

CONSTITUTION

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constitution

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Constitution unless a contrary intention is indicated:

- (a) *AGM* means the annual general meeting of the Company;
- (b) *Appointed Director* means a Director appointed by the Board in accordance with Article 7.1(b);
- (c) *Article* means an Article of this Constitution;
- (d) *Board* means the Board of Directors of the Company;
- (e) *Committee* means the committee of Directors established under this Constitution;
- (f) *Company* means the Railway and Transport Health Fund Ltd (ABN 93 087 648 744);
- (g) *Constitution* means the Constitution of the Company as amended from time to time;
- (h) *Corporations Act* means the *Corporations Act 2001* (Cth), as modified or amended from time to time;
- (i) Deleted;
- (j) *Director* means a person holding office as a director of the Company;
- (k) *Elected Director* means a Member or Member Affiliate of the Company elected by the Members of the Company at a meeting called for that purpose;
- (l) *General Meeting* means a general meeting of the Members;
- (m) *Health Benefits Fund* means any Health Benefits Fund established under the Private Health Legislation and operated by the Company;
- (n) *Health Fund Rules* means the rules of the Health Benefits Fund, as amended from time to time;
- (o) *Material Personal Interest* has the same meaning as in Part 2D.1 of the Corporations Act;
- (p) *Member* means a person whose name has been entered in the Register of Members that the Company keeps as required under the Corporations Act;
- (q) *Member Affiliate* means a spouse or de facto partner of a Member;
- (r) Deleted;
- (s) *Policy Holder* means a person who is accepted as an insured and has been issued with a policy of health insurance or is otherwise covered by the Company;
- (t) *Private Health Legislation* means the Private Health Insurance Act 2007 and its accompanying regulations and rules, as amended from time to time, and any other legislation governing private health insurance in Australia;
- (u) *Seal* means the Common Seal of the Company; and
- (v) *Secretary* means any person who is appointed in accordance with the Corporations Act to the statutory office of Company Secretary.

1.2 Interpretation

In this Constitution, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) where an expression is defined in this Constitution, any other grammatical form of the expression has a corresponding meaning;
- (c) words and expressions defined in the Corporations Act have the same meaning in this Constitution;
- (d) headings are for purposes of convenience only and do not affect the interpretation of this Constitution;
- (e) a reference to a statute or regulation includes all amendments, consolidations or replacements of the statute or regulation;
- (f) a reference to this Constitution or another instrument includes all amendments or replacements of the Constitution or the other instrument; and
- (g) a reference to a statutory or other body that ceases to exist or the powers and functions of which are transferred to another body includes a reference to the body:
 - (i) that replaces it; or
 - (ii) to which substantially all the powers and functions relevant to this Constitution are transferred.

1.3 Time

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

1.4 Replaceable rules do not apply

The replaceable rules in the Corporations Act do not apply.

2. OBJECTS AND LIMIT ON POWERS

2.1 Objects

The Company has the objects set out in Annexure A.

2.2 Powers of Company

The Company must exercise its powers solely for the purpose of carrying out the objects of the Company and:

- (a) may carry out activities which are incidental or conducive to the objects as stated in Annexure A to this Constitution;
- (b) may invest monies of the Health Benefits Fund in accordance with the Private Health Legislation;
- (c) may carry out activities that are not prohibited under the Private Health Legislation; and
- (d) must only provide insurance subject to any conditions of its registration under the Private Health Legislation.

2.3 Deleted

2.4 Alteration of Constitution

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

2.5 Income and liability

- (a) No part of the income and property of the Company shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise, to Members.
- (b) The liability of Members is limited.
- (c) Each Member agrees that, if the Company is wound up during the time they are a Member, or within one year after ceasing to be a Member, they will contribute a monetary amount to the assets of the Company, for payment of the debts and liabilities of the Company (contracted before ceasing to be a Member) and of the costs, charges, and expenses of winding up and for the adjustment among the Members of the rights of the Members, such amount as may be required, but not exceeding \$10.00.

2.6 Excess assets on winding up

- (a) On the winding up of the Company, Members are not entitled to any surplus that would otherwise be available for distribution to Members.
- (b) The Company must pay the surplus to another body corporate incorporated in an Australian state or territory that has:
 - (i) objects similar or in part similar to the objects of the Company and objects incidental or conducive to those so specified but no other; and
 - (ii) a Constitution which prohibits the distribution of its income and property among its members or contributors to at least as great as that imposed on the Company under this Constitution.
- (c) If the Company is wound up, any assets remaining after the payment of outstanding claims, debts and liabilities shall be applied as the Members in a General Meeting direct providing that the direction is consistent with the conditions of Article 2.6(b) and any order of a Court having jurisdiction in this matter.

3. MEMBERSHIP

3.1 Members of the Health Benefits Fund

- (a) The Board has the power, by ordinary resolution, to adopt or amend rules for the administration and membership of the Health Benefits Fund. Without limiting the generality of this Article 3.1(a), such rules may prescribe terms relating to:
- (i) subject to Article 3.1(b), membership of the Health Benefits Fund;
 - (ii) contributions payable by members to the Health Benefits Fund;
 - (iii) benefits to be paid to members of the Health Benefits Fund; and
 - (iv) such other matters as the Board may resolve to be provided for by the rules.
- (b) The following persons comprise the Restricted Access Group (the *Restricted Access Group*) eligible for membership of the Health Benefits Fund and to whom the Company's complying health insurance products are, or will be made available:
- (i) A person who is, or was, an employee of:
 - (A) Government or privately operated land, sea and air transport companies and associated Government entities charged with administering the industry; or
 - (B) Government and privately operated electricity generation and delivery entities; or
 - (C) a contract company, where those employees or former employees were employed to provide services under a contract to the organisations described in Articles 3.1(b)(i)(A), 3.1(b)(i)(B) or 3.1(b)(ii) (or successors of those organisations).
 - (ii) A person who is, or was, a member of the Railways Credit Union Limited (or a successor to that organisation).
 - (iii) A person who, by the operation of the Private Health Insurance (Registration) Rules (No 2) 2007 (Cth), is taken to belong to the Restricted Access Group.
- (c) The Company is prohibited from:
- (i) issuing a complying health insurance product to a person who does not belong to the Restricted Access Group; and
 - (ii) ceasing to insure a person for the reason that the person has ceased to belong to the Restricted Access Group.

3.2 Members of the Company

- (a) Subject to Article 3.2(aa), a person is entitled to become a Member if a person:
- (i) is a member of the Restricted Access Group; and
 - (ii) is not otherwise prevented from becoming a Member by any other provision of this Constitution.
- (aa) Where a person seeking membership of the Company is insured by the Company as part of an insured group comprising two or more adults, only one adult from the insured group is eligible to be a Member.
- (b) Subject to any other Article allowing admission of Members, the Company may admit a person as a Member only if the person makes a written application, in a form the Company requires.
- (c) Deleted
- (d) When the Company admits a person as a Member, the Company must:
- (i) enter the person's particulars in the Register of Members as required by the Corporations Act, and
 - (ii) give the person notice that it has admitted the person as a Member.
- (e) If an application to become a Member is rejected, the Company must:
- (i) give written notice of the rejection to the applicant; and
 - (ii) refund in full any contributions paid by the applicant.
- (f) When the Company admits a person as a Member the Member agrees to be bound by the Constitution of the Company.

3.3 Termination of membership of the Company

- (a) A Member ceases to be a Member:
- (i) on receipt by the Company of the Member's written resignation; or
 - (ii) if the person ceases to be a member of the Health Benefits Fund in accordance with the provisions of the Health Fund Rules or this Constitution; or
 - (iii) if the Member's membership is terminated under this Article 3.3.
- (b) The Company may remove a Member's name from the Register of Members if the Member dies.

3.4 Termination of membership of the Company by the Board

- (a) The Company may terminate a person's membership by Board resolution if:
 - (i) the Member fails to discharge the Member's obligations to the Company under this Constitution or the Health Fund Rules; or
 - (ii) the Member is guilty of conduct which in the opinion of the Board is conduct that is considered to be detrimental to the Company; or
 - (iii) the Member obtains membership by misrepresentation or mistake.
- (b) The Company must give notice of the proposed resolution under Article 3.4(a) to the Member at least fourteen (14) days before the Board considers the proposed resolution.
- (c) At the time the Board considers the proposed resolution and prior to the Board voting on the resolution, the Member shall have had an opportunity of giving orally or in writing any explanation or defence he may think fit and is entitled:
 - (i) to be present with or without the Member's legal representative; and
 - (ii) to be heard, either in person or through the Member's legal representative.
- (d) The Board must give notice to a Member of a Board meeting at which the resolution for the Member's expulsion is proposed:
 - (i) setting out the place, date and time of the meeting; and
 - (ii) setting out the proposed resolution and the grounds for the proposed expulsion; and
 - (iii) informing the Member that the Member may submit written submissions or make oral submissions in accordance with Article 3.4(c)(ii) to the Board before the resolution is put to a vote.

3.5 Effect of cessation of membership

- (a) Subject to Article 2.6, a person who ceases to be a Member shall continue to be liable for all moneys due by the Member to the Company.
- (b) If a person ceases to be a Member of the Company, then the Member Affiliate of the Member, also ceases to be a Member Affiliate.
- (c) If a person ceases to be a Member of the Company, the Member's name will be removed from the Register of Members.

4. MEETINGS OF MEMBERS

4.1 Calling a meeting of Members

- (a) Subject to the Corporations Act, the Board or any individual Director may call a General Meeting at a time and place as the Board or that individual Director decides.
- (b) The Board must call and arrange to hold a General Meeting on the request of Members in accordance with the Corporations Act.
- (c) The Members may call and arrange to hold a General Meeting as provided by the Corporations Act.

4.2 General Meetings

All meetings of Members apart from an AGM are deemed to be general meetings and are to be held in accordance with the Corporations Act.

4.3 Annual General Meetings

- (a) In accordance with the Corporations Act, the Company must hold an AGM at least once in each calendar year and within five (5) months after the end of its financial year.
- (b) An AGM is to be held in addition to any other meetings of Members held by the Company in each financial year.
- (c) The Board must present to the Members at the AGM, the annual financial report, the Directors' report and the auditor's report for the last financial year that ended before the AGM. The business transacted at an AGM shall include the following:
 - (i) consideration of the annual financial report, the Board of Directors' report and the auditor's report;
 - (ii) the election of Directors of the Company;
 - (iii) the fixing of the Directors' remuneration; and
 - (iv) the appointment of the auditor of the Company.

4. MEETINGS OF MEMBERS (CONTINUED)

4.4 Notification of a meeting of Members

- (a) The notice of a meeting of Members must be given in accordance with the Corporations Act and this Constitution.
- (b) The notice of a meeting of Members must:
 - (i) set out the place, date and time of meeting, and state the general nature of the business to be dealt with at the meeting. If the meeting is to be held in two or more places, the notice of a meeting of Members must also state the technology that will be used to facilitate the holding of the meeting in that manner;
 - (ii) state that:
 - (A) a Member who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy;
 - (B) a proxy need not be a Member; and
 - (iii) specify a place and a fax number for the purposes of receipt of proxy appointments; and
 - (iv) specify an electronic address for the purposes of receipt of proxy appointments.
- (c) If a special resolution is to be proposed, the notice of meeting must set out an intention to propose the special resolution and state the resolution.
- (d) The non-receipt of notice of a General Meeting by, or the accidental omission to give notice of a General Meeting to, a person entitled to receive that notice, does not invalidate any resolution passed at the General Meeting.

4.5 Meetings at more than one place

- (a) A meeting of Members may be held in two or more places linked together by any technology that:
 - (i) gives the Members as a whole in those places a reasonable opportunity to participate in proceedings;
 - (ii) enables the chair of the meeting to be aware of proceedings in each place; and
 - (iii) enables the Members in each place to vote on a show of hands and on a poll.
- (b) If a meeting of Members is held in two or more places under Article 4.5(a)(i):
 - (i) a Member present at one of the places is taken to be present at the meeting; and
 - (ii) the chair of that meeting may determine at which place the meeting is taken to have been held.

4.6 Adjourning meetings of Members

- (a) The chair of a meeting of Members at which a quorum is present:
 - (i) may adjourn the meeting with the consent of the meeting by ordinary resolution; and
 - (ii) must adjourn the meeting if directed by ordinary resolution.
- (b) The Company must give notice of an adjourned meeting of Members if the adjournment is for thirty (30) days or more.
- (c) When a meeting is adjourned for thirty (30) days or more notice of the adjourned meeting of Members shall be given as in the case of the original meeting.
- (d) It is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting of Members adjourned under Article 4.6.
- (e) The only business that an adjourned meeting of Members may deal with is business unfinished at the meeting that was adjourned.

4.7 Quorum

- (a) No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to the business. A quorum shall consist of:
 - (i) ten (10) Members present in person; or
 - (ii) if less than twenty (20) Members are eligible to attend and vote at a meeting of Members, 50% of the Members eligible to attend and vote at the Members' meeting.
- (b) In determining whether a quorum is present individuals attending as a proxy or attorney for a Member shall be counted. However, if a Member has appointed more than one proxy or representative, only one of them shall be counted. If an individual is attending both as a Member and as a proxy then that person will be counted as present in each capacity.

4.8 Commencement of a meeting of Members

- (a) If within fifteen (15) minutes from the time appointed for the meeting, a quorum is not present, the Members meeting is adjourned to the date, time and place the Board specifies. If the Board does not specify one or more of those things, the meeting is adjourned to:
 - (i) the same day in the next week, if the date is not specified;
 - (ii) the same time, if the time is not specified; and
 - (iii) the same place, if the place is not specified.
- (b) If no quorum is present at the resumed meeting within thirty (30) minutes after the time for the meeting, the meeting is to be dissolved.

4.9 Chair of meetings of Members

- (a) The Chair of the Board must (if present within fifteen (15) minutes after the time appointed for the holding of the meeting and willing to act) chair each meeting of Members.
- (b) If at a meeting of Members:
- (i) there is no Chair;
 - (ii) the Chair of the Board is not present within fifteen (15) minutes after the time appointed for the holding of a meeting of Members; or
 - (iii) the Chair of the Board is present within that time but is not willing to chair all or part of that meeting,
- the Directors present may, by majority vote, elect another Director or another person present, to chair all or part of the meeting of Members.
- (c) Subject to Article 4.10(a), if at a meeting of Members:
- (i) a chair of that meeting has not been elected by the Board under Article 4.9(b); or
 - (ii) the chair elected by the Board is not willing to chair all or part of a meeting of Members,
- the Members present must elect another person, present and willing to act, to chair all or part of that meeting.
- (d) If a person is only elected to chair a part of that meeting then the Members present must elect another person, present and willing to act, to chair the remainder of that meeting. If no other person can be found, then the meeting is to be dissolved when there is no person willing to act in the position of the chair of that meeting.

4.10 General conduct of meetings

- (a) Subject to the Corporations Act, the chair of a meeting of Members is responsible for the general conduct of that meeting and for the procedures to be adopted at that meeting.
- (b) The chair of a meeting of Members may delegate any power conferred by this Article to any person.
- (c) The powers conferred on the chair of a meeting of Members under this Article 4.10, do not limit the powers conferred by law.

5. VOTING AT MEETINGS OF MEMBERS

5.1 Voting

- (a) A resolution put to the vote at a meeting of Members must be decided on a show of hands unless a poll is demanded.
- (b) Before a meeting of Members votes on a resolution the chair of the meeting of Members must inform the meeting:
- (i) how many proxy documents the Company has received that validly appoint a person present at the meeting of Members as a proxy;
 - (ii) how many of these proxy documents direct the proxies how to vote on the resolution; and
 - (iii) how the proxies are directed to vote on the resolution.
- (c) Subject to the Corporations Act and this Constitution, a meeting of Members passes a resolution only if more than half the total number of votes cast on the resolution are in favour of the resolution.
- (d) Deleted
- (e) The chair of the meeting of Members and any Member entitled to vote who is present at a meeting in person or by proxy is entitled to demand a poll.
- (f) No Member shall be entitled to vote at any General Meeting if the relevant contributions of the Member are in arrears at the date of the meeting, nor shall any person be entitled to vote on behalf of any such Member.

5.2 Number of votes

- (a) Each Member entitled to vote at a General Meeting may vote in person or by proxy. Each Member entitled to vote has one (1) vote whether on a show of hands or on a poll or by postal vote.
- (b) In the case of an equality of votes on a resolution at a meeting of Members, the chair of that meeting has a casting vote on that resolution both on a show of hands and on a poll, in addition to any vote the chair of that meeting has in respect of that resolution.
- (c) A Member present at a meeting of Members is not entitled to vote on a resolution at that meeting where that vote is prohibited by the Corporations Act or an order of a court of competent jurisdiction.
- (d) The Company must disregard any vote on a resolution purported to be cast by a Member present at a meeting of Members where that person is not entitled to vote on that resolution.

5. VOTING AT MEETINGS OF MEMBERS (CONTINUED)

5.3 Voting on a poll

- (a) A poll cannot be demanded on any resolution concerning the election of a person to chair the meeting.
- (b) A poll on the question of an adjournment must be taken immediately. The chair may direct when and the manner in which any other poll must be taken.
- (c) The meeting of Members may conduct other business even though a poll is demanded on a resolution.
- (d) If a poll is demanded it shall be taken when and in such manner as the chair of the meeting directs. The result of the poll shall be the resolution of the meeting at which the poll was demanded but a poll demanded on a question of adjournment shall be taken immediately and without discussion.

5.4 Who can appoint a proxy

- (a) Any Member who is entitled to attend and cast a vote at a meeting of Members may appoint a person as the Member's proxy to attend and vote for the Member at the meeting.
- (b) The proxy form shall bear the signature of the Member or the attorney of the Member duly authorised in writing.
- (c) The Board shall determine the form of proxy document to be used.
- (d) The proxy form shall be deemed to confer authority to speak at the meeting, demand or join in demanding a poll and (to the extent allowed by the instrument) to vote on a poll. The authority of a proxy to speak and vote for a Member at a meeting is suspended while the Member is present at the meeting.
- (e) The Company shall send each Member entitled to appoint a proxy to attend and vote at a meeting, a proxy appointment form for the meeting or a list of persons willing to act as proxies at a meeting.
- (f) Deleted
- (g) Deleted

5.5 Appointing a proxy

- (a) An appointment of a proxy is valid if the proxy form is signed by the Member making the appointment and contains the following information:
 - (i) the Member's name and address;
 - (ii) the name of the Company;
 - (iii) the proxy's name or the officer in the Company that is appointed as the proxy;
 - (iv) the meetings at which the appointment may be used; and
 - (v) the date that the proxy form was signed.

- (b) The proxy form may specify the way the proxy is to vote on a particular resolution. Unless so instructed in writing, the proxy may vote as he or she thinks fit.

5.6 Notification to the Company

- (a) For an appointment of a proxy to be effective, the proxy form must be received by the Company at least twenty-four (24) hours before the start of the relevant meeting or adjourned meeting.
- (b) The Company is deemed to have received a proxy form when it is received at any of the following:
 - (i) the Company's registered office; or
 - (ii) a facsimile number, specified for the purpose in the notice of meeting; or
 - (iii) an electronic address specified for the purpose in the notice of meeting.

5.7 Validity of proxy vote

At a meeting where a proxy votes, the proxy's vote at that meeting will be valid unless before the proxy votes, the Company receives written notice of any of the following, before the meeting starts or resumes:

- (a) the appointing Member dies; or
- (b) Deleted;
- (c) the Member revokes the proxy's appointment.

5.8 Objections to qualification to vote

- (a) An objection to the qualification of a voter:
 - (i) may only be made at the meeting or the adjourned meeting at which the vote objected to is cast; and
 - (ii) must be determined by the chair of the meeting, whose decision shall be final.
- (b) If the chair of the meeting determines the qualification of a voter, the chair shall inform the meeting as to the reasons for their determination.

5.9 Voting on a show of hands

- (a) On a show of hands, a declaration by the chair of a meeting of Members, is conclusive evidence of the result, provided that the declaration reflects the show of hands and the votes of the proxies received.
- (b) The chair of the meeting shall declare to the meeting:
 - (i) the number of votes cast, both by hand and by proxy; and
 - (ii) the numbers of the votes recorded in favour of and against the resolution; as well those that abstained from voting.
- (c) The minutes of the meeting must record that the resolution was passed or not passed as well as the results recorded from Article 5.9(b) and declared to the meeting.

6. DISTRIBUTION OF NOTICES AND DOCUMENTS

6.1 Distribution of notices and documents

- (a) This Article applies to all notices and documents that the Corporations Act or this Constitution requires a party to this Constitution to send to another party to this Constitution.
- (b) In this Article, business day means a day that is not:
 - (i) a Saturday or Sunday; or
 - (ii) a public holiday or bank holiday in the place where the notice is received.
- (c) A person sending a notice must do so in writing and must address it to the recipient at the following respective addresses:
 - (i) if to the Company, at its registered office or such other address as the Company specifies to Members from time-to-time; and
 - (ii) if to a Member, at the Member's address appearing on the Register of Members from time-to-time.
- (d) A person may send a notice or other document to a recipient in any of the ways set out in the Articles below.

6.2 Hand delivering the notice personally

- (a) If hand delivered before 4:00pm on a business day, the recipient is deemed to have received the notice on that business day.
- (b) If hand delivered after 4:00pm on a business day, the recipient is deemed to have received the notice on the next business day.
- (c) If hand delivered on a day other than a business day, the recipient is deemed to have received the notice on the next business day.

6.3 Sending the notice by pre-paid post

The recipient is deemed to have received the notice on the third business day after posting unless it is actually delivered earlier.

6.4 Sending the notice by facsimile transmission

- (a) If sent before 4:00pm on a business day, the recipient is deemed to have received the notice on that business day.
- (b) If sent after 4:00pm on a business day, the recipient is deemed to have received the notice on the next business day.
- (c) If sent on a day other than a business day, the recipient is deemed to have received the notice on the next business day.

This Article does not apply where the person sending the facsimile has evidence that the transmission was unsuccessful.

6.5 Sending the notice by electronic means other than by facsimile transmission

- (a) If a Member nominates to receive documents by electronic means the Company may provide the Member with such documents in accordance with the Corporations Act.
- (b) If a document is sent electronically before 4:00pm on a business day, the recipient is deemed to have received the notice on that business day.
- (c) If a document is sent electronically after 4:00pm on a business day the recipient is deemed to have received the notice on the next business day.
- (d) If a document is sent electronically on a day other than a business day the recipient is deemed to have received the notice on the next business day.

This does not apply where the person sending the notice by electronic means has evidence that the notice did not reach the recipient's electronic address.

7. DIRECTORS APPOINTMENT AND VACATION OF OFFICE

7.1 The Board of Directors

- (a) Subject to Article 7.2, the Board must have a minimum of six (6) Directors and a maximum of nine (9) Directors, of which:
- (i) there must be at least four (4) Elected Directors; and
 - (ii) there may be up to three (3) Appointed Directors and up to four (4) Appointed Directors following the 2011 AGM.
- (b) Subject to Article 7.1(a), the Board may, in its absolute discretion, resolve by simple majority to change its size and composition by any or all of the following:
- (i) holding an election at the next AGM for such number of Elected Director positions as it determines provided the minimum number of Directors is not less than four (4) Elected Directors, and the maximum number of Directors does not exceed nine (9) Directors after the end of that AGM; and
 - (ii) appointing up to four (4) persons as independent Appointed Directors provided that there are at least four (4) Elected Directors.
- (c) A Director shall not serve on the Board for a period in total exceeding twelve (12) years.

7.2 Maximum number of Directors

Subject to the Corporations Act, the Members may from time to time by ordinary resolution increase or reduce the number of Directors, however until the Members pass such a resolution there shall be a maximum of nine (9) Directors at any one time.

7.3 Eligibility to be a Director

- (a) To be eligible for nomination as an Elected Director on the Board, a person must be a financial Member or Member Affiliate of the Company.
- (b) A nomination for an Elected Director on the Board under this Article must be:
- (i) signed by at least two (2) Members of the Company; and
 - (ii) accepted in writing by the nominee.
- (c) Following nomination under this Article, the nominee is entitled to circulate to the Members of the Company, a statement supporting their nomination.
- (d) Notwithstanding any other provision in this Constitution, a person is not eligible to be elected or appointed as a Director:
- (i) unless the person is at least eighteen (18) years of age; or
 - (ii) for an elected position, if that person ceases to be a Member or Member Affiliate as the case may be; or
 - (iii) unless the person has not had a personal representative or trustee appointed to administer the person's estate or property because of their mental incapacity; or

- (iv) if the person is a Member Affiliate, and the Member who is the spouse or de facto partner of the Member Affiliate is a Director; or
 - (v) if the person is a Member, and the Member Affiliate of the Member is a Director; or
 - (vi) if the person is prohibited from acting as a director under the Private Health Legislation or does not satisfy any guidelines or criteria for suitability for appointment as a director under the Private Health Legislation; or
 - (vii) if, in accordance with criteria expressly specified by the Board, the person is insufficiently qualified to be a Director or is not a fit and proper person to be a Director.
- (e) Criteria expressly specified by the Board as necessary qualifications to be a Director of the Company or for the purpose of assessing whether a person is a fit and proper person to be a Director may be disallowed by ordinary resolution of the Company in General Meeting.

7.3A Nomination and eligibility of Candidates

The process for nominating Candidates for the available Elected Director positions and determining if those Candidates are eligible to stand and serve as Elected Directors are contained in Schedule C to this Constitution.

7.4 Election by Members

The Members may elect a Member or Member Affiliate to be a Director, as determined at the AGM by ballot in accordance with an election process as set out in Schedule B.

7.5 Automatic vacation of office

- (a) The office of a Director shall automatically become vacant on the first to occur of the following events, if the Director:
- (i) dies; or
 - (ii) ceases to hold any relevant appointment or qualification; or
 - (iii) ceases to be eligible to be a Director under Article 7.3; or
 - (iv) becomes bankrupt or makes any arrangement or composition with his or her creditors generally; or
 - (v) becomes prohibited from being a Director of a Company by reason of the Corporations Act (or any order made under the Corporations Act or the Private Health Legislation (or any order made under the Private Health Legislation)); or
 - (vi) cannot manage the Company because of his or her mental incapacity and is a person whose estate or property has had a personal representative or trustee appointed to administer it; or
 - (vii) is absent without permission of the Board from either three (3) consecutive meetings of the Board or three (3) meetings of the Board held in any financial year; or
 - (viii) ceases to be a Member or Member Affiliate for any reason except in the case of a Director appointed by the Board provided they have not been appointed as a Member or Member Affiliate Director.

7.6 Term of office of Elected Directors and Appointed Directors

- (a) Subject to the provisions concerning casual vacancies and the transition arrangements set out in Schedule A:
 - (i) Elected Directors shall hold office from the conclusion of the AGM following their election to the conclusion of the AGM three (3) years later;
 - (ii) retiring Elected Directors who are eligible persons may stand for re-election but not more than three (3) times consecutively;
 - (iii) Appointed Directors shall be appointed by a resolution of the majority of Elected Directors on such terms as agreed by the Directors and for a term of up to three (3) years;
 - (iv) an Appointed Director's first appointment may be renewed:
 - (A) by a majority of Elected Directors for a further term of not more than three (3) years on such terms as agreed by the Elected Directors; and
 - (B) an Appointed Director may be subsequently appointed by the Company in General Meeting for not more than two further consecutive terms of three (3) years; and
 - (v) if a Director is due to retire at the next AGM, then if the Director is to be re-elected then the Director must be nominated for re-election as a Director.

7.7 Resignation

- (a) A Director may resign by giving the Company notice of the Director's resignation.
- (b) The Director's office becomes vacant:
 - (i) if the notice of resignation specifies a date of resignation, on the date of resignation; or
 - (ii) otherwise, on the date the Company receives the notice of resignation.

7.8 Casual Directors

- (a) The Board may appoint a person to be a casual director:
 - (i) if a Director's office becomes vacant other than because the Director's term of office has ended; or
 - (ii) if for any reason, the number of Directors is less than the maximum under Articles 7.1 and 7.2.
- (b) The Board may only appoint a person as a casual director who is eligible to be an Elected Director.
- (c) The term of office for a Director appointed to fill a vacancy in Article 7.8(a)(i) ends:
 - (i) if the General Meeting approves the appointment before the end of the next AGM after the Director's appointment, at the end of the term of office of the Director whose office has become vacant; and
 - (ii) otherwise, at the end of the next AGM after the Director's appointment.
- (d) The term of office for a Director appointed to fill a vacancy in Article 7.8(a)(ii) ends at the end of the next AGM after the Director's appointment.

7.9 Chair and Deputy Chair

- (a) Subject to Article 7.6, the Board must:
 - (i) elect a Director as the Chair of the Board for a term being the lesser of:
 - (A) not exceeding the next AGM, or
 - (B) until the relevant person ceases to be a Director; and
 - (ii) elect a Director as the Deputy Chair of the Board, for a term being the lesser of:
 - (A) not exceeding the next AGM, or
 - (B) until the relevant person ceases to be a Director.
- (b) The Board may at any time remove:
 - (i) the Chair of the Board as the chair; and/or
 - (ii) the Deputy Chair of the Board as the deputy chair.

7.10 Deleted

7.11 Remuneration of Directors

- (a) The aggregate sum of remuneration of the Board is determined or varied by ordinary resolution of Members at the AGM.
- (b) The individual Directors of the Company are to be paid the remuneration that the Board determines by resolution:
 - (i) in attending meetings of Directors or any meetings of committees of Directors;
 - (ii) in attending any meetings of Members of the Company including the AGM.
- (c) The Board may determine that the Company shall pay the Directors' expenses that they properly incur:
 - (i) in attending meetings of Directors or any meetings of committees of Directors;
 - (ii) in attending any meetings of Members of the Company including the AGM; and
 - (iii) in connection with the Company's business.
- (d) The Board may by resolution cancel, suspend, reduce or postpone a Director's remuneration.
- (e) The Company must disclose at each AGM, all remuneration and expenses paid to the Directors.

8. GENERAL POWERS OF THE BOARD OF DIRECTORS

8.1 The Board

- (a) The Board of the Company:
- (i) governs the business of the Company;
 - (ii) subject to the Corporations Act and this Constitution, may exercise all the powers of the Company; and
 - (iii) subject to Private Health Legislation, may exercise all the powers of the Company to manage any Health Benefits Fund operated by the Company and make, rescind and vary Health Fund Rules.

8.2 Delegation

- (a) The Board may delegate any of its powers to any Committee or to any other person any of the powers conferred on the Board by the Constitution or the Corporations Act, provided that:
- (i) any delegation of a power to expend money shall be limited to a sum to be determined by the Board; and
 - (ii) the Board may permit the delegate to sub-delegate any powers delegated to them subject to any limitations imposed by the Board.
- (b) The Board must establish policies for the guidance of delegates in the exercise of any powers so delegated.

8.3 Negotiable instruments

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

8A. LIMITATION OF THE POWERS OF THE BOARD

8A.1 Unsolicited proposal to acquire control of the Company

- (a) The Board must not cause an application to be made under Part 5.1 of the Corporations Act for an order for a meeting of Members in respect of a compromise or arrangement proposed between the Company and the Members in connection with an unsolicited proposal to:
- (i) acquire control of the Company; or
 - (ii) merge or amalgamate the Company with another company,

unless the decision to make the application is ratified by the Company in general meeting in accordance with Article 8A.1(c).

- (b) The Board must not:
- (i) sell or dispose of the main undertaking of the Company;
 - (ii) enter into an arrangement with a private health insurer under which private health insurance policies referable to a health benefits fund of the Company become referable to a health benefits fund of the other private health insurer pursuant to section 146-5 of the *Private Health Insurance Act 2007*;
 - (iii) cause an application to be made under s 126-42 of the *Private Health Insurance Act 2007* for approval to convert to being registered as a for-profit insurer; or
 - (iv) cause an application to be made under Part 5.1 of the Corporations Act for an order for a meeting of Members in respect of a compromise or arrangement proposed between the Company and the Members which would have the effect of transferring the main undertaking of the Company to another company or companies,

in connection with an unsolicited proposal to acquire the main undertaking of the Company unless the Board's decision is ratified by the Company in general meeting in accordance with Article 8A.1(c).

- (c) The Company cannot pass a resolution to ratify a decision of the Board under Article 8A.1(a) or 8A.1(b) at a meeting of Members unless:
- (i) at least 21 days notice of the meeting has been given;
 - (ii) at least 45% of the Members eligible to vote on the resolution cast a vote on the resolution (whether in person or by proxy); and
 - (iii) the resolution has been passed by at least 85% of the votes cast by Members.

8A.2 Proposal to acquire control of the Company

(a) The Board must not cause an application to be made under Part 5.1 of the Corporations Act for an order for a meeting of Members in respect of a compromise or arrangement proposed between the Company and the Members in connection with a proposal (other than a proposal described in Article 8A.1(a)) to:

- (i) acquire control of the Company;
- (ii) merge or amalgamate the Company with another company;

unless the decision to make the application is ratified by ordinary resolution of the Company in general meeting in accordance with Article 8A.2(c).

(b) The Board must not:

- (i) sell or dispose of the main undertaking of the Company;
- (ii) enter into an arrangement with a private health insurer under which private health insurance policies referable to a health benefits fund of the Company become referable to a health benefits fund of the other private health insurer pursuant to s 146-5 of the *Private Health Insurance Act 2007*;
- (iii) cause an application to be made under s 126-42 of the *Private Health Insurance Act 2007* for approval to convert to being registered as a for-profit insurer; or
- (iv) cause an application to be made under Part 5.1 of the Corporations Act for an order for a meeting of Members in respect of a compromise or arrangement proposed between the Company and the Members which would have the effect of transferring the main undertaking of the Company to another company or companies,

in connection with a proposal (other than a proposal described in Article 8A.1(b)) to acquire the main undertaking of the Company unless the Board's decision is ratified by ordinary resolution of the Company in general meeting in accordance with Article 8A.2(c).

(c) The Company cannot pass a resolution to ratify a decision of the Board under Article 8A.2(a) or 8A.2(b) at a meeting of Members unless:

- (i) at least 21 days notice of the meeting has been given;
- (ii) at least 25% of the Members eligible to vote on the resolution cast a vote on the resolution (whether in person or by proxy).

8A.3 Changing the company type

(a) An application must not be made under s 163 of the Corporations Act to change to a company of a different type unless a special resolution has been passed by the Company in accordance with s 162 of the Corporations Act in a general meeting satisfying the requirements of Article 8A.3(b).

(b) The Company cannot pass a special resolution under Article 8A.3(a) unless:

- (i) at least 21 days notice of the meeting has been given;
- (ii) at least 45% of the Members eligible to vote on the resolution cast a vote on the resolution (whether in person or by proxy).

constitution

8B. AMENDMENT OF THE CONSTITUTION

- (a) The Company cannot:
- (i) modify or repeal Article 2.5, 2.6, 3.2, 8.1, 8A, 8B or 8C;
 - (ii) adopt any rule which is inconsistent with Article 2.5, 2.6, 3.2, 8.1, 8A, 8B or 8C; or
 - (iii) adopt a constitution which does not include provisions which are of equivalent effect to each of Articles 2.5, 2.6, 3.2, 8.1, 8A, 8B and 8C,

unless a special resolution has been passed by the Company in a general meeting satisfying the requirements of Article 8B(b).

- (b) The Company cannot pass a special resolution under Article 8B(a) unless:
- (i) at least 21 days notice of the meeting has been given;
 - (ii) at least 45% of the Members eligible to vote on the resolution cast a vote on the resolution (whether in person or by proxy); and
 - (iii) the resolution has been passed by at least 85% of the votes cast by members entitled to vote on the resolution.
- (c) The requirements of this Article 8B are a further requirement of the kind specified in s 136(3) of the Corporations Act.

8C. SUNSET

- (a) Articles 8A and 8B cease to apply at the end of three years from the date upon which Articles 8A and 8B were inserted in the Constitution.
- (b) Articles 8A and 8B may be continued for further periods of no more than three years in duration by special resolution of the Company in general meeting.

9. MEETINGS OF DIRECTORS

9.1 Calling and conduct of Board meetings

- (a) The Board shall meet as and when necessary to carry out the efficient operation of the Company.
- (b) The Board may adjourn and otherwise regulate its meetings as it thinks fit providing that the Board shall meet at least eight (8) times every calendar year.
- (c) A Director or the Secretary (upon the authority of a Director) may call a Board meeting by giving reasonable notice to every other Director.

9.2 Board resolutions

- (a) A resolution of the Board must be passed by a majority of the votes cast by the Directors present or deemed to be present and entitled to vote on the resolution.
- (b) Each Director shall have one (1) vote. In the case of an equality of votes, the chair of the meeting shall have a second or casting vote.
- (c) A document generated by electronic means which purports to be a resolution of the Board is to be treated as a resolution in writing and a document generated electronically bearing a copy of an electronic signature is to be treated as signed.

9.3 Quorum of Board meetings

- (a) Subject to the Corporations Act, a quorum for a meeting of the Board of Directors is a majority of the total number of Directors.
- (b) A quorum for a meeting of the Directors must be present at all times during the meeting.
- (c) If there are not enough persons to form a quorum for a meeting of the Directors, the meeting is to be dissolved and transferred to an alternate date.
- (d) If, at any time, the number of Directors is less than the quorum:
 - (i) the Board may meet only for the purpose of filling any casual vacancies or for calling a General Meeting of Members; and
 - (ii) the Board may conduct business by circulating a resolution under Article 9.6.

9.4 Chair of Board meetings

- (a) The Chair elected under Article 7.9 will preside as chair at every meeting of the Board, or if there is no Chair, or if the Chair is not present within ten (10) minutes after the time appointed for holding the meeting, then the Deputy Chair shall preside over the meeting and if there is no Deputy Chair elected under Article 7.9 or if the Deputy Chair is not present within ten (10) minutes after the time appointed for holding the meeting then the Directors present may choose one of their number to chair the meeting.

- (b) The Board must elect a Director present to chair a meeting, or part of it, if:
 - (i) a Director has not already been appointed to chair the meeting; or
 - (ii) a previously appointed Chair or Deputy Chair is not available, or declines to act, for the meeting, or part of it.

9.5 Committees of Directors

- (a) The Board may delegate any of its powers and/or functions (not being duties imposed exclusively on the Board by the Corporations Act or the Constitution) to one or more committees consisting of such number of Directors as the Board thinks fit.
- (b) The persons making up a Committee may appoint one of the Directors in the Committee, as a chair of their meetings.
- (c) Each person making up any Committee shall have one vote at meetings of that Committee.
- (d) Subject to any restrictions that the Board imposes, a Committee of Directors may meet and adjourn or otherwise regulate its meeting as it thinks fit.
- (e) Questions arising at any meeting shall be determined by a majority of votes of the persons present, and eligible to vote.
- (f) In the case of an equality of votes the chair of that meeting will have a second or casting vote.

9.6 Circulating resolutions

- (a) The Board of Directors may pass a resolution without a Board meeting being held if the Chair and all other Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.
- (b) Separate copies of a document may be used for signing by different Directors if the wording of the resolution and statement is identical in each copy. A facsimile or electronic message containing the text of such a document expressed to have been signed by a Director is, for the purposes of this Article, a document signed by the Director.
- (c) The resolution is passed when the last Director signs and the resolution is returned to and received by the Secretary.

10. DIRECTOR'S CONFLICT OF INTEREST

10.1 Director not in breach if acts in matters relating to Director's interests

- (a) This Article applies if:
- (i) a Director has an interest or duty in relation to a matter that is not a Material Personal Interest; or
 - (ii) if a Director with a Material Personal Interest in relation to the Company's affairs:
 - (A) complies with the requirements of the Corporations Act in relation to disclosure of the nature and extent of the interest and in relation to the Company's affairs before acting in a matter that relates to the interest; and
 - (B) may be present and vote on the matter under the Corporations Act.
- (b) The Director is not in breach of his or her duties to the Company merely because the Director acts in matters that relate to the Director's interest.
- (c) The Director may vote on matters that relate to the Director's interest.
- (d) In relation to any transactions that relate to the Director's interest:
- (i) the transactions may proceed;
 - (ii) the Company cannot avoid the transactions merely because of the Director's interest; and
 - (iii) the Director may retain benefits under the transactions despite the Director's interest.

10.2 Director not in breach if does not act in matters relating to Director's interests

- (a) This Article applies if:
- (i) a Director with a Material Personal Interest in relation to a matter complies with the requirements of the Corporations Act in relation to disclosure of the nature and extent of the interest and in relation to the Company's affairs; but
 - (ii) must not be present and vote on the matter under the Corporations Act.
- (b) The Director is not in breach of his or her duties to the Company merely because the Director does not act in relation to the matter.
- (c) The Board may vote on matters that relate to the Director's interest in the Director's absence.
- (d) In relation to any transactions that relate to the Director's interest:
- (i) the transactions may proceed; and
 - (ii) the Company cannot avoid the transactions merely because of the Director's interest; and
 - (iii) the Director may retain benefits under the transactions despite the Director's interest.

10.3 Execution of instruments

- (a) A Director may participate in the execution of an instrument for the Company, regardless of any interest or duty that the Director may have:
- (i) whether or not the Director has complied with the requirements of the Corporations Act in relation to disclosure of the nature and extent of the interest and its relation to the Company's affairs; and
 - (ii) whether or not the Director may be present and vote in relation to the execution of the instrument under the Corporations Act.

11. INDEMNITY

11.1 Indemnities for officers and former officers

- (a) Subject to and so far as permitted by the Corporations Act, the Trade Practices Act 1974 (Cth) and any other applicable law:
- (i) 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
 - (ii) 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 Article, 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.

- (b) 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.
- (c) The indemnity in favour of officers under Article 11.1(a) 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.
- (d) Subject to the Corporations Act, the Trade Practices Act 1974 (Cth) and any other applicable law, the Company may, without limiting a person's rights under this Article 11, 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 Article 11 on any terms and conditions that the Board thinks fit.

12. ADMINISTRATION

12.1 Secretary

- (a) The Board shall appoint a Secretary in accordance with the requirements of the Corporations Act.
- (b) Subject to Article 12.1(a) and Article 12.2 the Board may determine the Secretary's terms of appointment, powers, duties and remuneration. At any time the Board may vary or revoke a determination, or an appointment, whatever the terms of the appointment.

12.2 Resignation of Secretary

- (a) The Secretary may resign by giving the Company notice of the Secretary's resignation.
- (b) The Secretary's office becomes vacant:
 - (i) if the notice of resignation specifies a date of resignation that being the date of resignation; or otherwise
 - (ii) on the date the Company receives the notice of resignation and registers the resignation in the Company's files.

12.3 Seal

- (a) The Board is to provide for the safe custody of the Seal.
- (b) The Seal is to be used only by the authority of the Board or such officers authorised by the Board.
- (c) To witness the affixing of the Seal on a document, every document to which the Seal is affixed shall be countersigned by the following:
 - (i) two (2) Directors; or
 - (ii) a Director and a Secretary; or
 - (iii) a Director and another person appointed by the Board for that purpose; or
 - (iv) a Secretary and another person appointed by the Board for that purpose.
- (d) The Company may execute a document without a common Seal if the document is signed by:
 - (i) two (2) Directors; or
 - (ii) a Director and a Secretary; or
 - (iii) a Director and another person appointed by the Board of Directors for that purpose; or
 - (iv) a Secretary and the Chief Executive Officer; or
 - (v) a Secretary and another person appointed by the Board for that purpose.
- (e) The Board of Directors may resolve, generally or in a particular case, that any signature on certificates for membership, or other common use documents specified by the Board of Directors, may be affixed by mechanical or other means.
- (f) Negotiable instruments may be signed, drawn, accepted, endorsed or otherwise executed by or on behalf of the Company in the manner, and by the persons, as the Board of Directors resolve.

ANNEXURE A

OBJECTS

The objects for which the Company is established are:

- (a) to provide health and welfare facilities and services for Members or their dependants, including but not limited to hospital, medical, dental, pharmaceutical, optical and physiotherapy benefits;
- (b) to provide facilities and benefits for the relief and maintenance of Members or their dependants in the case of death, sickness, disability, accident, retirement, old age and unemployment;
- (c) to provide services and benefits for the education of Members and their dependants;
- (d) to provide funeral benefits for Members and their dependants;
- (e) to provide annuities, life insurance and superannuation for Members and their dependants;
- (f) to improve the standard of living of Members and their dependants;
- (g) to provide health and related insurances and health related business to Members and their dependants which the Company may from time to time deem beneficial to such persons;
- (h) to promote the principles of mutual aid and co-operation and good health;
- (i) to act as trustee;
- (j) to operate as a private health insurer and to conduct a Health Benefits Fund or funds for the purposes of carrying on health insurance and health related business; and
- (k) to act in any manner conducive to further these objects.

SCHEDULE A

TRANSITION ARRANGEMENTS FOR THE ELECTION OF DIRECTORS

For the management of transitional arrangements for the election of Directors:

- (i) In the 2007 election, Directors then due to retire shall retire and be replaced by two (2) Directors elected for a three (3) year term.
- (ii) In the 2008 election, two (2) Directors then due to retire shall retire and be replaced by two (2) Directors elected for a three (3) year term.
- (iii) In the 2009 election, one (1) Director then due to retire shall retire and be replaced by one (1) Director elected for a three (3) year term.
- (iv) In the 2010 election, two (2) Directors then due to retire shall retire (including those elected in 2007) and two (2) Directors will be elected for a three (3) year term.

SCHEDULE B

ELECTION AND BALLOT PROCESS

B.1 Returning Officer

The Returning Officer shall be appointed by the Board and shall conduct such ballots as are required (*Returning Officer*).

B.2 General provisions

- (a) At the conclusion of an election the Returning Officer will be responsible for the safe custody of used and unused ballot papers. The Returning Officer shall submit a report on the election to the AGM; such report shall include the number of votes for each candidate for election, number and percentage of informal ballot papers and the cause of such informalities.
- (b) In the case of a retiring Returning Officer the Returning Officer shall hand to the newly appointed Returning Officer all official result sheets in the Returning Officer's possession.
- (c) Payment of fees to the Returning Officer shall be made when all conditions of this clause have been complied with.

B.3 Ballot – method of voting and scrutiny

- (a) A ballot is required by postal vote if there are more Candidates for election as Elected Directors than the number of vacant positions. All financial Members eligible to be elected as a Director can nominate for all vacancies but can only be elected to one vacancy. Subject to the Constitution, the newly elected Board will elect the Chair and Deputy Chair.
- (b) The names of Candidates shall be arranged according to a process determined by the Board.
- (c) Each Member having been supplied with a ballot paper shall vote in the order of preference which the Member chooses. The voter shall place the figures 1, 2, 3, and so on opposite the names of all Candidates in the order the Member prefers them. Number "1" meaning the first choice, number "2" meaning the second choice and so on.
- (d) In the case of multiple vacancies, the voter shall follow the same procedure and place a number opposite the names of all Candidates in order of preference. In these cases, the numbers from "1" up to a number equal to the number of vacancies shall represent the voter's "first preference" votes and shall be of equal value. The number next following shall represent the voter's second choice and so on. Any faulty numbering or other defect in the ballot paper, howsoever occurring, shall make such ballot paper informal and will not be counted. However, and subject to this Article, a ballot paper which expresses a preference for at least one, but not all, of the Candidates will not be invalid provided there are no defects.
- (e) In the first count the Returning Officer shall total the first preference votes for each Candidate and record the number in a "First Count" column.

- (f) The count shall be continued by excluding the Candidate with the lowest number of votes and distributing those votes in accordance with voter's next choice of Candidate as shown on the ballot paper.
- (g) This procedure shall be followed until all Candidates except one more than to be elected is excluded. That is, if one is to be elected then all except two (2) are to be excluded and if four (4) are to be elected then all except five (5) are to be excluded before the final count.
- (h) If the final count results in two (2) or more Candidates receiving an equal number of votes then the Candidate elected will be determined by electing the Candidate with the greatest number of first preference votes.
- (i) If these votes are also equal the Returning Officer shall determine the elected Candidate by lot.
- (j) Deleted
- (k) Deleted
- (l) Any financial Member shall have the right to watch the counting of the votes and to peruse the result sheet at any reasonable time.
- (m) Any Candidate who is dissatisfied with the manner in which the ballot was conducted may, by application in writing addressed to the Secretary, demand a recount of the votes cast.
- (n) Such application must be made within seven (7) days after the closure date of the ballot and must also state the particulars of any alleged irregularity.
- (o) The ballot if required shall commence from the time of the closure of nominations until 10:30am on the Friday immediately prior to the AGM at which time the ballot will be declared closed.

SCHEDULE C

NOMINATION PROCESS

C.1 Nomination process

- (a) Each year the Board will call for nominations from Members or Member Affiliates (*Candidates*) for the forthcoming election of the available Elected Director positions. The call will be made at a time not less than three (3) months prior to the AGM and by written notice to each Member.
- (b) The Board may advise Candidates in the notice of any conditions of nomination. It may also advise them in the notice of any skills, experience or qualifications that it seeks in those Candidates.
- (c) The Board will determine what information Candidates may submit in support of their nomination prior to the close of nominations. The Board will advise Candidates of those requirements in the call for nominations or by a subsequent notice.
- (d) A nomination for an Elected Director must be made on the form approved by the Board and signed by at least two (2) financial Members of the Company and accepted in writing by the nominee. The nominating financial Members must not be related (whether by birth or marriage) to the Candidate.
- (e) The Board will determine when nominations for the Elected Director positions will close and may extend that deadline for any reason prior to the AGM.
- (f) Any Candidate may withdraw their nomination by written notice delivered to the Secretary before the time set for close of nominations.
- (g) The Board may determine the form in which Candidate information and images are provided to Members and may remove any content provided by Candidates which it considers inappropriate.

C.2 Determining eligibility

- (a) The Board or the Remuneration and Nominations Committee (the *Committee*) must review the nominations submitted by Candidates to consider if those persons satisfy the eligibility requirements of Article 7.3 of the Constitution.
- (b) The Board or Committee may require Candidates to undergo the checks set out in the Company's "Fit and Proper" policy (or any replacement thereof) made in accordance with Article 7.3 for the purpose of determining their eligibility to stand for election and serve as an Elected Director.
- (c) The Board or Committee may require Candidates to provide further information and/or attend interviews for the purpose of determining eligibility or their ability to complement the existing skills, experience and qualifications of the Board. A failure or refusal of a Candidate to reasonably co-operate automatically disqualifies that person from the election or filling a casual vacancy of an Elected Director position.

- (d) The Board has the power to rule that a Candidate is ineligible to stand or serve as a Director no later than the time a ballot is conducted if the Board is satisfied that person is not eligible to do so in accordance with Article 7.3.
- (e) The Secretary will notify a Candidate as soon as practicable if they are ineligible to stand for election or serve as an Elected Director. The Secretary will also notify the Candidate at that time of their rights of appeal.
- (f) A Candidate who the Board has determined is not eligible to stand for election or serve as an Elected Director may appeal that decision in writing to the Board within the reasonable timeframe set by the Board. The Board must determine that appeal before the conduct of the ballot.

C.3 Endorsing Candidates

- (a) The Committee may recommend to the Board that it endorse certain Candidates for the available Elected Director positions. The Board may accept some or all of those recommendations in its discretion.
- (b) The Board retains the power to disendorse Candidates prior to the conduct of the ballot by notice to the Members.

C.4 Validity of elections

A decision by the Board, the Committee, the Secretary, or the Returning Officer in relation to the matters set out in this Schedule C or any failure by those persons to do anything specified in this Schedule C does not invalidate the election process, nor does it give rise to any liability on the part of the Company, the Directors, the Committee, the Secretary, or the Returning Officer.

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be well. get well. stay well.