



**Constitution of
Greyfriars Pty Ltd**
(ACN 004 272 931)

Endorsed November 2021



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CONSTITUTION OF GREYFRIARS PTY LTD

ACN 004 272 931

1. Preliminary

1.1 Proprietary company

- 1.1.1 The Company is a proprietary company and must comply with section 113.
- 1.1.2 The Company is the registered proprietor of the real property located at 53 Balaclava Road, East St Kilda. The company only operates to facilitate and enforce the rights of company members in relation to exclusive occupation of the residential areas (and associated garage spaces) and to maintain the common areas.

1.2 Replaceable rules

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

1.3 No public involvement

- 1.3.1 Any invitation to the public to subscribe for any shares in or debentures of the Company is prohibited.
- 1.3.2 Any invitation to the public to deposit money with the Company (other than deposits in connection with a transaction in regard to real or personal property in the ordinary course of the business of the Company) for fixed periods or payable at call whether bearing or not bearing interest is prohibited.

1.4 Definitions

The following definitions apply in this document.

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

Alternate means an alternate Director appointed under rule 3.1.

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

Board means the Directors acting collectively under this document.

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

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

Dispute means a dispute, controversy or claim between

- (a) A Member and another Member;
- (b) A Member and a Director;
- (c) A Member and the Board;
- (d) A Member and the Company;

as to:

- (a) the construction of this Constitution;
- (b) the rights or obligations of a party under this Constitution; or
- (c) any other matter arising out of or relating to this Constitution; or

but excludes a failure to obtain approval of Members via ordinary resolution in respect of matters where the approval is required under this Constitution.

Extraordinary Services means extra services or special exertions by a Director for services including, but not limited to, preparation of documentation and attendance at legal proceedings.

Feasibility Study means in respect of a project to be undertaken on behalf of the Company, an analysis completed by a suitably qualified authority of the project's relevant factors to ascertain the likelihood of the Company completing the project successfully and within a reasonable time frame for reasonable value.

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

- (a) the rate for the time being prescribed by the Board in respect of that rule; or
- (b) if no rate is prescribed, 4% above the Reserve Bank of Australia's cash rate for the relevant year.

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

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

Register means the register of members kept as required by sections 168 and 169 of the Act.

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

Special Resolution has the meaning given by section 9 of the Act.

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

1.5 Interpretation of this document

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

- (a) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, modified in relation to the Company, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (iv) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word is defined, another part of speech has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The word agreement includes an undertaking or other binding arrangement or understanding whether or not in writing.
- (g) A reference to something being written or in writing includes that thing being represented or reproduced in any mode in a visible form.
- (h) A word (other than a word defined in rule 1.3) which is defined by the Act has the same meaning in this document where it relates to the same matters as the matters for which it is defined in the Act.
- (i) A reference to a Chapter, Part, Division, or section is a reference to a Chapter, Part, Division or section of the Act.

2. Directors

2.1 Number of Directors

The Company must have at least three Directors (not counting Alternates) and, until otherwise decided by ordinary resolution, not more than eight (8) Directors (not counting Alternates).

2.2 Appointment of Directors

Subject to the maximum number of Directors for the time being fixed under rule 2.1 not being exceeded:

- (a) the Company by ordinary resolution; or
- (b) members holding shares of the Company conferring the right to vote, by writing delivered to the Company; or
- (c) the Board (except during a general meeting),

may appoint a person to be a Director, either to fill a casual vacancy or as an addition to the Board.

2.3 Share qualification

A Director must be a member.

2.4 Cessation of Director's appointment

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

- (a) is not permitted by the Act (or an order made under the Act) to be a director;
- (b) becomes disqualified from managing corporations under Part 2D.6 and is not given permission or leave to manage the Company under section 206F or 206G;
- (c) becomes of unsound mind or physically or mentally incapable of performing the functions of that office;
- (d) fails to attend (either personally or by an Alternate) three (3) consecutive Board meetings (not including meetings of a committee of the Board) without leave of absence from the Board;
- (e) resigns by notice in writing to the Company; or
- (f) is removed from office under rule 2.5

or if the person was appointed to the office for a specified period and that period expires.

2.5 Removal from office

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

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

may remove a Director from office.

2.6 Too few Directors

If the number of Directors is reduced below the minimum required by rule 2.1, the continuing Directors may act as the Board only:

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

3. Alternatives

3.1 Appointment of Alternate

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

3.2 Notice of Board meetings

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

3.3 Obligations and entitlements of Alternates

An Alternate:

- (a) may attend and vote in place of the Appointor at a Board meeting at which the Appointor is not present;
- (b) if also a Director, has a separate right to vote as Alternate;
- (c) if Alternate for more than one Appointor, has a separate right to vote in place of each Appointor;
- (d) when acting as Alternate, is an officer of the Company and subject to all the duties, and entitled to exercise all the powers and rights, of the Appointor as a

Director

3.4 **Termination of appointment**

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

- (a) the Appointor ceases to be a Director; or
- (b) an event occurs which would cause the Alternate to cease to be a Director under rule 2.4 if the Alternate were a Director.

3.5 **Appointments and revocations in writing**

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

4. Powers of the Board

4.1 **Powers generally**

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

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

4.2 **Specific Powers**

In addition to the general powers granted under rule 4.1, the Board has the powers specified in Schedule 2.

4.3 **Exercise of powers**

A power of the Board can be exercised only:

- (a) by resolution passed at a meeting of the Board or otherwise in accordance with rule 10; or
- (b) in accordance with a delegation of the power under rule 6.

5. Executing Negotiable Instruments

The Board must decide the manner (including the use of facsimile signatures if thought

appropriate) in which negotiable instruments can be executed, accepted or endorsed for and on behalf of the Company. The Company may execute, accept, or endorse negotiable instruments only in the manner for the time being decided by the Board.

6. Delegation of Board Powers

6.1 Power to delegate

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

6.2 Power to revoke delegation

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

6.3 Terms of delegation

A delegation of powers under rule 6.1 may be made:

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

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

6.4 Proceedings of committees

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

7. Directors' Duties and Interests

7.1 Compliance with duties under the Act

Each Director must comply with sections 180 to 183.

7.2 Director can hold other offices etc

A Director may:

- (a) hold any office or place of profit or employment other than that of the Company's auditor or any director or employee of the auditor;
- (b) be a member of any corporation (including the Company) or partnership other

than the Company's auditor;

- (c) be a creditor of any corporation (including the Company) or partnership; or
- (d) enter into any agreement with the Company.

7.3 Disclosure of interests

Each Director must comply with section 191.

7.4 Director interested in a matter

If a Director has an interest in a matter that relates to the affairs of the Company and either the Director discloses the interest under section 191 or it is not required to be disclosed under section 191:

- (a) the Director may be counted in a quorum at a Board meeting that considers, and may vote on, any matter that relates to the interest;
- (b) 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;
- (c) the Director may retain benefits under the transaction even though the Director has the interest; and
- (d) the Company cannot avoid the transaction merely because of the existence of the interest.

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

7.5 Agreements with third parties

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

- (a) fails to make a disclosure of an interest; or
- (b) is present at, or counted in the quorum for, a Board meeting that considers, votes on, or participates in the execution of, that agreement.

8. Directors' Remuneration

8.1 Remuneration for Extraordinary Services

- a) In limited circumstances, the Board may reasonably determine that one or more Director(s) is/are the most appropriately qualified person or people to provide relevant services or assistance to the Company in respect of a particular matter or task required.

b) If a Director, at the request of the Board, performs Extraordinary Services, the Company may remunerate that Director for doing so where remuneration arrangements:

- (i) are approved by the Board in accordance with rule 8.1(a);
- (ii) do not exceed a maximum allowance agreed by the Board; and
- (iii) are not in conflict with the interests of the Company.

8.2 **Expenses of Directors**

The Company may pay or reimburse a Director (in addition to any remuneration) for all pre-approved reasonable expenses incurred by the Director:

- a) for the purchase of equipment, materials and services procured on behalf of the Company; or
- b) for the travel and other items deemed necessary for the execution of Extraordinary Services.

8.3 **Reporting Requirements**

The Company must clearly record in the board minutes and financial reports published at the next general meeting any remuneration for Extraordinary Services provided in accordance with rule 8.1 and any reimbursement for expenses subject to rule 8.2.

9. Officers' Indemnity and Insurance

9.1 **Indemnity**

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

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

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

9.2 **Insurance**

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

9.3 **Former officers**

The indemnity in favour of officers under rule 9.1 is a continuing indemnity. It applies in respect of all acts done by a person while an officer of the Company or one of its wholly owned subsidiaries even though the person is not an officer at the time the claim is made.

9.4 **Deeds**

Subject to the Act, the Competition and *Consumer Act 2010* (Cth) and any other applicable law, the Company may, without limiting a person's rights under this rule 9, enter into an agreement with a person who is or has been an officer of the Company or any of the Company's subsidiaries, to give effect to the rights of the person under this rule 9.4. on any terms and conditions that the Board thinks fit.

10. Board Meetings

10.1 **Convening Board meetings**

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

10.2 **Notice of Board meeting**

The convenor of each Board meeting:

- (a) must give reasonable notice of the meeting (and, if it is adjourned, of its resumption) individually to each Director and each Alternate in respect of whom the Appointor has given notice under rule 3.2 requiring notice of Board meetings to be given to that Alternate; and
- (b) may give that notice orally (including by telephone) or in writing,

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

10.3 **Use of technology**

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

10.4 **Chairing Board meetings**

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

10.5 **Quorum**

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

10.6 **Majority decisions**

A resolution of the Board must be passed by a majority of the votes cast by Directors entitled to vote on the resolution. The chairman of a Board meeting does not have a second or casting vote. If an equal number of votes is cast for and against a resolution, the matter is decided in the negative.

10.7 **Procedural rules**

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

10.8 **Written resolution**

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

10.9 Additional provisions concerning written resolutions

For the purpose of rule 10.8:

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

10.10 Valid proceedings

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

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

11. Meetings of Members

11.1 Calling meetings of members

A meeting of members:

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

11.2 Notice of meeting

Subject to rules 11.3 and 11.6, at least 21 days' written notice of a meeting of members must be given individually to each member entitled to vote at the meeting, to each Director (other than an Alternate) and to the auditor (if any). Subject to any regulation made under section 249LA, the notice of meeting must comply with section 249L and may be given in any manner permitted by section 249J(3).

11.3 Short notice

Subject to section 249H(4):

- (a) if the Company has elected to convene a meeting of members as the annual general meeting, if all the members entitled to attend and vote agree; or
- (b) otherwise, if members who together have power to cast at least 95% of the votes that may be cast at the meeting agree,

a resolution may be proposed and passed at a meeting of which less than 21 days' notice has been given.

11.4 **Postponement or cancellation**

Subject to section 249D(5), the Board may postpone or cancel a meeting of members by written notice given individually to each person entitled to be given notice of the meeting.

11.5 **Fresh notice**

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

11.6 **Notice to joint holders of shares**

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

11.7 **Technology**

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

11.8 **Accidental omission**

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

12. Rights, Powers and Liabilities of Members

12.1 **Specific Rights and powers of Members**

- 12.1.1 Despite any other rule in this Constitution and without limiting any other rights of the Members under this Constitution or at Law.
- 12.1.2 Each shareholder who by virtue of their holding of a particular class of shares shall be entitled to the exclusive occupation of part of the Company's property such as a flat or garage (as shown in Schedule 1).

12.2 Liabilities and obligations of Members

12.2.1 Obligations of shareholders

Each shareholder shall be solely responsible for the maintenance and upkeep of the interior of the flat or garage (as the case may be) and shall be responsible for all costs incurred in connection with the maintenance, decoration and provision of all internal facilities to the said flat or garage (as the case may be) and will indemnify the Company against all claims arising out of or in connection with the exclusive use or occupation of such flat or garage.

12.2.2 Levies

- (a) The amount of any such levy determined by the Board in accordance with 4.2 or otherwise at law, shall be a debt due and payable by the shareholders to the Company in the proportion determined by the Board, acting reasonably
- (b) Where a shareholder fails to pay the levy to the Company upon demand, the Company may recover all amounts due and owing from that shareholder as a liquidated debt.

12.3 Rules and regulations

12.3.1 The shareholders of the Company are bound to comply with the rules and regulations as set by the Board in accordance with rule 4.2 or otherwise at law and as are in force from time to time.

12.3.2 In the event of any breach of the said rules and regulations the Board may either:

- (a) give the shareholder 28 days notice in writing to remedy the breach, which shall be specified in such notice, and in the event of the shareholder failing to remedy such breach, the Board shall be entitled to forfeit the shares of the said shareholder; or
- (b) take such steps as in the opinion of the Board is necessary to remedy the said breach, including the hiring of tradesman or agents to carry out any works that are required to remedy such breach and the Company recover the cost thereof from the shareholder as a liquidated debt due and payable on demand.

12.3.3 If the Board determines that any breach is a potential safety and well-being risk for any of the members ('**urgent breach**'), the Board may either:

- (a) Order that the shareholder remedy that breach within 24 hours of the

breach occurring, and in the event of the shareholder failing to remedy such breach, the Board shall be entitled to forfeit the shares of the said shareholder; or

- (b) Take such steps as in the opinion of the Board is necessary to remedy the said breach and the Company recover the cost thereof from the shareholder as a liquidated debt due and payable on demand.

13. Proceedings at Meetings of Members

13.1 Member present at meeting

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

13.2 Quorum

Subject to section 249B, the quorum for a meeting of members is two Voting Members. Each individual present may only be counted once toward a quorum. If a member has appointed more than one proxy or representative only one of them may be counted toward a quorum.

13.3 Quorum not present

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

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

13.4 Chairing meetings of members

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

- (a) there is no Director who the Board has appointed to chair Board meetings for

the time being; or

(b) the Director appointed to chair Board meetings is not present at the time for which a meeting of members is called or is not willing to chair the meeting,

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

13.5 **Attendance by auditor and Directors**

Every Director and the auditor (if any) has the right to attend and speak at all meetings of members whether or not a member.

13.6 **Adjournment**

Subject to rule 11.5, the chairman of a meeting of members at which a quorum is present:

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

13.7 **Business at adjourned meetings**

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

14. Proxies, Attorneys and Representatives

14.1 **Appointment of proxies**

A member may appoint not more than two proxies in accordance with section 249X to attend and act for the member at a meeting of members. An appointment of proxy must be made by written notice to the Company that complies with section 250A(1) or in any other form and mode that is, and is signed or otherwise authenticated by the member in a manner, satisfactory to the Board. If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of those votes.

14.2 **Member's attorney**

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

14.3 Deposit of proxy appointment forms and powers of attorney

An appointment of a proxy or an attorney is not effective for a particular meeting of members unless:

- (a) in the case of a proxy, the proxy appointment form and, if it is executed by an attorney, the relevant power of attorney or a certified copy of it; and
- (b) in the case of an attorney, the power of attorney or a certified copy of it,

are received by the Company at its registered office or a fax number at that office (or another address specified for the purpose in the relevant notice of meeting) at least 48 hours before the time for which the meeting was called or, if the meeting has been adjourned, before the resumption of the meeting.

14.4 Corporate representatives

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

14.5 Appointment for particular meeting, standing appointment and revocation

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

14.6 Suspension of proxy or attorney's powers if member present

A proxy or attorney has no power to act for a member at a meeting at which the member is present:

- (a) in the case of an individual, in person; or
- (b) in the case of a body corporate, by representative.

A proxy has no power to act for a member at a meeting at which the member is present by attorney.

14.7 Priority of conflicting appointments of attorney or representative

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

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

appointed earlier in time.

14.8 **More than two current proxy appointments**

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

14.9 **Continuing authority**

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

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

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

15. Entitlement to Vote

15.1 **Number of votes**

Subject to section 250A, rules 14, 15.2 and 15.3 and the terms on which shares are issued:

- (a) on a show of hands:
 - (i) if a member has appointed two proxies, neither of those proxies may vote;
 - (ii) a member who is present and entitled to vote and is also a proxy, attorney or representative of another member has one vote; and
 - (iii) subject to paragraphs (a)(i) and (a)(ii), every individual present who is a member, or a proxy, attorney or representative of a member, entitled to vote has one vote; and
- (b) on a poll, a member has one vote for every share held.

The chairman of a meeting of members does not have a second or casting vote. If an

equal number of votes is cast for and against a resolution the matter is decided in the negative.

15.2 **Votes of joint holders**

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

15.3 **Voting restrictions**

If:

- (a) the Act requires that some members do not vote on or in favour of a resolution, or that votes cast by some members be disregarded, in order for the resolution to have an intended effect; and
- (b) the notice of the meeting at which the resolution is proposed states that fact, those members have no right to vote on or in favour of that resolution and the Company must not count any votes purported to be cast by those members. If a proxy purports to vote in a way or in circumstances that contravene section 250A(4), on a show of hands the vote is invalid and the Company must not count it.

15.4 **Decision on right to vote**

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

16. How voting is carried out

16.1 **Method of voting**

A resolution put to the vote at a meeting of members must be decided on a show of hands unless a poll is demanded under rule 16.2 either before or on declaration of the result of the vote on a show of hands. Unless a poll is demanded, the chairman's declaration of a decision on a show of hands is final.

16.2 Demand for a poll

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

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

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

16.3 When and how polls must be taken

If a poll is demanded:

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

17. Resolutions without Meetings

17.1 Written resolutions

Subject to section 249A(1), the Company may pass a resolution without a general meeting being called or held if the resolution is set out in a document:

- (a) if the Company has only one member, signed in the manner set out in section 249B; or
- (b) if the Company has more than one member, signed in the manner set out in section 249A.

17.2 Signature of resolutions

The Company may treat a document on which a facsimile or electronic signature appears or which is otherwise acknowledged by a member in a manner satisfactory to

the Board as being signed by that member.

18. Secretary

18.1 Appointment of Secretary

The Board may appoint one or more individuals to be a Secretary either for a specified term or without specifying a term.

18.2 Terms and conditions of office

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

18.3 Cessation of Secretary's appointment

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

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

18.4 Removal from office

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

19. Minutes

19.1 Minutes must be kept

The Board must cause minutes of:

- (a) proceedings and resolutions of meetings of the Company's members;
- (b) the names of Directors present at each Board meeting or committee meeting;

- (c) proceedings and resolutions of Board meetings (including meetings of a committee to which Board powers are delegated under rule 6);
- (d) resolutions passed by members without a meeting;
- (e) resolutions passed by Directors, and declarations made by a single Director, without a meeting; and
- (f) disclosures and notices of Directors' interests,

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

19.2 **Minutes as evidence**

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

19.3 **Inspection of minute books**

The Company must allow members to inspect, and provide copies of, the minute books for the meetings of members and for resolutions of members passed without meetings in accordance with section 251B.

20. Company Seals

20.1 **Common seal**

The Board:

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

20.2 **Use of seals**

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

20.3 **Fixing seals to documents**

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

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

If the fixing of the seal is witnessed in accordance with rule (a), a statement by the

witness that the witness is the sole director and sole company secretary of the Company should appear next to the signature but the absence of that statement does not affect the validity of the execution.

21. Financial Reports and Audit

21.1 Company to keep financial records

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

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

and must allow a Director to inspect those records at all reasonable times.

21.2 Financial reporting

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

21.3 Audit

Unless section 301(2) applies, the Board must cause the Company's financial report (if any) for each financial year to be audited and obtain an auditor's report. The eligibility, appointment, removal, remuneration, rights and duties of the auditor (if any) are regulated by Division 3 of Part 2M.3, Divisions 1 to 6 of Part 2M.4 and sections 1280, 1289, 1299B and 1299C.

21.4 Inspection of financial records and books

Subject to rule 19.3 and section 247A, a member who is not a Director does not have any right to inspect any document of the Company except as authorised by the Board or by a resolution of members.

22. Shares

22.1 Issue at discretion of Board

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

22.2 Share Capital

The issued shares of the Company (and the corresponding flat or garage controlled by such issued shares) are listed in the Schedule 1.

22.3 Number of Members

The number of members is limited to fifty (50) not including persons who are in the employment of the Company and persons who having been formerly in the employment of the Company were while in that employment and have continued after the determination of that employment to be members of the Company.

22.4 Rights of shareholders

The holding of all the issued shares of a particular class (hereinafter called 'a group of shares') shall confer on the holder thereof the right to:

- (a) exclusive occupancy of a particular flat in the building owned by the Company situated at 53 Balaclava Road, East St Kilda in the State of Victoria; or
- (b) exclusive use and occupation of a garage,

as is specified in Schedule 1, together with:

- (c) the right to use in common with the occupants of all other flats in the said building of all pathways driveways entrances and other facilities and areas provided by the Company for the use of all occupants of the flats in common, and
- (d) The right to one vote for the holder of each group of shares in any meeting of Members.

22.5 Surrender of shares

The Board may accept a surrender of shares:

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

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

23. Certificates

23.1 Issue of share certificate

The Company must issue a certificate of title to shares that complies with section 1070C

and deliver it to the holder of those shares in accordance with section 1071H.

23.2 **Multiple certificates and joint holders**

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

23.3 **Lost and worn out certificates**

If a certificate:

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

24. Register

24.1 **Joint holders**

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

- (a) delivery of certificates (to which rule 23.2 applies);
- (b) the right to vote (to which rule 15.2 applies);
- (c) the power to give directions as to payment of, or a receipt for, dividends (to which rules 26.7 and 26.8 apply); and
- (d) transfer.

24.2 **Nominee holders**

A registered holder of shares who holds them as trustee for, or otherwise on behalf of or on account of, a body corporate, must give the Company written notice of that fact in accordance with section 1072E(11).

24.3 **Non beneficial holders**

Subject to sections 169(5A) and 1072E, unless otherwise ordered by a court of competent jurisdiction or required by statute, the Company:

- (a) may treat the registered holder of any share as the absolute owner of it; and

- (b) need not recognise any equitable or other claim to or interest in a share by any person except a registered holder.

25. Company Liens

25.1 Existence of liens

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

- (a) all money called or payable at a fixed time in respect of that share (including money payable under rule 12) whether or not payment is due;
- (b) all money owed to the Company by a registered holder; and
- (c) amounts for which the Company is indemnified under rule 25.3.

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

25.2 Sale under lien

If:

- (a) the Company has a lien on a share;
- (b) an amount secured by the lien is due and payable;
- (c) the Company has given notice to the member registered as the holder of the share:
 - (i) requiring payment of the amount which is due and payable and secured by the lien; and
 - (ii) specifying a date (at least 14 days after the date of the notice) by which and a place at which payment of that amount must be made; and
- (d) the requirements of the notice given under paragraph (c) are not fulfilled,

the Company may sell the share as follows:

- (i) the Board may forfeit the share and all dividends, interest and other money payable in respect of that share and not actually paid before the forfeiture by resolution;
- (ii) the Board may re-issue the share with or without any money paid on it by any former holder credited as paid to the person and on the terms it decides;
- (iii) the Board may sell or otherwise dispose of the share, and execute and

register a transfer of it to the person and on the terms it decides.

The Company must apply the net proceeds of any re-issue, sale or disposal of a forfeited share to pay any surplus to the person who held the share immediately before the forfeiture.

25.3 **Indemnity for payments required to be made by the Company**

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

- (a) is fully indemnified by that member from that liability including for all costs associated with any breach by any member referred to in rule 12.3 (including all costs on issuing a breach notice in first instance);
- (b) may recover as a debt due from the member the amount of that liability together with interest at the Interest Rate from the date of payment by the Company to the date of repayment by the member; and
- (c) may refuse to register a transfer of any share by that member until the debt has been paid to the Company.

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

26. Dividends

26.1 **Accumulation of reserves**

Before paying any dividend to members, the Board may:

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

26.2 **Payment of dividends**

Subject to the Act, rules 26.3 and 26.9 including meeting the requirements of Section 254T of the Act, and the terms of issue of shares, the Board may resolve to pay any dividend it thinks appropriate and fix the time for payment.

26.3 **Amount of dividend**

Subject to the terms of issue of shares, the Company may pay a dividend on 1 class of shares. Subject to rule 26.4, each share of a class on which the Board resolves to pay a dividend carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share bears to the total issue price of the share.

26.4 **Prepayments and payments during dividend period**

For the purposes of rule 26.3:

- (a) unless the Board has agreed otherwise under rule (i), an amount paid in advance of calls is not taken into account as part of the amount for the time being paid on a share; and
- (b) if an amount was paid on a share during the period to which a dividend relates, the Board may resolve that only the proportion of that amount which is the same as the proportion which the period from the date of payment to the end of the period to which the dividend relates bears to the total period to which the dividend relates counts as part of the amount for the time being paid on the share.

26.5 **Dividends in kind**

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

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

26.6 **Payment of dividend by way of securities in another corporation**

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

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

26.7 **Method of payment**

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

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

26.8 **Joint holders' receipt**

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

26.9 **Retention of dividends by Company**

The Company may retain the dividend payable on a share:

- (a) of which a person seeks to be registered as the holder under rule 28.2 or 28.4, until that person is registered as the holder of that share or transfers it; or
- (b) on which the Company has a lien, to satisfy the liabilities in respect of which the lien exists.

26.10 **No interest on dividends**

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

27. Transfer of Shares

27.1 **Instrument of transfer**

Subject to rule 27.2 and 27.3, a member may transfer a share by a document the form of which is permitted by law and which is signed by or on behalf of both the transferor and the transferee. The Company must not register a transfer that does not comply with this rule.

27.2 Transfer of shares

A group of shares of a particular class as specified in Schedule 1 shall only be transferrable by the holder thereof if the whole of the class of shares is transferred to the one owner and the shares in a particular group of class shall not be severable. For the purpose of this rule 27.2, the expression 'one owner' shall include joint owners or multiple holders of the whole of a class of shares as tenants in common.

27.3 Delivery of transfer and certificate

A document of transfer must be:

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

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

27.4 Refusal to register transfer

The Board, without giving any reason, may refuse to register a transfer of shares where:

- (a) The member is indebted under any liability solely or jointly with any other person to the Company; or
- (b) For any other reason, the Board decides to expedite and disallow such transfer.

If the Board refuses to register a transfer, the Company must give the transferee notice of the refusal within 1 month after the date on which the transfer was delivered to it.

27.5 Transferor remains holder until transfer registered

The transferor of a share remains the holder of it until the transfer is registered and the name of the transferee is entered in the Register in respect of it.

27.6 Powers of attorney

The Company may assume, as against a member, that a power of attorney granted by that member that is lodged with or produced or exhibited to the Company remains in force, and may rely on it, until the Company receives express notice in writing at its registered office of:

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

28. Transmission of Shares

28.1 Death of joint holder

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

28.2 Death of single holder

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

- (a) subject to rules 27.4 and 28.4 the Company must register the personal representative as the holder of the shares as soon as practical after receipt of a written and signed notice to the Company from the representative requiring it to do so; and
- (b) whether or not registered as the holder of the shares, the personal representative:
 - (i) may, subject to rule 27, transfer the shares to another person; and
 - (ii) has the same rights as the deceased member.

28.3 Transmission of shares on insolvency or mental incapacity

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

- (a) subject to rules 27.4 and 28.4 the Company must register that person as the holder of the shares as soon as practical after receipt of a written and signed notice to the Company from that person requiring it to do so; and
- (b) whether or not registered as the holder of the shares, that person:
 - (i) may, subject to rule 27, transfer the shares to another person; and
 - (ii) has the same rights as the insolvent or incapable member.

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

28.4 Refusal to register holder

The Company has the same right to refuse to register a personal representative or

person entitled to shares on the insolvency or mental incapacity of a member as it would have if that person was the transferee named in a transfer signed by a living, solvent, competent member.

29. Share Capital

29.1 Capitalisation of profits

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

29.2 Adjustment of capitalised amounts

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

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

30. Dispute Resolution

30.1 Dispute

The dispute resolution procedure set out in this rule 30 applies to any Dispute.

30.2 Mediation

If the parties to a Dispute are unable to resolve the dispute between themselves within 14 Business Days of the Dispute coming to the attention of each party, any party must require, by notice to the other party, that the dispute be submitted to mediation within 10 Business Days in accordance with, and subject to, the Institute of Arbitrators & Mediators Australia Mediation Rules, in which event the matters the subject of the Dispute must be submitted to:

- (d) a mediator agreed by the parties; or

(e) if the parties are unable to agree on a mediator within five Business Days after the date of the notice that the Dispute must be submitted to mediation, a mediator appointed by the then current President or Acting President of the Institute of Arbitrators & Mediators Australia, and the mediation must be commenced within five Business Days after the mediator is selected or a later time as agreed by the parties.

30.3 **Role of mediator**

The role of any mediator is to assist in negotiating a resolution of the matters the subject of the Dispute.

30.4 **Failure to resolve dispute**

If a party has required the matters the subject of the Dispute to be submitted to mediation and the Dispute is not resolved within five Business Days after the commencement of the mediation, the parties may seek to resolve the dispute in accordance with the law.

30.5 **Non compliance**

Failure by a party to a dispute to attempt to comply with this rule 30 may be pleaded as a bar to proceedings initiated by that party, except in the case of proceedings requesting urgent relief.

31. Winding Up

31.1 **Entitlement of members**

On winding up, the surplus assets of the Company remaining after payment of its debts are divisible among the members in proportion to the number of shares held by them.

31.2 **Distribution of assets generally**

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

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

31.3 No distribution of liabilities

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

31.4 Distribution not in accordance with legal rights

If the liquidator decides on a division or vesting of assets of the Company under rule 31.2 which is not in accordance with the legal rights of the contributories, any contributory who would be prejudiced by it has a right to dissent and ancillary rights as if that decision were a special resolution passed under section 507.

32. Notices

32.1 Notices by Company

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

- (a) in writing signed on behalf of the Company (by original or printed signature);
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) delivered personally;
 - (ii) sent by prepaid mail (by airmail, if the addressee is overseas) to that person's address;
 - (iii) sent by fax to the fax number (if any) nominated by that person; or
 - (iv) sent by electronic message to the electronic address (if any) nominated by that person.

32.2 When notice is given

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

- (a) if it is delivered personally or sent by fax or electronic message:
 - (i) by 5 pm (local time in the place of receipt) on a business day — on that day; or
 - (ii) after 5 pm (local time in the place of receipt) on a business day, or on a day that is not a business day — on the next business day; and
- (b) if it is sent by mail:
 - (i) within Australia — 1 business day after posting; or
 - (ii) to a place outside Australia — 3 business days after posting.

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

32.3 **Business days**

For the purposes of rule 32.2, a business day is a day that is not a Saturday, Sunday or public holiday in the place to which the notice is sent.

32.4 **Notice to joint holders**

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

32.5 **Counting days**

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

33. Unclaimed Money

The Company must deal with unclaimed dividends and distributions in accordance with the law relating to unclaimed money in the Company's jurisdiction of registration.

SCHEDULE 1

Issued Shares

- 1 share numbered 96151 shall be "DR1 Class" share
- 1 share numbered 96152 shall be "DR2 Class" share

(the above shares numbered 96151 and 96152 being Director's qualification shares)

- 2400 shares numbered 16001-18400 shall be "A Class" shares,
- 2250 shares numbered 71001-73250 shall be "B Class" shares.
- 2000 shares numbered 85601-87600 shall be "C Class" shares.
- 2000 shares numbered 73251-73250 shall be "D Class" shares.
- 2000 shares numbered 87601-89600 shall be "B Class" shares.
- 2000 shares numbered 8001-10000 shall be "F Class" shares.
- 2000 shares numbered 79751-81750 shall be "G Class" shares.
- 2000 shares numbered 6001- 8000 shall be "H Class" shares.
- 2250 shares numbered 27551-29800 shall be "I Class" shares.
- 2250 shares numbered 29801-32050 shall be "J Class" shares.
- 2250 shares numbered 47951-50200 shall be "K Class" shares
- 2250 shares numbered 41201-43450 shall be "L Class" shares.
- 2000 shares numbered 2001-4000 shall be "M Class" shares.
- 2000 shares numbered 81851-83850 shall be "N Class" shares.
- 2000 shares numbered 63001-65000 shall be "O Class" shares
- 2250 shares numbered 75501-77750 shall be "P Class" shares.
- 2250 shares numbered 45701-47950 shall be "Q Class" shares.
- 2000 shares numbered 77751-79750 shall be "R Class" shares.
- 2000 shares numbered 59001-61000 shall be "S Class" shares.
- 2250 shares numbered 25301-27550 shall be "T Class" shares.
- 2400 shares numbered 18401-20800 shall be "U Class" shares.
- 2400 Shares numbered 36551-38950 shall be "V Class" shares.
- 2250 shares numbered 32051-34300 shall be "W Class" shares.
- 2000 shares numbered 4001- 6000 shall be "X Class" shares.
- 2000 shares numbered 75251-75500 and 83851-85600 shall be "Y Class" shares
- 2000 shares numbered 67001-69000 shall be "Z Class" shares.
- 2000 shares numbered 10001-12000- shall be "AA Class" shares
- 2000 shares numbered 69001-71000 shall be "BB Class" shares
- 2000 shares numbered 14001-16000 shall be "CC Class" shares
- 2250 shares numbered 38951-41200 shall be "DD Class" shares
- 2250 shares numbered 43451-45700 shall be "EE Class" shares
- 2250 shares numbered 52451-54700 shall be "FF Class" shares
- 2250 shares numbered 50201-52450 shall be "GG Class" shares

- 2000 shares numbered 65001-67000 shall be "HH Class" shares
- 2000 shares numbered 12001-14000 shall be "II Class" shares
- 2000 shares numbered 57101-59000 and 81751-81850 shall be "JJ Class" shares.
- 2250 shares numbered 20801-23050 shall be "KK Class" shares
- 2250 shares numbered 23051-25300 shall be "LL Class" shares.
- 2000 shares numbered 1- 2000 shall be "MM Class" shares.
- 2000 shares numbered 61001-63000 shall be "NN Class" shares.
- 2250 shares numbered 34301-36550 shall be "OO Class" shares.
- 2400 shares numbered 54701-57100 shall be "PP Class" shares.
- 2000 shares numbered 92851-94850 shall be "QQ Class" shares,
- 650 shares numbered 89601-90250 shall be 'RR Class' shares
- 650 shares numbered 90251-90900 shall be "SS Class" shares
- 650 shares numbered 94851-95500 shall be "TT Class" shares
- 650 shares numbered 95501-96150 shall be "UU Class" shares
- 650 shares numbered 92201-92850 shall be "VV Class" shares
- 650 shares numbered 91551-92200 shall be "WW Class" shares
- 650 shares numbered 90901-91550 shall be "XX Class" shares

Rights attached to Shares

Flats

| Share Holding | Flat Number |
|---------------|-------------|
| A Class | 1 |
| B Class | 2 |
| C Class | 3 |
| D Class | 4 |
| E Class | 5 |
| F Class | 6 |
| G Class | 7 |
| H Class | 8 |
| I Class | 9 |
| J Class | 10 |
| K Class | 11 |
| L Class | 12 |
| M Class | 13 |
| N Class | 14 |
| O Class | 15 |
| P Class | 16 |
| Q Class | 17 |
| R Class | 18 |
| S Class | 19 |
| T Class | 20 |
| U Class | 21 |
| V Class | 22 |
| W Class | 23 |
| X Class | 24 |
| Y Class | 25 |

| | |
|----------|----|
| Z Class | 26 |
| AA Class | 27 |
| BB Class | 28 |
| CC Class | 29 |
| DD Class | 30 |
| EE Class | 31 |
| FF Class | 32 |
| GG Class | 33 |
| HH Class | 34 |
| II Class | 35 |
| JJ Class | 36 |
| KK Class | 37 |
| LL Class | 38 |
| MM Class | 39 |
| NN Class | 40 |
| OO Class | 41 |
| PP Class | 42 |
| QQ Class | 43 |

Garages

| Share Holding | Garage Number |
|---------------|---------------|
| RR Class | 1 |
| SS Class | 2 |
| TT Class | 3 |
| UU Class | 4 |
| VV Class | 5 |
| WW Class | 6 |
| XX Class | 7 |

SCHEDULE 2

Director's Powers

1. Determination of a levy

The Directors may, from time to time, determine a levy payable by the holders of each or any of the classes of shares in the Company. Such levy shall be received by the Company for the purpose of enabling the Company to meet the expenses of the Company insured in connection with maintaining the building and services at the Company's property at 53 Balaclava Road, East St Kilda and may be applied by the Company in payment of all or any of the following expenses incurred or to be incurred by the Company or which the Company may become liable to pay or bear that is to say:

- 1.1. The costs of and incidental to maintaining the said building and to repairing and/or renewing all common services such as sewers, pipes, wires, cables, fittings and appliances of whatsoever nature necessary or proper for the purpose of making available for the said flats, gas, electricity, water and any other like services and also laundry and drying facilities;
- 1.2. The costs of lighting, cleaning, repairing, upholding or maintaining the stairways, common passageways and galleries and all other parts of the said building not in the exclusive occupation of any Member of the Company;
- 1.3. The costs of maintaining in good order and condition the lawns and gardens in the curtilage of the said building;
- 1.4. The cost of maintaining upholding and repairing the whole of the exterior of the said building and such parts of the interior thereof as are not in the exclusive occupation of any Member of the Company;
- 1.5. All administration, secretarial and managerial expenses necessarily or properly incurred by the Company;
- 1.6. All rates, taxes, insurances, land taxes and other outgoings of whatsoever nature assessed against or payable by the Company in connection with or in respect of the said building;
- 1.7. All other costs or expenses of whatsoever nature reasonably and properly incurred or payable by the Company for the benefit, advantage or convenience of the Members in common with occupiers of other flats in the said building;
- 1.8. All costs incurred by the Company as a result of any breach of any rules, regulations and any provision of this Constitution by a Member of the Company.
- 1.9. All costs incurred by the Company in relation to the Conversion specified in item 4 below.

2. Rules and Regulations – use, occupation and care of property

The Directors may from time to time make rules and regulations for the use, occupation and care of the flats, garage and common areas. This includes the power to amend the owner's corporation rules.

3. Rules and Regulations – miscellaneous

The Directors may from time to time make rules and regulations to set common rules, determine breach and recovery processes and the right to interview prospective tenants and owners. This includes the power to amend the owner's corporation rules.

4. Title Conversion

- 4.1. The Directors have the power to convert the title of the Company's property at 53 Balaclava Road, East St Kilda, Victoria to strata title (Conversion) subject to the process set out in item 4.2 below.
- 4.2. Before undertaking any Conversion, the Board must first:

- a) engage the appropriate person or entity to conduct a Feasibility Study for the purposes of informing the Shareholders of the feasibility of Conversion;
- b) provide the Feasibility Study, along with the Board's recommendation to the Shareholders; and
- c) request the consent of the Shareholders to proceed with the Conversion in accordance with the recommendations.

4.3. If and when the Shareholders, approve by Special Resolution, to proceed with the Conversion, the Board must take all reasonable steps to complete the Conversion in accordance with Schedule 3 in a timely manner.

4.4. All costs incurred in relation to the Conversion and Conversion Process by the Company is recoverable from the Members by form of levy as set out item 1 of this schedule 2 above.

SCHEDULE 3

Conversion Process

1. A licensed surveyor must be engaged to prepare a strata plan. The plan should be submitted to the local council for approval;
2. the Company obtains approval from all mortgagees who hold security interests in company title shares;
3. the approved strata plan must be lodged with Land Use Victoria for registration;
4. title to the lots in the new strata plan must be transferred to each Member. Such transfers must each be assessed for stamp duty;
5. each transferee (Member) must register his or her transfer at Land Use Victoria;
6. the new owners' corporation must hold its first AGM. There are a number of statutory requirements detailing what must be discussed at that meeting and what information must be provided to the residents; and
7. the Company then be wound up voluntarily.