

CONSTITUTION

OF

UNITED NEWSAGENTS OF AUSTRALIA LIMITED

(October 27, 2005)

UNITED NEWSAGENTS of AUSTRALIA Ltd (“UNA”)

1. DEFINITIONS

- 1.1. “Annual General Meeting” means the General Meeting held each year as defined in Clause 18 as required by this Constitution;
- 1.2. “By-Laws” means the By-Laws of the UNA for the time being in force;
- 1.3. “Company” means the UNA;
- 1.4. “Corporations Law” means *Corporations Act 2001* (Cth) and Regulations made thereunder and any amendments made thereto;
- 1.5. “Delegate” in relation to Member means a proxy or attorney of that member;
- 1.6. “Directors” or “Board of Directors” or “Board” means the directors of the UNA;
- 1.7. “Financial Year” means the period from the date of establishment of the UNA to the following 30 June, and thereafter, the period from 1 July to 30 June or such other period of 12 consecutive months as determined by the Board;
- 1.8. “General Meeting” includes the Annual General Meeting;
- 1.9. “Major Magazine Distributors” means Gordon & Gotch, Network Distribution Company and Retail Distribution Services and/or any business which assumes the relationships and/or responsibilities of these entities as well as any new magazine distribution business entering the marketplace considered worthy of being included in the definition by the Board;
- 1.10. “Major Newspaper Publisher” means News Limited, Fairfax, Rural Press, West Australian News, Australian Provincial Newspapers and their subsidiaries and/or any business which assumes the relationships and responsibilities of these entities as well as any new newspaper publisher entering the marketplace considered worthy of being included in the definition by the Board;
- 1.11. “Month” means calendar month;
- 1.12. “Newsagent” means:
 - 1.12.1. a natural person who owns, either personally or through a company or trust structure a business which conducts the business of a newsagent with a direct supply and direct account relationship with each of the major magazine distributors and with at least one metropolitan daily newspaper publisher or a major regional newspaper publisher; or
 - 1.12.2. a natural person who owns either personally or through a company or trust structure a 25% share or more of a business which conducts the business of a newsagent who the Board, at its absolute discretion and only by unanimous agreement resolves to admit as a member;
- 1.13. “Member” means a Member of the UNA;
- 1.14. “Retail Only Newsagents” means newsagents operating a retail business without any distribution and/or wholesale component;
- 1.15. “Register” means the Register of Members kept by the UNA;

- 1.16. "Special Resolution" means a resolution of the UNA proposed and passed at a meeting of the UNA Members of which not less than 21 days' notice has been given to Members specifying the intention to propose the resolution as a Special Resolution and passed by a majority of at least three quarters of those Members who, being entitled to do so, vote in person or by proxy at that meeting;
- 1.17. "UNA" means United Newsagents of Australia Ltd.

2. OBJECTS OF UNITED NEWSAGENTS OF AUSTRALIA

- 2.1. The truthful, professional, commercially astute and robust representation of newsagents and their interests to media, trade suppliers, landlords, government, politicians and any other party of interest to newsagents.
- 2.2. To collectively negotiate on behalf of Members with suppliers on any matter as requested by Members and permitted under law and by appropriate authorities.
- 2.3. To exercise all such powers permitted under the Corporations Law in respect of companies limited by guarantee.
- 2.4. To set up an internet website to facilitate the attainment of its objectives and to provide relevant information to its members and members of the public.

3. CHANGE TO CONSTITUTION

This Constitution may only be amended or replaced by resolution passed at a General Meeting of Members.

4. COMPANY LIMITED BY GUARANTEE

The Company is a company limited by guarantee.

5. LIABILITY OF MEMBERS

Each Member's liability is limited to an amount not exceeding ten dollars (\$10).

6. WINDING UP

6.1. Contribution of Members upon winding up

Each Member undertakes to contribute an amount not exceeding \$10 to the UNA if the UNA is wound up while that person is a Member, or within one year after the person ceased to be a Member, for payment of any of the UNA's debts and liabilities contracted before the person ceased to be a Member and of the costs and expenses of the winding up.

6.2. Restrictions on distribution of surplus

If the UNA is wound up or dissolved and, after satisfaction of all its debts and liabilities, there are any surplus assets remaining, these must only be distributed to another entity which has similar Objects to those contained in Clause 2; or some charitable institution.

6.3. Determination of relevant entity

The identity of the relevant entity to which property is to be distributed under Clause 6.2 is to be determined by the ordinary resolution of Members at or before the time of the winding up or dissolution of the UNA; or in default of the making of such a resolution all such surplus assets are to be transferred to the Australian Red Cross.

7. VOTING MEMBERSHIP

- 7.1. Membership is open to all Newsagents in all states and territories of the Commonwealth of Australia who meet the definition of Newsagent.
- 7.2. The Board will automatically admit Retail Only Newsagents in South Australia and Western Australia where distribution newsagents hold the direct contracts and where the applicant retail business derives more than 33% of its revenue from the sale of newspapers and magazines; is branded as a newsagent; and where the applicant commits in writing to the Objects of the UNA.
- 7.3. The Board may, by resolution, deny any applicant membership of UNA if the Board considers that the member applicant does not or is unlikely to conduct their business in the interests of the UNA or UNA members.
- 7.4. All Members have access to all services offered by UNA.

8. MEMBERSHIP FEES

- 8.1. The membership fees are payable at the time and in the manner that the Board determines from time to time.
- 8.2. The initial annual membership fee shall be \$77.00 inclusive of GST.
- 8.3. The Board may, at any time and at its absolute discretion, alter membership fees.
- 8.4. The Board may, from time to time, call for non-compulsory member contributions to any special purpose funds established by the Board outside the annual membership fee.
- 8.5. The Board may at its discretion waive or discount fees for any Member.

9. MEMBERSHIP NOT TRANSFERABLE

Membership in the Company is not transferable.

10. BOARD OF DIRECTORS

- 10.1. The Board shall consist of up to five Directors elected by members in accordance with Clause 13 and made up of:
 - 10.1.1. At least three suitably qualified Members ("Newsagent Directors");
 - 10.1.1.1. A Member is considered to be suitably qualified if they have owned their newsagency for more than three years;
 - 10.1.2. Up to two suitably qualified Non-Newsagents ("Non-Newsagent Directors");

- 10.1.2.1. A Non-Newsagent is considered to be suitably qualified if the Board determines they have more than ten recent years of experience in any field of business of direct relevance to newsagents.
- 10.2. The Board may, at its absolute discretion, choose the number of Newsagent and Non-Newsagent Directors to be elected in any one year but so as not to exceed the total number of directors allowed in Clause 10.1 nor go below the number of Newsagent Directors required in Clause 10.1.1 nor go above the number of Non-Newsagent Directors in Clause 10.1.2.
- 10.3. The Board may, at its absolute discretion, fill Board vacancies with Members who are suitably qualified in accordance with Clause 10.1.1.1 by holding an election for the remainder of any term.

11. NEWSAGENT ADVISORY GROUP

- 11.1. The Board shall appoint, at the first Board meeting following the annual election of Directors, for a one-year period, selected newsagents to the UNA Newsagent Advisory Group.
- 11.2. The Newsagent Advisory Group is to operate as a sub committee of the Board.
- 11.3. The Chairperson and Deputy Chairperson of the UNA shall have ex-officio status on the Newsagent Advisory Group.
- 11.4. The purpose of the Newsagent Advisory Group is to provide counsel to the Board on all matters relevant to UNA.
- 11.5. The Board shall actively seek advice from the Newsagent Advisory Group.
- 11.6. The Newsagent Advisory Group shall, of its own accord and at appropriate times, bring matters to the attention of the Board. Such communication shall be through the Company Secretary or a member of the UNA Executive Committee.
- 11.7. The members of the Newsagent Advisory Group are to represent different operational models and different geographic, economic and cultural groups such that the needs of newsagents are reasonably considered in the opinion of the Board.
- 11.8. The Board shall call for nominees leading up to the appointment of the Newsagent Advisory Group and make a selection from these nominees to form the Newsagent Advisory Group.
- 11.9. The Board shall determine the size of the Newsagent Advisory Group.
- 11.10. No payment is to be made to Newsagent Advisory Group members except for out of pocket expenses for which prior approval by the UNA Executive Committee has been provided.

12. GENERAL MEETINGS

- 12.1. The Board may convene a General Meeting where and when the Board decides.
- 12.2. The Board may not postpone or cancel any General Meeting requisitioned under s249D, s249F or s249G of the *Corporations Act 2001* (Cth) except under Clause 12.7.
- 12.3. The Company must give, in the manner required under the Corporations Law, 21 days notice of every General Meeting to:
 - 12.3.1. each member;

- 12.3.2. each Director; and
- 12.3.3. the Company Auditor.
- 12.4. A notice of a General Meeting must specify the place, day and time of the General meeting and list the nature of the business to be conducted at the General Meeting.
- 12.5. A Member may appoint a proxy or attorney to represent them at a General Meeting and that proxy or attorney may exercise their powers of vote.
- 12.6. A quorum at a General Meeting is 5% or 15, whichever is lesser, of the Members of the UNA at the time of the holding of the meeting represented in person or by delegates as defined in Clause 1.
- 12.7. If a quorum is not present within 15 minutes after the time listed on the notice of General Meeting the meeting is adjourned to a date within thirty days of the adjourned meeting and at a time and place as the Board may specify by notice to members.
 - 12.7.1. A quorum at a re-scheduled General Meeting is 5% or 15 of the Members of the UNA at the time of the holding of the meeting represented in person or by delegates as defined in Clause 1.
- 12.8. The Chairperson as elected under Clause 25.1 will preside at General Meetings unless there is a resolution put to the meeting for the removal of said Director.
 - 12.8.1. If there is no such Chairperson, or if the Chairperson is not present within 15 minutes after the time appointed for the meeting or is the subject of any resolution to be put to the meeting or is unwilling or unable to act, the Deputy Chairperson as elected under Clause 25.1 will act as Chairperson of the meeting.
 - 12.8.2. If neither the Chairperson nor the Deputy Chairperson is not present within 15 minutes after the time appointed for the meeting or both are the subject of any resolution to be put to the meeting or both are unwilling or unable to act as Chairperson, the Directors present must elect one of themselves as Chairperson of the meeting. If they fail to do so within 30 minutes of the time appointed for the meeting the Members present and entitled to vote at the meeting must elect one of themselves as Chairperson of the Meeting.
- 12.9. The Chairperson of a General Meeting shall conduct the meeting in accordance with the Corporations Law.
- 12.10. Members may propose a resolution in the manner prescribed in s249N of the *Corporations Act 2001* (Cth).
- 12.11. A question or resolution put to the General Meeting must be decided by vote:
 - 12.11.1. On a show of hands of Members entitled to vote;
 - 12.11.2. By written poll if requested by more than 25% of Members entitled to vote at the meeting;
 - 12.11.3. Each Member entitled to vote in person or as represented by a delegate has one vote;
 - 12.11.4. The Chairperson shall keep a Register of Delegates for each General Meeting which shows the name of each Member and their nominated delegate and ensure the total number of votes cast in the Meeting vested in the delegates matches the Register of Delegates;

12.11.5. The Chairperson will, at the commencement of the meeting, announce the number of votes to be counted for each delegate.

12.12. The Chairperson of a General Meeting has a casting vote if necessary.

13. APPOINTMENT AND REMOVAL OF DIRECTORS

13.1. The initial Directors of the Company under this Constitution will comprise the Directors who formed the Company together with the other Directors elected at the first elections to be held within 90 days of formation of the company.

13.2. Directors including the initial Directors of the Company are elected for a term of two years and may re-nominate for re-election after that term for one further two year term.

13.3. Each Director must, in good faith and using their best endeavours, act in the best interests of the Company as a whole at all times whether or not doing so may cause advantage or disadvantage to the state in which their business is located.

13.4. For a Newsagent Director vacancy, a Member may nominate himself or herself, or may be nominated by another Member with the nominee's consent.

13.4.1. Each Member standing for a vacancy as Newsagent Director is to provide a written platform statement of no more than 1,000 words for distribution by the UNA prior to the election.

13.5. For a Non-Newsagent Director vacancy, a nominee meeting the qualification requirements of Clause 10.1.2.1 may only be nominated by a Member.

13.6. Each Member has one vote for each Director vacancy.

13.7. Elections shall be conducted prior to the Annual General Meeting by postal ballot only.

13.8. A Director may resign from office by giving 6 weeks notice to the Company.

13.9. A Director shall be immediately removed from office for the following reasons:

13.9.1. if convicted of any indictable criminal offence; or if found guilty of a criminal offence in which "dishonesty" or "dishonest conduct" is an element of the offence;

13.9.2. if a business in which they have a majority shareholding is made bankrupt or is placed under Administration or wound up;

13.9.3. if a Company of which they are a Director has been placed in administration, had receivers appointed or has been liquidated;

13.9.4. if they locate outside Australia for more than three continuous months;

13.9.5. if they fail to attend three consecutive Board meetings without reasonable justification;

13.9.6. if they personally become bankrupt;

13.9.7. in the case of a Member, they sell their newsagency with their non-involvement being required upon settlement as indicated by payment for the purchase of the business by the purchaser.

13.10. A Director may be removed from office in accordance with the following process:

13.10.1. The Company may by resolution (including a Members Resolution as proposed under Clause 12.10) at a General Meeting remove a Director from office ("the Resolution") if:

- 13.10.1.1. Notice of the intention to move the Resolution must be lodged in writing with the Company at least one month before a General Meeting is held and must name the Director(s) sought to be removed and the reasons for proposing such action;
- 13.10.1.2. The Company must provide the Director(s) subject of the removal Resolution a copy of the notice as soon as possible after it is received;
- 13.10.1.3. Any Director the subject of the removal Resolution is entitled to put his or her case to the Members through:
 - (a) a written statement which the Company will circulate to all members, by such means as to provide access to all members in the most timely manner possible; and
 - (b) being able to speak to the Resolution for a period of not longer than fifteen (15) minutes unless Members agree to extend the time limit at the General Meeting.

13.10.2. In the event of the Resolution being passed, the Director is deemed to have vacated their position on the Board forthwith.

14. DIRECTORS' CODE OF CONDUCT

- 14.1. Directors shall abide by the Code of Conduct annexed to this Constitution or as modified by Members of the Company as approved in a General Meeting from time to time.
- 14.2. Non-compliance by any Director of any term of the Code of Conduct would provide a reason for a Resolution for removal of a Director under the provisions of this Constitution.

15. GOVERNANCE

- 15.1. Directors and Company Officers shall abide by the Principles of Governance annexed to this Constitution or as modified by the Board from time to time.
- 15.2. Non-compliance by any Director of any term of the principles of Governance would provide reason for a resolution for removal of a Director under the provisions of this Constitution.

16. MEMBERS' CODE OF CONDUCT

- 16.1. Members shall abide by the Members' Code of Conduct annexed to this Constitution or as modified by Members of the Company as approved in Resolutions at a General Meeting from time to time.
- 16.2. Non-compliance by any member, sustained for 30 days following written notice of breach signed by a member of the UNA Executive Committee, would provide sufficient reason for the Board to rescind the membership of the Member involved.
- 16.3. UNA members are expected to self regulate the Members' Code of Conduct when visiting member businesses.
- 16.4. The UNA will, from time to time and as resources permit, visit member businesses and determine compliance.

- 16.5. The UNA shall respond to any complaints from a member, suppliers or consumers about members and consider these in terms of the Members' Code of Conduct.

17. REGISTER OF MEMBERS

- 17.1. In accordance with the requirements of the Corporations Law, the UNA shall keep a Register of Members that contains the business address, residential address, class of membership, admission date of all Members and date of last renewal for each member.
- 17.2. The register of members shall be audited by the Company's Auditor at the time of any annual audit ordered by the Board and/or Company Secretary.
- 17.3. The Register of Members shall be available for inspection at every Board meeting.
- 17.4. The Register of Members shall be available for inspection at every General Meeting.

18. ANNUAL GENERAL MEETINGS

- 18.1. The Company shall hold an Annual General Meeting in a location as selected by the Board once each calendar year.
- 18.2. The business to be transacted at every Annual General Meeting will be:
 - 18.2.1. the receiving of the Board's report and the statement of income and expenditure, assets and liabilities affecting the UNA and its property;
 - 18.2.2. the receiving of the auditor's report upon the books and accounts for the preceding financial year;
 - 18.2.3. the appointment of an auditor; and
 - 18.2.4. any general business including Resolutions for Removal of Directors.

19. REMUNERATION OF DIRECTORS

- 19.1. The Directors are entitled to remuneration for their services in attending in person face to face Board meetings at the per day and per half-day rates as determined at each Annual General Meeting.
- 19.2. No payment is to be made for Board Meetings other than in person face to face Board Meetings.
- 19.3. Until the first Annual General Meeting the day rate shall be \$500.00 and the half-day rate \$250.00, or any lesser amount requested by any Director.

20. DIRECTORS' EXPENSES

- 20.1. The Company may pay a Director all expenses in attending Board Meetings reasonably incurred by the Director as long as said expenses are within acceptable expense guidelines as set by the Board from time to time.

- 20.2. The UNA shall maintain an up-to-date copy of its expense guidelines on its website and make a copy available to any member within fourteen days of requesting same in writing.
- 20.3. Non Board Meeting related expenses must be approved by the Executive Committee prior to including of such expenses.
- 20.4. Expenses paid to Directors are to be regularly published to the UNA members no less frequently than quarterly on the UNA website and any other means as chosen by the Board.

21. POWERS AND DUTIES OF THE BOARD

The Board has the general control and management of the administration of the affairs, property and funds of the UNA.

22. PROCEEDINGS OF THE BOARD

- 22.1. The Board shall meet at least once every two months to exercise its functions.
- 22.2. Board meetings may be conducted in person, by telephone conference call, by video link, by Internet meeting, by faxed flying minute if to deal with a single resolution, or by any other means acceptable to the majority of the Board and within the laws of Australia.
- 22.3. Preference is to be given to meetings by telephone or other electronic means.
- 22.4. Face to face Board Meetings are to be scheduled only in situations where absolutely necessary.
- 22.5. Face to face Board meetings are not to run for more than one day.
- 22.6. Flying Minute resolutions are to be put by facsimile and must provide for at least two full business days for Board members to respond before declaring and acting on the result.
- 22.7. A special meeting of the Board must be convened by the Company Secretary on the requisition in writing signed by not less than two Directors. The requisition must clearly state the reasons why the special meeting is being convened, the nature of business to be transacted and the type of meeting sought: face to face, telephone conference call or Internet Meeting or other electronic means.
- 22.8. Not less than seven days notice must be given by the Company Secretary to the Directors of any face to face special meeting of the Board. The notice must state the nature of business to be discussed at the special meeting.
- 22.9. Not less than one business days notice must be given by the Company Secretary to the Directors of non face to face meeting of the Board. The notice must state the nature of business to be discussed.
- 22.10. The Company Secretary must cause minutes to be made and entered of:
 - 22.10.1. The names of Directors and other persons present at all meetings of the Company and of the Board; and
 - 22.10.2. All proceedings at all meetings of the Company and of the Board.
- 22.11. The minutes must be approved by the Chairperson of the meeting within two

weeks of the meeting.

- 22.12. The minutes must be distributed to all Directors within two weeks of each Board Meeting.
- 22.13. A report to members on all matters discussed and resolutions passed at a Board Meeting is to be published on the Company's website within two weeks of each Board Meeting.
- 22.14. The minutes prepared by the Company Secretary may not be altered except by resolutions passed by the Board at its next meeting.
- 22.15. The quorum necessary for a Board Meeting is three.
- 22.16. If within 15 minutes of the time appointed for the commencement of a Board meeting a quorum is not present, the meeting, if convened upon the request of Board members under Clause 22.7, will lapse. In any other case it will stand adjourned to the same day in the next week at the same time and place, or to such other day, time and place as the Board may determine, and if at the adjourned meeting a quorum is not present within 15 minutes from the time appointed for the meeting, the meeting will lapse.
- 22.17. A Board Meeting may be called or held using any technology consented to by all the Directors. The consent may be a standing one. A Director must give reasonable notice before a Board Meeting before withdrawing their consent.
- 22.18. Each Director has one vote.
- 22.19. The Chairperson has a casting vote in addition to their deliberative vote.
- 22.20. A resolution of the Board is carried by a majority of votes.

23. INDEMNITY

- 23.1. Every Director and other Office-holder, manager or employee ("Indemnified Person") must be indemnified by the UNA against:
 - 23.1.1. a liability to another person incurred by the Indemnified Person in their capacity of Office-holder, employee of the UNA (other than a liability incurred to the UNA or a related body corporate) unless the liability arises out of conduct involving a lack of good faith or a breach of the UNA Governance principles or the UNA Code of Conduct;
 - 23.1.2. a liability for costs and expenses incurred by the that person acting in their capacity of Office-holder, manager, employee of the UNA and within their respective authority;
 - 23.1.3. a liability for costs of defending a civil or criminal proceeding in their capacity in their capacity as an office-holder, manager or employee of the UNA in which a judgement is delivered in their favour.
 - 23.1.4. an application in relation to civil or criminal proceedings, in which the Court grants relief under the Act.
- 23.2. An Indemnified Person may be indemnified by the UNA, at the Board's absolute discretion, against a liability for costs of defending a civil or criminal proceeding in their capacity as an office-holder, manager or employee of the UNA other than which judgement is delivered in their favour.
- 23.3. The amount to which such indemnity is provided shall immediately attach as a

lien on the property of the UNA and have priority as between the Members or other claims.

24. OTHER MATTERS

- 24.1. The Board may from time to time make, amend or repeal by-laws, not inconsistent with this Constitution, for the internal management of the UNA and any by-law may be set aside by a General Meeting of Members.
- 24.2. The Board will provide for the safe custody of books, documents, instruments of title and securities of the UNA.

25. EXECUTIVE

- 25.1. The Directors must elect a Director as Chairperson and another Director as Deputy Chairperson at the first Board Meeting following the Annual General Meeting or at the first Board meeting in the case of the initial Directors.
- 25.2. The Directors must appoint a suitably qualified Company Secretary either from the Directors or external to the Board.
- 25.3. Should the Company Secretary be external to the Board, the Board is to pass a resolution on the remuneration for the position having made itself aware of reasonable remuneration for such a position.
- 25.4. The Chairperson, Deputy Chairperson and Company Secretary shall hold their positions until the first Board Meeting following the next Annual General Meeting.
- 25.5. The Chairperson, Deputy Chairperson and the Company Secretary shall form the Executive Committee of the UNA.
- 25.6. If the Chairperson and Deputy Chairperson are not present at a Board meeting within 15 minutes of the time appointed for the commencement of the meeting the Board must elect an acting Chairperson. In the event the Board is unable to resolve the position of Chairperson within 30 minutes of the appointed time for the commencement of the meeting the meeting will adjourn to a date to be fixed.

26. AUDITOR

- 26.1. At least once in every financial year the accounts, minutes and Register of Members of the UNA must be examined and a certificate of correctness shall be given by a licensed Company Auditor who shall have at all reasonable times access to all books papers and documents of the UNA.
- 26.2. An initial Company Auditor shall be appointed by the Company in accordance with s327(1) of the *Corporations Act 2001* (Cth) and shall hold office until the first Annual General Meeting subject to the Corporations Law.
- 26.3. A Company Auditor from the time of the first Annual General Meeting of the Company onwards must be appointed by a Resolution passed by the Members at an Annual General Meeting and will hold office until such time as they cease, die, resign, or are otherwise removed as Company Auditor in accordance with the Corporations Law.

ANNEXURE A: PRINCIPLES OF GOVERNANCE

The United Newsagents of Australia (UNA) represents newsagents as a peak industry body on matters to suppliers, governments, service providers, trading partners and other bodies as set out in the Objects of the UNA.

The UNA believes that over time good corporate governance procedures will tend to produce better results for newsagents.

While Australia has a broad Corporations Law affecting the conduct of the UNA and its Board, the UNA has developed some further guidelines which we believe are applicable and are to be abided by:

1. **Fiduciary Responsibilities.** Directors have a fiduciary responsibility to the members who elect them, and are expected to direct their company for the long term benefit of all members.
2. **Commerciality.** The UNA commits to being commercial in its decision making and implementation and that such commercial focus aims to maximize returns for newsagents.
3. **Standards of Behavior.** The Directors, other Office-holders, managers and employees of the UNA commit to honesty and trustworthiness in our dealings with others and to obey the letter and spirit of the laws of the countries in which the UNA operates.
4. **Openness.** The UNA, through its Board of Directors, other Office-holders, managers and employees, is committed to timely and balanced openness in our communication with our members and to be accessible for direct member contact.
5. **Ethical conduct.** The UNA, through its Board of Directors, is committed to honest and open governance and to the making of decisions which are in the best interests of its members regardless of possible personal impact. The Board will not engage in conduct which could be considered by reasonable standards to be unethical.
6. **Sponsorship.** We will monitor sponsorship activity from suppliers to the UNA and ensure that such sponsorship does not compromise decisions made by the UNA.

ANNEXURE B: DIRECTORS' CODE OF CONDUCT

This Directors' Code of Conduct applies to Directors of the United Newsagents of Australia Limited ("UNA") and to Directors of each subsidiary company of the Company.

1. A Director must act honestly, in good faith and in the best interests of the Company at all times.
2. A Director has a duty to perform the functions of office and exercise the powers attached to that office with a degree of care and diligence that a reasonable person would exercise if they were a Director in the same circumstances.
3. A Director who makes a business judgement will be deemed to have satisfied the duty in paragraph 2 if he or she:
 - 3.1. makes the judgement in good faith and for a proper purpose; and
 - 3.2. does not have any material personal interest in the subject matter of the judgement beyond what would be reasonable for a newsagent; and
 - 3.3. informs him or herself about the subject matter of the judgement to the extent he or she reasonably believes to be appropriate; and
 - 3.4. rationally believes that the judgement is in the best interests of the company. (The belief that a judgement is in the best interests of the company is a rational one unless the belief is one that no reasonable person in the Director's position would hold).
4. A Director must use the powers of office for a proper purpose - that is, for the purpose for which a particular power is given, rather than a collateral purpose. For example, a Director must not directly or indirectly use his or her powers for the purpose of protecting his or her own position or office.
5. In accordance with the Corporations Law, a Director must serve the interests of the members of the Company as a whole, not the interests of any particular group of Directors or stakeholders or the Director's personal or commercial interests. Directors are not expected to be unaware of other interests, as that would be unrealistic, but the primary purpose of a Director must not be to serve those other interests.
 - 5.1. In circumstances of insolvency or near insolvency, the duty to act in the best interests of members also encompasses a duty to also act in the best interests of creditors.
6. A Director must not make improper use of information acquired as a Director to gain a personal advantage or to cause detriment to the Company.
7. A Director must not take improper advantage of the position of Director to gain a personal advantage or to cause detriment to the Company.
8. A Director must not accept any gift, offer, reward, benefit or inducement which is not broadly and publicly offered to other newsagents owning similar businesses where such gift, offer, reward, benefit or inducement is valued at more than one hundred dollars without the permission of a majority of the Board.
9. Directors must, fourteen days prior to each Board meeting, provide the Company Secretary for tabling in the Board papers, with a list of all gifts, offers, rewards, benefits and or inducements received since the previous Board meeting, regardless of value.
10. A Director must not place himself or herself in a position where there is a real sensible possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other company, on the one hand, and

the interests of the UNA or his or her duties to the UNA, on the other hand. The action which a Director will be required to take if he or she is faced with an actual or potential conflict of interest or duties in relation to a particular matter being considered by the Board will depend on the nature and circumstances of the conflict and may include any of the following:

- 10.1. fully and frankly informing the Board about the circumstances giving rise to the conflict or potential for conflict; or
 - 10.2. abstaining from voting on any motion relating to the matter and absenting himself or herself from all Board deliberations relating to the matter; or
 - 10.3. resigning from the Board.
11. A Director who has a material personal interest in a matter beyond that which would arise for any newsagent in the day to day operation of their business should notify the other Directors of the interest. A Director who has a material personal interest in a matter that is being considered at a Board meeting must not vote on the matter or be present while the matter is being considered unless:
- 11.1. the interest is not required to be disclosed under the Corporations Law; or
 - 11.2. approval for participation is obtained from other non interested Directors; or
 - 11.3. approval for participation is obtained from the Australian Securities and Investments Commission.
12. Within 30 days of the commencement of appointment a Director must provide the Company Secretary with a list of all financial interests they have in whole or part, personally and or through another party, as they relate and or may be likely to relate to newsagents and the conduct of business with newsagents.
- 12.1. This list shall be known as the Director Interests Register.
 - 12.2. The list shall be circulated to all Directors of the UNA.
 - 12.3. Directors will notify the Company Secretary of any change to their interests during the course of their term following which the Company Secretary shall issue a new Directors Interests Register to all Directors.
13. A Director must bring an open and independent mind to Board meetings, listen to the debate on each issue raised, consider the arguments for and against each motion and reach a decision that he or she believes, in good faith and on reasonable grounds, to be in the best interests of the company as a whole. A Director should not make a decision about a matter before attending a Board or Committee meeting and participating in the deliberations of the meeting.
14. An opportunity must be provided for a Director to put his or her views on issues before the Board or a committee on which he or she sits. While Directors must treat each other with courtesy and observe the other rules in this Directors' Code of Conduct, Directors should be able to engage in vigorous debate on matters of principle.
15. Confidential information (including Board or Committee papers) received by a Director in the course of the exercise of directorial duties remains the property of the company and it is improper for the Director to disclose it, or allow it to be disclosed, unless that disclosure has been duly authorised by the company, or the person by whom the information was provided, or is required by law or unless such disclosure is in the course of the Director seeking personal legal advice.
- 15.1. The Company will take all steps possible to ensure timely disclosure of Board matters in a report to members and any company papers as deemed

appropriate by the Board via the UNA website for all newsagents to see.

16. A Director must not disclose the detail of commercially sensitive discussions at Board meetings or committee meetings outside appropriate and responsible circles within the company with a legitimate interest in the subject of the disclosure, unless that disclosure has been authorised by the Company, or is required by law.
17. Subject to prior discussion with the Chairperson, a Director may publicly disclose the content of Board discussions only if the Director honestly and reasonably believes that it is in the best interests of the Company as a whole to do so. The Chairperson will not unreasonably withhold such permission sought by a Director.
18. Where a Board decision is not unanimous, a dissenting Director may publicly disclose the fact that he or she dissented and accurately report the reasons for the dissention.
19. A Director must not be discourteous towards fellow Directors or staff or make personal attacks on a fellow Director or a member of staff, whether in Board, committee or other internal UNA meetings or in discussion with others or in public statements.
20. A Director generally must not engage in conduct, or make any public statement likely to prejudice the company's business or likely to harm, defame or otherwise bring discredit upon or denigrate the company, fellow Directors or staff.
21. A Director shall, unless exempted by the Board or the Chairperson, co-operate in corporate governance procedures prescribed by the Board including periodic appraisals of the performance of the Board. Such periodic appraisal is to assess Board and Director performance.
22. A Director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and of the principles of this Directors' Code of Conduct.
23. The Company Secretary will maintain a register of interests of Directors with such being made available at the start of each Board meeting to ensure Board members are informed of any potential conflict.

ANNEXURE C: MEMBERS' CODE OF CONDUCT

This Members' Code of Conduct applies to Members of the United Newsagents of Australia Limited ("UNA").

Members who breach the Code of Conduct and do not address any notified breach within 30 days are subject to removal as a member of the UNA by the Board.

UNA members will use their best endeavours to:

1. Act honestly in all business dealings.
2. Promote newsagencies within their community.
3. Ensure that their business is well branded as a newsagency.
4. Settle accounts on time.
5. Actively embrace industry standards for the advancement of all newsagents.
6. In their retail business:
 - 6.1. Provide a clean, well lit, professional and well managed retail environment.
 - 6.2. Offer a good range of the core products of newsagencies in the categories of newspaper, magazines, greeting cards and stationery.
 - 6.3. Undertake industry training to ensure current knowledge.
 - 6.4. Offer the best possible customer service experience.
 - 6.5. Ensure employees wear name badges.
 - 6.6. Ensure retail employees wear uniforms.
 - 6.7. Ensure distribution employees wear appropriate safe clothing.
7. Through their distribution businesses:
 - 7.1. Present a professional image through vehicles, employees and accounts.
 - 7.2. Provide on time service to customers.
 - 7.3. Actively recruit sub agents to extend the availability of represented product.
 - 7.4. Actively pursue new consumer customers.