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AUSTRALIAN SECURITIES COMMISSION



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**MEMORANDUM AND ARTICLES
OF ASSOCIATION**

- OF -

**COMMONWEALTH BANK OF
AUSTRALIA**

received 16/4/91

April 1991

*Australian Government
Solicitor*

CANBERRA ACT 2600

MEMORANDUM AND ARTICLES OF ASSOCIATION

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Solicitor
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COMMONWEALTH BANK OF AUSTRALIA

MEMORANDUM AND ARTICLES OF ASSOCIATION

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Commonwealth Banks Act 1959

Corporations Law

Company Limited by Shares

MEMORANDUM OF ASSOCIATION

OF

COMMONWEALTH BANK OF AUSTRALIA

1. Name

The name of the company is Commonwealth Bank of Australia.

2. Objects

- (a) The objects of the company are, in any part of the world:
- (i) to carry on general banking business; and
 - (ii) to provide insurance services.
- (b) The company has power to do all such acts or things as are incidental or conducive to the attainment of the objects in paragraph 2(a) and in that regard may exercise the legal capacity of a natural person and without limiting the generality of any of the foregoing, has power:
- (i) to receive money on deposit;
 - (ii) to borrow or raise money;
 - (iii) to lend money;
 - (iv) to subscribe for, buy, sell, discount, re-discount, redeem and otherwise deal in bills of exchange, promissory notes, Treasury notes and other securities issued by the Commonwealth, and other securities and instruments;
 - (v) to buy, sell and otherwise deal in foreign exchange, foreign currency hedging instruments, gold and other precious metals;
 - (vi) to establish credits and engage in hire-purchase and lease financing and factoring;
 - (vii) to carry on (whether as principal, agent, manager, broker or otherwise) all kinds of insurance, re-insurance, assurance, annuity guarantee and indemnity business;

- (viii) to issue bills and drafts and effect transfers of money;
- (ix) to guarantee the due fulfilment of contracts and obligations by any person;
- (x) to act as attorney for any person;
- (xi) to promote, effect, guarantee, underwrite, manage and carry out:
- (A) any issue of shares, stock or debenture stock of any body corporate or association;
 - (B) any issue of bonds of any description; and
 - (C) any joint lending operations;
- and to borrow or lend money for the purposes of any such issue or operation;
- (xii) to exchange or assume obligations or liabilities;
- (xiii) to operate unit trusts;
- (xiv) with the approval of the Treasurer, to join in the formation of subsidiary companies;
- (xv) to enter into a partnership, or an arrangement for sharing of profits;
- (xvi) to subscribe for, buy, or otherwise acquire, and to hold, sell or otherwise deal in, shares, stocks and other similar instruments;
- (xvii) to act as principal, agent or broker in stock and share broking and commodity and commodity futures dealings;
- (xviii) to be a member (whether alone or in partnership or joint venture, or as a shareholder in a body corporate) of stock and securities exchanges and commodity exchanges;
- (xix) to keep for a body corporate, association or authority any register relating to funds, shares, stocks or other securities of the body corporate, association or authority and to undertake any duties in relation to such funds, shares, stocks or securities, including the registration of transfers and the issue of certificates;
- (xx) to act as trustee of, and to administer:
- (A) any superannuation, pension, provident or retirement fund scheme;
 - (B) any property trust; or
 - (C) any other trust;

and to act as executor or administrator of the estate of a deceased person;

- (xxi) to furnish managerial, financial, technical and administrative advice and services to any person and to assist a person to obtain such advice and services;
- (xxii) to process (whether as principal or agent) debit and credit card arrangements;
- (xxiii) to provide facilities (whether as principal or agent) for the merchandising of goods and services;
- (xxiv) to provide computer hardware and software facilities;
- (xxv) to act as agent in the provision of financial services, including the settlement of financial transactions; and
- (xxvi) to do anything incidental to any of its powers.

3. Liability of members

The liability of members is limited.

4. Commonwealth Banks Act to prevail

The provisions of the Commonwealth Banks Act 1959 as amended and in force for the time being prevail over any inconsistent provisions of this memorandum of association.

5. Share Capital

The share capital of the company is six thousand five hundred million dollars (\$6,500,000,000) divided into three thousand two hundred and fifty million (3,250,000,000) shares of two dollars (\$2.00) each.

The members of the company, and the numbered shares respectively taken by each of them in the capital of the company are as follows:

Names and addresses of members	Signature of members	Number of shares taken by each member	Signature of Witness
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A. S. Cole

The Commonwealth of Australia c/- Department of the Treasury Parkes Place Canberra 2600	(A.S. COLE) for and on behalf of the Commonwealth of Australia	586,445,840	
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Dated this 16th day of April 1991

Commonwealth Banks Act 1959

Corporations Law

Company Limited by Shares

ARTICLES OF ASSOCIATION

OF

COMMONWEALTH BANK OF AUSTRALIA

1. Definitions and interpretation1.1 Definitions

In these articles, unless the contrary intention appears:

"articles" means these articles of association as amended or added to from time to time, and a reference to a particular article has a corresponding meaning;

"associate" means an associate within the meaning of Division 2 of Part 1.2 of the Corporations Law, provided that if by virtue of that Division the Commonwealth would be held to be an associate of a director, the Commonwealth shall be deemed for the purposes of these articles not to be such an associate;

"auditor" means the auditor or auditors for the time being of the company;

"the board" or "the directors" means the whole or any number of the directors for the time being or any number of them assembled at a duly convened meeting of directors (not being less than a quorum);

"business day" means a day on which the home exchange is open;

"capital" or "share capital" means the share capital for the time being of the company;

"Commonwealth" means Commonwealth of Australia;

"Commonwealth Banks Act" means the Commonwealth Banks Act 1959;

"company" means Commonwealth Bank of Australia;

"Conversion Date" means the date on which the company is taken to be registered as a company under the Corporations Law pursuant to the Commonwealth Banks Act;

"the Corporations Law" means the Corporations Law of the Territory;

"director" means a director for the time being of the company;

"Exchange" means Australian Stock Exchange Limited;

"executive director" means a director who is appointed to that office pursuant to article 11.2 or 11.8(b);

"home exchange" means the stock exchange designated to the company as such by the Exchange;

"listing rules" means the official listing rules of the Exchange as amended and in force from time to time;

"managing director" means a person appointed as managing director pursuant to article 11.2 or 11.8(b) and includes an acting managing director;

"marketable parcel" means, in respect of any shares, that number of shares which would be a marketable parcel as defined in the listing rules;

"member" means a person entered in the register as a shareholder of the company;

"month" means calendar month;

"official list" means the official list of the Exchange;

"official representative" means a representative appointed by the Commonwealth or a body corporate under article 10.1(b);

"paid up" includes credited as paid up;

"register" means the register of members to be kept pursuant to the Corporations Law and where appropriate includes a branch register;

"registered address" means the address of a member in the register or such other address as the member may from time to time in writing notify to the company as the member's address for the service of notices;

"registered office" means the registered office for the time being of the company;

"related body corporate" means any body corporate which by virtue of section 50 of the Corporations Law would be deemed to be related to the company;

"seal" means the common seal or the certificate seal of the company;

"secretary" means a person or persons appointed by the directors pursuant to article 14.1 to perform the duties of secretary of the company and includes an acting secretary;

"share" means a share in the capital of the company and includes stock and references to a share shall be deemed to include references to a unit of stock;

"Shareholdings Act" means the Banks (Shareholdings) Act 1972;

"Territory" means the Australian Capital Territory;

"Treasurer" means the Minister of the Crown for the time being occupying the position of Treasurer of the Commonwealth;

"Treasurer's approval" means the prior written approval of the Treasurer;

"vendor securities" has the meaning given to that expression in the listing rules;

"voting member" means any member who is the registered holder of a voting share;

"voting share" means any issued share in the capital of the company that confers a right to vote, not being a right to vote that is exercisable only in limited circumstances as described in the definition of "voting share" in section 9 of the Corporations Law.

1.2 Bank legislation to prevail

- (a) The provisions of the Commonwealth Banks Act prevail over any inconsistent provisions of these articles.
- (b) Where powers are exercisable by any person under these articles they shall be exercised in accordance with any relevant requirements and restrictions of the Commonwealth Banks Act and the Shareholdings Act.

1.3 Interpretation

In these articles, unless a contrary intention appears:

- (a) headings are inserted for convenience only and do not affect the construction of these articles;
- (b) words importing any gender include the other genders, words importing persons include bodies corporate and words importing the singular include the plural and vice versa;
- (c) a reference to a statute (or to a provision of a statute) means the statute or provision as modified or amended and in operation for the time being, or any statute or provision enacted in lieu thereof and includes any by-law, order, regulation, rule or other statutory instrument for the time being in force under the statute or provision;
- (d) a word or expression used in these articles that deals with a matter dealt with by a provision of the Commonwealth Banks Act has the same meaning as in that provision;
- (e) subject to article 1.3(d), a word or expression in these articles that deals with a matter dealt with by a provision of the Corporations Law has the same meaning as in that provision and Division 10 of Part 1.2 of the Corporations Law

applies in relation to these articles as if they were an instrument made under the Corporations Law as in force on the Conversion Date.

1.4 Table A

The regulations contained in Table A in Schedule 1 to the Corporations Law do not apply to the company except in so far as they are repeated in these articles.

2. Share capital and variation of rights

2.1 Authorized capital

The authorised capital of the company is six thousand five hundred million dollars (\$6,500,000,000) divided into three thousand two hundred and fifty million (3,250,000,000) shares of two dollars (\$2.00) each.

2.2 Company's power to alter capital

- (a) Subject to section 27L of the Commonwealth Banks Act, the company may by resolution in general meeting:
- (i) increase its authorised share capital by the creation of new shares of such amount as is specified in the resolution;
 - (ii) consolidate and divide all or any of its authorised share capital into shares of a larger amount than its existing shares;
 - (iii) subdivide all or any of its shares into shares of a smaller amount than its existing shares; and
 - (iv) cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce its authorised share capital by the amount of the shares so cancelled.
- (b) Where shares are consolidated and divided under article 2.2(a)(ii) or subdivided under article 2.2(a)(iii), the company in general meeting may by special resolution determine that as between the shares resulting therefrom one or more of such shares shall have some preference or special advantage as regards dividends, capital, voting, or otherwise over or compared with one or more others.

2.3 Reduction of capital

Subject to the Corporations Law and section 27L of the Commonwealth Banks Act, the company in general meeting may, by special resolution, reduce its share capital, any capital redemption reserve fund or any share premium account.

2.4 Company buying shares in itself

- (a) Subject to the Corporations Law and section 27L of the Commonwealth Banks Act, the company may buy shares in itself on such terms and at such times as determined by the directors.
- (b) This article 2.4 ceases to have effect on the third anniversary of the date of adoption or last renewal of this article 2.4.
- (c) This article does not affect the company's power to buy any other securities in or issued by the company.

2.5 Variation of rights

- (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the company is being wound up but subject to section 27L of the Commonwealth Banks Act, be varied with the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class.
- (b) The provisions of these articles relating to general meetings (including article 10.2) apply so far as they are capable of application and mutatis mutandis to every such separate meeting except that a poll may be demanded:
 - (i) by the chairman of the meeting;
 - (ii) by not less than 10 holders of shares of the class present in person or by official representative, proxy or attorney;
 - (iii) by a holder or holders of shares of the class present in person or by official representative, proxy or attorney and representing not less than 10 percent (10%) of the total voting rights of all the holders of shares of the class; or
 - (iv) by a holder or holders of shares of the class present in person or by official representative, proxy or attorney, being shares on which an aggregate sum has been paid up equal to not less than 10 percent (10%) of the total sum paid up on all the shares of the class.
- (c) The rights conferred upon the holders of the shares of any class shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied by the creation or issue of further shares ranking equally with the first-mentioned shares.

3. Issues of Shares

3.1 Directors to issue shares

- (a) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Corporations Law and the Commonwealth Banks Act, shares in the company shall be under the control of the directors who may with the Treasurer's approval allot, issue or grant rights or options in respect of, or otherwise dispose of, shares to such persons, for such price, upon such conditions, at such times and with such preferred, deferred or other special rights or restrictions, whether with regard to dividends, voting, return of capital or otherwise and at a premium or at par or at a discount as the directors with the Treasurer's approval determine.
- (b) The directors may issue shares paid up in full on allotment or partly paid in such amounts as the directors think fit.
- (c) The directors shall have the right to settle the manner in which fractions of a share, however arising, are to be dealt with.
- (d) No director or any person who is or would after the issue be an associate of a director shall participate in an issue by the company of shares, options or rights to acquire shares unless the issue is made:
 - (i) pursuant to an offer of shares to substantially all the holders of ordinary shares in the company generally in proportion to their shareholdings;
 - (ii) pursuant to an underwriting agreement, under which the director or the associate is underwriter or sub-underwriter and of which all material particulars have been disclosed to shareholders;
 - (iii) pursuant to an employee incentive scheme within the meaning of that term in the listing rules and which complies with those rules;
 - (iv) pursuant to a plan in accordance with article 16.8 or 16.9;
 - (v) with the prior approval of shareholders by special resolution at a general meeting, where the notice convening the meeting has advised the number of, and the terms of issue of, the securities to be issued to the director or the associate and the director and his or her associates abstain from exercising their voting rights on the resolution; or
 - (vi) pursuant to the company's first registered prospectus.

3.2 Redeemable preference shares

Subject to the Corporations Law, any preference shares may, with the sanction of a resolution of the company in general meeting, be issued by the directors on the terms that they are, or at the option of the company are liable, to be redeemed.

3.3 Employee shares

- (a) Subject to article 3.1(d) and to the listing rules (in so far as those rules bind the company but subject to such waivers or variations as may be agreed to by the Exchange) the directors may with the Treasurer's approval establish a scheme or schemes for the allotment, issue or grant of shares, options, rights or convertible securities in the company to or for the benefit of some or all of the directors or employees of the company or of a related body corporate on such terms and conditions as are established by the scheme pursuant to which they are issued.
- (b) A scheme or schemes established pursuant to article 3.3(a) may provide for the allotment, issue or grant of shares, options, rights or convertible securities to a trustee to be held by or for the benefit of directors or employees of the company or any related body corporate or some of them with such discretions in the trustee and such terms as to the entitlement of any employee or director to interests in the shares or securities so held as are established by the scheme or schemes.
- (c) The number of shares on issue to, or to a trustee for, directors or employees of the company or any related body corporate pursuant to this article 3.3 in respect of which any loan is outstanding or which are not fully paid up must not at any time exceed in aggregate five percent (5%) of the fully paid up shares in the company then on issue.
- (d) The directors may implement any scheme or schemes approved by the company in general meeting pursuant to article 3.3(a) on the terms of that scheme and may for this purpose allot, issue or grant shares, options or convertible securities pursuant to those terms and for the purposes of the scheme.

3.4 Commission and brokerage

- (a) The company may exercise the power to pay commission conferred by the Corporations Law if:
- (i) the rate or the amount of the commission paid or agreed to be paid is disclosed in the manner required by the Corporations Law; and
 - (ii) the commission does not exceed 10 percent (10%) of the price at which the shares in respect of which the commission is paid are issued.
- (b) The commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or other securities or partly by the payment of cash and partly by the allotment of fully or partly paid shares or other securities.

- (c) The company may, on any issue of shares, also pay such brokerage as is lawful.

3.5 Recognition of equitable and other claims

- (a) Except as otherwise required by law or provided by these articles, the company is entitled to treat the registered holder of a share as the absolute owner of that share and is not:
- (i) compelled in any way to recognise a person as holding a share upon any trust, even if the company has notice of that trust; or
 - (ii) compelled in any way to recognise, or be bound by, any equitable, contingent, future or partial claim to or interest in a share on the part of any other person except an absolute right to ownership in the registered holder, even if the company has notice of that claim or interest.
- (b) Shares held by a trustee, may, with the consent of the directors, be marked in the register in such a way as to identify them as being held subject to the relevant trust, but nothing in this article 3.5(b) limits the operation of article 3.5(a).

3.6 Right to and delivery of share certificate

- (a) Where the company is required by the Corporations Law or the listing rules to issue share certificates, a member is entitled without payment to receive a certificate under a seal in respect of the shares registered in the member's name but, in respect of a share or shares held jointly by several persons, the company is not bound to issue more than one certificate. Likewise, the company shall also issue certificates to the holders of options and such certificates shall be under the seal.
- (b) Where several persons are jointly entitled to any share -
- (i) in the absence of any express direction from them to the contrary, the company shall enter their names as members in the register in the order in which their names appear on the application for shares or the instrument or other evidence of transfer or the notice of death or bankruptcy given to the company to establish their entitlement to the share;
 - (ii) it shall be a sufficient discharge of any of the company's obligations to them if the company discharges that obligation in relation to the firstnamed holder of the share in the register; and
 - (iii) they shall be jointly and severally liable to pay all calls, interest and other amounts in respect of the share,

provided that nothing in this article 3.6(b) shall prevent the company from differentiating between the joint holders of any share in any respect as provided for in these articles.

- (c) Delivery of a certificate for a share shall be effected by delivering it personally to the holder or by posting it in a prepaid envelope addressed to the holder at the holder's registered address or by delivering or posting the certificate in accordance with the written instruction of the holder. Delivery of a certificate for a share to one of several joint holders is sufficient delivery to all of them.
- (d) Where a certificate is stolen, lost or destroyed, upon application to the company by the holder thereof in accordance with section 1089 of the Corporations Law and payment of such fee as the directors require, the directors shall subject to that section, and in any other case may, issue a replacement certificate.
- (e) Where a certificate for shares previously issued has been worn out or defaced and has been surrendered to the company for cancellation, and such fee as the directors require has been paid, the company shall cancel the certificate and issue a replacement certificate.

3.7 Denomination and contents of share certificate

- (a) The directors may determine the number of shares to be issued in any one certificate.
- (b) Every certificate for shares shall be issued in accordance with the Corporations Law.

4. Calls on shares

4.1 Calls

Subject to the terms of issue upon which any shares may be issued, the directors may from time to time make calls as they shall think fit upon the members in respect of all or any of the moneys unpaid on their shares, whether on account of the nominal value of the shares or by way of premium, which is not by the terms of issue of those shares made payable at fixed times. At least 21 days' notice, specifying the time and place for payment and the person (if any be appointed) to whom such call shall be paid, shall be given of each call and each member shall pay the amount of every call so made to the company or person (if any) appointed for the purpose and at the times and places appointed by the directors. The directors may require a call to be paid by instalments or may revoke or postpone a call or extend the time for payment.

4.2 Interest on calls

If a sum called in respect of a share is not paid on or before the day appointed for payment of the sum, the registered holder of the share in respect of which the call has been made must pay any expenses incurred by the company in relation to the non-payment or

late payment and must pay interest on the sum at the rate of 15 percent (15%) per annum (or such other rate as the directors may determine) which interest accrues daily from the day appointed for the payment thereof to the time of actual payment and may be capitalised monthly or at such other intervals as the directors think fit. The directors may however waive payment of interest due under this article wholly or in part.

4.3 Sums due on allotment are calls

If by the terms or conditions of allotment or issue of a share any amount is payable in respect of the share on allotment or at a specified time, every such amount shall be payable by the member in respect of such shares as if it were a call duly made by the directors, and of which due notice had been given, and all provisions of these articles as to payment of calls and of interest and expenses, forfeiture of shares for non-payment of calls and otherwise shall apply to such amounts not paid and the shares in respect of which they are payable.

4.4 Power to differentiate

The directors may, on the allotment or issue of shares, and subject to their terms of allotment or issue, differentiate between the holders as to the amount of calls to be paid and the times of payment.

4.5 Payment of calls in advance

The directors may accept from a member the whole or a part of the amount unpaid on a share (whether on account of the nominal value of the shares or by way of premium) although no part of that amount has been called. The directors may authorise payment by the company of interest upon the whole or any part of an amount accepted under this article 4.5 until the amount becomes payable, at such rate as may be agreed upon between the member paying the sum in advance and the directors. The directors may repay to any member all or any of the amount accepted under this article 4.5 and as from the date of such repayment interest (if any) shall cease to be payable in respect of the amount so paid.

4.6 Proof of liability

On the trial or hearing of any action for recovery of any sum due in respect of any call it shall be sufficient to prove that:

- (a) the name of the person sued is entered in the register as the holder or one of the holders of the shares in respect of which such debt accrued;
- (b) the resolution making the call is duly recorded in the minute book; and
- (c) notice of such call was duly given to the member sued in pursuance of these articles,

and it shall not be necessary to prove the appointment or qualification of the directors who made such call nor any other matter whatsoever. Proof of the matters aforesaid shall be conclusive evidence of the debt. If the action relates to a sum of the kind described in article 4.3, proof of the terms of the allotment shall be deemed to be satisfaction of paragraphs (b) and (c) above.

5. Forfeiture and lien

5.1 Forfeiture of shares

- (a) If a member fails to pay any call or any instalment of a call on the day appointed for payment thereof, the directors may, at any time while it remains unpaid, serve a notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest that has accrued and all expenses that may have been incurred by the company by reason of non-payment or late payment of the call or instalment.
- (b) That notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) by which and a place at which the payment required by the notice is to be made, and shall state that in the event of non-payment on or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
- (c) If the requirements of a notice served under article 5.1(a) are not complied with the directors may by resolution forfeit any share in respect of which the notice has been given at any time after the day named in the notice and before the payment required by the notice has been made.
- (d) Any share so forfeited shall be deemed to be the property of the company and the directors may sell or re-allot the share on such terms and in such manner as they think fit and in the case of re-allotment with or without any money paid on the share by the former holder being credited as paid up.
- (e) The directors may before a forfeited share has been sold or re-allotted annul the forfeiture upon such terms and conditions as they may approve.
- (f) In the event that any forfeited shares are sold within 12 months of the date of forfeiture any residue after the satisfaction of the unpaid calls, instalments, premiums and accrued interest and expenses shall be paid to the member in whose name such share or shares stood immediately prior to the forfeiture.
- (g) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall remain liable to pay and must immediately pay to the company all moneys which at the date of forfeiture were presently payable to the company in respect of the shares, but that person's

liability shall cease if and when the company receives payment in full of the nominal amount of the shares and any premium due thereon.

- (h) On the forfeiture of any share the directors shall cause a note of such forfeiture and the date thereof to be entered in the register and shall cause notice of such forfeiture and the date thereof to be given to the member in whose name it stood immediately prior to the forfeiture and shall upon the disposal of any forfeited share cause a note of the manner and date of such disposal to be similarly entered.
- (i) An entry in the minute book of the company that a share in the company has been duly forfeited on a date stated in the minute shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may if necessary execute a transfer of the share in favour of the person to whom the share is sold or disposed of and may receive the consideration therefor.
- (j) In the case of re-allotment the person to whom the share shall have been re-allotted and in the case of sale or other disposition the person or persons to whom the share shall be sold or disposed of, shall be entered upon the register as the holder of the share and shall not be bound to see to the application of the purchase moneys nor shall the new member's title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, re-allotment sale or other disposal of the share.

5.2 Surrender of shares

The directors may accept from any member a surrender of a share which is liable to forfeiture or any part thereof upon such terms as may be agreed upon between such member and the company.

5.3 Lien on shares

- (a) The company has a first and paramount lien upon each share registered in the name of each member whether solely or jointly with others, for all unpaid calls, instalments and premiums due and payable in respect of such share and for such amounts as the company may be called upon to pay under any statute in respect of the shares of a deceased member or other member and no equitable interest in any share shall be created except upon the footing and condition that article 3.5 is to have full effect.
- (b) The company's lien on a share extends to all dividends and bonuses declared or payable in respect of the share and to the proceeds of its sale.
- (c) The registration of a transfer of shares on which the company has any lien, unless notice to the contrary shall first be given to the transferee, shall operate as a waiver of the lien so far as it relates to sums owing by the transferor or any predecessor in title.

- (d) The company may sell, in such manner as the directors think fit, any share on which the company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share.
- (e) The proceeds of any sale shall be received by the company and applied first in payment of all costs and expenses of such sale or any attempted sale, and next in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares as at the date of the sale.
- (f) To give effect to any such sale the directors may execute a transfer of the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and thereupon shall be the holder of such shares discharged from all calls due prior to such purchase. The purchaser shall not be bound to see to the application of the purchase money, nor shall the purchaser's title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. The remedy of any person aggrieved by such sale shall be against the company exclusively and in damages only.

6. Indemnity for taxation

If any law of any country, state or place imposes any liability upon the company to make any payment:

- (a) in respect of shares held solely or jointly by a member;
- (b) in respect of a transfer or transmission of shares by a member;
- (c) in respect of dividends, bonuses or other money due or payable or which may become due and payable to a member; or
- (d) otherwise for or on account of or in respect of a member, whether as a consequence of:
- (e) the death of that member;
- (f) the non-payment of any duty, penalty, tax or other imposition by that member or the legal personal representative of that member; or
- (g) any other act or thing,

then, in addition to any right or remedy that law may confer on the company:

- (h) the member or, if the member is dead, the member's legal personal representative must:
 - (i) fully indemnify the company against that liability;
 - (ii) reimburse the company for any payment made under or as a consequence of that law immediately on demand by the company; and
 - (iii) pay interest from the date the company makes a payment under or as a consequence of that law until the date the company is reimbursed for that payment under article 6(h)(ii), at a rate determined by article 4.2;
- (i) the company has a lien upon all dividends, interest and other money payable in respect of the shares held solely or jointly by that member or that member's legal personal representative for all money payable to the company under this article 6;
- (j) the company may recover as a debt due from that member or from that member's legal personal representative any money payable to the company under this article 6; and
- (k) the company may refuse to register a transfer or transmission of any shares by that member or that member's legal personal representative until all money payable to the company under this article 6 has been paid.

7. Transfer of shares

7.1 Instrument of transfer

- (a) Subject to these articles, a member may transfer all or any of that member's shares by instrument in writing in registrable form or, subject to the Corporations Law and the listing rules, by any other means that the directors approve.
- (b) A transfer referred to in article 7.1(a) shall be executed by or on behalf of the transferor (but need not be executed by the transferee) or may be executed or validated otherwise in accordance with the Corporations Law and the listing rules and if required by law to be stamped it shall be stamped.

7.2 Registration procedure

- (a) The instrument or other evidence of transfer must be delivered or lodged for registration at the registered office or such other place as the directors may from time to time determine, accompanied by any certificate of the shares to which it relates and such other information as the directors properly require to show the right of the transferor to make the transfer, and thereupon the company shall, subject to the powers vested in the directors by these articles, register the transferee as a shareholder.
- (b) A transferor of shares remains the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register in respect of the

shares and a transfer of shares shall not pass the right to any dividends declared on those shares until registration.

- (c) Subject to the directors' power to levy a fee in the circumstances described in articles 3.6(d) and 3.6(e), the company shall register all transfers, elections or renunciations, issue certificates and transmission receipts and mark or note transfer forms without charge.
- (d) On registration of a transfer of shares, the company shall cancel the old certificate (if any) and, if so required by the Corporations Law or the listing rules, issue new certificates in the name of the transferee for the shares transferred and in the name of the transferor for the balance of shares retained (if any).

7.3 Directors may decline to register

- (a) The directors may decline to register any transfer of shares:
 - (i) where registration of the transfer would result in a contravention of or failure to observe the provisions of a law of the Territory, the Shareholdings Act or any other law of the Commonwealth;
 - (ii) where the company has a lien on the shares the subject of the transfer;
 - (iii) where the transfer is in respect of a partly paid share in respect of which a call has been made and is unpaid;
 - (iv) in the case of shares which have quotation on the official list at the date of acquisition, if the registration of the transfer would create a new shareholding of less than a marketable parcel, provided that there shall be no restriction on the transfer of shares lodged for registration in the name of the nominee company of a stockbroker who is recognised as an "odd lot" broker by the Exchange;
 - (v) to more than three persons as joint holders, except in the case of executors or trustees of a deceased shareholder;
 - (vi) if the directors are required to do so to ensure compliance with the listing rules;
 - (vii) in compliance with article 7.4.; or
 - (viii) if the instrument of transfer (if any) is not in registrable form in accordance with the Corporations Law and the listing rules and, unless otherwise prescribed thereby, an instrument of transfer that describes transfers of more than one class of shares shall be deemed to be not in registrable form.

- (b) If in the exercise of their rights under this article 7.3, the directors refuse to register a transfer of any shares they shall give written notice in accordance with the listing rules of the refusal to the transferee and the broker delivering or lodging the transfer.

7.4 Limitation on private shareholdings

- (a) For the purposes of this article 7.4, "breach of the 70% Rule" means causing or contributing to either of the results referred to in subsection 27L(2) of the Commonwealth Banks Act.
- (b) The board shall decline to allot, issue or grant or to register any transfer or transmission of, voting shares if in its opinion that allotment, issue, grant, registration, transfer or transmission would be in breach of the 70% Rule.
- (c) The board shall not authorise the issue, allotment or grant of any securities of the company which, by virtue of any terms or conditions applicable to them, are convertible, or may be converted, into voting shares unless those terms or conditions provide that those securities may be so converted only if the board is satisfied that that conversion will not result in a breach of the 70% Rule.

7.5 Compulsory sale

- (a) For the purposes of this article 7.5 and any notices given pursuant to this article 7.5:
 - (i) a person shall be taken to own a voting share if that person has an interest, within the meaning of the Shareholdings Act, in that voting share;
 - (ii) "primary notice" has the meaning given to it in section 717 of the Corporations Law, except that the expression "relevant interest" where used therein shall be replaced with "interest"; and
 - (iii) "secondary notice" has the meaning given to it in section 717 of the Corporations Law, except that the expression "relevant interest" where used therein shall be replaced with "interest".
- (b) If the board has reason to believe that a person (the "owner") contravenes section 10A of the Shareholdings Act ("section 10A"), the board may cause primary notices and secondary notices to be given to such persons as the company deems necessary to determine whether there has been a breach of section 10A. Any recipient of a primary or a secondary notice must comply with the notice within two business days.
- (c) If the board is aware that there has been a breach of section 10A, or if any person who has been given a primary notice or a secondary notice does not comply with that notice within two business days or such longer period as the directors consider reasonable, the board may cause a notice to be given

to each person who is registered as a holder of any voting share believed to be owned by the owner, requiring that so many at least of those voting shares be disposed of within a period of not less than 21 days specified in the notice as will ensure that, after that disposal, the owner will not breach section 10A.

- (d) If the requirements of a notice given under article 7.5(c) are not complied with, the company may sell, in such manner and on such terms as the board in its absolute discretion determines, so many of the voting shares owned by the owner as the board considers necessary to ensure that, after that sale, the owner will not be in breach of section 10A, and a transfer of any such voting shares signed by a director for the purpose of giving effect to the sale shall be as valid and effectual as if signed by the member in respect of the voting shares.
- (e) The company may receive and give a good discharge for the proceeds of a sale under article 7.5(d), may pay or recoup out of those proceeds all costs and expenses of or incidental to the sale and shall pay the net amount to the person (the "former member") who immediately before the sale was the member in respect of the voting shares sold.
- (f) The company shall not be bound to see to the application of the net amount paid to the former member under article 7.5(e) and that amount may be paid by cheque posted to the former member at the former member's registered address.
- (g) The registered holder of a voting share in relation to which a notice has been given in accordance with article 7.5(c) and not withdrawn may not, until a transfer upon a disposal or sale in accordance with the notice or under article 7.5(d) is registered, vote at a general meeting in respect of that voting share.
- (h) The accidental or inadvertent omission to give a notice to a person under article 7.5(b) or (c) shall not affect the validity of any other notice given under this article.

7.6 Suspension and closure of the register

- (a) The registration of transfers may be suspended at such times and for such periods as the directors from time to time determine not exceeding in the whole 30 days in any year.
- (b) The directors may close the register in accordance with the listing rules.

7.7 Company to retain instrument of transfer

- (a) The company shall retain every instrument or other record of transfer which is registered for such period as the directors determine.

- (b) Where the directors refuse registration of a transfer the instrument of transfer (if any) shall be returned to the person who deposited it if demand is made within 12 months of the giving of notice of refusal to register unless there has been an allegation of fraud concerning the transfer or the transaction to which it relates.

7.8 Branch register

The company may, in accordance with the Corporations Law, cause to be kept in any place outside the Territory a branch register of members and the directors may at their discretion, subject to the Corporations Law and the listing rules, make provisions for transfer of shares of the company between the register and branch registers.

7.9 Automated security transfer systems

- (a) The company may participate in any computerised or electronic system established or recognised by law or by the listing rules for the purpose of facilitating dealings in shares.
- (b) Where the company participates in any such system, then notwithstanding any other provision of these articles relating to the transfer of shares and the issue of certificates for shares:
- (i) shares may be transferred and the transfers registered in a manner permitted or recognised by law or the listing rules; and
 - (ii) the directors may decide not to issue certificates for shares or may decide to cancel such certificates without issuing any replacement certificates wherever such a practice is not contrary to applicable law or the requirements of the listing rules.

8. Transmission of shares

8.1 Transmission of shares on death of holder

In the case of the death of a member, the survivor or survivors of a deceased member who was a joint holder, and the legal personal representatives of a deceased member who was a sole holder, shall be the only persons recognised by the company as having any title to the member's interest in the shares, but this article does not release the estate of a deceased joint holder from any liability in respect of a share that had been jointly held with other persons.

8.2 Right of registration on death or bankruptcy

- (a) Subject to the Bankruptcy Act 1966, a person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such information being produced as is properly required by the directors, elect either to be registered as holder of the share or to nominate some other person to be registered as the transferee of the share.

- (b) A person becoming so entitled who elects to be registered shall deliver or send to the company a notice in writing signed by that person advising of the election.
- (c) A person who elects to have another person registered shall execute a transfer of the share to that other person.
- (d) All the limitations, restrictions and provisions of these articles relating to the right to transfer, and the registration of transfers of, shares are applicable to any such notice or transfer as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

8.3 Effect of transmission

- (a) Where a member dies or becomes bankrupt, the member's legal personal representative or the trustee of the member's estate, as the case may be, is, upon the production of such information as is properly required by the directors, entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the company, or to voting or otherwise), as the registered holder would have been entitled to if he or she had not died or become bankrupt.
- (b) Where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purpose of these articles, be deemed to be joint holders of the share.

9. General meetings

9.1 Annual general meeting

The company shall in addition to any other meeting held by it, hold a general meeting to be called the "annual general meeting", at least once in every calendar year and within five months of the end of each of the company's financial years.

9.2 General meeting

- (a) The directors may whenever they think fit convene a general meeting.
- (b) The directors shall forthwith convene a general meeting upon the requisition of the Commonwealth or of not less than 10 members holding, in total, not less than five percent (5%) in nominal value of the voting shares.

9.3 Persons entitled to notice of general meeting

- (a) Notice of every general meeting shall be given in a manner authorised by article 17 and in accordance with the Corporations Law and the listing rules to:
 - (i) every member;

- (ii) every director;
 - (iii) the secretary (unless the secretary despatches the notice);
 - (iv) the auditor; and
 - (v) the home exchange.
- (b) No other person is entitled to receive notices of general meetings, except a person entitled to receive notice by law or pursuant to any other obligation of the company.

9.4 Notice of general meeting

- (a) A notice of a general meeting shall specify the place, the day and the hour of meeting and shall state the general nature of the business to be transacted at the meeting.
- (b) A general meeting, other than a meeting for the passing of a special resolution, shall be convened by notice in writing of not less than 14 days or may be convened by shorter notice if so agreed:
- (i) in the case of a meeting convened as the annual general meeting, by all the voting members; or
 - (ii) in the case of any other meeting, by a majority in number of the voting members being a majority that together hold not less than 95 percent (95%) in nominal value of the voting shares.
- (c) The non-receipt of notice of a general meeting or of a proxy form by, or the accidental or erroneous omission to give notice of a general meeting or a proxy form to, a person entitled to receive notice of a general meeting shall not invalidate any resolution passed at the general meeting.

10. Proceedings at general meetings

10.1 Representation of member

- (a) A member may be represented by a proxy or attorney.
- (b) (i) The Commonwealth may also under hand of the Treasurer; and
- (ii) a member which is a body corporate may also, by resolution of its directors or other governing body;
- authorise such person (who may, in the case of the Commonwealth, be the Treasurer or any other person nominated by the Treasurer) as it thinks fit to act as its official representative either at a particular general meeting or at all general meetings of the company or of any class of members. An authorising member may also designate an alternate official representative who may act in the absence of the official representative.

- (c) An official representative is, in accordance with his or her authority and until it is revoked by the authorising member, entitled to exercise the same powers on behalf of the authorising member as the member could exercise if it were a natural person.
- (d) A reference to a voting member in the succeeding provisions of this article 10 includes a proxy, attorney or official representative.

10.2 Quorum

- (a) No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business.
- (b) While the Commonwealth is the sole member, the official representative of the Commonwealth shall constitute a quorum for a general meeting. Thereafter the official representative of the Commonwealth and two other persons who are voting members shall constitute a quorum for a meeting.

10.3 Failure to achieve quorum

- (a) Where a general meeting is convened upon the requisition of members and a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.
- (b) Where a general meeting is convened in any other way and a quorum is not present within half an hour from the time appointed for the meeting:
 - (i) the meeting shall stand adjourned to such day, and at such time and place, as the directors determine or, if no determination is made by them, to the same day in the next week at the same time and place; and
 - (ii) if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the voting members present shall constitute a quorum.

10.4 Appointment and powers of chairman of general meeting

- (a) While a person holds office as chairman of directors, that person shall preside as chairman at general meetings. During any absence or vacancy in that office, the person (if any) who holds office as deputy chairman of directors shall preside as chairman at general meetings.
- (b) Where a general meeting is held and:
 - (i) there is no chairman entitled to preside under article 10.4(a) or

- (ii) the chairman so entitled is not present within 15 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

the directors present shall elect one of their number to be chairman of the meeting, or, if no director shall be present or if all directors present decline to take the chair, the voting members present shall elect one of their number to be chairman of the meeting.

- (c) The chairman of the meeting shall be responsible for the general conduct of a general meeting and may make rulings and in addition to any general power to adjourn may adjourn the meeting without putting the question to the vote if such action is required to ensure the orderly conduct of the meeting.

10.5 Adjournment of general meeting

- (a) Subject to article 10.5(c) the chairman of the meeting may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting or any business, motion, question or resolution or any debate or discussion in relation thereto from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (b) The chairman of the meeting may also in his or her discretion during a general meeting adjourn any business, motion, question or resolution or any debate or discussion in relation thereto to a later time at the same meeting.
- (c) After any motion to adjourn a general meeting has been defeated, the chairman of the meeting shall have an absolute discretion as to whether to put to the meeting any further motion to adjourn the meeting.
- (d) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (e) Except as provided by article 10.5(d) it is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.
- (f) Any voting members may attend an adjourned meeting.

10.6 Voting at general meeting

- (a) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
 - (i) by the chairman of the meeting;

- (ii) by at least 10 voting members present;
 - (iii) by a voting member or voting members present and holding or representing voting shares in the company conferring not less than ten percent (10%) of the total voting rights of all the voting members having the right to vote at the meeting; or
 - (iv) by a voting member or voting members holding or representing voting shares in the company conferring a right to vote at the meeting being voting shares on which an aggregate sum has been paid up equal to not less than ten percent (10%) of the total sum paid up on all the voting shares conferring that right.
- (b) Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

10.7 Poll

- (a) If a poll is duly demanded, it shall be taken in such manner and (subject to article 10.7(b)) either at once or after an interval or adjournment or otherwise as the chairman of the meeting directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded.
- (b) A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith.
- (c) The demand for a poll may be withdrawn.
- (d) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- (e) If a poll is taken the chairman shall appoint tellers to count the votes.
- (f) In the case of any dispute as to the admission or rejection of a vote, the chairman shall determine the same and such determination made in good faith shall be final and conclusive.

10.8 Equality of votes

In the case of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, is entitled to a casting vote in addition to any votes to which he or she may be entitled as a voting member.

10.9 Entitlement to vote

- (a) Subject to any rights or restrictions for the time being attached to any class or classes of shares and subject to this article 10.9:
- (i) on a show of hands every person present who is a voting member has one vote; and
 - (ii) on a poll, every person present who is a voting member shall have one vote for each voting share that the voting member holds or represents (as the case may be).
- (b) If a member is present in person, any proxy or attorney of such member shall not be entitled to vote.
- (c) If more than one proxy, official representative or attorney for a member is present at any meeting of the company then no such proxy, official representative or attorney shall be entitled to vote on a show of hands and on a poll the vote of each one shall be of no effect unless each such person is appointed to represent a specified proportion of the member's voting rights, not exceeding in the aggregate 100 percent (100%) of those rights.
- (d) A voting member holding or representing a partly paid voting share subscribed for as a result of an offer of partly paid voting shares made pro-rata to all members has, on a poll, one vote for each such voting share.
- (e) A voting member holding or representing a partly paid voting share subscribed for as a result of an offer of partly paid voting shares made other than pro-rata to all members has on a poll that fraction of a vote for each such voting share as equals the fraction generated by dividing the total amount paid on the voting share by the issue price of the voting share.

10.10 Joint shareholders' vote

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, official representative or attorney, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register, but the other or others of the joint holders are entitled to be present at general meetings.

10.11 Votes of certain members

- (a) A parent or guardian of a member who is a minor may vote instead of the minor at any general meeting upon such evidence being produced of the relationship or of the appointment of the guardian as the directors may require.

- (b) If a member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, the committee or trustee or such other person as properly has the management of the member's estate may exercise any rights of the member in relation to a general meeting as if the committee, trustee or other person were the member.

10.12 No entitlement

A member is not entitled to vote at a general meeting unless all calls and other amounts presently payable in respect of the member's shares have been paid.

10.13 Objection to voting qualification

- (a) A voting member may object to the qualification of a voter but only at the meeting or adjourned meeting at which the vote objected to is given or tendered.
- (b) Any such objection shall be referred to the chairman of the meeting, whose decision is final.
- (c) A vote not disallowed pursuant to such an objection is valid for all purposes.

10.14 Appointment of proxy

- (a) An instrument appointing a proxy shall be in writing under the hand of the appointer or of the appointer's attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (b) A proxy need not be a member.
- (c) An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- (d) An instrument appointing a proxy shall, unless the instrument expressly provides otherwise, be deemed to confer authority to agree to a meeting being convened by shorter notice than is required by the Corporations Law or by these articles and to a resolution being proposed and passed as a special resolution at a meeting of which less than 21 days' notice has been given and authority to demand or join in demanding a poll.

- (e) An instrument appointing a proxy shall be in the following form or in a form that is as similar to the following form as the circumstances allow:

COMMONWEALTH BANK OF AUSTRALIA

I/We, _____ of _____
 being a member/members of the abovenamed company, hereby
 appoint _____ of _____
 or, in his or her absence or if no other appointee is named,
 the chairman of the meeting as my/our proxy to vote for me/us
 on my/our behalf at the annual general/general meeting of the
 company to be held on the _____ day of _____ 19 ____ and
 at any adjournment of that meeting.

This form is to be used *in favour of/against the
 resolution

Signed this _____ day of _____ 19 ____ .

* Strike out whichever is not desired.

To be inserted if desired.

- (f) The directors shall issue with the notice of a general meeting a form of proxy in blank as to the first proxy but which may include the name of any suggested alternative or other proxy.

10.15 Deposit of proxy and other instruments

- (a) An instrument appointing a proxy, attorney or official representative shall not be treated as valid unless the instrument, and the power of attorney or other authority (if any) under which the instrument is signed or a notarially certified copy of that power or authority, is or are deposited, not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, at the registered office or at such other place as is specified for that purpose in the notice convening the meeting. A legible facsimile transmission copy of an instrument, power or authority may be provided in substitution for the original.
- (b) Article 10.13 shall apply to any objection as to the use or legibility of a facsimile transmission copy.
- (c) The secretary may waive or reduce either of the periods referred to in article 10.15(a) in respect of any meeting or any member.

10.16 Validity of vote in certain circumstances

A vote given in accordance with the terms of an instrument of proxy or of a power of attorney is valid notwithstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or the authority under which the instrument was executed) or of the power, or the transfer of the share in respect of which the instrument or power is given, if no notice in writing of the death, unsoundness of mind, revocation or transfer has been received by the company at its registered office before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised.

10.17. Director entitled to attend and speak

A director shall be entitled to attend all general meetings and all separate general meetings of the holders of any class of shares in the capital of the company and shall be entitled to speak at those meetings.

11. The directors

11.1 Company's first directors

- (a) On and from the Conversion Date and until each respectively retires from office in accordance with the remaining provisions of this article 11.1, the directors of the company shall be those persons who were, immediately prior to the Conversion Date, members of the Commonwealth Banking Corporation Board appointed by or pursuant to the Commonwealth Banks Act.
- (b) Each of those directors shall retire at the next annual general meeting of the company after the date when he or she would have been due to retire under his or her appointment to the Commonwealth Banking Corporation Board.

11.2 First managing director and executive director

On and from the Conversion Date until otherwise determined in accordance with these articles:

- (a) the person occupying the position of Managing Director of the Commonwealth Banking Corporation immediately prior to the Conversion Date shall be the managing director; and
- (b) the person occupying the position of Deputy Managing Director of the Commonwealth Banking Corporation immediately prior to the Conversion Date shall be an executive director.

11.3 Number and appointment of directors

Subject to article 11.1:

- (a) the number of directors shall not be less than nine nor more than 13 (or such lower number as the board may from time to time determine) including:
 - (i) the Secretary to the Department of the Treasury, while he or she holds office pursuant to section 8A of the Commonwealth Banks Act;
 - (ii) the managing director; and
 - (iii) not more than three executive directors;
- (b) the company may by ordinary resolution alter the maximum or minimum number of directors, and subject to the listing rules may also determine in what rotation the increased or reduced number of directors is to vacate office;
- (c) at each annual general meeting one-third of the directors for the time being (apart from the directors referred to in articles 11.3(a)(i), (ii) and (iii) and 11.6(b)) shall retire from office;
- (d) if the number of the directors referred to in article 11.3(c) is not three or a multiple of three, then the number nearest one-third shall retire; and
- (e) subject to article 11.7(b), the directors to retire under article 11.3(c) at any annual general meeting are those who have been longest in office since their last election, but as between persons who became directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

11.4 Election of directors

- (a) A retiring director shall be eligible for re-election and shall act as a director throughout the meeting (including any adjournment thereof) at which he or she retires.
- (b) The company may, at the meeting at which a director retires, by ordinary resolution and in accordance with these articles fill the vacated office by electing a person to that office.
- (c) If the vacated office is not filled by election, the retiring director shall, if offering himself or herself for re-election and if not disqualified under the Corporations Law or article 11.5 from holding office as a director, be deemed to have been re-elected unless at that meeting:
 - (i) it is expressly resolved not to fill the vacated office; or
 - (ii) a resolution for the re-election of that director is put and lost.

- (d) No person (not being a director retiring by rotation or by virtue of article 11.1(b), or 11.6(b)) shall be eligible for election to the office of director at any general meeting unless he or she or a member intending to propose him or her has, not less than ten business days before the meeting, left at the registered office a notice in writing duly signed by such nominee consenting to nomination and signifying his or her candidature or the intention of such member to propose him or her.
- (e) Notice of every candidature for the office of director shall, not less than three business days before the meeting at which an election is to take place, be given to all members.

11.5 Qualification of directors

- (a) A director must be a natural person.
- (b) A person of or over the age of 70 years shall not be appointed or re-appointed as a director.
- (c) A director shall not be required to hold any share qualification.
- (d) The auditor may not be appointed as a director and a director may not be appointed as the auditor.

11.6 Casual vacancy

- (a) The directors may at any time appoint any person (other than a person disqualified under the Corporations Law or article 11.5) to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors does not at any time exceed the maximum number specified pursuant to article 11.3.
- (b) Any director so appointed holds office only until the next annual general meeting and is then eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

11.7 Removal of a director

- (a) The company may by ordinary resolution (of which special notice of 28 days shall have been given) remove any director (except the Secretary of the Department of the Treasury, while he or she holds office pursuant to section 8A of the Commonwealth Banks Act) from office and may by ordinary resolution and in accordance with these articles appoint another person in his or her place.
- (b) Any director appointed pursuant to article 11.7(a) shall be subject to retirement at the same time as if he or she had become a director on the day on which the director in whose place he or she was appointed was last elected a director.

- (c) Nothing in article 11.7(a) deprives a person so removed of compensation or damages payable to such person in respect of the termination of the person's appointment as director or of any appointment terminating with that as director.

11.8 Appointment of managing director and executive directors

- (a) Prior to appointing the managing director or a deputy managing director pursuant to article 11.8(b) or 11.8(c), the directors through the chairman of directors at the time shall consult with the Treasurer on the proposed appointment.
- (b) The directors may from time to time appoint one of their number to the office of managing director and no more than three full time employees of the company or a related body corporate as executive directors for such period and on such terms as they think fit and such persons shall not be subject to retirement pursuant to article 11.6(b).
- (c) The directors may appoint an executive director as deputy managing director who shall, in addition to his or her role as executive director, act as managing director (with the same duties, functions, powers and responsibilities as the managing director or as otherwise determined by the directors) during any absence of the managing director or any vacancy in the office of managing director.
- (d) The directors may at any time remove or dismiss any managing director or executive director from his or her office. Without prejudice to the foregoing, the managing director and each executive director shall be subject to the same provisions as to resignation and removal as the other directors of the company.
- (e) The appointment of a managing director or an executive director automatically terminates if he or she ceases for any reason to be a director.
- (f) Nothing in this article 11.8 deprives a person removed from office of compensation or damages payable to such person in respect of the termination of the person's appointment as managing director or executive director or of any appointment terminating therewith.

11.9 Remuneration of directors

- (a) The directors shall, subject to the listing rules, be paid by way of fees for services such aggregate sum as may be determined from time to time by the company in general meeting, to be divided among them in such proportion and manner as the directors agree and, in default of agreement, equally.
- (b) All directors' fees shall be deemed to accrue from day to day.
- (c) Where a director (other than the managing director or an executive director) is called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any business or purposes of the company, the

directors may arrange with that director for a special remuneration by payment of a stated sum of money determined by the directors and that remuneration may be either in addition to or in substitution for his or her share in the remuneration provided for in article 11.9(a).

- (d) The directors may also be paid an allowance for travelling and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or otherwise in connection with the exercise of their powers and the discharge of their duties or the business of the company.
- (e) In addition to any other remuneration otherwise provided by these articles, on or after a director (other than the managing director or an executive director) ceasing to hold office by reason of death or otherwise howsoever the directors shall have power to pay to him or her, or in case of his or her death to his or her widow or widower, dependants or legal personal representatives, such sum as the directors shall think fit but in any event not exceeding the sum permitted by section 237 of the Corporations Law, and any such payments may be in the form of a lump sum or be paid by instalments or through an annuity policy.

11.10 Remuneration of managing director and executive directors

The remuneration of the managing director and any executive director shall from time to time be fixed by the directors and may be by way of salary, commission, participation in profits or other benefits or by all or any of these modes but shall not be by way of a commission on, or a percentage of, revenue, turnover, asset levels or asset growth.

11.11 Director's interest

- (a) No director shall be disqualified by his or her office from holding any office or place of profit (other than that of auditor) under the company and any director may be or become a director of or otherwise hold office or a place of profit in any other body corporate in which the company may be interested as shareholder or otherwise; and any director may contract or make any arrangement with the company whether as vendor, purchaser, broker, solicitor or accountant or other professional person or otherwise. Any contract or arrangement entered or to be entered into by or on behalf of the company in which any director shall be in any way interested shall not be avoided for that reason.
- (b) Any director:
- (i) holding any office or place of profit under the company;
 - (ii) being a director of or otherwise holding office or a place of profit in any other body corporate in which

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- (e) is directly or indirectly interested in any contract or proposed contract with the company and fails to declare the nature of his or her interest, and the directors resolve that his or her office shall be vacated;
- (f) becomes prohibited from being a director pursuant to the Corporations Law or an order made pursuant to the Corporations Law; or
- (g) being the managing director or an executive director, is dismissed or removed from that office under these articles.

12. Powers and duties of directors

12.1 Directors to manage company

- (a) Subject to the Commonwealth Banks Act, the business of the company shall be managed by the directors, who may exercise all such powers of the company as are not, by the Corporations Law or these articles, required to be exercised by the company in general meeting.
- (b) Without limiting the generality of article 12.1(a), the directors may exercise all the powers of the company to borrow or raise money, to charge any property or business of the company and to issue debentures or give any other security for a debt, liability or obligation of the company or of any other person.
- (c) The company in general meeting may not invalidate any prior act of the directors which would otherwise have been valid.

12.2 Powers of managing director and executive directors

- (a) The directors may, upon such terms and conditions and with such restrictions as they think fit, confer upon the managing director any of the powers exercisable by them.
- (b) Any powers so conferred may be concurrent with, or to the exclusion of, the powers of the directors.
- (c) The directors may at any time withdraw or vary any of the powers so conferred on the managing director.
- (d) The managing director may, either generally or as otherwise provided by the instrument of delegation, by instrument in writing, delegate to an executive director or other officer of the company any of the powers and functions exercisable by the managing director, other than this power of delegation.
- (e) A power or function so delegated, when exercised by the delegate, shall be deemed to have been exercised or performed by the managing director.
- (f) A delegation does not prevent exercise of a power or function by the managing director.

- (g) The directors may authorize and determine that any or all delegations by the managing director pursuant to article 12.2(d) shall continue in full force and effect as delegations by the deputy managing director acting as managing director in accordance with article 11.8(c) during any absence of the managing director or any vacancy in the office of managing director.

12.3 Appointment of attorney

- (a) The directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys of the company for such purposes, with such powers, authorities and discretions (being powers, authorities and discretions vested in or exercisable by the directors), for such period and subject to such conditions as they think fit.
- (b) Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with the attorney as the directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities and discretions vested in him or her.

13. Proceedings of directors

13.1 Directors' meetings

- (a) The directors may meet together for the despatch of business and adjourn and otherwise regulate their meetings as they think fit.
- (b) A director may at any time, and the secretary shall on the requisition of a director, convene a meeting of the directors. Notice of every directors' meeting and of every adjourned meeting shall be given to every director and to the secretary.
- (c) Without limiting the discretion of the directors to regulate their meetings under article 13.1(a), the directors may, if they think fit, confer by radio, telephone, closed circuit television or other electronic means of audio or audio-visual communication and a resolution passed by such a conference shall (provided that the directors in attendance can hear and be heard by each other and, notwithstanding that the directors are not present together in one place at the time of the conference) be deemed to have been passed at a meeting of the directors held on the day on which and at the time at which the conference was held (being the time in the Australian Capital Territory if the directors in attendance are in different time zones). The provisions of these articles relating to proceedings of directors apply so far as they are capable of application and mutatis mutandis to such conferences.

13.2 Quorum for directors' meeting

- (a) At a meeting of directors, no business shall be transacted unless a quorum is present. The number of directors whose presence is necessary to constitute a quorum is one half of the total number of directors for the time being in office (rounded upwards if not a whole number) or three, whichever is greater.
- (b) In the event of a vacancy or vacancies in the office of a director or directors, the remaining directors may act; but if the number of remaining directors is not sufficient to constitute a quorum at a meeting of directors, they may act only for the purpose of increasing the number of directors to a number sufficient to constitute such a quorum or of convening a general meeting of the company.

13.3 Chairman of directors on registration

- (a) On and from the Conversion Date and until the directors elect another person as chairman pursuant to article 13.4, the chairman of directors shall be the person occupying the position of Chairman of the Board of the Commonwealth Banking Corporation immediately prior to the Conversion Date.
- (b) On and from the Conversion Date and until the directors elect another person as deputy chairman pursuant to article 13.4, the deputy chairman of directors shall be the person occupying the position of Deputy Chairman of the Board of the Commonwealth Banking Corporation immediately prior to the Conversion Date.

13.4 Subsequent chairman and deputy chairman of directors

- (a) The majority of all the directors in office shall, after consultation with the Treasurer, elect one of their number as chairman of directors and determine the period for which he or she is to hold office. The managing director and executive directors for the time being shall not be eligible to be elected as chairman. A chairman of directors may be removed by a majority of all the directors for the time being in office after consultation with the Treasurer. The chairman of directors shall act as chairman at meetings of directors.
- (b) The directors after consultation with the Treasurer may elect one of their number as deputy chairman to act as chairman if the chairman of directors is absent or unwilling or unable to act as chairman or if there is a vacancy in the office of chairman of directors. The provisions of article 13.4(a) as to eligibility for appointment, duration of appointment and removal apply also to the position of deputy chairman.
- (c) Where at a meeting of directors:
 - (i) article 13.3 does not apply and no chairman or deputy chairman has been elected as provided by article 13.4(a) or (b); or

- (ii) the chairman or deputy chairman is not present within 10 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

the directors present shall elect one of their number to be chairman of the meeting.

13.5 Questions decided by majority

- (a) Subject to these articles, questions arising at a meeting of directors shall be decided by a majority of votes of directors present and voting and any such decision shall for all purposes be deemed a decision of the directors.
- (b) In the event of there being an equality of votes, the chairman of the meeting, in addition to his or her deliberative vote, shall have a casting vote.

13.6 Directors' committees

- (a) The directors may delegate any of their powers to a committee or committees consisting of at least two of their number and such other persons as they think fit.
- (b) A committee to which the powers have been so delegated shall exercise the powers delegated in accordance with any directions of the directors and a power so exercised shall be deemed to have been exercised by the directors.
- (c) The members of such a committee may elect one of their number as chairman of their meetings.
- (d) Where such a meeting is held and:
- (i) a chairman has not been elected as provided by article 13.6(c); or
- (ii) the chairman is not present within 10 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,
- the members of the committee present may elect one of their number to be chairman of the meeting.
- (e) A committee may meet and adjourn as it thinks proper.
- (f) The chairman of any meeting of a committee shall arrange for minutes of the meeting to be taken and kept.
- (g) Questions arising at a meeting of a committee shall be determined by a majority of votes of the members of the committee present and voting.
- (h) In the event of there being an equality of votes, the chairman, in addition to his or her deliberative vote, shall have a casting vote.
- (i) Article 13.1(c) shall apply to meetings of directors' committees as if all members of the committee were directors.

- (j) The presence of one half of the members of the committee (rounded upwards if not a whole number), of whom one must be a director, is necessary to constitute a quorum. No business may be transacted unless a quorum is present.

13.7 Written resolution by directors

- (a) If all the directors have signed a document containing a statement that they are in favour of a resolution of the directors in terms set out in the document, a resolution in those terms shall be deemed to have been passed at a meeting of the directors held on the day and at the time at which the document was last signed by a director and, where a document is so signed, the document shall be deemed to constitute a minute of that meeting and shall be recorded by the secretary in the minute book.
- (b) For the purposes of article 13.7(a), two or more separate documents containing statements in identical terms each of which is signed by one or more directors shall together be deemed to constitute one document containing a statement in those terms signed by those directors on the respective days on which they signed the separate documents.
- (c) A reference in article 13.7(a) to all the directors does not include a reference to a director who, at a meeting of directors, would not be entitled to vote on the resolution.

13.8 Validity of acts of directors

All acts done by any meeting of the directors or of a committee of directors or by any person acting as a director are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be a director or a member of the committee, or to act as a director, or that a person so appointed was disqualified, or that proper notice had not been given, as valid as if the person had been duly appointed and was qualified to be a director or to be a member of the committee or proper notice had been given, as the case may be.

14. Secretary

14.1 Appointment and removal of secretary

There shall be at least one secretary of the company who shall be appointed by the directors for such term, at such remuneration and upon such conditions as they think fit. The directors shall have power to suspend or remove a secretary.

14.2 Powers and duties of secretary

- (a) The secretary shall keep minutes of the proceedings at all general meetings and all directors' meetings of the company.
- (b) The directors may vest in a secretary such other powers, duties and authorities as they may from time to time

determine and the secretary shall exercise all such powers, duties and authorities subject at all times to the control of the directors.

15. Common seal and certificate seal

15.1 Custody of seals

The directors shall provide for the safe custody of the seals.

15.2 Use of common seal

The common seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors in that behalf and every instrument to which the common seal is affixed shall be signed by two people being:

- (a) two directors;
- (b) a director and a secretary;
- (c) a director and a person authorised by the board for the purpose (an "authorised person");
- (d) a secretary and an authorised person; or
- (e) two authorised persons.

15.3 Use of certificate seal

- (a) The company may have a duplicate seal known as the certificate seal which shall be a facsimile of the common seal of the company and a document issued under such certificate seal shall be deemed to be sealed with the common seal.
- (b) The certificate seal may be affixed to any document by mechanical means unless the directors determine otherwise. Any document to which the certificate seal is affixed may show facsimile signatures of persons entitled to witness the affixing of the common seal.
- (c) The only documents on which the certificate seal may be used shall be share or stock unit certificates, debentures or certificates of debenture stock, secured or unsecured notes, option certificates and any other documents evidencing any options or rights to take up any shares in or debenture stock or debentures or notes of the company.

16. Dividends and reserves

16.1 Final dividend

- (a) Subject to the provisions of section 32 of the Commonwealth Banks Act, the directors may recommend to the annual general meeting such final dividend in respect of a financial year of

the company as, in their judgement, the position of the company justifies.

- (b) The annual general meeting of the company may consider that recommendation and may declare a final dividend not exceeding the amount recommended by the directors.

16.2 Interim dividends

- (a) Subject to section 32 of the Commonwealth Banks Act, the directors may with the Treasurer's approval pay such interim dividends as in their judgement and subject to law the position of the company justifies.
- (b) The directors shall take into account the amount which they have decided to pay by way of interim dividends in respect of the financial year in recommending to the annual general meeting the amount of any final dividend for the year.

16.3 Extraordinary dividends

- (a) Subject to section 32 of the Commonwealth Banks Act, the directors may with the Treasurer's approval recommend to a general meeting of the company an extraordinary dividend of such amount as the directors in their judgement and subject to law consider the position of the company justifies.
- (b) The general meeting of the company may consider that recommendation and may declare an extraordinary dividend not exceeding the amount recommended by the directors. The declaration of an extraordinary dividend gives rise to a debt payable by the company in respect of shares issued as at the date of the declaration, in the same way that a final dividend gives rise to such a debt.

16.4 Reserves and profits carried forward

- (a) The directors may, before recommending any dividend or resolving to pay any interim dividend, set aside out of the profits of the company such sums as they think proper as reserves, to be applied, at the discretion of the directors, for any purpose for which the profits of the company may be properly applied.
- (b) Pending any such application, the reserves may, at the discretion of the directors, be used in the business of the company or be invested in such investments as the directors think fit.
- (c) The directors may carry forward so much of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to a reserve.

16.5 Calculation and apportionment of dividends

- (a) Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all shares shall carry equal dividend entitlements except to the extent that those entitlements may be defined or restricted by the terms on which the shares are issued by the directors.

- (b) If any share is issued on terms providing that it will rank for dividend as from a particular date, that share ranks for dividend accordingly.

16.6 Payment of dividends

- (a) The directors may deduct from any dividend payable to a member all sums of money (if any) presently payable by him or her to the company in relation to shares.
- (b) Any dividend, interest or other money payable in cash in respect of shares may be paid by crediting it to an account with the company nominated by the holder or by cheque sent through the post directed:
- (i) to the registered address of the holder or, in the case of joint holders, to the registered address of the joint holder first named in the register; or
 - (ii) to such other address as the holder or joint holders in writing directs or direct.
- (c) Any one of two or more joint holders may give effectual receipts for any dividends, interest or other money payable in respect of the shares held by them as joint holders.
- (d) Interest is not payable by the company in respect of any dividend.
- (e) All dividends declared but unclaimed may be invested by the directors as they think fit for the benefit of the company until claimed or until required to be dealt with in accordance with any law relating to unclaimed moneys.

16.7 Distribution of specific assets

- (a) The company in general meeting may direct payment of a dividend wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, any other corporation.
- (b) Where a difficulty arises in regard to such a distribution, the directors may settle the matter as they consider expedient and fix the value for distribution of the specific assets or any part of those assets and may determine that cash payments will be made to any members on the basis of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as the directors consider expedient.

16.8 Share investment plan

- (a) The directors with the Treasurer's approval and subject to section 27L of the Commonwealth Banks Act may resolve (at the same time as or before or after the company resolves to declare any dividend or the directors resolve to pay an interim dividend) that each holder of ordinary shares to the

extent that the member's shares are fully paid shall have the option to elect to forgo the right to share in such dividend and to receive instead an issue of ordinary shares credited as fully paid within the limits and on the terms and conditions set out in this article 16.8 and as otherwise determined by the directors with the Treasurer's approval from time to time.

- (b) A member entitled to elect as aforesaid shall not be permitted to forgo such amount of dividend per share as the directors with the Treasurer's approval may resolve shall not be forgone.
- (c) A member entitled to elect as aforesaid may elect, by notice in writing to the company (a "notice of election") given in such form and within such period as the directors may from time to time prescribe, to forgo the dividend which otherwise would have been paid on such of the fully paid shares conferring a right to share in such dividend as the member shall specify in the notice of election and to receive in lieu thereof shares, to be allotted and issued to the member credited as fully paid, so that the number of such shares allotted and issued shall be the whole number (rounded up or down as determined by the directors in their discretion) calculated by the formula

$$\frac{S \times D}{C}$$

where:

- S equals the number of shares in respect of which such election has been made;
- D equals the amount of the dividend payable on one such share as if no such election had been made (expressed in terms of cents and fractions of a cent) less the amount of such dividend (if any) per share which the directors have resolved that the holder of such ordinary share shall not be permitted to forgo; and
- C equals the higher of:
- (i) the par value of one share, and
 - (ii) an amount which the directors with the Treasurer's approval resolve (at the same time as they make the resolution pursuant to article 16.8(a)) will apply for the purpose of the formula not being less than 90 percent (90%) of the average of the middle market quotation for one fully paid registered share (expressed in terms of cents and fractions of a cent) as shown in the trading list published by the home exchange for the five business days preceding the day on which the directors announce an intention to recommend any dividend or pay any interim

dividend on the shares (or if there is no such announcement in relation to a dividend other than an interim dividend, the day on which the company resolves to declare such dividend) after deducting, where such prices include the amount of the dividend to be forgone, the amount of such dividend to be forgone.

- (d) Following the period prescribed by the directors pursuant to article 16.8(c), the directors shall appropriate from either the share premium reserve, capital profits reserve, asset revaluation reserve or such other capital reserve as the directors may determine of the company an amount equal to the aggregate nominal amount of the shares to be allotted credited as fully paid to those members who have given notices of election and shall apply the same in paying up in full the number of shares required to be so allotted. The shares so allotted and issued will rank pari passu with the existing fully paid shares and will rank for all dividends on shares declared after the date of such allotment.
- (e) The directors shall not exercise the powers conferred on them by article 16.8(a) unless the company shall then have sufficient unissued shares capable of issue and reserves to give effect to any elections which could be made under this article 16.8.
- (f) Unless the directors in their discretion determine that it is not necessary to so exclude such members, no member whose registered address is in the United States of America or a territory thereof shall be entitled to elect to forgo the member's right to share in dividends and to receive in lieu fully paid shares in accordance with the preceding provisions of this article 16.8 unless otherwise determined by the directors.
- (g) The directors with the Treasurer's approval may modify suspend or terminate the share investment plan established by this article 16.8 from time to time on not less than one month's written notice to all members of the company.

16.9 Dividend and interest reinvestment plan

- (a) The directors may with the Treasurer's approval and subject to section 27L of the Commonwealth Banks Act implement and maintain on such terms and conditions (including the issue price) as they may determine from time to time dividend and interest reinvestment plans for cash dividends paid by the company and interest paid by the company on unsecured notes or debenture stock issued by the company to be reinvested by way of subscription for shares in the company to be allotted by the company such shares to rank from the date of allotment equally in all respects (including in respect of dividends for the period in which they are allotted) with other such existing fully paid shares of the company and participation in any such plan is to be available to such members,

debenture holders and unsecured noteholders of the company as are eligible to do so under the terms and conditions of the plan.

- (b) The directors with the Treasurer's approval may extend any such dividend and interest reinvestment plan to allow any designated cash dividends paid by any related body corporate and any designated interest paid by any such body corporate to be reinvested by way of subscription for shares to be allotted by the company on the same terms as in the plan.
- (c) Unless the directors in their discretion determine that it is not necessary to so exclude such members, no member whose registered address is in the United States of America or a territory thereof shall be eligible to participate in any dividend and interest reinvestment plan unless otherwise determined by the directors.
- (d) The directors with the Treasurer's approval may modify, suspend or terminate any dividend and interest reinvestment plan and any of the terms governing any dividend and interest reinvestment plan from time to time on not less than one month's written notice to all members, debenture holders and unsecured noteholders of the company.
- (e) The issue price of shares allotted pursuant to any dividend and interest reinvestment plan shall not be less than the amount defined as "C" in article 16.8(c).

16.10 Capitalisation of reserves and profits

- (a) If the resolution has been recommended by the directors, the company in general meeting may resolve to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any reserve account or the profit and loss account or otherwise available for distribution to members, and resolve that that sum be applied for the benefit of members in the proportions to which those members would have been entitled in a distribution of that sum by way of dividend.
- (b) A sum may only be applied for the benefit of members under article 16.10(a):
 - (i) in paying up any amounts unpaid on shares held by members;
 - (ii) in paying up in full unissued shares or debentures to be issued to members as fully paid; or
 - (iii) partly as mentioned in paragraph (i) and partly as mentioned in paragraph (ii).
- (c) The directors shall do all things necessary to give effect to a resolution referred to in article 16.10(a) and in

particular, to the extent necessary to adjust the rights of the members among themselves, may:

- (i) issue fractional certificates or make cash payments in cases where shares or debentures become issuable in fractions; and
- (ii) authorise any person to make, on behalf of all the members entitled to any further shares or debentures upon the capitalisation, an agreement with the company providing for the issue to them, credited as fully paid up, of any such further shares or debentures or for the payment up by the company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised,

and any agreement made under an authority referred to in article 16.10(c)(ii) is effective and binding on all the members concerned.

17. Notices

- (a) A notice may be given to any member or to any other person entitled to notice under these articles either by serving it on that person personally or by sending it by post, telegram, telex or facsimile transmission to the member's registered address or the address supplied by that other person to the company for the purpose of notices. In the case of overseas members or other persons documents shall be forwarded by air.
- (b) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected, in the case of a notice of a meeting, on the day after the date of its posting and, in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (c) A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder first named in the register in respect of the share.
- (d) A notice may be given by the company to a person entitled to a share in consequence of the death, bankruptcy or unsoundness of mind of a member by serving it on him or her personally or by sending it to him or her by post addressed to him or her by name, or by the title of representative of the deceased or assignee of the bankrupt or committee or trustee of the member of unsound mind, or by any like description, at the address (if any) supplied for the purpose by the person or, if such an address has not been supplied, at the address to which the notice might have been sent if the death, bankruptcy or unsoundness of mind had not occurred.

- (e) Every person who by operation of law, transfer or other means becomes entitled to any share shall be bound by every notice given in accordance with this article to the person from whom he or she derives his or her title prior to registration of his or her title in the register.

18. Inspection of records

18.1 Inspection by members

Except as otherwise required by the Corporations Law, the directors shall determine whether and to what extent, and at what times and places and under what conditions, the accounting records and other documents of the company or any of them will be open to the inspection of members other than directors, and a member other than a director does not have the right to inspect any document of the company except as provided by law or authorised by the directors or by the company in general meeting.

18.2 Members not entitled to discovery

No member shall be entitled to require discovery of or any information respecting any detail of the company's trading, or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the company if, in the opinion of the directors, it would be contrary to the interests of the members to communicate such information.

19. Indemnity

Every officer of the company shall be indemnified out of the property of the company against any liability incurred by him or her in the capacity of officer in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favour or in which he or she is acquitted or in connection with any application in relation to any such proceedings in which relief is under the Corporations Law granted to him or her by the Court where the officer has obtained the company's prior written approval of the costs thereof.

20. Winding up

- (a) If the company is wound up, the liquidator may, with the sanction of a special resolution, divide among the members in kind the whole or any part of the property of the company and may for that purpose set such value as he or she considers fair upon any property to be so divided and may determine how the division is to be carried out as between the members or different classes of members.
- (b) The liquidator may, with the sanction of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no member is compelled to accept any shares or other securities in respect of which there is any liability.

21. Vendor securities

Notwithstanding any other provision of these articles, at all times while the company is admitted to the official list:

- (a) the company shall refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of vendor securities which is or might be in breach of the listing rules or any escrow agreement entered into by the company under the listing rules in relation to the vendor securities;
- (b) in the event of a breach of any escrow agreement entered into by the company under the listing rules in relation to shares which are classified under the listing rules or by the home exchange as vendor securities, the member holding the shares in question shall cease to be entitled to any dividends and to any voting rights in respect of those shares for so long as the breach subsists; and
- (c) on a winding up of the company, the holders of shares which are classified under the listing rules or by the home exchange as vendor securities and which are subject to escrow restrictions at the commencement of the winding up shall rank on a return of capital behind all other shares in the company.

Proposal of memorandum and articles of association

Pursuant to section 27C(1)(c) of the Commonwealth Banks Act 1959, the Commonwealth Bank of Australia proposes the within memorandum and articles of association as those which will become the memorandum and articles of association of the Commonwealth Bank of Australia upon its conversion to a public company in accordance with section 27D(1)(c) of the said Act.

DATED the 16th day of April 1991

Signed for and on behalf of
COMMONWEALTH BANK OF AUSTRALIA

M A Besley
.....
M A Besley, Chairman

J T Ralph
.....
J T Ralph, Deputy Chairman

D N Sanders
.....
D N Sanders, Managing Director

I K Payne
.....
I K Payne, Deputy Managing Director

N R Adler
.....
N R Adler, Member of the Board

A C Booth
.....
A C Booth, Member of the Board

A S Cole
.....
A S Cole, Member of the Board

G Gleeson
.....
G Gleeson, Member of the Board

J Kennedy
.....
J Kennedy, Member of the Board

G M Pemberton
.....
G M Pemberton, Member of the Board

G H Slee
.....
G H Slee, Member of the Board