

# Notice of Special General Meeting

Here for good.



Notice is given that a Special General Meeting (**SGM**) of Newcastle Permanent Building Society Limited ACN 087 651 992 (**Newcastle Permanent**) will be held:

**Date:** Wednesday, 2 November 2022

**Time:** 2.30pm

**Venues:** Online at [www.meetnow.global/M57KLWY](http://www.meetnow.global/M57KLWY)

and at Newcastle City Hall, 290 King Street, Newcastle NSW 2300

The purpose of the SGM is to consider and, if thought fit, approve:

1. a voluntary total transfer of the business of Greater Bank Limited ACN 087 651 956 (**Greater Bank**) to Newcastle Permanent under the *Financial Sector (Transfer and Restructure) Act 1999* (Cth) (**Transfer Act**) (**Merger**);
2. a change of Newcastle Permanent's corporate entity name to "Newcastle Greater Mutual Group Ltd"; and
3. certain amendments to the constitution of Newcastle Permanent.

We encourage you and all Newcastle Permanent Members to have a say on the future direction of Newcastle Permanent by voting.

A copy of the Member Information Booklet which sets out further information about, and the reasons for, the proposed Merger is:

- if you have elected to receive paper documents from Newcastle Permanent – enclosed with this Notice;
- if you have elected to receive electronic documents from Newcastle Permanent – available by following the link in the email sent to you regarding this Notice; and
- available at [www.newcastlepermanent.com.au/sgm](http://www.newcastlepermanent.com.au/sgm).

The Member Information Booklet contains important information about the Merger to help you make an informed decision.

The Explanatory Notes included in this Notice of Meeting provide further information about the proposed amendments to the constitution and the proposed change of name. The Explanatory Notes contain important information about these matters to help you make an informed decision.

We strongly recommend you read the Member Information Booklet and the Explanatory Notes carefully before casting your vote.

Unless a contrary intention appears, capitalised terms in this Notice of Meeting have the meaning given in the Member Information Booklet.

Newcastle Permanent continues to monitor the ongoing risks from the COVID-19 outbreak. In the interests of the health and safety of our Newcastle Permanent Members, staff and other potential attendees and given the uncertainty regarding the rules which may be in place at the time of the SGM relating to in-person gatherings, Newcastle Permanent has decided to hold the SGM as both a physical and an online meeting (i.e. a hybrid meeting). Those Newcastle Permanent Members who elect to participate virtually will be able to watch the SGM live online through a facility which will allow Newcastle Permanent Members to cast votes and to ask questions or make comments online, either orally or in writing.

Information on how to participate physically or virtually is provided below.

If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the SGM, Newcastle Permanent will make further information available through our website at [www.newcastlepermanent.com.au/sgm](http://www.newcastlepermanent.com.au/sgm).

For further information or if you have any questions about the Resolutions, please contact the dedicated Merger Information Line on **1300 255 218** between 8.00am and 6.00pm Monday to Friday, or Saturday between 9.00am and 2.00pm.

### **YOUR VOTE AT THE SGM IS IMPORTANT**

## Items of Business

### Special Business

#### 1. Resolution 1

To consider and, if thought fit, to pass the following as a Special Resolution:

*That, for the purposes of section 13 of the Transfer Act, rule 12(a)(i) of the Transfer Rules and all other purposes, the Newcastle Permanent Members approve the proposed total voluntary transfer of the business, assets, liabilities and members of Greater Bank Limited ACN 087 651 956 to Newcastle Permanent Building Society Limited ACN 087 651 992 in accordance with the Transfer Act and the Transfer Rules and that, subject to approval by the Australian Prudential Regulation Authority, the Newcastle Permanent Board be authorised to implement the transfer.*

In order for Resolution 1 to be passed, at least 75% of the eligible votes cast on the resolution must be in favour of it.

#### Explanatory notes

Newcastle Permanent is proposing to merge with Greater Bank by way of a total voluntary transfer of Greater Bank's business to Newcastle Permanent under the Transfer Act.

A copy of the Member Information Booklet which sets out further information about, and the reasons for, the proposed Merger is:

- if you have elected to receive paper documents from Newcastle Permanent – enclosed with this Notice;
- if you have elected to receive electronic documents from Newcastle Permanent – available by following the link in the email sent to you regarding this Notice; and
- available at [www.newcastlepermanent.com.au/sgm](http://www.newcastlepermanent.com.au/sgm).

The Member Information Booklet contains important information about the Merger to help you make an informed decision. We strongly recommend you read the Member Information Booklet carefully before casting your vote.

In accordance with Section 8 of the Transfer Act, the Merger must be approved by the Australian Prudential Regulation Authority (APRA) in order to become effective. APRA's approval may impose conditions which need to be complied with before or after the Merger takes effect.

If Resolution 1 put to the SGM is passed and the other conditions precedent to the Merger are satisfied, Newcastle Permanent and Greater Bank intend to apply to APRA on or about 3 November 2022 for approval of the Merger.

#### VOTING RECOMMENDATION

**All of the Newcastle Permanent Board of Directors intend to vote, and recommend that you vote, FOR Resolution 1, subject to there being no Superior Proposal.**

#### 2. Resolution 2

To consider and, if thought fit, to pass the following as a Special Resolution:

*That, for the purposes of section 157(1) of the Corporations Act, the corporate name of Newcastle Permanent Building Society Limited be changed to "Newcastle Greater Mutual Group Ltd" subject to the Merger being implemented and with effect from the Merger Date.*

In order for Resolution 2 to be passed, at least 75% of the eligible votes cast on the resolution must be in favour of it.

#### Explanatory notes

On the Merger Date, all of the assets and liabilities of Greater Bank become assets and liabilities of Newcastle Permanent, and Newcastle Permanent will become the Merged Entity. The Merged Entity will continue to operate the Newcastle Permanent and Greater Bank businesses under both existing, unique brands, for the benefit of all members of the Merged Entity.

To recognise the legacy and future of both Newcastle Permanent and Greater Bank under this multi-brand model, it is proposed that the name of the Merged Entity will be changed to Newcastle Greater Mutual Group Ltd.

However, the implementation of the Merger is not conditional on Resolution 2 being passed. That is, the Merger can proceed even if this Resolution 2 is not passed.

#### VOTING RECOMMENDATION

**All of the Newcastle Permanent Board of Directors intend to vote, and recommend that you vote, FOR Resolution 2, subject to there being no Superior Proposal.**

### 3. Resolution 3

To consider and, if thought fit, to pass the following as a Special Resolution:

*That, for the purposes of section 136(2) of the Corporations Act, the Newcastle Permanent Constitution be amended as marked in the document tabled at the meeting and signed by the Chair for the purposes of identification with effect from the conclusion of this meeting.*

A copy of the Newcastle Permanent Constitution marked to show the proposed changes to it is available from Newcastle Permanent's website at [www.newcastlepermanent.com.au/sgm](http://www.newcastlepermanent.com.au/sgm).

In order for Resolution 3 to be passed, 5% or more of the Newcastle Permanent Members who are eligible to vote on the resolution must actually vote on the resolution (whether for or against) and at least 75% of the eligible votes cast on the resolution must be in favour of it.

#### Explanatory notes

When the Merger takes effect, all Newcastle Permanent Members and Greater Bank Members will be subject to the Newcastle Permanent Constitution, as members of the Merged Entity.

To ensure the Newcastle Permanent Constitution is appropriate for the larger Merged Entity, it is proposed that amendments will be made to the Newcastle Permanent Constitution which, if approved, will take effect from the conclusion of the SGM.

However, the implementation of the Merger is not conditional on Resolution 3 being passed. That is the Merger can proceed even if this Resolution 3 is not passed.

An overview of the key changes proposed to be made to the Newcastle Permanent Constitution are detailed in the table set out in Schedule 1.

#### VOTING RECOMMENDATION

**All of the Newcastle Permanent Board of Directors intend to vote, and recommend that you vote, FOR Resolution 3, subject to there being no Superior Proposal.**

#### What to do next and how to vote

Please read the Notice of Meeting and the Member Information Booklet in their entirety.

The Board of Newcastle Permanent unanimously recommends that members vote **FOR** all Resolutions.

You can vote or appoint a proxy online, or by submitting your Voting Form by post.

Instructions on how to complete and submit your vote are set out in the separate Voting Form that accompanies this Notice of Meeting.

If you have any questions about the SGM or how to complete and submit your Voting Form, please call our dedicated Merger Information Line on **1300 255 218** between 8.00am and 6.00pm Monday to Friday, or Saturday between 9.00am and 2.00pm.

By Order of the Board

Vera Corbett  
Company Secretary

27 September 2022

# Voting Information

## 1. How do you exercise your right to vote?

### *Voting entitlement*

Members who are 18 years or over and who had a minimum of \$500 on deposit with Newcastle Permanent for a continuous period of at least 90 days immediately preceding 30 June 2022 are entitled to vote. Newcastle Permanent considers both deposit accounts and positive balances held by Newcastle Permanent Members in loan accounts when determining whether a Newcastle Permanent Member satisfies the voting qualification requirement.

Each Newcastle Permanent Member entitled to vote has one vote.

### *Attendance at physical venue*

Newcastle Permanent Members may attend the SGM at Newcastle City Hall, 290 King Street, Newcastle NSW 2300. However, Newcastle Permanent Members and interested parties are encouraged to participate in the SGM online, which will allow them to view a live webcast, ask questions or comment in writing or orally, and vote.

### *Attendance online*

To participate in the SGM online, Newcastle Permanent Members can log in from their computer or mobile device, by entering the following URL in their browser [www.meetnow.global/M57KLWY](http://www.meetnow.global/M57KLWY). Newcastle Permanent Members should use the latest versions of Chrome, Safari, Edge or Firefox as their browser to log in to the SGM.

Once Newcastle Permanent Members have logged in using one of the options above, they will need the following information to participate in the SGM in real-time:

1. their Newcastle Permanent membership number (which is provided in your email or letter).  
If you need assistance locating your number, please call the dedicated Merger Information Line on 1300 255 218 between 8.00am and 6.00pm Monday to Friday, or Saturday between 9.00am and 2.00pm; and
2. their postcode registered to their membership if they are an Australian member.  
Overseas members should refer to the Online Meeting Guide (link below) for their country code details.

By participating in the SGM online Newcastle Permanent Members will be able to:

- watch and hear the proceedings of the SGM and view meeting slides;
- submit questions or comments in writing at the appropriate time whilst the SGM is in progress;
- if preferred, ask a question or make a comment verbally using the audio option; and
- vote during the SGM.

Please note that only Newcastle Permanent Members entitled to vote in accordance with the requirements under the Newcastle Permanent Constitution may vote online and only once they have been verified through the online log in process.

It may not be possible to respond to all questions raised during the SGM.

Online registration will open 2 hours before the start of the SGM.

Further information regarding participating in the SGM online is detailed in the Online Meeting Guide and our Frequently Asked Questions available on Newcastle Permanent's website at [www.newcastlepermanent.com.au/sgm](http://www.newcastlepermanent.com.au/sgm).

### **All resolutions will be by poll**

The Chair intends to call a poll on each resolution set out in this Notice of Meeting.

### **Technical difficulties**

Technical difficulties may arise during the course of the SGM. The Chair has discretion as to whether and how the SGM should proceed in the event that a technical difficulty arises. In exercising their discretion, the Chair will have regard to the number of members impacted and the extent to which participation in the business of the SGM is affected.

Where they consider it appropriate, the Chair may continue to hold the SGM and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

For those Newcastle Permanent Members who are unable to attend the SGM, we are pleased to offer Newcastle Permanent Members with the opportunity to lodge a direct vote or appoint a proxy.

## 2. Voting and proxies

### *Corporations*

In order to vote at the SGM, a corporation which is a Newcastle Permanent Member must appoint a person to act as its representative, or must appoint a proxy. The appointment of a representative must comply with section 250D of the Corporations Act. The corporate representative must provide the original appointment or certified copy of it (and any power of attorney under which it was signed) to Computershare by 2.30pm on 31 October 2022, or have previously provided it to Newcastle Permanent.

### *Direct voting*

Direct voting allows Newcastle Permanent Members to lodge their votes directly with Newcastle Permanent as an alternative to voting at the SGM.

A Newcastle Permanent Member entitled to attend and vote at the SGM is entitled to cast their vote directly with Newcastle Permanent by lodging a valid notice of their voting intention prior to the SGM.

A Voting Form will be provided to those Newcastle Permanent Members who receive a paper copy of this notice and wish to exercise their right to vote by paper direct vote. Newcastle Permanent Members may also lodge a direct vote online by visiting [www.investorvote.com.au/npbs](http://www.investorvote.com.au/npbs) and following the instructions. To lodge your direct vote online you will require your membership number (which is provided in your email or letter) and postcode. In submitting your direct vote online, your direct vote will be taken to have been signed or authorised by you.

Newcastle Permanent has rules to govern the form, method and timing of giving a direct vote for it to be valid.

By submitting a direct vote Newcastle Permanent Members agree to be bound by Newcastle Permanent's direct voting rules. The direct voting rules are available from [www.newcastlepermanent.com.au/sgm](http://www.newcastlepermanent.com.au/sgm).

If you need help with submitting your direct vote online, please contact the dedicated Merger Information Line by calling **1300 255 218** between 8.00am and 6.00pm Monday to Friday, or Saturday between 9.00am and 2.00pm.

#### *Proxy voting*

A Newcastle Permanent Member entitled to attend and vote at the SGM is entitled to appoint a proxy to attend and vote on their behalf.

A proxy need not be a Newcastle Permanent Member.

A person who is a Newcastle Permanent Member in more than one capacity may appoint a proxy for each capacity in which they are a Newcastle Permanent Member.

A Newcastle Permanent Member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

A Voting Form will be provided to those Newcastle Permanent Members who receive a paper copy of this notice and wish to exercise their right to vote by proxy.

Newcastle Permanent Members may also appoint a proxy online by visiting [www.investorvote.com.au/npbs](http://www.investorvote.com.au/npbs) and following the instructions. To appoint a proxy online you will require your membership number (which is provided in your email or letter) and postcode. In appointing your proxy online, your appointment will be taken to have been signed or authorised by you.

Appointed proxies can receive their online meeting login details by contacting Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 2 hours before the start of the SGM. Further details are available in the Online Meeting Guide and our Frequently Asked Questions available at [www.newcastlepermanent.com.au/sgm](http://www.newcastlepermanent.com.au/sgm).

You can direct your proxy how to vote using the Voting Form. If you do not give any directions, your proxy can decide how to vote. If you have directed your proxy how to vote using the Voting Form or online, the proxy need not vote on a show of hands. However, any vote your proxy exercises on your behalf must be as you have directed.

If your proxy has two or more appointments that specify different ways to vote and your proxy is not a Newcastle Permanent Member, the proxy is not allowed to vote on a show of hands, but may vote on a poll.

If your proxy is the Chair and you do not give any direction on how to vote, the Chair intends to exercise your vote in favour of the resolutions, subject to there being no Superior Proposal. If you do not want this to occur, you must place a tick in those boxes on the Voting Form or online indicating how you wish to vote on the resolutions.

#### *Signing*

The Voting Form must be signed by the Newcastle Permanent Member or on the Newcastle Permanent Member's behalf under an appropriate authority (such as Power of Attorney). It need not be witnessed.

If the Newcastle Permanent Member is a corporation, the Voting Form must be signed under the common seal of the company, or by two directors, or one director and the company secretary, or by a sole director/secretary, or by a corporate representative or attorney. If the corporation has a sole director/secretary, or has appointed a corporate representative or attorney, it must state this fact on the Voting Form.

If signed by an attorney or corporate representative, the authority under which the Voting Form is signed (or a certified copy of it) must (if you are appointing a proxy on the Voting Form) or may (if you are lodging a direct vote) be provided to Newcastle Permanent or Computershare with the Voting Form, unless this has been previously provided to Newcastle Permanent.

If you are lodging a direct vote on the Voting Form, and the authority is not provided, then the person signing the form warrants to Newcastle Permanent that they have been appointed as an attorney or corporate representative of the Member to act on its behalf.

#### *Joint Members*

If more than one joint Member lodges a Voting Form, the Voting Form of the joint Member whose name appears first in the register of Members prevails.

#### *Counting of direct votes and proxies*

If you have lodged a direct vote, and then you attend the SGM (either physically or online), your attendance will not cancel your direct vote unless you vote at the meeting.

Similarly, if you appoint a proxy and then attend the SGM, the proxy's authority to speak and vote on your behalf is suspended while you are present at the meeting.

A direct vote will take priority over the appointment of a proxy.

Direct votes and proxy votes will be counted on a poll.

The Chair's decision as to the validity of a direct vote or proxy is conclusive.

#### *Timing*

For the direct vote or proxy to be valid, your Voting Form (and any necessary original authority or certified copy of it or warranty of authority) must be received by Newcastle Permanent in accordance with the instructions on the Voting Form, or you must complete the online voting process, before 2.30pm on Monday 31 October 2022.

All references to time in this Notice and the Voting Form are to Australian Eastern Daylight Time (AEDT).

Please see the Voting Form for details of the ways in which you may lodge your Voting Form, which include online, by mail or by fax.

#### *Lost Voting Form*

If your Voting Form which accompanied this paper Notice of Meeting has been misplaced, please contact us.

#### **NEED ASSISTANCE?**

Please call the dedicated Merger Information Line on **1300 255 218**  
Monday to Friday from 8am – 6pm or Saturday from 9am – 2pm

## Schedule 1 - Key changes proposed to be made to the Newcastle Permanent Constitution

An overview of the key changes proposed to be made to the Newcastle Permanent Constitution are detailed in the table below. A copy of the amended Newcastle Permanent Constitution showing all proposed changes is available from Newcastle Permanent's website at [www.newcastlepermanent.com.au/sgm](http://www.newcastlepermanent.com.au/sgm).

Unless a contrary intention appears, capitalised terms in the table below have the meaning given in the Newcastle Permanent Constitution, this Schedule or the Notice of Special General Meeting.

Topic (new article reference)	Summary of proposed amendments
<b>Key Changes</b>	
<p><b>1. Voting participation threshold</b> (Article 8.50)</p>	<p>The Newcastle Permanent Constitution currently provides that a special resolution to modify or repeal the Constitution or any article relating to:</p> <ul style="list-style-type: none"> <li>– the rights of Members, Guarantee Members or Shareholder Members or the rights attaching to a class or classes of Shares (excluding MCIs);</li> <li>– the residence requirements of Directors;</li> <li>– the qualifications of Directors;</li> <li>– the entitlement of Members to vote at a general meeting;</li> <li>– the quorum at a meeting of Members;</li> <li>– the profits, surplus assets or reserves of Newcastle Permanent, except where the modification relates to the rights of MCI Holders to surplus assets or profits under Article 6.7;</li> <li>– the distribution of assets on a winding up, except where the modification relates to the rights of MCI Holders to surplus assets or profits under Article 6.7; or</li> <li>– this Article,</li> </ul> <p>is only effective if 5% or more of all Members eligible to vote on the resolution actually vote.</p> <p>This is a participation threshold, which means that at least 5% of all eligible Members must vote (whether for or against), and the resolution must also be passed by at least 75% of the votes cast.</p> <p>This provision is intended to ensure that significant changes to the Constitution are only made if a sufficient number of Members actually vote on the changes.</p> <p>However, these provisions create inflexibility and make it difficult to update the Constitution from time to time to reflect changes to the law, evolving best practice and changing circumstances.</p>

The Board considers that, while this requirement served a purpose when first introduced, it is no longer fit for purpose and imposes unnecessary constraints on the ability to amend the Constitution as appropriate.

The Board considers that the core principles of the Constitution which should be subject to a participation threshold are:

- Article 9.3 - which requires a minimum number of Directors to be ordinarily resident in the Hunter region (see item 2 below in relation to proposed amendments to this requirement);
- Article 10.13 - which will require that Newcastle Permanent's registered office and principal place of actual management be at all times located in the Hunter region (see item 2 below in relation to proposed amendments to this requirement); and
- any proposed amendment which would cause Newcastle Permanent to cease to be a 'mutual entity', where each Member has no more than one vote at a general meeting for each capacity in which the person is a Member.

It is proposed that only amendment to those provisions, or to Article 8.50 itself, will require a participation threshold.

Further, the Board considers that a requirement for 5% of all eligible Members to vote on such a resolution is no longer appropriate. The number of Members is growing, and will significantly increase if the Merger is implemented, and so the voting threshold is increasingly difficult and expensive (due to information campaigns required to drive Member voting) to achieve.

The Board considers that setting the voting participation threshold at 2,000 Members achieves the right balance between ensuring that changes to these provisions can only be made where sufficient Members vote, and ensuring that the threshold is reasonably achievable.

## 2. Geographic requirements (Articles 9.3, 10.13 and 11.21)

Currently, at least half of the Directors must be ordinarily resident in the Hunter region. It is proposed to amend this requirement so that a minimum of 3 directors must be ordinarily resident in the Hunter region. The Board considers that this is the right balance between retaining strong Hunter region representation on the Board, and attracting the best candidates for the Board.

It is also proposed to remove the requirement for the chair to be ordinarily resident in the Hunter region. The Board considers that the Hunter region will continue to be strongly represented through the requirement that at least 3 Directors are ordinarily resident in the Hunter region.

It is proposed to amend the requirement that the registered office of Newcastle Permanent can be within the Hunter region, rather than in Newcastle City, to provide greater flexibility.

**3. Election of Directors and casual vacancies**

(Articles 9.7, 9.9 to 9.11)

It is proposed that the election and appointment provisions be amended so that a person appointed by Directors, either to fill a casual vacancy or as an addition to the existing directors, will continue to hold office until the conclusion of the next annual general meeting, where they may be elected as a director.

Various other drafting amendments are also proposed to clarify aspects of these provisions.

**4. Eligibility of Directors**

(Article 9.13)

It is proposed that a person will only be eligible to be or remain a Director if they are eligible under any legislation or other regulatory requirement to be a Director and, if required, they are registered with APRA or other relevant regulator as an 'accountable person' of Newcastle Permanent. This is in addition to the current requirements.

It is also proposed to amend the existing eligibility requirements to:

- make it clear that a person is eligible if they are not a Member but are an officer of a company that is a Member; and
- increase the minimum Deposit that the person must have had in the past three years, and must have during their period of office, from \$2,000 to \$5,000.

**5. Remuneration and expenses of Directors**

(Articles 9.16 to 9.20)

The Directors are paid a yearly sum which must not be more than the amount determined by resolution at a general meeting. It is proposed to clarify that if the Directors cannot agree how to apportion that amount, it is apportioned equally.

It is also proposed to make it clear that the amount approved by the general meeting:

- includes superannuation payments (and a provision will be included to make it clear that Newcastle Permanent may make such payments); and
- excludes payments for services performed otherwise than as a Director and reimbursement for expenses or under an indemnity.

It is proposed to remove the requirement for Newcastle Permanent to reimburse Directors for expenses, and replace it with a discretion.

**6. Vacation of office of Director**

(Articles 9.26 and 11.36(b))

It is proposed to include additional circumstances when a Director's office becomes vacant if:

- a Managing Director or Executive Director ceases to be employed by Newcastle Permanent or a subsidiary, rather than just where they 'voluntarily resign' from that position;
- they are subject to a direction from APRA under the Banking Act that Newcastle Permanent removes them as a Director, or they become disqualified under the Banking Act;

- they fail to provide information that the Directors reasonably require to determine whether they are a fit and proper person to be a Director in accordance with the Fit and Proper Policy, or they are the subject of an assessment under that policy that they are not a fit and proper person; or
- they cease to meet the eligibility requirements under the Constitution, or under any law.

**7. Distribution of assets on a winding up of Newcastle Permanent**

(Article 18)

It is proposed to amend the provisions relating to the distribution of residual surplus assets on a winding up so that the residual surplus will be distributed equally, without regard to the amount of Deposits and/or Shares held by any Member.

Currently, such a surplus would be distributed to the Guarantee Members in proportion to the amount invested with Newcastle Permanent when the winding up commenced.

**8. Quorum for requisitioned meeting**

(Article 8.3(a))

It is proposed to amend the quorum for a general meeting which is convened on requisition of Members and/or Voting MCI Holders to be 5% of the Members and Voting MCI Holders entitled to attend and vote (rather than just 5% of the Members entitled to vote).

**9. Description of Newcastle Permanent**

To reflect the proposed change of corporate entity name (see Resolution 2), it is proposed to refer to Newcastle Permanent as 'the Company' rather than 'the Society'.

There will not be any change to Newcastle Permanent's mutual status.

**Amendments for clarity, consistency with best practice and recent Corporations Act amendments and for other technical and administrative changes**

**10. Guarantee Members**

(Article 3)

It is proposed to make various administrative amendments to Article 3 in relation to Guarantee Members, which will improve the ability to delegate matters such as applications for Membership, dormancy of Deposit accounts and termination of Membership to management.

As Newcastle Permanent grows in size, this is necessary because it removes administrative burden from the Board allowing them to focus on strategically important issues.

It is also proposed to make amendments so that:

- the discretion to accept or refuse membership is given to Newcastle Permanent rather than being limited to the Board;
- if an application for Membership is refused, Newcastle Permanent may deduct any fees or costs payable by it in respect of the application from any application fee;
- the circumstances where a person ceases to be a Guarantee Member are clear, including if they cease to have at least one Account;

- Newcastle Permanent may terminate a Guarantee Membership where, in the case of jointly held accounts, any one joint Member fails to discharge their obligations to Newcastle Permanent or any one joint Member has conducted themselves in a way which is, or might reasonably be expected to be, detrimental or damaging to Newcastle Permanent, its officers or employees, or other Members; and
- cessation of Membership does not release the person from liability to repay financial accommodation or any other amounts owing to Newcastle Permanent.

Guarantee Membership will no longer automatically cease where:

- the person was admitted to Membership because the person is a Depositor, when the whole of the Deposit and interest is withdrawn; or
- the person was admitted to Membership because the person is a Borrower, when the whole of the Loan and all interest and fees have been repaid.

**11. Various amendments to clarify the wording or intended application of Articles, to reflect current best practice and to take advantage of recent changes to the Corporations Act**

It is proposed to make a number of amendments to clarify the wording or intended application of various Articles, to reflect current best practice and to take advantage of recent changes to the Corporations Act, including:

- clarifying that each member only has one vote at a general meeting for each capacity in which they are a member, even where that member is a member in the same capacity by guarantee and by virtue of holding shares (noting that there are no shares currently on issue) (Articles 2.2 and 8.27);
- updates to the procedures for calling, holding, cancelling or postponing general meetings, including to permit virtual meetings, send notices electronically where permitted by the Corporations Act and shorten the time for when notice is taken to be given to one day after a notice is sent (Article 7);
- a provision to allow the person who calls a general meeting of Members or Voting MCI Holders (or class meetings) to set a time no more than 48 hours before the meeting for determining who the Members or Voting MCI Holders entitled to attend and vote at the meeting (Articles 8.32 to 8.34);
- that any deputy chair will take precedence over other directors to chair a general meeting if the chair is not present or is unable or unwilling to act (Article 8.9);
- consistent with current market practice, additional specific powers to the chair of the meeting in relation to their control over the procedural aspects of the meeting (Articles 8.10 and 8.11);
- consistent with market practice, the chair will no longer have a casting vote if there is an equality of votes at a general meeting. In that case, the resolution will not be passed (Articles 8.26);

- updates to procedures relating to validity and methods of receiving and authenticating proxies (Articles 8.40, 8.41, 8.43, 8.49);
- that when considering whether a Member has held the necessary Deposit for the necessary period to be eligible to receive notice of, attend and vote at a general meeting, any period when a Deposit account has been declared Dormant and closed, but is reinstated, is included (Articles 8.28(a));
- removing certain provisions relating to interests of Directors, as they are appropriately addressed by the Corporations Act (Articles 9.23 to 9.25);
- removing the requirement to give 14 days' notice to all Directors where a resolution is proposed to remove the chair (Article 11.22);
- improving the powers of the Board to delegate decisions generally (Articles 10.3 to 10.6) and specifically about the provision of financial accommodation (Article 5.4);
- clarifying that certain dispute resolution procedures apply only to disputes with a Member as a Member and not as a customer (Article 5.8);
- clarifying that persons who were Members before 29 September 2000 are not liable to contribute up to \$1 on a winding up of Newcastle Permanent (Article 5.20);
- making it clear that a Member or Voting MCI Holder is “present” at a general meeting if they are present in person or by proxy, attorney or Representative, and that a person who casts a direct vote is “present” except for determining a quorum or where the Board determines otherwise;
- various consequential amendments to give effect to the changes summarised above;
- to reflect current law and practice (including gender neutral language);
- to remove certain transitional provisions which are no longer required; and
- to correct minor inconsistencies, formatting errors and cross-references.

**12. Indemnity, Insurance and contractual arrangements**  
(Articles 19.1, 19.4 and 19.5)

It is proposed to amend the indemnity to directors and officers of Newcastle Permanent and its subsidiaries and the insurance provisions to reflect the Corporations Act provisions and current best practice, and to expressly allow Newcastle Permanent to enter into arrangements with Relevant Officers which provide for access to relevant documents, indemnity against liabilities, payment of legal costs and insurance arrangements.

## Shareholder Members and MCI Holders

- 13. Joint Shareholder Members**  
(Article 4.4)
- Currently, there are no issued shares, and so there are no Shareholder Members. There is no current intention to issue shares, but the Constitution contains provisions which provide flexibility to do so in the future.
- It is proposed to insert provisions relating to the number, order of registration and voting of joint Shareholder Members which are equivalent to the existing provisions relating to joint Guarantee Members.
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- 14. Jointly held MCIs**  
(Articles 6.9 and 8.35)
- The Constitution was amended in 2021 to include provisions that allow for the issue of MCIs. There are no MCIs on issue and there is no current intention to issue MCIs.
- It is proposed to amend provisions relating to voting (including direct voting) and the nature of the holding of joint holders of MCIs to make them consistent with the position in relation to joint Guarantee Members.
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- 15. Direct Voting by MCI Holders**  
(Article 8.17)
- It is proposed to amend the direct voting provisions to allow Voting MCI Holders to cast a direct vote.
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