

Summary of Changes

Company Constitution

The following table summarises changes to the Acis Pty Ltd company constitution from 25 May, 2020.

Item	Notes
Operations for Sole Director/ Sole Member Companies	<ul style="list-style-type: none"> Rules relating to sole Director/sole Member companies have been expanded and clarified, specifically in relation to the passing of resolutions.
New Look Dividend Access Shares I, J & K Class Shares	<ul style="list-style-type: none"> Share Rights have been amended to make it clear that holders of I, J and/or K Class shares have no Rights until the Directors declare that they have Rights. The Directors can only declare that the holders of these shares have dividend Rights. These shares are redeemable. These changes have been made to allow for the preservation of access to small business CGT concessions where dividend access shares are on issue in line with the Devuba case. To read more about changes in relation to these shares and the Devuba case, click here. <p><i>Please note:</i> The constitution provides mechanisms relating to dividend access shares. Legal and taxation advice should be obtained prior to any dealing with dividend access shares and/or regarding the impact of dividend access shares on the availability of small business capital gains tax concessions.</p>
Third Party Interests	<ul style="list-style-type: none"> The Company is not obliged to recognise interests in shares other than the legal ownership of a registered Member. The Members' register and ASIC records can identify that shares are held by the trustee of a trust.
Share Certificates & Share Serial Numbers	<ul style="list-style-type: none"> The Company may, but is not obliged to, issue share certificates. Shares do not have to be allocated serial numbers.
Calls, Liens & Forfeiture of Shares	<ul style="list-style-type: none"> Guidelines for the making of a call for Unpaid Amounts have been extended and clarified. The scope of amounts which may be called by the Company have been extended. Where a share is shown in ASIC records as paid to a specified amount, and where the payment of that amount has not in fact been received by the Company, the Company may still call for payment of the unpaid amount. The Company may sell shares or forfeit shares where an amount remains unpaid.

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Voluntary Transfer of Shares	<ul style="list-style-type: none"> Rules have been significantly improved to both simplify and clarify the pre-emptive Rights process.
Meetings Generally	<ul style="list-style-type: none"> Procedural guidance has been included for meetings of Members and meetings of Directors in relation to: <ul style="list-style-type: none"> ▸ the use of technology; ▸ procedures where meetings are held electronically; ▸ requirements regarding notices of meetings; and ▸ chairperson's powers and conduct.
Voting Rights	<ul style="list-style-type: none"> Rules have been redrafted to clarify the number of votes that may be cast at a meeting of Members both on a show of hands and a ballot.
Circular Resolutions	<ul style="list-style-type: none"> Circular resolutions can be passed using electronic communications and/or multiple forms of electronic communications.
Procedure where No Quorum	<ul style="list-style-type: none"> If a meeting of Members is adjourned due to a lack of quorum, the quorum at a reconvened meeting will be those Members present and entitled to vote, even if there is only one.
Appointment of Directors	<ul style="list-style-type: none"> Directors have the power to appoint new directors without the requirement of Member ratification. Members holding more than 50% of the voting shares can appoint a Director after a meeting called for the purpose has failed due to lack of a quorum.
Removal of Directors	<ul style="list-style-type: none"> Members holding more than 50% of the voting shares can remove a Director after a meeting called for the purpose has failed due to lack of a quorum. A Director is removed if that Director does not attend at least 3 consecutive Directors' meetings without the consent of the other Directors. A Director is removed if that Director is, or becomes, uncontactable for more than 2 months without the consent of the other Directors.
Secretaries	<ul style="list-style-type: none"> The Directors can appoint and/or remove Secretaries. The Directors determine the powers and duties of Secretaries.

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Dividends and Reserves	<ul style="list-style-type: none">• Dividends are to be resolved, rather than declared, by the Directors.• The Directors may fix:<ul style="list-style-type: none">▸ the amount of the dividend;▸ the class or classes of shares to which the dividend will apply;▸ the time for payment; and/or▸ the priority of the payment of any dividend between share classes.• The Directors can withdraw or cancel the payment of a dividend at any time prior to the date for payment.
Dispute Resolution	<ul style="list-style-type: none">• Rules have been included to provide a framework for the resolution of disputes.
Winding Up	<ul style="list-style-type: none">• Rules dealing with the distribution of surplus assets or profits on a winding up of the Company have been included.

[Contact us](#) if you require a copy of the Acis constitution.

Notes:

- Specific tax/legal advice should always be sought prior to issuing dividend access shares.
- Variations to the standard Acis constitution can be made [on request](#).
- The Acis team is [contactable](#) at any time to discuss the constitution.

Acis does not provide advice in relation to taxation, duty, the implications of issuing dividend access shares, the availability of small business capital gains tax concessions or any other matter. Legal and taxation advice should always be obtained prior to any dealing in company shares and particularly in relation to the allotment of dividend access shares and the capital gains tax implications of dealing with company assets or shares.

Acis does not purport to provide advice in relation to the Acis Pty Ltd company constitution nor should you construe anything in the constitution, any correspondence with us, or material provided by us, as advice of any kind.

If you would like further information or have any questions, please contact us toll-free on [1800 773 477](tel:1800773477) or email acis@acis.net.au.