a participant in a plan.

(d) Subject to the Applicable Law, the Board may implement, amend, suspend or terminate a plan established pursuant to this Article 67.

## 68 Capitalisation of profits

(a) Subject to the Applicable Law and the rights or restrictions attached to a class of Shares, the Company may by resolution of the Board:

(i) capitalise any amount, being the whole or part of profits of the Company or otherwise available for distribution to Shareholders; and

(ii) apply that amount for the benefit of Shareholders in full satisfaction of their interest in the capitalised amount, in the same proportions as the Shareholders would be entitled to receive it if it were distributed by way of dividend or in accordance with either the terms of issue of any Shares or the terms of any plan for the issue of Shares or other securities for the benefit of officers or employees of the Company.

(b) The Board may fix the time for determining entitlements to an application of a capitalised amount pursuant to Article 68(a). The Board may decide to apply a capitalised amount pursuant to Article 68(a) in any or all of the following ways:

(i) in paying up an amount unpaid on Shares already issued;



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(ii) in paying up in full any unissued Shares or other securities in the Company;

(iii) any other method permitted by law or the Listing Rules.

(c) The Board may do all things necessary to give effect to a resolution pursuant to Article 68(a) and 68(b), including:

(i) making cash payments in cases where Shares or other securities become issuable in fractions or ignore amounts or fractions less than a particular value;

(ii) vesting any cash or assets in a trustee on trust for the Shareholders entitled to an application of a capitalised amount pursuant to Article 68(a); and

(iii) authorising any person to make, on behalf of all Shareholders entitled to an application of a capitalised amount pursuant to Article 68(a), an agreement with the Company providing for either or both the issue of securities or the payment by the Company on the Shareholders' behalf of an amount pursuant to Article 68(b), and in executing any such document the person acts as agent and attorney for those Shareholders.

## 69 Distributions of assets

(a) The method of payment by the Company of a dividend or a return of capital by a reduction of capital, a share buy-back or otherwise, may include any or all of the payment of cash, the issue of shares or other financial products and the transfer of assets (including shares or other financial products in another body corporate or trust).

(b) If the Board has determined that the Company pay a dividend or return capital by a reduction of capital, a share buy-back or otherwise, wholly or partly by the distribution (either generally or to specific Shareholders) of specific assets (including by the issue or transfer of shares or other financial products), the Board may:

(i) settle any issue concerning the distribution in any way the Board resolves;

(ii) round amounts up or down to the nearest whole number, or ignore amounts or fractions less than a particular value;

(iii) value assets for distribution and determine that the Company pay cash to any Shareholder on the basis of that valuation;

(iv) vest assets in a trustee on trust for the Shareholders entitled to any financial products as a result of that distribution; and

(v) authorise any person to make, on behalf of all Shareholders entitled to any financial products as a result of that distribution, an agreement with the relevant body corporate or trust providing for the issue or transfer to them of those financial products (including an agreement to become a member of that body corporate) and, in executing any such document, the person acts as agent and attorney for those Shareholders.

## 70 Payments

(a) The Company may pay a person entitled to an amount payable in respect of a Share (including a dividend) by any of the following means, in the Board's discretion, at the sole risk of the person so entitled:

(i) crediting an account nominated in writing by that person and acceptable to the Board;

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(ii) cheque made payable to bearer, to the person entitled to the amount or any other person the entitled person directs in writing and who is acceptable to the Board; or

(iii) any other manner as the Board resolves.

(b) If the Company decides to make a payment by crediting accounts in accordance with Article 70(a)(i) and either:

(i) the direct credit is unsuccessful as a result of incorrect payment details being provided by or on behalf of a Shareholder, the monies will be taken to be an unclaimed dividend and Article 70(h) applies; or

(ii) an account is not nominated by a Shareholder in accordance with Article 70(a)(i), the Company may hold the amount payable in a separate account of the Company until the Shareholder nominates an account in accordance with Article 70(a)(i).

(c) The Company may post a cheque referred to in Article 70(a)(ii) to:

(i) the address in the Register of the Shareholder of the Share, or in the case of a Jointly Held Share, the address of the Shareholder whose name appears first in the Register in respect of the Share; or

(ii) any other address which the entitled person directs in writing.

(d) If the Company decides to make a payment in accordance with Article 70(a)(ii), the cheque is sent at the Shareholder's risk and any cheque not presented for payment within three months may be cancelled by the Company.

(e) The Company may make a payment of an amount payable in respect of a Share (including a dividend) in Australian dollars or any other currency determined by the Board. The Company may make payments in different currencies to different Shareholders. The Board may determine the appropriate exchange rate and time of calculation of the amount of a payment made in a currency other than Australian dollars. A determination of the Board pursuant to this Article 70(d) is final in the absence of manifest error.

(f) If more than one Shareholder of a Jointly Held Share gives a permitted nomination or direction pursuant to Article 70(a), only the nomination or direction by the Shareholder whose name appears first in the Register in respect of that Share is valid.

(g) Any one of the Shareholders of a Jointly Held Share may give receipt of any payment to those Shareholders in respect of that Share.

(h) Unclaimed dividends may be invested by the Directors as they think fit for the benefit of the Company until claimed or until required to be dealt with in accordance with any law relating to unclaimed moneys.

## Notices

## 71 Notices to Shareholders

(a) The Company may give Notice to a Shareholder or a person entitled to a Share because of a Transmission Event by any of the following means in the Board's discretion:

(i) delivering it to that Shareholder or person;

(ii) delivering it or sending it by post to the address of the Shareholder in the Register;

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(iii) sending it to the fax number or electronic address (if any) nominated by that Shareholder or person for that purpose;

(iv) if permitted by the Corporations Act, notifying that Shareholder of the notice's availability by an electronic means nominated by the Shareholder for that purpose and how the Shareholder may use the electronic means to access it; or

(v) any other means permitted by the Corporations Act or any other applicable law from time to time.

(b) The Company must send all documents to a Shareholder whose address for Notices is not within Australia by air-mail, air courier, fax, electronic transmission or otherwise in accordance with Article 71(a)(v).

(c) Any Notice given or document delivered by the Company to the Shareholder whose name appears first in the Register in respect of a Jointly Held Share is taken to be notice or delivery to all holders of that Share.

(d) Notice to a person entitled to a Share because of a Transmission Event is taken to be notice to the registered holder of that Share.

(e) Subject to the Corporations Act, a Notice to a Shareholder is sufficient, even if:

(i) a Transmission Event occurs in respect of that Shareholder (regardless of whether that person is a registered holder of a Jointly Held Share); or

(ii) that Shareholder is an externally administered body corporate, and regardless of whether the Company has notice of that event.

(f) A person entitled to a Share because of a transfer, Transmission Event or otherwise, is bound by every Notice given in respect of that Share.

(g) Any Notice required or allowed to be given by the Company to one or more Shareholders by advertisement is, unless otherwise stipulated, sufficiently advertised if advertised once in a daily newspaper circulating in the states and territories of Australia.

(h) Where a Shareholder does not have a registered address or where the Company believes that Shareholder is not known at the Shareholder's registered address, all notices are taken to be:

(i) given to the Shareholder if the notice is exhibited in the Company's registered office for a period of 48 hours; and

(ii) served at the commencement of that period,

unless and until the Shareholder informs the Company of the Shareholder's address. Any such notice need not be addressed to the Shareholder.

## 72 Notice to Directors

The Company may give Notice to a Director or alternate director by:

(a) delivering it to that person;

(b) sending it by post to the usual residential address of that person or the alternative address (if any) nominated by that person for that purpose;

(c) sending it to the fax number or electronic address (if any) nominated by that person for that purpose; or

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(d) any other means agreed between the Company and that person.

## 73 Notice to the Company

A person may give Notice to the Company by:

(a) delivering it or sending it by post to the registered office of the Company;

(b) delivering it or sending it by post to a place nominated by the Company for that purpose;

(c) sending it to the fax number at the registered office of the Company nominated by the Company for that purpose;

(d) sending it to the electronic address (if any) nominated by the Company for that purpose; or

(e) any other means permitted by the Corporations Act or any other applicable law from time to time.

## 74 Time of service

(a) A Notice sent by post or air-mail is taken to be given on the day after the date it is posted.

(b) A Notice sent by fax or other electronic transmission is taken to be given when the transmission is sent provided that in the case of notice to the Company or a Director or an alternate director, the sender meets any action required by the recipient to verify the receipt of the document by the recipient.

(c) A Notice given in accordance with Article 71(a)(iv) is taken to be given on the day after the date on which the Shareholder is notified that the Notice is available.

(d) A certificate by a Director or Secretary to the effect that a Notice by the Company has been given in accordance with this Constitution is conclusive evidence of that fact.

## 75 Notice requirements

(a) Unless expressly stated otherwise in this Constitution, all notices, certificates, statements, demands, appointments, directions and other documents referred to in this Constitution must be in writing.

(b) The Board may specify, generally or in a particular case, requirements in relation to Notices given by any electronic means, including requirements as to:

(i) the classes of, and circumstances in which, Notices may be sent;

(ii) verification (whether by encryption code or otherwise); and

(iii) the circumstances in which, and the time when, the Notice is taken to be given.

# Winding up

## 76 Winding up

(a) Subject to the Corporations Act and any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus assets of the Company remaining after the payment of its debts must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the Shares of a Shareholder is of the total issue price of the Shares of all Shareholders.

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(b) Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, the liquidator may, with the sanction of a special resolution:

(i) distribute among the Shareholders the whole or any part of the property of the Company; and

(ii) decide how to distribute the property as between the Shareholders or different classes of Shareholders.

(c) The liquidator of the Company may settle any issue concerning a distribution pursuant to this Article 76 in any way. This may include:

(i) rounding amounts up or down to the nearest whole number or ignoring fractions;

(ii) valuing assets for distribution and paying cash to any Shareholder on the basis of that valuation; and

(iii) vesting assets in a trustee on trust for the Shareholders entitled to the distribution.

(d) A Shareholder need not accept any property, including shares or other securities, in respect of which there is any liability on the part of the Shareholder.

## Small holdings

## 77 Existing small holdings

(a) Subject to the Applicable Law, the Company may sell the Shares of a Shareholder if:

(i) the total number of Shares of a particular class held by that Shareholder is less than a marketable parcel at the date specified in a notice in writing given by the Company to that Shareholder (being the lesser of 42 days after the date of the Company giving that notice or any lesser period permitted pursuant to the Applicable Law);

(ii) the notice of the Company states that the Shares are liable to be sold by the Company; and

(iii) that Shareholder does not give notice in writing to the Company, by the time and date specified in the notice of the Company (being the lesser of 42 days after the date of the Company giving that notice and any lesser period permitted pursuant to the Applicable Law), stating that all or some of those Shares are not to be sold.

(b) The Company may only give one notice pursuant to Article 77(a) to a particular Shareholder in any 12 month period.

(c) If a takeover bid for the Company is announced after a notice pursuant to Article 77(a) is given but before an agreement for sale of the relevant Shares is entered into, the power of the Company pursuant to Article 77(a) lapses. After the offer period of the takeover bid closes, the Company may (notwithstanding Article 77(b)) give a new notice pursuant to Article 77(a).

## 78 New small holdings

(a) Subject to the Applicable Law, the Company may sell the Shares of a Shareholder if:

(i) the Shares of a particular class held by that Shareholder are in a new holding created by a transfer on or after the date on which this Article 78 was adopted in this Constitution; and

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(ii) that transfer is of a number of Shares of that class that was less than a marketable parcel at the time the transfer document was initiated, or in the case of a paper based transfer document, was lodged with the Company.

(b) The Company may give a Shareholder referred to in Article 78(a) notice in writing stating that the Company intends to sell or dispose of the Shares.

(c) If the Company is entitled to exercise the powers pursuant to Article 78(a), the Company may by resolution of the Board remove or change either or both the right to vote and the right to receive dividends of the relevant Shareholder in respect of some or all of the Shares liable to be sold. After the sale of those Shares, the Company must pay to the person entitled any dividends that have been withheld pursuant to this Article 78(c).

## 79 Exercise of power of sale

(a) Subject to the Applicable Law, the Company may sell any Shares pursuant to Article 77 or 78 to any person on any terms and in any manner as the Board resolves.

(b) The Company may:

(i) exercise any powers permitted pursuant to the Applicable Law to enable the sale of Shares pursuant to Article 77 or 78;

(ii) receive the consideration (if any) given for Shares sold pursuant to Article 77 or 78;

(iii) effect a transfer of Shares sold pursuant to Article 77 or 78; and

(iv) receive any disclosure document, including a financial services guide, as agent for the applicable Shareholders.

(c) The validity of the sale of Shares pursuant to Article 77 or 78 may not be called into question by any person after the transfer has been registered, and the buyer of the Shares need not enquire as to the validity of the sale or application of the sale proceeds by the Company.

(d) The title of the buyer of Shares sold pursuant to Article 77 or 78 is not affected by any irregularity or invalidity in connection with the sale.

(e) The sole remedy (if any) of any person aggrieved by a sale of Shares pursuant to Article 77 or 78 is in damages only and against the Company exclusively.

(f) A certificate in writing from the Company signed by a Director or Secretary that a Share was sold in accordance with Article 77 or 78 is sufficient evidence of those matters.

(g) If the Company exercises the powers pursuant to Article 77, the person to whom a Share is sold, or if permitted by the Applicable Law the Company, must pay the expenses of the sale.

(h) The Company must apply the proceeds of any sale of any Shares sold pursuant to Article 77 or 78 in the following order:

(i) in the case of an exercise of the powers pursuant to Article 78, the expenses of the sale;

(ii) the amounts due and unpaid in respect of those Shares; and

(iii) the balance (if any) to, or at the direction of, the person entitled to the Shares immediately prior to the sale, on delivery by that person of any evidence of

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ownership of or entitlement to those Shares prior to the sale as the Board may require.

(i) Subject to the Listing Rules, the Company may by resolution of the Board revoke a notice given pursuant to Article 77 or 78 at any time prior to the sale of the Shares pursuant to those Articles.

## Matters arising under prior constitutions

## 80 Continuing effect

For the avoidance of doubt, all persons, things, agreements and circumstances appointed, approved or created by or under a prior constitution of the Company continue to have the same status, operation and effect after this Constitution is adopted, and nothing in this Constitution requires the Company or any other person to take any action in relation to such thing, agreement or circumstance to ensure its ongoing status, operation and effect.

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# Schedule 1 Preference Shares

## 1 Rights of Preference Shareholders

A Preference Share confers upon its holder the following rights:

### 1.1 Repayment of Capital

The right on a winding up of the Company to the payment of:

(a) the amount of capital paid up on the Preference Share specified in the Issue Terms or such other amount as is specified in the Issue Terms, which may include an amount that, in accordance with the Issue Terms, is a lesser amount than the amount subscribed or paid for the Preference Share or that is determined by reference to the amount payable on ordinary shares on a winding up at a particular time; and

(b) the amount of any dividend (whether declared or not) accrued but unpaid before the date of commencing the winding up,

in priority to the ordinary shares and any other class of shares specified in the Issue Terms.

### 1.2 Rights on Redemption

If the Issue Terms for the Preference Share state that the Preference Share is redeemable, the right on redemption to payment of:

(a) the amount of any dividend (whether declared or not) accrued on the Preference Share but unpaid at the date of redemption; and

(b) any additional amount (which may include the amount of capital paid up on the Preference Share) specified in the Issue Terms as payable on redemption including an amount which may, in accordance with the Issue Terms, be a lesser amount than the amount subscribed or paid for the Preference Share,

in priority to the ordinary shares and any other class of shares specified in the Issue Terms.

### 1.3 Non-cumulative Dividends

The right to a non-cumulative preferential dividend:

(a) calculated in accordance with the Issue Terms; and

(b) payable on the dates specified in the Issue Terms,

in priority to the payment of any dividend on ordinary shares or on any other class of shares specified in the Issue Terms.

### 1.4 Voting in Meetings

The same rights as the holder of an ordinary share to attend any general meeting of shareholders and the right to vote at a general meeting of shareholders during the periods of time or in the circumstances that are specified in the Issue Terms or otherwise in each of the following circumstances but in no other circumstances:

(a) at a meeting called during a period during which a dividend (or part of a dividend) in respect of the Preference Share is unpaid;

(b) on a proposal to reduce the Company's share capital;

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(c) on a resolution to approve the terms of a buy back agreement in respect of the Company;

(d) on a proposal that affects rights attached to the Preference Share;

(e) on a proposal to wind up the Company;

(f) on a proposal for the disposal of the whole of the Company's property, business and undertaking;

(g) during the winding up of the Company; and

(h) in any other circumstances in relation to which, at any time, the Listing Rules require the holders of Preference Shares to be entitled to vote.

### 1.5 Voting Rights

If Clause 1.4 permits voting at a general meeting of shareholders, each Preference Shareholder will have the following voting rights at that general meeting:

(a) on a show of hands, one vote per Preference Shareholder; and

(b) on a poll, one vote per fully-paid Preference Share or a fraction of a vote per partly- paid Preference Share equivalent to the proportion the amount paid is to the total amounts paid and payable.

### 1.6 Accounts and Reports

The same rights as the holder of an ordinary share to receive notices, reports and audited accounts.

## 2 Issue Terms

The Board may only resolve to issue a Preference Share if it resolves to do so on issue terms which specify the following:

### 2.1 Dividend

(a) The dates for payment of the dividend on the Preference Share.

(b) The rate of dividend payable on the Preference Share which may:

(i) be fixed;

(ii) be franked to an extent specified in the Issue Terms;

(iii) be unfranked;

(iv) be variable depending on any formula set out in the Issue Terms or depending on other facts or circumstances specified in the Issue Terms (including, without limitation, changes to rates of taxation or other taxation circumstances).

(c) The method of the calculation of the dividend which may, without limitation:

(i) specify an increase in the amount of the dividend if it is not franked to the extent specified in the Issue Terms; or

(ii) specify other consequences if a dividend is not franked to the extent specified in the Issue Terms; or

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(iii) specify circumstances in which the dividend is determined by reference to the dividend payable on ordinary shares.

## 2.2 Priority

The priority of the Preference Share as to payment of capital and payment of dividend.

## 2.3 Conversion

If the Preference Share is to have rights of conversion to another class of securities:

(a) the class of security into which the Preference Share converts;

(b) whether, and in what circumstances, conversion is at the option of the holder or the Company or is fixed to some other date or event;

(c) the dates on, or circumstances in which, the Preference Share will convert, or may be converted;

(d) the method of conversion of the Preference Share, which may include without limitation:

(i) the manner in which the number of securities into which the Preference Share converts is to be calculated; and

(ii) any right to be issued with additional securities of the class into which the Preference Share may be converted and the manner in which that number of securities is to be calculated.

(e) the treatment of the Preference Share and conversion rights on the occurrence of specified events in respect of the class of securities into which the Preference Share may convert, which may include, without limitation:

(i) the announcement of any dividend or distribution or other entitlement in respect of those securities;

(ii) a new issue of those securities;

(iii) a bonus or rights issue of those securities; and

(iv) a return or reorganisation of capital in respect of those securities.

## 2.4 Redemption

If the Preference Share is to be redeemable:

(a) whether, and in what circumstances, redemption is at the option of the holder or the Company or is fixed to some other date or event;

(b) the dates on, or circumstances in which, the Preference Shares will, or may be, redeemed;

(c) the method or methods by which the Preference Share will or might be redeemed, which may include redemption, cancellation or buy back;

(d) the method by which the amount payable on redemption will or may be calculated or otherwise determined, including amounts payable or not payable at the discretion of the Board, and the manner and time for payment;

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(e) the treatment of the redemption terms attaching to the Preference Share on the occurrence of specified events, including the payment or non-payment of dividends or obtaining or not obtaining regulatory approvals; and

(f) the extent to which voting rights attaching to the Preference Share may not apply in respect of the redemption, cancellation or buy back of the Preference Share in accordance with the Issue Terms.

## 3 Buy Back

The Issue Terms may include the amount and manner of calculation and payment of any dividend on the buy back of a Preference Share by the Company.

## 4 Conversion Rights

The Company must give effect to a conversion of a Preference Share on the date specified in the Issue Terms for that conversion to take place. On conversion, the holder must surrender the certificate (if any) for the Preference Share to the Company in accordance with the Issue Terms.

## 5 Redemption Rights

The Company must give effect to a redemption of a Preference Share at the time specified in the Issue Terms for that redemption to take place. On redemption, the holder must surrender the certificate (if any) for the Preference Share and provide such other information and do such things as are required by the Company in accordance with the Issue Terms.

## 6 Surplus Assets or Profits

Except as may be specified in the Issue Terms, a Preference Share does not confer on the holder any further right beyond the rights in Clause 1 or 2 to participate in surplus assets or profits of the Company whether in winding up or otherwise.

## 7 Transfer of Preference Shares

Unless otherwise specified in the Issue Terms, a Preference Share is transferable in any manner permitted by the Corporations Act and, in the case of Preference Shares which are quoted on ASX, in any manner permitted by the Listing Rules or the ASX Settlement Operating Rules.

## 8 Reorganisation of Capital

If the Company reorganises its capital, in respect of Preference Shares with rights of conversion to another class of share, those shares must be treated in the reorganisation in accordance with the Listing Rules.

## 9 Definitions

In this Schedule 1:

*'Issue Terms'* means the terms of issue of a Preference Share which are the subject of a resolution of the Board under Clause 2.

*'Preference Share'* means a share issued under the Company's powers in the Corporations Act and Article 5(b).

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# Schedule 2 Convertible Preference Shares

## 1 Description

The following are the terms and conditions of fully-paid, unsecured, perpetual preference shares, paying discretionary, floating rate non-cumulative dividends (the **BOQ CPS**). The BOQ CPS may be Converted, Redeemed or Transferred according to these Terms of Issue.

## 2 Issuer

The BOQ CPS will be issued by Bank of Queensland Limited ABN 32 009 656 740 (**Bank**) under the Constitution and on the terms and conditions set out in these Terms of Issue.

## 3 Denomination

The denomination of each BOQ CPS will be the Face Value. Each BOQ CPS will be issued as fully paid.

## 4 Face Value

The Face Value of each BOQ CPS will be $100.

## 5 Maturity

The BOQ CPS are perpetual and have no maturity date.

## 6 Dividends

### 6.1 Calculation

Subject to these Terms of Issue, the BOQ CPS will pay a cash dividend on each relevant Dividend Payment Date (each a Dividend). The Dividend is calculated as:

$$\text{Dividend} = \frac{\text{Dividend Rate} \times \text{Face Value} \times D}{365}$$

where:

**D** is the number of days in the period from (and including):

(a) for the first Dividend Payment Date, the Issue Date until (but not including) the first Dividend Payment Date; and

(b) for any subsequent Dividend Payment Date, the preceding Dividend Payment Date until (but not including) the relevant Dividend Payment Date,

(each such period a Dividend Period);

**Dividend Rate** has the meaning given in clause 6.2;

**Face Value** has the meaning given in clause 4.

### 6.2 Dividend Rate

The Dividend Rate (expressed as a percentage rate per annum) is:

$$(\text{BBR} + \text{Margin}) \times (1 - t)$$

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where:

**BBR** means the Bank Bill Swap Rate (expressed as a percentage per annum) on the first Business Day of the Dividend Period;

**Margin** means the margin (expressed as a percentage per annum) determined under the Bookbuild;

**t** is the Australian corporate tax rate applicable to the franking account of the Bank at the relevant Dividend Payment Date, expressed as a decimal.

## 6.3 Gross-up for partly franked dividends

If any Dividend is not franked to 100% under Part 3-6 of the Tax Act (or any provisions that revise or replace that Part), the Dividend will be adjusted in accordance with the following formula:

$$\text{Dividend} = \frac{d}{1 - [t \times (1 - f)]}$$

where:

**d** - is the Dividend calculated under clause 6.1;

**t** - has the meaning given in clause 6.2; and

**f** - is the franking percentage (within the meaning of Part 3-6 of the Tax Act or any provisions that revise or replace that Part) applicable to the franking account of the Bank at the relevant Dividend Payment Date, expressed as a decimal.

## 6.4 Dividend Payment Date

Dividends will be payable on the BOQ CPS in arrears on each Dividend Payment Date, with the first Dividend Payment Date being on 15 April 2013 and thereafter semi-annually on each 15 April and 15 October until the BOQ CPS are Converted or Redeemed (in which case the Conversion Date or Redemption Date, as the case may be, will be the final Dividend Payment Date). In the event that BOQ CPS are Transferred, the Transfer Date will be a Dividend Payment Date for those BOQ CPS (but will not be the final Dividend Payment Date for those BOQ CPS).

## 6.5 Non-cumulative

(a) Dividends are non-cumulative. If all or any part of a Dividend is not paid because of the provisions of these Terms of Issue or because of any applicable law, the Bank will have no liability to pay, and the Holders will have no right to be paid, any amount in respect of that Dividend.

(b) The Holders will have no claim or entitlement (including without limitation on winding-up of the Bank) in respect of such non-payment, and such non-payment will not constitute an event of default or give Holders any right to apply for the winding-up or administration of the Bank, or cause a receiver, or receiver and manager, to be appointed in respect of the Bank.

(c) No interest accrues on any unpaid Dividend and the Holder has no claim or entitlement in respect of interest on any unpaid Dividend.

## 6.6 Conditions to dividend payments

The payment of a Dividend (including on Conversion, Redemption or Transfer) is subject to:

(a) the Directors, in their absolute discretion, determining that the Dividend is payable;

(b) the Bank being lawfully able to pay the Dividend under the Corporations Act;

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(c) payment of the Dividend not resulting in any breach of APRA's then prevailing capital adequacy standards and guidelines as they are applied to the Group at the time, unless otherwise approved by APRA; and

(d) APRA not otherwise objecting to the payment on the relevant Dividend Payment Date.

Without limiting clause 6.6(a), the Directors will not determine a Dividend to be payable if, in their opinion, making the payment would result in the Bank becoming, or being likely to become, insolvent for the purposes of the Corporations Act.

## 6.7 Record date for Dividends

A Dividend is only payable to those persons registered as Holders on the date which is 11 Business Days before the Dividend Payment Date for that Dividend, or such other date as may be required by the ASX from time to time and adopted by the Bank.

## 6.8 Deductions

The Bank may deduct or withhold from any Dividend or amount payable on Redemption (or upon or with respect to the issuance of any Ordinary Shares upon any Conversion), the amount of any withholding or other tax, duty, assessment, levy, government charge or other amount, as required by applicable law or any agreement with a governmental authority. If any such deduction or withholding has been made and paid over or accounted for by the Bank to the relevant governmental authority and the balance of the Dividend or other amount payable has been paid (or, in the case of a Conversion, Ordinary Shares have been issued) to the Holder concerned, then the full amount payable to such Holder (or, in the case of a Conversion, the Conversion Number of Ordinary Shares) will be taken to have been duly paid and satisfied (or, in the case of a Conversion, issued) by the Bank. The Bank shall pay the full amount required to be deducted or withheld to the relevant governmental authority within the time allowed for such payment without incurring any penalty under applicable law and must, if requested by the relevant Holder, deliver to that Holder confirmation of that payment without delay after it is received by the Bank from the relevant governmental authority.

## 6.9 Means of payment

(a) The Bank may pay a person entitled to any Dividend or other moneys payable in respect of a BOQ CPS by:

(i) cheque made payable to the person and sent to:

(A) the address of that person in the register of BOQ CPS;

(B) if the BOQ CPS is jointly held, the address of the first named joint holder in the register of BOQ CPS; or

(C) such other address which that person has notified in writing;

(ii) crediting an account nominated in writing by that person; or

(iii) such other means for the payment of money determined by the Directors.

(b) The despatch of payment by the Bank to any Holder or any one of joint Holders or otherwise in accordance with this clause 6.9 will be taken to discharge the Bank's liability in respect of the payment.

(c) If the Bank determines to make a payment by electronic or other means determined under clause 6.9(a)(a)(ii) or 6.9(a)(a)(iii) and an account is not nominated by the Holder or joint Holder, the Bank may hold the amount payable in a separate account of the Bank until the Holder or a joint Holder nominates an account, without any obligation to pay interest to



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such Holder, and the amount so held is to be taken as having been paid to the Holder or joint Holders at the time it is credited to that separate account of the Bank.

(d) All amounts payable but unclaimed may be invested by the Bank as it determines for the benefit of the Bank until claimed or until required to be dealt with in accordance with any law relating to unclaimed moneys.

(e) The Bank, in its absolute discretion, may withhold payment to a Holder where it is required to do so under any applicable law, including any law prohibiting dealings with terrorist organisations or money laundering, or any other type of sanction, or where it has reasonable grounds to suspect that the Holder may be subject to such law or sanction or involved in acts of terrorism or money laundering, and may deal with the payment and the Holder's BOQ CPS in accordance with that applicable law or the requirements of any relevant governmental authority or regulatory body. The Bank is not liable for any costs or loss suffered by a Holder in exercising the Bank's discretion under this clause 6.9(e), even where a Holder later demonstrates that they were not subject to the applicable law or sanction.

## 6.10 Restrictions in the case of non-payment

Subject to clause 6.11, if for any reason a Dividend has not been paid in full on a Dividend Payment Date (**Relevant Dividend Payment Date**), the Bank must not until and including the next Dividend Payment Date:

(a) declare, determine or pay any dividends or distributions on any Ordinary Shares; or

(b) buy back or reduce capital on any Ordinary Shares, unless:

(i) the Dividend is paid in full within 3 Business Days of the Relevant Dividend Payment Date;

(ii) all BOQ CPS have been Converted or Redeemed; or

(iii) a Special Resolution of the Holders has been passed approving such action.

## 6.11 Exception to restrictions

The restrictions in clause 6.10 do not apply to:

(a) repurchases (including buy backs), redemptions or other acquisitions of shares of the Bank in connection with:

(i) any employment contract, employee share scheme, award rights plan, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors, consultants or contractors (including contractor's employees) of the Bank or of any member of the Group;

(ii) a dividend reinvestment plan, bonus option plan, bonus share plan, shareholder share purchase plan or top-up facility or shareholder sale facility or disposal plan; or

(iii) the issue of shares in the Bank, or securities convertible into or exercisable for such shares, as consideration in an acquisition transaction entered into before the occurrence of the failure to pay the Dividend on the relevant Dividend Payment Date;

(b) an exchange, redemption or conversion of any class or series of the Bank's shares, or any shares of a member of the Group, for any class or series of the Bank's shares, or of any class or series of the Bank's indebtedness for any class or series of the Bank's shares;

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(c) the purchase of fractional interests in shares of the Bank under the conversion or exchange provisions of the shares or the security being converted or exchanged;

(d) any payment or declaration of a dividend in connection with any shareholders' rights plan, or the issue of rights, shares or other property under any shareholders' rights plan, or the redemption or repurchase of rights pursuant to the plan; or

(e) a capital raising by way of a rights or entitlement issue made to holders of one or more capital instruments of the Bank.

Nothing in these Terms of Issue prohibits the Bank or any member of the Group from purchasing shares in the Bank (or an interest therein) in connection with transactions for the account of customers of the Bank or of a Group member or, with the prior written approval of APRA, in connection with the distribution or trading of shares in the Bank in the ordinary course of business. This includes:

(f) taking security over shares in the Bank in the ordinary course of business; and

(g) acting as trustee for another person where neither the Bank nor any member of the Group has a beneficial interest in the trust (other than a beneficial interest that arises from a security given for the purposes of a transaction entered into in the ordinary course of business).

# 7 Ranking

## 7.1 Ranking with respect to Dividends

For payment of Dividends, the BOQ CPS rank:

(a) senior to Ordinary Shares; and

(b) equally among themselves and with BOQ PEPS and any other securities or instruments of the Bank that rank equally with the BOQ CPS in respect of dividends or distributions; and

(c) junior to any securities or instruments of the Bank that rank senior to the BOQ CPS in respect of dividends or distributions.

## 7.2 Liquidation preference

In a winding-up or liquidation of the Bank, the BOQ CPS rank:

(a) senior to Ordinary Shares;

(b) equally among themselves and with BOQ PEPS and any other securities or instruments of the Bank that rank equally with the BOQ CPS in respect of return of capital in a winding-up;

(c) junior to all the Bank's debts and liabilities to its creditors (including depositors), both unsubordinated and subordinated, other than indebtedness that by its terms ranks equally with, or junior to, the BOQ CPS in a winding-up; and

(d) junior to any securities or instruments of the Bank that rank senior to the BOQ CPS in respect of return of capital in a winding-up,

for payment in cash of an amount out of surplus assets equal to the Face Value plus any Dividend due but unpaid or such other amount as determined under clause 15.9 (**Liquidation Sum**), and otherwise do not confer any right to participate in the surplus assets of the Bank on a winding-up.

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# 8 Default

The Bank will only be in default under these Terms of Issue in the event of a winding-up of the Bank and such winding-up will not affect the ranking of the BOQ CPS and amounts payable under clause 7.2.

# 9 Not deposit liabilities

BOQ CPS do not represent a deposit liability of the Bank and are not protected accounts for the purposes of the depositor protection provisions of Australian banking legislation and are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

# 10 Set-off

## 10.1 Holders have no set-off

A Holder is not entitled to set-off any amounts due to a Holder in respect of BOQ CPS against any amount of any nature owed by the Holder to the Bank.

## 10.2 Holders have no offsetting claims

A Holder will have no offsetting rights or claims on the Bank if the Bank does not pay any Dividend.

## 10.3 Bank has no set-off

The Bank is not entitled to set-off any amounts of any nature due to the Bank against any amount owed by the Bank to the Holder in respect of BOQ CPS.

# 11 Other issues of securities

## 11.1 No rights to participate

Holders do not have a right, as a result of holding the BOQ CPS, to participate in issues of securities to, or capital reconstructions affecting, holders of Ordinary Shares or other securities in the Bank's capital.

## 11.2 Other issues not to vary class rights

The Bank reserves the right to issue further preference shares or other securities (whether redeemable or not) which rank senior to, equally with or behind BOQ CPS, whether in respect of dividends (whether cumulative or not), return of capital on a winding-up or otherwise.

Such issues of preference shares or other securities do not constitute a variation or abrogation of the rights attached to the then existing BOQ CPS, nor does any buy-back, redemption or return or distribution of capital in respect of any security or instrument other than a BOQ CPS (whether that security or instrument ranks equally, senior or junior with BOQ CPS).

# 12 Voting, notice and reports

## 12.1 Voting

Holders will not be entitled to vote at any general meeting of the Bank except that they may vote:

(a) if at the time of the meeting, a Dividend (or part of a Dividend) is due and payable but has not been paid in full by the relevant dividend payment date;

(b) on a proposal:

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(i) to reduce the Bank's share capital (other than in connection with a Redemption of BOQ CPS);

(ii) that affects rights attached to the BOQ CPS;

(iii) to wind up the Bank; or

(iv) for the disposal of the whole of the Bank's property, business and undertaking (other than in connection with a Redemption of BOQ CPS);

(c) on a resolution to approve the terms of a buy-back agreement (other than in connection with a Redemption of BOQ CPS);

(d) during the winding-up of the Bank; and

(e) in any other circumstances in which the ASX Listing Rules require holders of preference shares to be entitled to vote,

in which case Holders will be entitled:

(f) on a show of hands, to exercise one vote;

(g) on a poll, to exercise one vote for each BOQ CPS held by them.

### 12.2 Notice and meetings

Holders of BOQ CPS will be entitled to:

(a) receive notice of and attend (but not vote, except in accordance with clause 12.1) at any general meeting of the Bank;

(b) receive all reports and audited accounts of the Bank which are sent by the Bank to holders of Ordinary Shares.

Failure by the Bank to give a Holder any notice, report or other document to which that Holder is entitled under this paragraph will not affect the validity of any meeting (or any proceedings

at any meeting), transaction or document which relates to the document which was not received by the Holder.

## 13 Conversion, Redemption or Transfer

### 13.1 Conversion, Redemption or Transfer of BOQ CPS

(a) A Holder has no right to require a Conversion, Redemption or Transfer of BOQ CPS and the Bank is not obliged to Convert, Redeem or arrange a Transfer of the BOQ CPS in any circumstances other than as set out in these Terms of Issue.

(b) Subject to these Terms of Issue, BOQ CPS will mandatorily Convert to Ordinary Shares:

(i) on a Mandatory Conversion Date in accordance with clause 13.5; or

(ii) following a Capital Trigger Event, Non-Viability Trigger Event or Acquisition Event in accordance with clause 13.5.

(c) Subject to these Terms of Issue, the Bank may Convert the BOQ CPS:

(i) following the occurrence of a Tax Event or Regulatory Event in accordance with clause 13.6 or 13.7;



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(ii) on the Optional Conversion/Redemption Date in accordance with clause 13.6 or 13.7; or

(iii) following a Potential Acquisition Event in accordance with clause 13.6 or 13.7.

(d) Subject to these Terms of Issue, the Bank may Redeem or Transfer the BOQ CPS:

(i) following the occurrence of a Tax Event or Regulatory Event in accordance with clause 13.6; or

(ii) on the Optional Conversion/Redemption Date in accordance with clause 13.6.

## 13.2 Conversion Conditions

(a) Where indicated in these Terms of Issue, Conversion is subject to the satisfaction of the **Conversion Conditions**, which are that:

(i) the Test Conversion Number on the 25th Business Day before the Relevant Date is no greater than 90% of the Maximum Conversion Number (**First Conversion Condition**);

(ii) the Conversion Number calculated under clause 15.2(a) (and to avoid doubt, disregarding clause 15.2(b)) on the Relevant Date is no greater than the Maximum Conversion Number (**Second Conversion Condition**); and

(iii) no Delisting Event applies in respect of the Relevant Date (**Third Conversion Condition**).

(b) Relevant Date means:

(i) for a mandatory Conversion in respect of a Mandatory Conversion Date, the relevant Mandatory Conversion Date contemplated in clause 13.5(c);

(ii) for a mandatory Conversion in respect of an Acquisition Event, the Acquisition Event Conversion Date; or

(iii) for a Conversion the subject of an Early Conversion/Redemption Notice, the relevant Conversion Date notified in the Early Conversion/Redemption Notice under clause 13.6(g).

## 13.3 Test Conversion Number and Maximum Conversion Number

(a) The Test Conversion Number means the Conversion Number calculated under clause 15.2(a) (and to avoid doubt, disregarding clause 15.2(b)) using the Test Reference Period and assuming that:

(i) for a mandatory Conversion in respect of a Mandatory Conversion Date or Acquisition Event, the Relevant Date is the Mandatory Conversion Date or Acquisition Event Conversion Date; and

(ii) for a Conversion the subject of an Early Conversion/Redemption Notice, the Relevant Date is the Conversion Date notified in the Early Conversion/Redemption Notice under clause 13.6(g).

(b) Subject to any adjustments under clauses 15.4 to 15.6, the **Maximum Conversion Number** is equal to the number of Ordinary Shares calculated (to four decimal places) using the following formula:

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$$\text{Maximum Conversion Number} = \frac{\textit{Face Value}}{\textit{Relevant Fraction} \times \text{Pre} - \textit{Issue VWAP}}$$

where:

**Pre-Issue VWAP** means the VWAP during the period of 20 Business Days on which Ordinary Shares were traded on ASX immediately preceding, but not including, the Issue Date;

**Relevant Fraction** means:

(i) if Conversion is occurring before 1 January 2013 or on a Mandatory Conversion Date, 0.5; or

(ii) if Conversion is occurring at any other time, 0.2.

## 13.4 Announcement of Maximum Conversion Number

The Bank must make an announcement to ASX to notify Holders of the Maximum Conversion Number within a reasonable period after the Issue Date.

## 13.5 Mandatory Conversion

(a) Subject to this clause 13.5 and clauses 13.6, 13.7, 13.8 and 13.9, on the earlier of the Mandatory Conversion Date, the Capital Trigger Event Conversion Date (if any), the Non-Viability Conversion Date (if any) and the Acquisition Event Conversion Date (if any), the Bank must Convert all BOQ CPS on issue at that date into Ordinary Shares under clause 15.

(b) The Bank will make an announcement to ASX and notify APRA in writing immediately after becoming aware of a Capital Trigger Event, Non-Viability Trigger Event or Acquisition Event occurring.

(c) Subject to clause 13.8, the **Mandatory Conversion Date** will be the first of the following dates:

(i) 15 April 2020 (**Scheduled Mandatory Conversion Date**);

(ii) a Dividend Payment Date after the Scheduled Mandatory Conversion Date,

on which date the Conversion Conditions are satisfied.

(d) If, on any Relevant Date for a mandatory Conversion in respect of a Mandatory Conversion Date, the First Conversion Condition is not satisfied, the Bank will make an announcement to ASX not less than 21 Business Days before the Relevant Date notifying Holders that mandatory Conversion will not proceed on the Relevant Date.

(e) The **Capital Trigger Event Conversion Date** will be the date the Capital Trigger Event occurs.

(f) Conversion on the Capital Trigger Event Conversion Date will not be subject to the Conversion Conditions.

(g) The **Non-Viability Conversion Date** will be the date the Non-Viability Trigger Event occurs.

(h) Conversion on the Non-Viability Conversion Date will not be subject to the Conversion Conditions.

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(i) Subject to any relevant determination by APRA, the number of BOQ CPS that are required to be Converted in respect of a Capital Trigger Event or Non-Viability Trigger Event is the number that the Bank or APRA is satisfied will be required for the Bank to cease to be subject to the Capital Trigger Event or Non-Viability Trigger Event (as the case may be), as determined by Conversion of the BOQ CPS on a pro rata basis with the conversion or write-off in accordance with their terms of all other Relevant Tier 1 Capital Instruments (on a Level 1 or Level 2 basis as applicable).

(j) If only some of the BOQ CPS are to be Converted in respect of a Capital Trigger Event or Non-Viability Trigger Event, the Bank may determine which BOQ CPS are Converted. In making that determination, the Bank must endeavour to treat Holders on an approximately proportionate basis, but may discriminate to take account of the effect on marketable parcels and other logistical considerations.

(k) On a Capital Trigger Event Conversion Date or Non-Viability Conversion Date, subject to clauses 13.8(d) and 15.9:

(i) the BOQ CPS or relevant number of BOQ CPS will Convert, or be treated as having been Converted; and

(ii) the entry of the corresponding BOQ CPS, or relevant number of BOQ CPS, in each Holder's holding in the register of BOQ CPS will constitute a record of the holding of that Holder to the Conversion Number of Ordinary Shares (and, if applicable, any remaining balance of BOQ CPS), and the Bank will recognise the Holder as having been issued the relevant Ordinary Shares for all purposes, in each case without the need for any further act or step by the Bank or the Holder or any other person,

and the Bank will, as soon as practicable thereafter and without delay on the part of the Bank, take any appropriate procedural steps to record such Conversion, including updating the registers of BOQ CPS and Ordinary Shares.

(l) The **Acquisition Event Conversion Date** will be the Business Day before the date reasonably determined by the Bank to be the last date on which holders of Ordinary Shares can participate in the bid or scheme concerned or such earlier date as the Bank may reasonably determine having regard to the timing for implementation of the bid or scheme concerned or such later date as APRA may require.

(m) Conversion on the Acquisition Event Conversion Date is subject to the Conversion Conditions.

## 13.6 Early Conversion, Redemption or Transfer

(a) Subject to APRA's prior written approval, the Bank may serve an Early Conversion/Redemption Notice:

(i) in respect of some or all of the BOQ CPS, following the occurrence of a Tax Event or Regulatory Event;

(ii) in respect of all (but not some only) of the BOQ CPS, following the occurrence of a Potential Acquisition Event; and

(iii) in respect of some or all of the BOQ CPS, in respect of the Optional Conversion/Redemption Date.

(b) The Bank must notify Holders of the occurrence of a Potential Acquisition Event by announcement to ASX as soon as practicable after becoming aware of the occurrence of that event.

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(c) If the Bank serves an Early Conversion/Redemption Notice, the Bank must include in that notice which, or which combination, of the following it intends to do in respect of BOQ CPS the subject of the notice:

(i) Convert BOQ CPS into Ordinary Shares under clause 15; or

(ii) Redeem BOQ CPS in accordance with clause 14 on the relevant Redemption Date, in which case the Early Conversion/Redemption Notice must also specify the intended type of Redemption under clause 14.1; or

(iii) Transfer BOQ CPS in accordance with clause 16 on the relevant Transfer Date.

(d) The Bank may only apply the mechanisms in clause 13.6(c) if APRA has given its prior written approval to such mechanisms being applied.

*Holders should not expect that APRA's prior written approval will be given.*

(e) The Bank:

(i) may only apply the mechanism in clause 13.6(c)(i) 13.6(c)(i) (Conversion) if the Conversion Conditions are satisfied;

(ii) must not apply the mechanism in clause 13.6(c)(ii) (Redemption) or 13.6(c)(iii) (Transfer) in respect of a Potential Acquisition Event; and

(iii) may only apply the mechanism in clause 13.6(c)(ii) (Redemption) if APRA is satisfied that either:

(A) BOQ CPS the subject of the Redemption are replaced concurrently or beforehand with Tier 1 Capital of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for the Bank's income capacity; or

(B) the Group's capital position is well above its minimum capital requirements after the Bank elects to Redeem the BOQ CPS.

(f) An Early Conversion/Redemption Notice cannot be given in the period of 20 Business Days preceding (but not including) a Relevant Date for a mandatory Conversion in respect of a Mandatory Conversion Date where the First Conversion Condition has been met in respect of that Relevant Date.

(g) If the Bank serves an Early Conversion/Redemption Notice under clause 13.6, the Conversion Date, Redemption Date or Transfer Date (as appropriate) is the date stated in the Early Conversion/Redemption Notice provided that:

(i) the Conversion Date, Redemption Date or Transfer Date (as applicable) in the case of a notice under clause 13.6(a)(i), is the last Business Day of the month following the month in which the Early Conversion/Redemption Notice is given by the Bank unless the Bank determines an earlier Conversion Date, having regard to the best interests of the Holders as a whole and the relevant event;

(ii) the Conversion Date in the case of a notice under clause 13.6(a)(ii), is the Business Day before the date reasonably determined by the Bank to be the last date on which holders of Ordinary Shares can participate in the bid or scheme concerned or such earlier date as the Bank may reasonably determine having regard to the timing for implementation of the bid or scheme concerned or such later date as APRA may require (**Potential Acquisition Event Conversion Date**); and

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(iii) the Conversion Date, Redemption Date or Transfer Date (as applicable) in the case of a notice under clause 13.6(a)(iii), is the Optional Conversion/Redemption Date, which must fall:

(A) no earlier than:

1) 25 Business Days, where Conversion is proposed; or

2) 15 Business Days, where Redemption or Transfer is proposed; and

(B) no later than 50 Business Days,

after the date of the Early Conversion/Redemption Notice.

(h) If the Bank serves an Early Conversion/Redemption Notice to Convert, Redeem or Transfer only some BOQ CPS, the Bank must endeavour to treat Holders on an approximately proportionate basis, but may discriminate to take account of the effect on marketable parcels and other logistical considerations.

## 13.7 If Conversion Conditions are not satisfied

If any of the Conversion Conditions is not satisfied in respect of the Relevant Date for a Conversion under clause 13.5 (in respect of an Acquisition Event only) or under clause 13.6:

(a) if the First Conversion Condition is not satisfied, the Bank will make an announcement to ASX not less than 21 Business Days before the Relevant Date (or in the case of a Conversion in respect of an Acquisition Event or Potential Acquisition Event, the later of 21 Business Days and as early as practicable before the Relevant Date) notifying Holders that the Conversion will not proceed on the Relevant Date;

(b) if the First Conversion Condition is satisfied but either of the Second Conversion Condition or Third Conversion Condition is not satisfied, the Bank will make an announcement to ASX as soon as practicable that the Conversion will not (or, as the case may be, did not) proceed on the Relevant Date; and

(c) notwithstanding clauses 13.2(b), 13.5(l) and 13.6:

(i) the relevant Conversion Date will be deferred until the first Dividend Payment Date on which the Conversion Conditions would be satisfied if that Dividend Payment Date were a Relevant Date for the purposes of clause 13.2 (**Deferred Conversion Date**);

(ii) the Bank must Convert the BOQ CPS on the Deferred Conversion Date, unless those BOQ CPS have been earlier Converted or Redeemed in accordance with these Terms of Issue;

(iii) until the Deferred Conversion Date, all rights attaching to the BOQ CPS will continue as if the relevant Acquisition Event Conversion Date had not occurred or the relevant Early Conversion/Redemption Notice had not been given;

(iv) if the First Conversion Condition would not be satisfied on a Dividend Payment Date if that Dividend Payment Date were a Relevant Date for the purposes of clause 13.2, and as a result the Dividend Payment Date is not a Deferred Conversion Date, clause 13.7(a) will apply as if the Dividend Payment Date were a Relevant Date for the purposes of clause 13.7(a); and

(v) if the First Conversion Condition is satisfied on a Dividend Payment Date under clause 13.7(c)(iv) but either of the Second Conversion Condition or Third

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Conversion Condition would not be satisfied if that Dividend Payment Date were a Relevant Date for the purposes of clause 13.2, and as a result the Dividend Payment Date is not a Deferred Conversion Date, the Bank will make an announcement to ASX as soon as practicable that the Conversion will not (or, as the case may be, did not) proceed on that Dividend Payment Date.

To avoid doubt, this clause 13.7 does not apply to a Conversion in respect of a Mandatory Conversion Date, Capital Trigger Event Conversion Date or Non-Viability Conversion Date under clause 13.5.

## 13.8 Priority of Conversion, Redemption, Transfer, Write Off and Winding up

(a) Subject to clause 13.7 and this clause 13.8, an Early Conversion/Redemption Notice given by the Bank under clause 13.6 is irrevocable and may include any other information that the Bank considers necessary or appropriate to effect the Conversion, Redemption or Transfer in an orderly manner.

(b) On the occurrence of a Capital Trigger Event or Non-Viability Trigger Event, any Early Conversion/Redemption Notice then on issue will immediately become void.

(c) Subject to clauses (d) and 15.9, Conversion required on account of:

(i) a Capital Trigger Event takes place on the date and in the manner required by clause 13.5, notwithstanding any other provision for Conversion, Redemption or Transfer in these Terms of Issue (other than on account of a Non-Viability Trigger); and

(ii) a Non-Viability Trigger Event takes place on the date and in the manner required by clause 13.5, notwithstanding any other provision for Conversion, Redemption or Transfer in these Terms of Issue.

(d) If on the Capital Trigger Event Conversion Date or Non-Viability Conversion Date an Inability Event subsists, then to the extent such event prevents the Bank from Converting BOQ CPS, Conversion on account of the Capital Trigger Event or Non- Viability Trigger Event will not occur and clause 15.9 shall apply.

(e) If before Conversion an order is made by a court, or an effective resolution is passed, for the winding-up of the Bank, then Conversion will not occur and clause 7.2 shall apply, except where Conversion is required in respect of a Capital Trigger Event or Non-Viability Trigger Event in which case Conversion will proceed in accordance with clause 13.5 subject to clause 15.9.

## 13.9 Issue of ordinary shares of an Approved NOHC

Where there is a replacement of the Bank as the ultimate holding company of the Group and the successor holding company is an Approved NOHC, no Acquisition Event or Potential Acquisition Event will occur and no Conversion of the BOQ CPS will be triggered as a consequence of the Replacement. Instead, these Terms of Issue will be amended as required for the substitution of the Approved NOHC in accordance with clause 18.4.

## 13.10 Takeovers and schemes of arrangement

If:

(a) a takeover bid is made for Ordinary Shares, acceptance of which is recommended by the Directors; or

(b) the Directors recommend a scheme of arrangement in respect of the Ordinary Shares of the Bank which will result in a person other than the Bank having a relevant interest in more than 50% of the Ordinary Shares,



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in each case which would result in an Acquisition Event then, if the Directors consider that the Bank will not be permitted to elect to Convert the BOQ CPS in accordance with clause 13.6, or the Second Conversion Condition or Third Conversion Condition will not be satisfied in respect of the Conversion Date relating to an Acquisition Event in accordance with clause 13.7, the Directors will use all reasonable endeavours to procure that:

(c) takeover offers are made to Holders which, in respect of each BOQ CPS, are for a consideration at least equal to the Redemption Price of that BOQ CPS; or

(d) Holders are entitled to participate in the scheme of arrangement or a similar transaction.

# 14 Mechanics of Redemption

## 14.1 Meaning of Redemption

Redemption, in respect of a BOQ CPS, means the BOQ CPS is redeemed, bought back (other than by an on-market buy-back) or cancelled pursuant to a reduction of capital (or any combination of these) for an amount of cash equal to the Redemption Price, as the case may be. Subject to APRA's prior written approval of the Redemption, if the Bank elects to Redeem BOQ CPS, the provisions of this clause 14 apply.

## 14.2 Effect of Early Conversion/Redemption Notice

Once a Holder has been given an Early Conversion/Redemption Notice that notifies an intention to Redeem any or all of a Holder's BOQ CPS, that Holder must not deal with, transfer, dispose of or otherwise encumber the BOQ CPS the subject of the proposed Redemption and must do all things reasonably required to give effect to the Redemption of the relevant BOQ CPS in accordance with these Terms of Issue.

## 14.3 Redemption of BOQ CPS

If the Bank determines to Redeem any BOQ CPS by redemption, to effect the Redemption of the BOQ CPS specified in the Early Conversion/Redemption Notice, the Bank shall pay the Redemption Price to the relevant Holders on the relevant Redemption Date. Upon payment of the Redemption Price, all other rights conferred, or restrictions imposed, by those BOQ CPS under these Terms of Issue will no longer have effect.

## 14.4 Buy-back of BOQ CPS

If the Bank determines to Redeem any BOQ CPS by buy-back, each Holder agrees to accept the buy-back offer for their relevant BOQ CPS to which the Early Conversion/Redemption Notice relates and will be deemed to have sold to the Bank those BOQ CPS free of all Encumbrances on the terms of the Buy-Back Agreement.

For the avoidance of doubt, no agreement arises under this clause 14.4 until the later of:

(a) the date the Early Conversion/Redemption Notice is sent to Holders; and

(b) the date all relevant consents (if any) to the buy-back have been obtained from the Bank's shareholders or any regulatory authority or other person, pursuant to, and in the manner required by, any applicable law or the ASX Listing Rules (subject to any applicable modifications and waivers of such laws or ASX Listing Rules); and

(c) immediately after payment of the final Dividend to be paid as may be determined by the Directors in their absolute discretion and identified in the Early Conversion/Redemption Notice.

## 14.5 Cancellation of BOQ CPS

If the Bank:

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(a) determines to Redeem any BOQ CPS by cancellation;

(b) obtains all consents (if any) to the cancellation which are required to be obtained from the Bank's shareholders or any regulatory authority or other person, pursuant to and in the manner required by any applicable law or the ASX Listing Rules; and

(c) gives an Early Conversion/Redemption Notice to the relevant Holders notifying them of the Bank's determination to cancel the BOQ CPS identified in the Early Conversion/Redemption Notice,

then subject to these Terms of Issue, the Bank will, on the relevant Redemption Date, cancel every BOQ CPS that the Bank has determined to cancel and identified in the Early Conversion/Redemption Notice. For each BOQ CPS that is cancelled, an amount equal to the Redemption Price will be paid by the Bank to the relevant Holders on the relevant Redemption Date in respect of the cancellation.

## 14.6 Further assurances

If required by the Bank, where the Terms of Issue provide that the Bank is entitled to Redeem any BOQ CPS, including a Redemption by buy-back or cancellation, the Holder must to the extent permitted by law:

(a) vote in favour (subject to compliance with the law and to the extent the Holder is entitled to do so) or otherwise abstain from any required resolution;

(b) provide all documentation and execute or provide any authorisation or power necessary; and

(c) take all other action necessary or desirable, to effect the Redemption of those BOQ CPS.

## 14.7 Power of attorney and agency

Each Holder irrevocably:

(a) appoints the Bank, each of its authorised officers and any liquidator, administrator or statutory manager of the Bank (each **Relevant Person**) severally to be the attorney of the Holder and the agent of the Holder with power in the name and on behalf of the Holder to do all such acts and things including by exercising any voting rights attached to the BOQ CPS held by the Holder and signing all documents and transfers as may, in the opinion of the Relevant Person, be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under these Terms of Issue, including:

(i) to effect, record or perfect the Transfer or Redemption (or transactions contemplated by the Transfer or Redemption) of the BOQ CPS held by the Holder when required or permitted in accordance with these Terms of Issue;

(ii) acting as the agent and/or attorney of each Holder to facilitate the buy back or cancellation of the BOQ CPS held by the Holder under clause 14.4 or 14.5; or

(iii) as otherwise contemplated under these Terms of Issue; and

(b) authorises and directs the Bank to make such entries in the register of BOQ CPS (including any amendments and additions to the register) which the Bank considers necessary or desirable to record the Transfer or Redemption of the BOQ CPS in accordance with these Terms of Issue and to record the cessation of the Holder's registration as the holder of the BOQ CPS upon such Transfer or Redemption.

The power of attorney and agency appointment given in this clause is irrevocable and given for valuable consideration to secure the performance by the Holder of its obligations under these Terms of Issue.



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# 15 Mechanics of Conversion

## 15.1 Meaning of Conversion

A BOQ CPS, on any Conversion, confers all of the rights attaching to one Ordinary Share but these rights do not take effect until 5.00pm (Brisbane time) on the date of Conversion. At that time:

(a) all other rights or restrictions conferred on BOQ CPS under these Terms of Issue will no longer have any effect (except for any rights relating to a Dividend payable on or before the Conversion Date and any rights to any allotment of additional Ordinary Shares to be issued upon Conversion under clause 15.2); and

(b) the Ordinary Share resulting from Conversion will rank equally with all other Ordinary Shares then on issue and the Bank will issue a statement that the holder of those shares holds a share so ranking.

The variation of the status of, and the rights attaching to, a BOQ CPS under this clause 15.1 and any issue of additional Ordinary Shares under clause 15.2 is, for the purposes of these Terms of Issue, together termed '**Conversion**'. Conversion does not constitute redemption, buy-back, cancellation or termination of a BOQ CPS or an issue, allotment or creation of a new share (other than the additional Ordinary Shares issued under clause 15.2).

## 15.2 Effect of Conversion

(a) On the Conversion Date in respect of any Conversion:

(i) each BOQ CPS being Converted will Convert into one Ordinary Share; and

(ii) subject to this clause 15.2, each Holder will be issued an additional number of Ordinary Shares for each BOQ CPS being Converted equal to one less than the following number calculated to four decimal places:

$$= \frac{Face\ Value}{Pre-Conversion\ VWAP \times (1 - Discount\ Factor)}$$

where:

**Discount Factor** (expressed as a decimal) means 0.01;

**Pre-Conversion VWAP** means the VWAP during the Pre-Conversion VWAP Period (provided that if for a Conversion in respect of an Acquisition Event or Potential Acquisition Event there is no trading in Ordinary Shares after the Acquisition Event or Potential Acquisition Event (as the case may be), the Pre-Conversion VWAP will be the offer price for Ordinary Shares under the relevant Acquisition Event or Potential Acquisition Event).

(iii) Pre-Conversion VWAP Period means:

(A) for the Test Conversion Number, the period of trading in the Ordinary Shares on ASX on the 25th Business Day before the Relevant Date (or if trading in Ordinary Shares did not occur on that date, the period of trading on the last Business Day before that date on which trading in Ordinary Shares occurred) (**Test Reference Period**);

(B) for Conversion in respect of an Acquisition Event or Potential Acquisition Event, the lesser of:

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1) the 20 Business Days on which trading in the Ordinary Shares took place immediately preceding, but not including, the relevant Conversion Date; and

2) the number of Business Days that Ordinary Shares are quoted for trading on ASX or the principal securities exchange on which Ordinary Shares are then quoted, following the occurrence of the Acquisition Event or Potential Acquisition Event (as the case may be) and preceding, but not including, the relevant Conversion Date;

(C) for Conversion in respect of a Capital Trigger Event or Non- Viability Trigger Event, the period of 5 Business Days on which trading in the Ordinary Shares took place immediately preceding, but not including, the date of the Capital Trigger Event or Non-Viability Event, as the case may be;

(D) in all other cases, the period of 20 Business Days on which trading in the Ordinary Shares took place immediately preceding, but not including, the relevant Conversion Date.

(b) If the number of Ordinary Shares that a Holder would be entitled to receive for each BOQ CPS calculated in accordance with clause 15.2(a) would exceed the Maximum Conversion Number, the Holder will instead receive a number of Ordinary Shares equal to the Maximum Conversion Number for each BOQ CPS.

## 15.3 Fractions on Conversion

Where the total number of Ordinary Shares that a Holder is entitled to in respect of the total number of BOQ CPS being Converted at that time includes a fraction, that fraction will be disregarded.

## 15.4 Adjustment to VWAP for dividends, distributions and other entitlements, and for divisions and similar transactions

For the purposes of calculating VWAP in these Terms of Issue (including the Pre-Issue VWAP under clause 13.3):

(a) where, on some or all of the Business Days in the period for which VWAP is determined (**VWAP Period**), Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and BOQ CPS will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend, distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend, cum distribution or cum entitlement shall be reduced by an amount (Cum Value) equal to in the case of:

(i) a dividend or other distribution, the amount of that dividend or distribution including, if the dividend or distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is a natural person resident in Australia under the Tax Act;

(ii) an entitlement that is not a dividend or other distribution under clause 15.4(a)(i) and which is traded on ASX on any of those Business Days, the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded; or

(iii) an entitlement that is not a dividend or other distribution under clause 15.4(a)(i) and which is not traded on ASX during the VWAP Period, the value of the entitlement as reasonably determined by the Directors;

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(b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted ex dividend, ex distribution or ex entitlement, and BOQ CPS will Convert into Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend, ex distribution or ex entitlement shall be increased by the Cum Value; and

(c) where during the relevant VWAP Period the Ordinary Shares are reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities (not involving any cash payment or other distribution to or by Ordinary Shareholders) (Reconstruction), in calculating the VWAP for that VWAP Period the daily VWAP applicable on each day in the relevant VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reconstruction basis shall be adjusted by multiplying the daily VWAP by the following formula:

$$\frac{RD}{RN}$$

where:

**RD** means the aggregate number of Ordinary Shares immediately before the Reconstruction; and

**RN** means the aggregate number of Ordinary Shares immediately after the Reconstruction.

Any adjustment made by the Bank under this paragraph (c) will constitute an alteration to these Terms of Issue and will be binding on all Holders and these Terms of Issue will be construed accordingly.

## 15.5 Adjustments to Maximum Conversion Number for bonus issues

(a) Subject to clauses 15.5(b) and 15.5(c), if the Bank makes a bonus issue (being a pro rata issue) of Ordinary Shares to Ordinary Shareholders generally, the Maximum Conversion Number will be adjusted immediately under the following formula:

$$CN = \frac{CNo \times (RD + RN)}{RD}$$

where:

**CN** means the Maximum Conversion Number applying immediately after the application of this formula;

**CNo** means the Maximum Conversion Number applying immediately before the application of this formula;

**RD** means the number of Ordinary Shares on issue immediately before the issue of new Ordinary Shares under the bonus issue; and

**RN** means the number of Ordinary Shares issued under the bonus issue;

(b) Clause 15.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or dividend reinvestment plan.

(c) For the purpose of this clause 15.5, a bonus issue will be regarded as a pro rata issue notwithstanding that the Bank does not make the issue to some or all Ordinary Shareholders

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with registered addresses outside Australia, provided that in so doing the Bank is not in contravention of the ASX Listing Rules.

(d) No adjustments to the Maximum Conversion Number will be made under this clause 15.5 for any offer of Ordinary Shares not covered by clause 15.5(a), including a rights issue or other essentially pro rata issue.

(e) The fact that no adjustment is made for an issue of Ordinary Shares other than as covered by clause 15.5(a) shall not in any way restrict the Bank from issuing Ordinary Shares on terms as it sees fit nor be taken to constitute a modification or variation of rights or privileges of Holders otherwise requiring any consent or concurrence.

## 15.6 Adjustments to Maximum Conversion Number for divisions and similar transactions

Where the Ordinary Shares are the subject of a Reconstruction, the Maximum Conversion Number shall be adjusted in the same ratio in which the Ordinary Shares have been Reconstructed.

## 15.7 Announcement of adjustments

The Bank will make an announcement to ASX of any adjustment to the VWAP or Maximum Conversion Number under this clause 15 within 10 Business Days after determining the adjustment and the adjustment will be final and binding.

## 15.8 Foreign Holders

Where BOQ CPS held by a Foreign Holder are to be Converted, unless the Bank is satisfied that the laws of the Foreign Holder's country of residence permit the issue of Ordinary Shares to the Foreign Holder (but as to which the Bank is not bound to enquire), either unconditionally or after compliance with conditions which the Bank in its absolute discretion regards as acceptable and not unduly onerous, the Ordinary Shares which the Foreign Holder is obliged to accept will be issued to a nominee who will sell those Ordinary Shares and pay a cash amount equal to the net proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to the Foreign Holder accordingly. The nominee must be independent of the Bank and not be an entity controlled (as defined by the Corporations Act) by the Bank.

## 15.9 Write Off

Where on the Capital Trigger Event Conversion Date or Non-Viability Conversion Date, as applicable, an Inability Event subsists and Conversion has not been effected within five days after the Capital Trigger Event Conversion Date or the Non-Viability Conversion Date (as the case may be), to the extent such Inability Event prevents the Bank from Converting BOQ CPS which would otherwise be Converted, those BOQ CPS will be Written Off.

In this clause 15.9, **Written Off** means that, in respect of a BOQ CPS and a Capital Trigger Event Conversion Date or a Non-Viability Conversion Date:

(a) the BOQ CPS will not be Converted on that date and will not be Converted, Redeemed or Transferred under these Terms of Issue on any subsequent date;

(b) on and from the sixth day after the Capital Trigger Event Conversion Date or the Non-Viability Conversion Date (as the case may be), without the need for Holder or Ordinary Shareholder approval:

(i) in a winding-up of the Bank, the Liquidation Sum is the sum which would have been paid in respect of the BOQ CPS out of the surplus available to shareholders in the winding-up if the BOQ CPS were the Conversion Number of Ordinary Shares (and such sum will be treated as the amount paid up on the BOQ CPS); and

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(ii) subject to clauses 6.5, 6.6 and 6.8, a non-cumulative dividend is payable in respect of the BOQ CPS if and when a dividend is paid on Ordinary Shares, in an amount determined as if the BOQ CPS were a number of Ordinary Shares equal to the Conversion Number,

in each case with that Conversion Number being finally determined as if those BOQ CPS had Converted on the Capital Trigger Event Conversion Date or the Non- Viability Conversion Date (as the case may be) (and subject always to such number not exceeding the Maximum Conversion Number); and

(c) on and from the sixth day after the Capital Trigger Event Conversion Date or the Non-Viability Conversion Date (as the case may be), clauses 4, 6.1, 6.2, 6.3, 6.4, 6.10 (and consequentially 6.11), 13 (other than clause 13.8(d)), 14, 15 (other than this clause 15.9 and any provisions in clause 15 required to give effect to this clause 15.9), 16, 18.4 and 18.5 will no longer apply to those BOQ CPS.

# 16 Mechanics of Transfer

## 16.1 Transfer process

(a) If the Bank elects to Transfer BOQ CPS under clause 13.6(c)(iii), the provisions of this clause 16 apply in respect of those BOQ CPS.

(b) The Bank must appoint one or more third parties selected in its absolute discretion (**Nominated Transferee**) to acquire the BOQ CPS for cash for the amount of the Face Value per BOQ CPS and otherwise on such terms as may be agreed between the Bank and the Nominated Transferees. If the Bank appoints more than one Nominated Transferee in respect of a Transfer, all or any of the BOQ CPS held by a Holder which are being Transferred may be purchased by any one or any combination of the Nominated Transferees, as determined by the Bank.

(c) An Early Conversion/Redemption Notice given in accordance with clause 13.6(c)(iii) shall bind Holders in accordance with its terms, including as an irrevocable offer to Transfer BOQ CPS the subject of the notice to the Nominated Transferees on the Transfer Date for the price in clause 16.1(b).

(d) On the Transfer Date, subject to payment by the relevant Nominated Transferee of the price in clause 16.1(b) to the relevant Holders, all right, title and interest in the relevant BOQ CPS (excluding the right to any Dividend payable on that date) will be transferred to the relevant Nominated Transferee free from Encumbrances.

## 16.2 Nominated Transferee

(a) Nominated Transferee:

(i) may not be a related entity (as defined by the APRA Guidelines) of the Bank; and

(ii) must have a long term counterparty credit rating from one of Standard & Poor's, Moody's or Fitch of not less than investment grade.

(b) The Bank must not appoint a Nominated Transferee if it believes in good faith that there is a more than insubstantial risk that the Nominated Transferee will be unable (or will otherwise not be required) to fulfil its obligations under the Transfer or that the Transfer to the Nominated Transferee would otherwise not occur.

(c) If a Nominated Transferee fails (or is otherwise not required) to fulfil its obligations under a Transfer (**Defaulting Transferee**), then the transfer to the Defaulting Transferee will not occur and Holders will continue to hold their BOQ CPS referable to that Defaulting

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Transferee until they are otherwise Converted, Redeemed or Transferred in accordance with these Terms of Issue.

# 17 Transfers of BOQ CPS

The BOQ CPS are transferable at the Holder's option in accordance with the Constitution and Corporations Act and, if they are quoted on ASX, the ASX Listing Rules, ASTC Settlement Rules and any other applicable requirements flowing from quotation.

# 18 Amendments to the Terms of Issue

## 18.1 Amendments without consent

Subject to complying with all applicable laws, the Bank may without the authority, assent or approval of Holders or Ordinary Shareholders amend or add to these Terms of Issue if such amendment or addition is, in the opinion of the Bank:

(a) of a formal, minor or technical nature;

(b) made to cure any ambiguity or correct a manifest error;

(c) expedient for the purpose of enabling BOQ CPS to be listed or to remain listed on a securities exchange (including, without limitation, in connection with any change in the principal securities exchange on which Ordinary Shares are listed) or lodged in a clearing system or to remain lodged in a clearing system or to be offered for sale or for subscription under the laws for the time being in force in any place;

(d) necessary to comply with the provisions of any statute or the requirements of any regulatory authority;

(e) made in accordance with the Bank's adjustment rights in clause 15;

(f) an amendment of any date or time period stated, required or permitted in connection with any Conversion in a manner necessary or desirable to facilitate the Conversion; or

(g) is not likely (taken as a whole and in conjunction with all other modifications, if any, to be made contemporaneously with that modification) to be materially prejudicial to the interests of the Holders of the BOQ CPS as a whole.

## 18.2 Amendment with consent

Without limiting clause 18.1, the Bank may, amend these Terms of Issue if the amendment has been approved by a Special Resolution.

## 18.3 Amendment with approval of APRA

Notwithstanding anything in this clause 18, the Bank must seek and obtain APRA's written approval before making any amendment to the Terms of Issue under this clause 18 that may affect the eligibility of the BOQ CPS to qualify as Additional Tier 1 Capital.

## 18.4 Amendment without consent for Approved NOHC

If:

(a) it is proposed that the Bank be replaced as the ultimate holding company of the Group by an Approved NOHC (**Replacement**); and

(b) the Approved NOHC agrees for the benefit of Holders:

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(i) to deliver Approved NOHC Shares under all circumstances when the Bank would have otherwise been obliged to deliver Ordinary Shares on a Conversion, subject to the same terms and conditions of these Terms of Issue as amended by this clause 18.4;

(ii) to comply with the restriction in clause 6.10 (with all appropriate modifications) of these Terms of Issue; and

(iii) to use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of the Approved NOHC Shares issued under these Terms of Issue on the stock exchanges on which the other Approved NOHC Shares are quoted at the time of a Conversion,

the Bank may, with APRA's prior written approval, but without the authority, assent or approval of Holders, give a notice (an **Approved Replacement Notice**) to Holders (which, if given, must be given as soon as practicable before the Replacement and in any event no later than 10 Business Days before the Replacement occurs) specifying the amendments to these Terms of Issue which will be made in accordance with this clause 18.4 to effect the substitution of an Approved NOHC as the issuer of ordinary shares on Conversion (the **Approved Replacement Terms**). An Approved Replacement Notice, once given, is irrevocable.

## 18.5 Effect of Approved Replacement notice

If the Bank gives an Approved Replacement Notice to Holders in accordance with clause 18.4, the Approved Replacement Terms:

(a) will have effect on and from the date specified in the Approved Replacement Notice; and

(b) may:

(i) amend the definition of Conversion in these Terms of Issue such that, with APRA's prior written approval, on the date on which the BOQ CPS are to be Converted:

(A) each BOQ CPS that is being Converted will be automatically transferred by each Holder free from Encumbrances to the Approved NOHC (or another member of the Group) (the **Transferee**) on the date the Conversion is to occur;

(B) each Holder will be issued a number of Approved NOHC Shares equal to the Conversion Number (which is calculated using the formula in clause 15.2 as though references in that clause to Ordinary Shares are references to Approved NOHC Shares); and

(C) as between the Bank and the Transferee:

1) each BOQ CPS held by the Transferee as a result of the transfer will be automatically Converted into an Ordinary Share; and

2) an additional number of Ordinary Shares will be issued to the Transferee,

such that the total number of Ordinary Shares held by the Transferee by reason of sub-paragraphs 1) and 2) increases by the number which equals the number of Approved NOHC Shares issued by the Approved NOHC to Holders on Conversion; and

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(ii) make such other amendments as in the Bank's reasonable opinion are necessary and appropriate to effect the substitution of an Approved NOHC, including without limitation to clause 15.9, as the provider of the ordinary shares on Conversion in the manner contemplated by these Terms of Issue.

### 18.6 General provisions

(a) Where an amendment under clause 18.4 results in Approved NOHC Shares being issued to Holders, each Holder agrees to become a member of the Approved NOHC immediately before the issue of the Approved NOHC Shares and appoints the Bank as its attorney as contemplated under clause 14.7 to do all things necessary or desirable to give effect to clauses 18.4 and 18.5.

(b) Nothing in clause 18.4 or 18.5 prevents the Bank from proposing, or limits, any scheme of arrangement or other similar proposal that may be put to Holders or other members of the Bank.

## 19 Governing law

These Terms of Issue are governed by the law of Queensland, Australia.

## 20 Interpretation

### 20.1 Definitions

In these Terms of Issue, the following expressions have the following meanings:

**Acquisition Event** means:

(a) a takeover bid is made to acquire all or some Ordinary Shares and the offer is, or becomes, unconditional and the bidder has a relevant interest in more than 50% of the Ordinary Shares on issue; or

(b) a court approves a scheme of arrangement under Part 5.1 of the Corporations Act which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be on issue after the scheme is implemented, and all regulatory approvals necessary for the acquisition to occur have been obtained. Notwithstanding the foregoing, the replacement or proposed replacement of the Bank as the ultimate holding company of the Group at the initiation of the Directors acting as a board shall not constitute an Acquisition Event if:

(c) the proposed successor holding company complies with all applicable legal requirements and obtains any necessary regulatory approvals (including APRA's prior written approval as a "non-operating holding company" within the meaning of the Banking Act);

(d) the proposed successor holding company agrees to take any necessary action to give effect to an amendment to the Terms of Issue as contemplated in clauses 18.4 and 18.5;

(e) the ordinary shares of the proposed successor holding company are to be listed on an Australian stock exchange; and

(f) the proposed replacement of the Bank and the events described in paragraphs (c) to

(g) would not, in the reasonable opinion of the Bank, otherwise adversely affect the interests of Holders.

**Acquisition Event Conversion Date** has the meaning given in clause 13.5(l).

**Additional Tier 1 Capital** means that term as defined by APRA from time to time.



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**Administrative Action** means any judicial decision, official administrative pronouncement or action, published or private ruling, interpretative decision, regulatory procedure or policy, application of a regulatory procedure or policy and any notice or announcement (including any notice or announcement of intent to adopt or make any of those things).

**Approved NOHC** means a holding company that, at the initiation of the Directors acting as a board, replaces, or is proposed to replace, the Bank as the ultimate holding company of the Group and that satisfies the requirements under paragraphs (c) to (f) of the definition of Acquisition Event.

**Approved NOHC Share** means a fully paid ordinary share in the capital of the Approved NOHC.

**Approved Replacement Notice** has the meaning given in clause 18.4. **Approved Replacement Terms** has the meaning given in clause 18.4. **APRA** means the Australian Prudential Regulation Authority.

**APRA Guidelines** means prudential standards, guidelines, practice guides, policy statements and practice notes or other equivalent statements of APRA which are applicable to the Bank.

**ASX** means the licensed market operated by ASX Limited ABN 98 008 624 691.

**ASX Listing Rules** means the listing rules of the ASX from time to time with any modifications or waivers applicable to the Bank.

**Australian Basel III Rules** means the final form of prudential rules applied by APRA resulting from the introduction of Basel III for Australian ADIs, comprised of APRA

Prudential Standards APS 001, APS 110, APS 111 and APS 222 and Reporting Standards ARS 110.0 and ARS 111.0 released by APRA on 28 September 2012.

**Bank of Queensland** or the **Bank** means Bank of Queensland Limited ABN 32 009 656 740.

**Bank Bill Swap Rate** means the average mid-rate for bills of a term of 180 days which average rate is displayed on Reuters page BBSW (or any page which replaces that page) at 10:30am (Sydney time) on the relevant date, or if there is a manifest error in the calculation of that average rate or that average rate is not displayed by 10:30am (Sydney time) on that date, or if the relevant date relates to a Dividend Period which is expected to be less than 180 days, the rate specified by the Bank in good faith at or around that time on the relevant date having regard, to the extent possible, to:

(a) the rate otherwise bid and offered for bills of 180 days, or for funds of a tenor most closely corresponding to the period to which the rate will apply, displayed on that page BBSW (or replacement page) at that time on the date; and

(b) if bid and offer rates for bills of a term of 180 days or of that other tenor are not otherwise available, the rates otherwise bid and offered for funds of that tenor at or around that time on that date.

**Banking Act** means the Banking Act 1959 (Cth).

**Bookbuild** means the process conducted prior to the opening of the Offer whereby certain investors lodge bids for BOQ CPS and, on the basis of those bids, the Bank and the joint lead managers to the Offer determine the Margin.

**BOQ CPS** has the meaning given in clause 1.

**BOQ PEPS** means the perpetual equity preference shares in the class first issued under the Constitution by the Bank in December 2007.

**Business Day** has the meaning given in the ASX Listing Rules.

**Buy-Back Agreement** means an agreement under which the Bank buys back BOQ CPS in the form contained in Schedule 3.

**Capital Trigger Event** means the ratio of the Group's Common Equity Tier 1 Capital (or until 1 January 2013, Fundamental Tier 1 Capital) to total risk weighted assets (each as determined by the Bank or APRA at any time) falls to, or below, 5.125%, calculated on a Level 1 or Level 2 basis.

**Capital Trigger Event Conversion Date** has the meaning given in clause 13.5(e). **Common Equity Tier 1 Capital** means that term as defined by APRA from time to time. **Constitution** means the constitution of the Bank.

**Conversion** has the meaning given in clause 15.1 (including the issue of additional Ordinary Shares under clause 15.2) and includes mandatory Conversion under clause 13.5 or 13.7, and **Convert** and **Converted** have a corresponding meaning.

**Conversion Conditions** has the meaning given in clause 13.2.

**Conversion Date** means the Mandatory Conversion Date, the Capital Trigger Event Conversion Date, the Non-Viability Conversion Date, the Acquisition Event Conversion Date or, for a Conversion the subject of an Early Conversion/Redemption Notice, the date on which Conversion is to occur as notified in the Early Conversion/Redemption Notice under clause 13.6(g), as the context requires.

**Conversion Number** means the aggregate of the number of Ordinary Shares into which a BOQ CPS Converts and the number of additional Ordinary Shares which are to be issued to the holder on Conversion of a BOQ CPS, under clause 15.2.

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

**Cum Value** has the meaning given in clause 15.4(a).

**Deferred Conversion Date** has the meaning given in clause 13.7(c)(i).

**Delisting Event** means, in respect of a date, that:

(a) Ordinary Shares ceased to be listed or admitted to trading on ASX on or before that date (and where the cessation occurred before that date, Ordinary Shares continue not to be listed or admitted to trading on that date);

(b) trading of Ordinary Shares on ASX is suspended for a period of consecutive days which includes:

  (i) at least five consecutive Business Days before that date; and

  (ii) that date; or

(c) an Inability Event subsists. **Directors** means the directors of the Bank. **Dividend** has the meaning given in clause 6.1.

**Dividend Payment Date** means a date on which a Dividend is payable under clause 6.4 (or would be payable but for clause 6.6), whether or not a Dividend is, or is able to be, paid on that date.

**Dividend Period** has the meaning given in clause 6.1.

**Dividend Rate** has the meaning given in clause 6.2.

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**Early Conversion/Redemption Notice** means a notice given by the Bank to a Holder under clause 13.6 specifying that their BOQ CPS will be Converted, Redeemed or Transferred (or a combination), as the case may be.

**Encumbrance** means any mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement, any other security agreement or security arrangement (including any security interest under the Personal Property Securities Act 2009 (Cth)) and any other arrangement of any kind having the same effect as any of the foregoing other than liens arising by operation of law.

**Face Value** has the meaning given in clause 4.

**First Conversion Condition** has the meaning given in clause 13.2(a).

**Fundamental Tier 1 Capital** means that term as defined by APRA from time to time.

**Foreign Holder** means a Holder whose address in the register of BOQ CPS is a place outside Australia or who the Bank otherwise believes may not be a resident of Australia.

**Group** means the Bank and its controlled entities, or where the context requires, refers to the Bank and such other controlled or related entities as are required to be consolidated on a Level 1 or Level 2 basis (as applicable).

**Holders** means the persons whose names are for the time being registered in the register of BOQ CPS as a holder of BOQ CPS.

**Inability Event** means the Bank is prevented by applicable law or order of any court or action of any regulatory authority (including regarding the insolvency, winding-up or other external administration of the Bank) or any other reason from Converting the BOQ CPS.

**Issue Date** means the date on which the BOQ CPS are issued.

**Level 1, Level 2** and **Level 3** means those terms as defined by APRA from time to time.

**Liquidation Sum** has the meaning given in clause 7.2.

**Mandatory Conversion Date** has the meaning given in clause 13.5(c).

**Margin** has the meaning given in clause 6.2.

**Maximum Conversion Number** has the meaning in clause 13.3(b).

**Nominated Transferee** has the meaning given in clause 16.

**Non-Viability Conversion Date** has the meaning given in clause 13.5(g).

**Non-Viability Trigger Event** means that APRA has provided a written determination to the Bank that all (or some) BOQ CPS and other Relevant Tier 1 Capital Instruments (as specified in the determination) must be converted or written off:

(a) as without the conversion or write-off the Bank would become, in APRA's opinion, non-viable; or

(b) as without a public sector injection of capital, or equivalent capital support, the Bank would become, in APRA's opinion, non-viable.

**Non-Innovative Residual Tier 1 Capital** means that term as defined by APRA from time to time.

**Offer** means the invitation made under the Prospectus made by the Bank for persons to subscribe for BOQ CPS.

**Optional Conversion/Redemption Date** means 15 April 2018.

**Ordinary Share** means a fully paid ordinary share in the capital of the Bank.

**Potential Acquisition Event** means:

(a) an event within paragraphs (a) or (b) of the definition of Acquisition Event occurs (without the need that all regulatory approvals necessary for the acquisition to occur have been obtained); or

(b) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act and the scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be on issue after the scheme is implemented.

Notwithstanding the foregoing, the proposed replacement of the Bank as the ultimate holding company of the Group shall not constitute a Potential Acquisition Event if the proposed replacement is an Approved NOHC.

**Potential Acquisition Event Conversion Date** has the meaning given in clause 13.6(g)(ii).

**Pre-Conversion VWAP** has the meaning given in clause 15.2.

**Pre-Conversion VWAP Period** has the meaning given in clause 15.2.

**Pre-Issue VWAP** has the meaning given in clause 13.3(b).

**Prospectus** means the prospectus for the Offer including these Terms of Issue.

**Reconstruction** has the meaning given in clause 15.4(c).

**Redemption** has the meaning given in clause 14.1, and **Redeem** and **Redeemed** have corresponding meanings.

**Redemption Date** means the date on which Redemption is to occur as notified in the Early Conversion/Redemption Notice under clause 13.6(g).

**Redemption Price** means in respect of Redemption by redemption or cancellation, the sum of:

(a) the Face Value; and

(b) the Dividend for the Dividend Period ended on the Redemption Date if the Directors determine to pay such a Dividend in accordance with these Terms of Issue.

**Regulatory Event** means:

(a) receipt by the Bank of advice from a reputable legal counsel to the effect that, as a result of:

(i) any amendment to, clarification of, or change in, the laws or regulations of Australia; or

(ii) any Administrative Action or any amendment to, clarification of, or change in an Administrative Action,



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in each case, by any legislative body, court, governmental authority or regulatory body (irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known), which amendment, clarification, change or Administrative Action is effective or Administrative Action is announced on or after the Issue Date:

(iii) additional requirements would be imposed on the Bank in relation to the BOQ CPS; or

(iv) there would be a negative impact on the Bank which is prejudicial to the interests of the Bank,

which were not expected by the Bank before the Issue Date and that the Bank reasonably determines to be unacceptable; or

(b) the determination by the Bank, following receipt of a notice from APRA to that effect, that all of the BOQ CPS will not be included (in whole or in part) in the Bank's Non-Innovative Residual Tier 1 Capital, or Additional Tier 1 Capital, on a Level 1 or Level 2 basis (except where the non-inclusion results by reason only of any applicable limitation on the amount or composition of the Bank's Tier 1 Capital on a Level 1 or Level 2 basis which is in effect on the Issue Date or is proposed to arise on or from a given date under APRA's Australian Basel III Rules as at the Issue Date).

**Relevant Date** has the meaning given in clause 13.2(b).

**Relevant Fraction** has the meaning given in clause 13.3(b).

**Relevant Tier 1 Capital Instruments** means Tier 1 Capital instruments (including BOQ CPS) that, in accordance with their terms or by operation of law, are capable of being converted or written off where a Capital Trigger Event or Non-Viability Trigger Event (as may be the case) occurs.

**Replacement** has the meaning given in clause 18.4.

**Scheduled Mandatory Conversion Date** has the meaning given in clause 13.5(c).

**Second Conversion Condition** has the meaning given in clause 13.2(a).

**Special Resolution** means:

(a) a resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution; or

(b) the written approval of Holders holding at least 75% of the BOQ CPS.

**Tax Act** means:

(a) the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth) (as the case may be and a reference to any section of the Income Tax Assessment Act 1936 includes a reference to that section as rewritten in the Income Tax Assessment Act 1997), or any act which replaces either of them;

(b) any other law setting the rate of income tax payable; and

(c) any regulation made under such laws.

**Tax Event** means:

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(a) any amendment to, clarification of, or change (including any announced prospective change), in the laws or treaties (or any regulations made under such laws or treaties) of any jurisdiction or any political subdivision or taxing authority of the jurisdiction;

(b) any Administrative Action or any amendment to, clarification of, or change in, an Administrative Action,

in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known, which amendment, clarification, change or Administrative Action is effective, or which Administrative Action is announced, on or after the Issue Date (and was not expected by the Bank before the Issue Date), where the Bank has received an opinion from a reputable legal counsel or other reputable tax adviser experienced in such matters to the effect that, as a result of such amendment, clarification, change or Administration Action (or amendment, clarification or change in respect of an Administrative Action), there is more than an insubstantial risk (and that risk is materially greater than it was at the Issue Date) that:

(c) the Group would be exposed to a more than *de minimis* increase in costs in relation to the BOQ CPS; or

(d) there would be more than a *de minimis* increase in the taxes, duties or government charges imposed on the Group in respect of or resulting from the BOQ CPS; or

(e) BOQ CPS would not be treated as equity interests for Australian taxation purposes or any Dividend would not be a frankable distribution within the meaning of Division 202 of the Tax Act or franking debits would be posted to the Bank's franking account.

**Terms of Issue** means these terms of issue for the BOQ CPS, including Schedule 3.

**Test Conversion Number** has the meaning given in clause 13.3(a).

**Test Reference Period** has the meaning given in clause 15.2(a).

**Third Conversion Condition** has the meaning given in clause 13.2(a).

**Tier 1 Capital** means the tier 1 capital of the Group (on a Level 1 basis) or the Group (on a Level 2 basis or, if applicable, a Level 3 basis) as defined by APRA from time to time.

**Transfer** means a sale of the BOQ CPS under clause 16 following the giving of an Early Conversion/Redemption Notice under clause 13.6(c)(iii), and **Transfer** and **Transferred** have corresponding meanings.

**Transfer Date** means the date on which Transfer is to occur as notified in the Early Conversion/Redemption Notice under clause 13.6(g).

**Transferee** has the meaning given in clause 18.5.

**VWAP** means, subject to any adjustments under these Terms of Issue, the amount (expressed in dollars and cents and rounded to the nearest full cent) that is the average of the daily volume weighted average sale prices of Ordinary Shares sold on ASX during the relevant period, but does not include any "crossing" transacted outside the "Open Session State" or any "special crossing" transacted at any time (as those terms are defined in the ASX Market Rules), or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares.

**Written Off** has the meaning given in clause 15.9, and **Write Off** has a corresponding meaning.

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## 20.2 Interpretation

Unless the context otherwise requires or unless otherwise specified:

(a) if there is any inconsistency between the provisions of these Terms of Issue and the Constitution then, to the maximum extent permitted by law, the provisions of these Terms of Issue will prevail;

(b) the Directors of the Bank may exercise all powers of the Bank under these Terms of Issue as are not, by the Corporations Act or by the Constitution, required to be exercised by the company in general meeting;

(c) notices may be given by the Bank to a Holder in the manner prescribed by the Constitution for the giving of notices to members of the Bank and the relevant provisions of the Constitution apply with all necessary modification to notices to Holders;

(d) a reference to a clause is a reference to a clause of these Terms of Issue;

(e) if a calculation is required under these Terms of Issue, unless the contrary intention is expressed, the calculation will be rounded to four decimal places. For the purposes of making payment to any person, any fraction of a cent will be disregarded;

(f) definitions and interpretation under the Constitution will also apply to these Terms of Issue subject to clause 20.2(a);

(g) a reference to a body (including APRA or any other institute, association or authority but excluding the Bank or a Holder), whether statutory or not:

(i) which ceases to exist; or

(ii) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(h) any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to the Bank only if the Bank is an entity, or the holding company of an entity, subject to regulation and supervision by APRA at the relevant time;

(i) the terms takeover bid, relevant interest and scheme of arrangement when used in these terms have the meaning given in the Corporations Act;

(j) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(k) if an event under these terms, including payment of a Dividend, must occur on a stipulated day which is not a Business Day, then the stipulated day for that event will be taken to be the next Business Day; and

(l) if the principal securities exchange on which the BOQ CPS are quoted is other than ASX, unless the context otherwise requires a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined term in such rules (as the case may be).

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# Schedule 3 BOQ CPS Buy-Back Agreement

**Bank of Queensland Limited (ABN 32 009 656 740)**

## 1 Effective date

(a) This agreement is entered into between the Bank and the Holders and shall come into force and effect upon the later of:

(i) the date the Early Conversion/Redemption Notice is sent to the relevant Holders from whom the Bank has determined to buy back BOQ CPS;

(ii) the date all relevant consents (if any) to the Buy-Back have been obtained from the Bank's shareholders or any regulatory authority or other person, pursuant to, and in the manner required by, any applicable law or the ASX Listing Rules (subject to any applicable modifications and waivers of such laws or ASX Listing Rules); and

(iii) immediately after payment of the final Dividend to be paid as may be determined by the Directors in their absolute discretion and identified in the Early Conversion/Redemption Notice.

(b) The terms and conditions set out in this agreement are of no force and effect unless and until this agreement has become effective under clause 1(a).

## 2 Buy-Back

Each Holder agrees to sell to the Buyer the Buy-Back Shares free of all Encumbrances on the terms set out in this agreement.

## 3 Buy-Back Price

The Buyer will pay the Buy-Back Price for each Buy-Back Share bought back from a Holder under this agreement.

## 4 Completion

Completion of the Buy-Back will be effected on the Redemption Date, on which date:

(a) the Buyer will pay the amount determined under clause 3 to the relevant Holder; and

(b) the Holder will deliver to the Buyer a duly executed transfer of the Buy-Back Shares.

## 5 Appointment of attorney

By virtue of its holding of the Buy-Back Shares, each Holder irrevocably appoints any director or officer or duly authorised attorney of the Bank (each an **Attorney**) as the true and lawful attorney of the Holder to execute a transfer to the Buyer in registrable form of the Buy-Back Shares (or such other document by which title to the Buy-Back Shares may be vested in the Buyer) and to give any necessary direction to any other person or take any other action which may be required to facilitate the transfer to the Buyer of the Buy-Back Shares, and agrees that in exercising this power of attorney, the Bank or any Attorney shall be entitled to act in the interests of the Bank (or a nominee) as the Buyer of the Buy-Back Shares.

## 6 Further assurance

The Holders will do all things necessary or desirable to give effect to the provisions of this agreement and the transactions contemplated by it.

# 7 Definitions and interpretation

In this agreement, the following expressions have the following meanings:

**Buy-Back** means, in relation to the BOQ CPS, the purchase of BOQ CPS from the Holder pursuant to this agreement.

**Buy-Back Price** means the Redemption Price determined under the Terms of Issue.

**Buy-Back Shares** means the BOQ CPS referred to in the Early Conversion/Redemption Notice which are the subject of the Buy-Back under this agreement.

**Buyer** means the Bank.

**Early Conversion/Redemption Notice** means a notice given by the Bank to Holders from time to time under clause 13.6 of the Terms of Issue under which the Bank elects to buy back any BOQ CPS under clause 14.4 of the Terms of Issue.

**Holder** means each Holder from time to time to whom the Bank gives an Early Conversion/Redemption Notice which indicates that BOQ CPS are to be bought back by the Bank.

**Redemption Date** means the date specified in the Early Conversion/Redemption Notice as the date for completion of the Buy-Back, determined in accordance with the Terms of Issue.

All other words and expressions used in this agreement which are defined in the Terms of Issue have the same meaning in this agreement.

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