



Queensland
COUNTRY
HEALTH FUND

CONSTITUTION

Of

QUEENSLAND COUNTRY HEALTH FUND LTD

ACN 085 048 237

A public company limited by guarantee

Registered by APRA as a for-profit health insurer

Constitution adopted 24 July 2019

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PRELIMINARY

1. Name and Company Type

- 1.1 The name of the Company is "**QUEENSLAND COUNTRY HEALTH FUND LTD**" ("the Company").
- 1.2 The Company is limited by guarantee and does not have share capital.

2. Defined terms & interpretation

- 2.1 In this Constitution:-

'**APRA**' means the Australian Prudential Regulation Authority or any subsequent regulator of the Health Benefit Funds maintained by the Company.

'**the Corporations Act**' or '**the Law**' means the Corporations Act (2001) as amended;

'**Directors**' means the Board of Directors of the Company;

'**Health Insurance Business**' has the meaning provided for in Section 121 of the Private Health Insurance Act, 2007.

'**Health-related Business**' has the meaning provided for in Section 131-15 of the Private Health Insurance Act, 2007.

'**Member**' means a person accepted as a member of the company pursuant to clause 7 of this constitution. (For the purpose of clarification, this has a different meaning to a member of the Health Benefits Fund as defined in the Fund Rules.)

'**Policy Holder**' means a holder of a policy that is referable to the fund.

'**Secretary**' means any person appointed to perform the duties of a secretary of the company and includes an honorary secretary;

'**Partner**' means the spouse or other person living with the Policy Holder in a genuine domestic relationship;

'**State**' means the State of Queensland.

- 2.2 Expressions referring to writing shall, unless the contrary intention appears, to be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.
- 2.3 Words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Corporations Act.
- 2.4 This Constitution is to supplement the Replaceable Rules contained in the Law. The Replaceable Rules contained in the Law shall only apply to this Company in relation to matters that have not been dealt with in this Constitution document.

OBJECTS

3. Objects

3.1 The objects of the Company are:

- (a) To maintain a Health Benefits Fund in respect of:
 - (i) health insurance business and/or
 - (ii) health-related business.
- (b) To do all such other things as are incidental or conducive to the attainment of any or all of the above objects;
- (c) to invest the funds of the Company in any manner not excluded by law; and
- (d) to carry on any other activities which the Company may from time to time be permitted by law to carry on.

4. Members

4.1 The members are those persons admitted to the membership of the company whose names are entered into the company's register of members.

4.2 The sole member of the company after the date of approval of this clause is Queensland Country Credit Union Limited.

5. Limited liability

5.1 The liability of the Members is limited.

6. Guarantee by Members

6.1 Every Member of the Company undertakes to contribute to the property of the Company in the event of the same being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, for payment of the debts and liabilities of the Company (contracted before he/she ceases to be a Member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the Policy Holders among themselves, such amount as may be required, not exceeding twenty dollars (\$20.00).

7. Admission

7.1 The persons, as the Directors shall admit to membership in accordance with this Constitution, shall be Members of the Company.

7.2 Every applicant for membership of the Company shall be proposed by one and seconded by another Member of the Company to both of whom the applicant shall be personally known. The application for membership shall be made in writing, signed by the applicant and his proposer and seconder and shall be in such form as the

Directors from time to time prescribe. If the company has only one member the applicant need only be proposed by that member.

7.3 At the next meeting of the Directors after the receipt of any application for membership, such application shall be considered by the Directors, who shall thereupon determine upon the admission or rejection of the applicant. In no case shall the Directors be required to give any reason for the rejection of an applicant.

7.4 When an applicant has been accepted for membership the Secretary shall forthwith send to the applicant written notice of his/her acceptance.

8. Ceasing to be a Member

8.1 A Member may at any time by giving notice in writing to the Secretary or Chair resign his/her membership of the Company, but shall continue to be liable for any sum not exceeding the amount for which he/she is liable as a Member of the Company under clause 6 of the Constitution of the Company.

8.2 If any Member shall wilfully refuse or neglect to comply with the provisions of this Constitution of the Company, or shall be guilty of any conduct which in the opinion of the Directors is unbecoming of a Member or prejudicial to the interest of the Company, the Directors shall have power to expel the Member from the Company and erase his/her name from the Register of Members. At least one week before the meeting of the Directors at which a resolution for his/her expulsion is passed the Member shall have had notice of such meeting and of what is alleged against him/her and of the intended resolution for his/her expulsion and that he/she shall at such meeting and before the passing of such resolution have had an opportunity of giving orally or in writing any explanation or defence he/she may think fit. Any such Member may, by notice in writing lodged with the Secretary at least twenty four hours before the time for holding the meeting at which the resolution for his/her expulsion is to be considered by the Directors, elect to have the question of his/her expulsion dealt with by the Company in general meeting. In that event or if required by the Board an extraordinary general meeting of the Company shall be called for the purpose and if at the meeting a resolution for the expulsion of the Member be passed by a majority of two thirds of those present and voting (such vote to be taken by ballot) the Member shall be expelled and his/her name removed from the Register of Members.

GENERAL MEETINGS

9. Calling general meeting

9.1 An Annual General Meeting of the Company shall be held in accordance with the provisions of the Law. All general meetings, other than the Annual General Meetings, shall be called extraordinary general meetings. Any Director may whenever he/she thinks fit convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition, or in default may be convened by such requisitionists as provided by the Law.

10. Notice of general meeting

10.1 Subject to the provisions of the Law relating to special resolutions and agreements for shorter notice, twenty-one days' notice at the least (exclusive of the day on which

the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place the day and the hour of meeting, and in case of special business the general nature of that business, shall be given to such persons as are entitled to receive such notice from the Company.

- 10.2 All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of the consideration of the financial statements and the report of the Directors and Auditors, the election of Directors and other officers in the place of those retiring, and the appointment of the Auditors.

PROCEEDINGS AT GENERAL MEETINGS

11. Quorum

- 11.1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except where the company only has one member and save as herein otherwise provided three Members present in person shall be a quorum. For the purpose of this clause 'Member' includes a person attending as a proxy or as representing a corporation which is a Member.
- 11.2 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, for meetings convened by the Board the Members present at the resumed meeting shall be a quorum.

12. Chairperson

- 12.1 The Chair of Directors shall preside as Chair at every general meeting of the Company, or if there is no Chair of Directors, or if he/she is not present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Members present shall elect one of their Members to be Chair of the meeting.

13. Adjournment

- 13.1 The Chair may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting 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. When a meeting is adjourned for thirty days or more, notice of the adjournment meeting shall be given as in the case of an original meeting. Save as mentioned above, it shall not be necessary to give any notice of an adjournment of the business to be transacted at an adjourned meeting.

14. Decision on questions

14.1 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

(a) by the Chair; or

(b) by at least two Members present in person or by proxy; or

(c) members with at least 5% of the votes that may be cast on the resolution on a poll.

14.2 Unless a poll is so demanded a declaration by the Chair 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 shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.

14.3 When the company has only one member, that member may exercise all the powers conferred on the company in general meeting in accordance with the Corporations Act.

15. Taking a poll

15.1 If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chair directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded but a poll demanded on the election of a Chair or on a question of adjournment shall be taken forthwith.

15.2 In the case of an equality of votes, whether on a show of hands or on a poll, the Chair of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

VOTES OF MEMBERS**16. Voting rights**

16.1 A Member may vote in person or by proxy or by attorney and on a show of hands every person present who is a Member or a representative of a Member shall have one vote and on a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one vote.

16.2 A Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental health may vote, whether on a show of hands or on a poll, by his Committee or by his trustee or by such other person as properly has the management of his estate, and any such Committee, trustee or other person may vote by proxy or attorney.

17. Who can appoint a proxy

- 17.1 A Member of the Company who is entitled to cast a vote at a meeting of the Company's Members may appoint a person as the Member's proxy to attend and vote for the Member at the meeting.
- 17.2 The appointment may specify the proportion or number of votes that the proxy may exercise.
- 17.3 Each Member entitled to vote may appoint a proxy. If the Member is entitled to cast 2 or more votes at the meeting, they may appoint 2 proxies. If the Member appoints 2 proxies and the appointment does not specify the proportion or number of the Member's votes each proxy may exercise half of the votes.
- 17.4 Disregard any fractions of votes resulting from the application of clause 17.2 and 17.3.

18. Lodgement of proxy

- 18.1 For an appointment of a proxy for a meeting of the Company's Members to be effective, the following documents must be received by the Company at least 48 hours before the meeting:
- (a) the proxy's appointment;
 - (b) if the appointment is signed by the appointor's attorney - the authority under which the appointment was signed or a certified copy of the authority.
- 18.2 If a meeting of the Company's Members has been adjourned, an appointment and any authority received by the Company at least 48 hours before the resumption of the meeting are effective for the resumed part of the meeting.
- 18.3 The Company receives an appointment authority when it is received at any of the following:
- (a) the Company's registered office;
 - (b) a fax number at the Company's registered office;
 - (c) a place, fax number or electronic address specified for the purpose in the notice of meeting.
- 18.4 The Notice of meeting may reduce the period of 48 hours referred to in Clauses 18.1 and 18.2.

19. Validity

- 19.1 An appointment of a proxy is valid if it is signed by the Member of the Company making the appointment and contains the following information:
- (a) the Member's name and address;

- (b) the Company's name;
- (c) the proxy's name or the name of the office held by the proxy;
- (d) the meetings at which the appointment may be used. An appointment may be a standing one.

19.2 The appointment will not be valid if it does not contain all of the information specified in Clause 19.1.

19.3 An undated appointment is taken to have been dated on the day it is given to the Company.

19.4 An appointment may specify the way the proxy is to vote on a particular resolution. If it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair - the proxy must vote on a poll, and must vote that way; and
- (d) if the proxy is not the chair - the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a Member, Clause 19.4 does not affect the way that the person can cast any votes they hold as a Member.

19.5 A person who contravenes Clause 19.4 is guilty of an offence, but only if their appointment as a proxy resulted from the Company sending to Members:-

- (a) a list of persons willing to act as proxies; or
- (b) a proxy appointment form holding the person out as being willing to act as a proxy.

19.6 An appointment does not have to be witnessed.

19.7 A later appointment revokes an earlier one if both appointments could not be validly exercised at the meeting.

20. Rights of proxies

20.1 A proxy appointed to attend and vote for a Member has the same rights as the Member:

- (a) to speak at the meeting; and

- (b) to vote (but only to the extent allowed by the appointment); and
- (c) join in a demand for a poll.

20.2 A proxy is entitled to vote on a show of hands, except in the situations where the proxy is not entitled to vote on a show of hands as provided in this Constitution.

20.3 A proxy's authority to speak and vote for a Member at a meeting is suspended while the Member is present at the meeting.

20.4 A proxy who is not entitled to vote on a resolution as a Member may vote as a proxy for another Member who can vote if their appointment specifies the way they are to vote on the resolution and they vote that way.

20.5 Unless the Company has received written notice of the matter before the start or resumption of the meeting at which a proxy votes, a vote cast by the proxy will be valid even if before the proxy votes:

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

the proxy's authority to vote is suspended while the Member is present at the meeting.

APPOINTMENT AND REMOVAL OF DIRECTORS

21. Number of Directors

21.1 The Board of the Company shall consist of at least five (5) directors a majority of whom ordinarily reside in Australia. The board must at all times have at least 3 independent directors, 1 of whom must be the chairperson.

21.2 The directors must have a range of skills, knowledge and experience:

- (a) to understand collectively the risks to the company; and
- (b) to understand the company's legal and prudential obligations; and
- (c) to oversee effectively the management of the company; and
- (d) to contribute effectively to the board's deliberations and processes.

21.3 An independent director of the company does not cease to be an independent director only because he or she is a director of:

- (a) a parent company of the company; or

- (b) another subsidiary of the parent company of the company.

22. Appointment of Directors

22.1 The company may appoint or remove a person as a director by resolution passed at a general meeting.

22.2 Despite anything in this Constitution, including in relation to a necessary qualification or eligibility of a Director or the maximum number of Directors, if the Company has only one Member:

- (a) the sole Member may appoint any number of Directors; and
- (b) the sole Member:
- (c) may by notice to the Company remove any Director as a Director; and
- (d) may by notice to the Company replace any Director as a Director.

23. Election of Chairperson

23.1 The Directors shall elect one of their number to be Chair to hold office subject to clauses 26 and 27 until the conclusion of the next Annual General Meeting.

24. Increase or reduction in Board

24.1 The Board may from time to time by resolution increase or reduce the number of Directors providing the number is no less than the number required by clause 21 . The Board must have a majority of non-executive directors at all times.

25. Casual Vacancy

25.1 The Directors shall have power at any time, and from time to time, to appoint any eligible person to the Board of the Company either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number determined by the Board in accordance with clause 24. Any Director so appointed shall hold office only until the conclusion of the next following Annual General Meeting.

25.2 The continuing Directors may act notwithstanding any vacancy in the Directors, but if and so long as their number is reduced below the number fixed by or pursuant to this Constitution as the necessary quorum of the Directors, the continuing Director or Directors may act for the purpose of increasing the number of the Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

26. Removal of Director

26.1 The Company may by ordinary resolution remove any Director before the expiration of his/her period of office, and may by an ordinary resolution appoint another person

in his/her stead; the person so appointed shall hold office only until the end of the next following Annual General Meeting.

27. Vacation of office

27.1 The office of a Director shall become immediately vacant if the Member:

- (a) ceases to be a Director by virtue of the Law; or
- (b) becomes bankrupt or makes any arrangement or composition with his/her creditors generally; or
- (c) is disqualified or prevented by law from holding office or continuing as a Director; or
- (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health; or
- (e) resigns his/her office by notice in writing to the Company; or
- (f) is absent for more than six months without permission of the Directors from meetings of the Directors held during that period; or
- (g) ceases to be a Member of the Company; or
- (h) is directly or indirectly interested in any contract or proposed contract with the Company provided, however, that a Member shall not vacate his/her office by reason of his/her being a member of any corporation, society or association which has entered or proposes to enter into a contract with the Company if he/she shall have declared the nature of his/her interest in manner required by the Law; or
- (i) fails to provide all information and consents the Directors reasonably request to determine if the person is of appropriate fitness and propriety to be and act as a Director by reference to the Fit and Proper Policy; or
- (j) is assessed as being not of appropriate fitness and propriety to be and act as Director by reference to the Fit and Proper Policy.

28. Chairperson

28.1 The person elected shall preside as Chair at every meeting of the Directors, or if there is no such person, or if at any meeting he/she is not present within fifteen minutes after the time appointed for holding the meeting, the Directors may choose one of their number to be Chair of the Meeting.

POWERS AND DUTIES OF DIRECTORS**29. Directors to manage Company**

29.1 The Board of Directors may exercise all such powers of the Company as are not, by the Law or by this constitution, required to be exercised by the Company in general meeting.

PROCEEDINGS OF DIRECTORS**30. Directors' meetings**

30.1 The Directors may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A Director may at any time and the Secretary shall on the requisition of a Director summon a meeting of the Directors. A Directors' meeting may be called and held using any technology consented to by all Directors. The consent may be a standing one. A Director may only withdraw the Director's consent within a reasonable time of the meeting.

30.2 The quorum necessary for the transaction of the business of the Directors shall be three or such greater number as may be fixed by the Directors.

31. Decision on questions

31.1 Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes and a determination by a majority of the Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the Chair of the meeting shall have a second or casting vote.

32. Holding company

32.1 For the purposes of Section 187 Corporations Act at any time when the Company is a wholly owned subsidiary of another body corporate ("the holding company") each director of the Company is expressly authorised to act in the best interests of the holding company.

33. Directors' interests

33.1 If a Director of the Company has an interest in a contract or proposed contract with the Company (other than as a Policy Holder) and the Director discloses the nature and extent of the interest at a meeting of the Directors:-

- (a) the Director may vote on whether the Company enters into the contract; and
- (b) the contract may be entered into; and
- (c) the Director may vote on matters involving the contract; and
- (d) if the disclosure is made before the contract is entered into:
 - (i) the Director may retain benefits under the contract even though the Director has an interest in the contract; and

- (ii) the Company cannot avoid the contract merely because of the existence of the interest.

34. Committees

- 34.1 A Committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the Committee Members present, and in the case of an equality of votes the Chair of the Committee shall have a second or casting vote.

35. Delegation

- 35.1 The Directors may delegate any of its powers to Committees consisting of such Director or Directors as they think fit; any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

36. Resolutions without actual meetings

- 36.1 A resolution in writing of which notice has been given to all Directors and which is approved by a majority of the Directors entitled to vote on the resolution (not being less than the number required for a quorum at a meeting of the Board) is a valid resolution of the Board. The resolution may consist of several documents in the same form each approved by one or more of the Directors.

- 36.2 For the purposes of clause 36.1:

- 36.2.1 a reference to "all Directors" does not include a reference to:

- (a) a Director who, at a meeting of Directors, would not be entitled to vote on the resolution;
- (b) a Director who disqualifies himself or herself from considering the resolution in question; and
- (c) any Director on leave of absence approved by the Board.

- 36.2.2 a statement sent electronically by a Director to an agreed electronic address stating that they are in favour of a specified resolution shall be taken to be a document containing that statement and duly approved by the Director. Such document shall be taken to have been approved by the Director at the time of its receipt at the agreed electronic address.

- 36.3 a resolution in writing under clause 36.1 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 approved by a Director and the document shall be deemed to constitute a minute of that meeting and shall be recorded by the Secretary in the minute book.

37. Validity of acts of Directors

- 37.1 All acts done by any meeting of the Directors or of a committee or by any person acting as a Director shall, notwithstanding that it is afterward discovered that there was some defect in the appointment of any such Director or person acting as above,

or that the Directors or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

38. Minutes and Registers

38.1 The Directors shall cause minutes to be made

- (a) of all appointments of officers;
- (b) of names of Directors present at all meetings of the Company and of the Directors; and
- (c) of all proceedings at all meetings of the Company and of the Directors.

Such minutes shall be signed by the Chair of the meeting at which the proceedings were held or by the Chair of the next succeeding meeting.

SECRETARY

39. Secretary

39.1 There shall be at least one Secretary who need not be a Director. The Secretary shall in accordance with the Law be appointed by the Directors for such term, at such remuneration and upon such conditions as it thinks fit; and any secretary so appointed may be removed by them. Nothing herein shall prevent the Directors from appointing a Member of the Company as Honorary Secretary and any Member so appointed shall forthwith become an officer of the Company, if not already a Director.

AUDIT AND ACCOUNTS

40. Audit and accounts

40.1 True accounts shall be kept of the sums of money received and expended by the Company and the manner in respect of which such receipt and expenditure takes place, and of the property, credits and liabilities of the Company and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the Constitution for the time being in force shall be open to the inspection of the Members. Once at least in every year, the accounts of the Company shall be examined by one or more properly qualified Auditor or Auditors who shall report to the Members in accordance with the provisions of the Corporations Act.

40.2 The Directors shall cause proper accounting and other records to be kept and shall distribute copies of every profit and loss account and balance sheet (including every document required by law to be attached thereto) accompanied by a copy of the Auditors report thereon as required by the Law, provided, however, that the Directors shall cause to be made out and laid before each Annual General Meeting a balance sheet and profit and loss account made up to date not more than six months before the date of the meeting.

40.3 The Directors shall from time to time determine in accordance with clause 39.1 of the Constitution at what times and places under what conditions or regulations the

accounting and other records of the Company shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or by clause 39.1 of the Constitution or authorised by the Directors of the Company in general meeting.

- 40.4 A properly qualified Auditor or Auditors shall be appointed and his/her or their remuneration fixed and duties regulated in accordance with the Law and clause 39.1 of the Constitution.

DIVIDENDS AND RESERVES

41. Fix a time for payment of dividends

41.1 The Directors may determine that a dividend is payable and fix the amount, the time for payment and the method of payment. Subject to the Corporations Act, the Directors may determine that a dividend declared by it is to be made payable out of particular profits, whether current, past or reserved profits or otherwise as it thinks appropriate. Subject to this Constitution, a declaration by the Directors as to the amount of profits available for the payment of dividends is conclusive and binding on all Members.

41.2 The Directors may amend or revoke a resolution to pay a dividend before the date which is nine Business Days before the date for determining entitlements to that dividend.

40.3 The Company must not pay interest on a dividend.

42. Reserves

42.1 The Directors may, before paying any dividend, set aside out of the profits of the Company such sums as they think proper as reserves.

42.2 The Directors may apply the reserves for any purpose for which profits may be properly applied.

42.3 Pending any application of the reserves, the Directors may invest or use the reserves in the business of the Company or in other investments as they think fit.

42.4 The Directors may carry forward any undistributed profits without transferring them to a reserve.

43. Dividend entitlement

43.1 Each member of the Company (being a Member at the time of the winding up) shall be entitled to share in proportion to the number of Members in the return of capital or distribution of surplus assets and profits after satisfaction of all its debts and liabilities in the winding up of the Company.

43.2 Unless otherwise determined by the Directors, members become entitled to a dividend from their date of membership.

43.3 Subject to this Constitution and the Corporations Act, a membership registered after the date for determining entitlements to a dividend paid or payable in respect of the membership does not pass the right to that dividend.

44. Distribution of assets

44.1 The Directors may resolve that the method of payment of a dividend will be wholly or partly by the transfer or distribution of specific assets, including fully paid shares in, or debentures of, any other corporation.

44.2 If a difficulty arises in making a transfer or distribution of specific assets, the Directors may:

- (a) deal with the difficulty as they consider expedient;
- (b) fix the value of all or any part of the specific assets for the purposes of the distribution;
- (c) determine that cash will be paid to any Members on the basis of the fixed value in order to adjust the rights of all the Members, and
- (d) vest any such specific assets in trustees as the Directors consider expedient.

44.3 If a transfer or distribution of specific assets to a particular Member or Members is illegal or, in the Directors' opinion, impracticable, the Directors may make a cash payment to the Member or Members on the basis of the cash amount of the dividend instead of the transfer or distribution of specific assets.

45. Payment

45.1 Any dividend or other money payable to a member be paid by cheque sent through the mail directed to:

- (a) the address of the Member shown in the Register; or
- (b) an address which the Member has in writing notified the Company as the address to which dividends should be sent.

NOTICES

46. Service of notices

46.1 A notice may be given by the Company to any Member either personally or by sending it electronically or by post to him/her at his/her electronic/registered address, or to the address, if any, supplied by him/her to the Company for the giving of notices to him/her. 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.

47. Persons entitled to notice

47.1 Notice of every general meeting shall be given in any manner hereinbefore authorised to:

- (a) every Member except those Members who have not supplied to the Company an address for the giving of notices to them; and
- (b) the Auditor or Auditors for the time being of the Company.

No other person shall be entitled to receive notices of general meetings.

WINDING UP

48. Winding up

48.1 The Company shall be wound up in the manner provided in the Corporations Act.

48.2 Each member of the Company (being a member at the time of the winding up) shall be entitled to share in proportion to the number of members in the return of capital or distribution of surplus assets and profits after satisfaction of all its debts and liabilities in the winding up of the Company.

48.3 If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, 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 the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Members.

48.4 The liquidator may, with the sanction of a special resolution of the Company, vest the whole or any part of any such property in trustees on 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 on the part of the holder.

INDEMNITY

49. Indemnity

49.1 To the extent allowable by law, every Director, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability arising out of the execution of the duties of his/her office which is incurred by him/her in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour or in which he/she is acquitted or in connection with any application under the Law in which relief is granted to him/her by the Court in respect of any negligence default breach of duty or breach of trust.

HEALTH FUND

50. Fund rules

- 50.1 The Directors shall have power from time to time to make Fund Rules not being inconsistent with this Constitution, the Corporations Act or the Private Health Insurance Act, 2007 for the regulation of the Company and the conduct and management of the Health Fund's affairs, activities and business and for the purpose of fulfilling and carrying out the objects of the Company or any of them and may from time to time alter vary cancel repeal or annul any Fund Rules so made and all Fund Rules so made shall be binding on the members of the Company and the Policy Holders and shall have full effect accordingly and without restricting the generality of the foregoing it is hereby expressly declared that the following things may be dealt with by the Fund Rules:
- (a) The conditions and circumstances under which persons may become and/or remain Policy Holders to a private health insurance fund operated by the Company;
 - (b) The amounts or scales of contributions to be paid by Policy Holders;
 - (c) The classification of Policy Holders, partners of Policy Holders and of dependent children of Policy Holders;
 - (d) The nature extent and manner of granting an amount or value of the rights benefits or privileges which shall be accorded to Policy Holders or any of them according to their classification or otherwise;
 - (e) The conditions and circumstances under which and the services in respect of which Policy Holders or any of them shall be accorded rights benefits or privileges by the fund.

51. Board Policy

- 51.1 The Directors shall have power from time to time to make Policy not being inconsistent with this Constitution, the Corporations Act or the Private Health Insurance Act, 2007 for the regulation of the Company and the conduct and management of the Health Fund's affairs, activities and business and for the purpose of fulfilling and carrying out the objects of the Company or any of them and may from time to time alter vary cancel repeal or annul any Policy and without restricting the generality of the foregoing it is hereby expressly declared that the following things may be dealt with by Policy:
- (a) The method of payment to Policy Holders and their dependant children of benefits from the fund and the payment of contributions by Policy Holders and as to the consequences of arrears of contributions;
 - (b) The disposal and application of the funds of the Company;
 - (c) Arrangements with other associations, corporations, hospitals, trusts and other entities or persons;
 - (d) Committees and the appointment, removal, qualifications, duties, functions, powers and privileges of any such committees;
 - (e) The duties of officers and servants of the Company;

- (f) The amount of the fees payable to the Company for the administration of any fund operated by the Company;
- (g) Any other matter or thing which by this Constitution is required or permitted to be dealt with or prescribed by Policy.