



CONSTITUTION UPGRADE TO  
LEADING MEMBER  
CORPORATE TRUSTEE OF A  
DISCRETIONARY TRUST

LM DT PTY LTD  
ACN 000 999 888

# Special Resolution by Company Members to Change the Constitution to Leading Member Company Trustee Constitution

## Binding Resolution of the Members of LM DT PTY LTD – ACN 000 999 888

<b>Date</b>	23 March 2022
<b>Purpose of Meeting</b>	To change the Company Constitution to a LightYear Docs Leading Member Company Trustee Constitution.
<b>Members Present</b>	GRANT SMITH
<b>Chairperson</b>	GRANT SMITH was elected as Chairperson.
<b>Table of Motion to amend the Company Constitution to a LightYear Docs Leading Member Company Constitution</b>	The Chairperson tabled a motion to amend the Company Constitution in accordance with section 136 of the <i>Corporations Act 2001</i> by a special resolution of members. The purpose of the amendment is to enable the Company to be a Leading Member Discretionary Trust Corporate Trustee. In addition, the Members have decided to adopt a constitution to ensure that control resides with the Leading Member of the Discretionary Trust for which the Company acts as Trustee.
<b>Trustee Resolution</b>	The Members in a unanimous resolution have agreed to adopt a new Constitution – the LightYear Docs Leading Member Company Constitution from the date of this resolution.
<b>Closure</b>	There being no further business the meeting is closed.

**Resolution affirmed and signed by all Shareholders/Members**

\_\_\_\_\_  
GRANT SMITH  
Shareholder/Member

\_\_\_\_\_  
Date



THE LEADING MEMBER  
CONSTITUTION OF  
LM DT PTY LTD  
ACN 000 999 888

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# Rules of the Company

## Rule 1. Replacement of Replaceable Rules

- 1.1 The Replaceable rules set out in the *Corporations Act 2001* do not apply to this Company.

## Rule 2. Definitions and Interpretations

### 2.1 Definitions

The following shall be noted in the interpretation of this Constitution, unless the subject matter or context otherwise require:

**Board** means the Directors acting in meeting.

**Clause** means a clause of this Constitution.

**Company** means the company, that the shareholders own, that has adopted this Constitution.

**Constitution** means this constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended, or modified from time to time on any replacement to that Act.

**Director** means a person properly appointed as a director of the Company.

**Financial Year** means a year ended on 30 June or on such other date as determined by the Directors.

**Leading Member Appointor** is the initial person who is provided with the power to appoint and remove a Trustee and nominate beneficiaries of the Trust that this company acts as Trustee for.

**Leading Member Discretionary Trust** is a Trust that provides asset protection and succession planning to control the flow of wealth to lineal descendants and bloodline descendants of the Leading Member Appointor.

**Legal Personal Representative** means the executor of the will or administrator of the estate of a deceased person, the trustee of the estate of a person who is under a legal liability or a person who holds an enduring power of attorney granted by a person.

**Lineage** of a Leading Member Appointor is the Leading Member Appointor's children or other lineal descendants such as grandchildren and great-grandchildren. It does not mean all heirs, but only the direct lineage. The Leading Member Appointor may choose to extend beneficiaries to include bloodline which is any person with the same blood including parents, grandparents, brothers, sisters, aunts, uncles, etc.

**Notice** means a notice given to a Member or Shareholder.

**Regulator** means the Australian Securities and Investments Commission.

**Registered Address** means that address as notified by a Director or Shareholder to the Secretary as that address being either a physical or electronic address to which Notices can be sent to the Director or Shareholder.

**Represents** means if a Director is also a Member, that that Director represents himself or if the Director is a Legal Personal Representative of a Member, that the Director represents that Member.

**Rule** means a rule of this Constitution.

**Secretary** means the secretary of the Company.

**SIS Act** means the *Superannuation Industry (Supervision) Act 1993*.

**Shares** means non-dividend shares in the Company.

## 2.2 Interpretation

- a) Headings are for convenience only and do not affect interpretation. Except where the context requires words and phrases given a meaning by the Corporations Act have the same meaning in this Constitution.
- (b) Any explanations accompanying a Rule are for information and interpretation purposes only and may be taken into account in interpreting a Rule:
  - i. in considering the purpose or object underlying a Rule; or
  - ii. to confirm that the meaning of a Rule is its ordinary meaning conveyed by its text taking into account the purpose or object underlying the Rule; or

- iii. in determining a Rule's meaning if the Rule is ambiguous or obscure; or
  - iv. in determining a Rule's meaning, if the ordinary meaning conveyed by its text, taking into account its context in the Rules and the purpose or object underlying the Rule, leads to a result that is manifestly absurd or unreasonable.
- (c) A reference to any person or body shall include a reference to a company, references to its respective authorised officers, agents, delegates, successors, assigns, executors and administrators.
- (d) Where the singular is used in this Constitution, it is also to mean the plural. Where a plural is used, it is also to mean the singular. This rule applies unless otherwise stated.
- (e) Where words import a gender they are taken to mean all genders and gender-neutral terms.

### **Rule 3. Company a Trustee of a Discretionary Trust**

- 3.1 The Company will be incorporated for the major purpose of being the trustee of a Leading Member Discretionary Trust and if any provision of this Constitution is in conflict with a provision of the *Corporations Act 2001* or a regulation made pursuant to that Act that provision or that regulation prevails.
- 3.2 The Company may be a trustee of the Trust or any other Trust related to the Leading Member but must not be the trustee of any other trust or engage in any other business or any other activity.
- 3.3 The Company, apart from acting as the trustee of a Trust is to also ensure that as trustee, it operates for the benefit of lineage and bloodline of the Leading Member Appointor or such other persons in accordance with the Leading Member Appointor's wishes.

### **Rule 4. Company a Proprietary Limited Company**

- 4.1 The Company will be registered as a proprietary company limited by shares and must not be changed to any other type of company unless required by the Corporations Law.

## **Rule 5. Directors**

### 5.1 Who may be and who can appoint a Director:

- a) Any person nominated by the Leading Member Appointor may be appointed as Director by the Leading Member, including the Leading Member Appointor themselves.
- b) If there is no Leading Member Appointor the shareholders may appoint a Director.
- c) Any Director with the Leading Member's consent may request the Board of Directors to put in place a binding resolution that a Successor Director will take the requesting Director's position as a Director, with full rights, entitlements and privileges that the position ensures. The binding resolution to replace the requesting Director is to lay out the circumstances as to when the Successor Director is to replace the requesting Director and may include that the requesting Director cannot manage the Company because of mental incapacity, becomes bankrupt or dies. In addition, the personal representatives or trustee of the person may appoint a Successor Director.

### 5.2 Who may not be a Director

- a) A person disqualified from acting as a director under the *Corporations Act 2001*.
- b) A person may not be appointed as a Director if that person is under a legal disability.

### 5.3 Resignation of a Director

A Director may resign as a Director and another Director may be appointed in place of that person subject to the consent of the Leading Member Appointor.

### 5.4 Removal of a Director

A person who is a Director is forthwith removed should the Leading Member Appointor so decide in writing. If there is no Leading Member then the shareholders may remove a Director.

## **Rule 6. Powers of Directors**

- 6.1 The business of the Company is to be managed by or under the direction of the Directors.
- 6.2 The Directors may exercise all powers of the Company except all powers that by law or by this Constitution must be exercised at a general meeting.
- 6.3 If the Company has two or more Directors any Directors may sign, draw, accept, endorse or otherwise execute a negotiable instrument if authorised by the Board of Directors.
- 6.4 The Leading Member Appointor who is a Director of the Company should act as the Chairperson of the Company and has an absolute right of veto over all Director's decisions prior to a resolution being finalised.
- 6.5 A Leading Member Appointor who chooses not to be a Director, has an absolute right of veto over all Director's decisions prior to a resolution being finalised.

**Rule 7. Meetings of Directors**

- 7.1 If there is more than one Director, the Secretary may serve a Notice on the Directors requiring the Directors to meet and to conduct business on behalf of the Company.
- 7.2 The Secretary must give reasonable notice of any such meeting to each of the Directors (which may be by mail, facsimile or email to that address, facsimile number or electronic address last nominated by each Director) unless the Directors unanimously agree that the meeting may be held on some earlier date. Such written notice must:
  - a) set out the place, date and time for the meeting (and, if the meeting is to be held in two or more places, the technology that will be used to facilitate this); and
  - b) state the general nature of the business of the meeting.
- 7.3 Where, through a link established by means of any system of telephone, audio or audio-visual communication approved by the Directors for the purpose of any meeting of the Directors, the Directors will be taken to be assembled together at a meeting and all proceedings of the Directors conducted with the aid of the

link, will be as valid and effectual as if conducted at a meeting at which all Directors were physically present.

- 7.4 At any meeting of the Directors a quorum is the majority of Directors and the Leading Member Appointor Director.
- 7.5 At any meeting of the Directors, unless the Directors unanimously agree otherwise, a Director shall be entitled to cast a single vote.
- 7.6 A resolution shall not be passed at any meeting of the Directors unless it is passed by the casting of a majority of the votes entitled to be cast by Directors who are present at that meeting and the Leading Member Appointor of the Trust as Chairman of the Company does not use their veto power.
- 7.7 A Director may appoint a person to act as that Director's proxy at any meeting of the Director.
- 7.8 If a circulating minute contains a statement that the Directors are in favour of a resolution and the terms set out in that document have been signed by all Directors, a resolution in those terms will be taken to have been passed at a meeting of the Directors held on the day and at the time at which the document was last signed by a Director. Two or more separate documents containing statements in identical terms each of which is signed by one or more Directors will together be taken to constitute one document for the purposes of this Rule.

#### **Rule 8. Director's Records**

- 8.1 If there is only one Director, that Director must make a written record of all decisions made by the Director. If there is more than one Director, the Directors must keep minutes of every meeting held by the Directors.
- 8.2 Records and minutes required by this Rule must be kept for at least ten years from the date the decision was made or the date of the meeting.

#### **Rule 9. Remuneration of Directors**

- 9.1 A Director may be paid reasonable remuneration as a consequence of being a Director.
- 9.2 The Company may pay travelling and other expenses properly incurred by a Director:

- (a) in attending Director's Meetings or any committees of the Directors;
- (b) in attending general meetings of the Company; and
- (c) in connection with the Company's business.

**Rule 10. Secretaries**

10.1 The Board may appoint one or more persons as secretary or secretaries of the Company. A secretary holds office on the terms and conditions as determined by the Board.

**Rule 11. Sole Shareholder Companies**

11.1 If there is only one Shareholder as is normally the case with Leading Member Trustee companies who is also a director of the Company, this Constitution is to be interpreted as if any reference in this Constitution to more than one Shareholder and Director was a reference to that one Shareholder and Director.

**Rule 12. Entitlement to Own Shares – Leading Member Only**

12.1 Only a Leading Member Appointor of the Trust may be a Shareholder in the Company. The only shares on issue will be non-dividend paying shares.

**Rule 13. Joint Owners**

13.1 Shares in the Company cannot be held jointly, unless there is more than one Leading Member Appointor.

**Rule 14. Transfers of Shares**

14.1 The Leading Member Appointor may not transfer their shares under any circumstances.

**Rule 15. Transmission of Shares on Death**

15.1 If the Leading Member Appointor dies, unless a joint Leading Member Appointor Shareholder remains, the Company is to immediately cancel the former Leading Member Appointor's shares.

15.2 At the same time the Company is to issue 100 shares, or all of the Company's newly issued share capital to the successor Leading Member of the Trust and should there be no immediate successor Leading Member, that member the

Trustee of the Trust or under such powers of the Trust's trust deed so chooses as the new Leading Member Appointor of the Trust.

- 15.3 The Company must register the cancellation of any shares in the former Leading Member Appointor's name and the issue of new shares to the successor Leading Member Appointor.

#### **Rule 16. Transmission of Shares on Bankruptcy**

- 16.1 If a Leading Member Appointor of the Trust and holder of the shares of the Company becomes bankrupt, the Company is to immediately cancel the Leading Member Appointor's shares.
- 16.2 At the same time the Company is to issue 100 shares, or all of the Company's newly issued share capital to firstly any joint Leading Member Appointor who is not bankrupt and if there is none then to the successor Leading Member Appointor of the Trust. If there is no immediate successor Leading Member Appointor, that member the Trustee of the Trust or under such powers of the Trust's trust deed so chooses as the new Leading Member Appointor of the Trust.
- 16.3 The Company must register the cancellation of any shares in the former Leading Member Appointor's name and the issue of new shares to the successor Leading Member Appointor.

#### **Rule 17. Transmission of Shares on Mental Incapacity**

- 17.1 If a Leading Member Appointor of the Trust and holder of the shares of the Company becomes mentally incapacitated and receives notification from a legally qualified medical expert to that effect the Company is to immediately cancel the Leading Member Appointor's shares.
- 17.2 At the same time the Company is to issue 100 shares, or all of the Company's newly issued share capital to firstly any joint Leading Member Appointor who is not incapacitated and if there is none then to the successor Leading Member Appointor of the Trust. If there is no immediate successor Leading Member Appointor, that member the Trustee of the Trust or under such powers of the Trust's trust deed so chooses as the new Leading Member Appointor of the Trust.

17.3 The Company must register the cancellation of any shares in the former Leading Member Appointor's name and the issue of new shares to the successor Leading Member Appointor.

**Rule 18. Transmission of Shares Upon Resignation or Retirement of The Leading Member Appointor Including for Divorce**

18.1 If a Shareholder ceases to be a Leading Member Appointor of the Trust for any reason including divorce or separation, the Company is to immediately cancel the former Leading Member Appointor's shares.

18.2 At the same time the Company is to issue 100 shares, or all of the Company's newly issued share capital to the successor Leading Member Appointor of the Trust and should there be no immediate successor Leading Member, that member the Trustee of the Trust or under such powers of the Trust's trust deed so chooses as the new Leading Member Appointor of the Trust.

18.3 The Company must register the cancellation of any shares in the former Leading Member Appointor's name and the issue of new shares to the successor Leading Member Appointor.

**Rule 19. Meetings of Shareholders**

19.1 Calling of Meetings

As there is generally only one Shareholder, that Shareholder can call a meeting at any time for that business which needs Shareholder ratification.

19.2 Notice

No notice is required for a Shareholder meeting.

19.3 Chairperson

At a meeting with the Shareholders, the Leading Member Appointor shareholder will be automatically appointed as chairperson of the meeting and if joint Leading Member Appointor Shareholders, the Chair will operate on a rotating basis.

19.4 Resolutions

A resolution shall not be passed at any meeting of the Shareholders unless it is passed by the casting of a majority of the votes entitled to be cast by

Shareholders who are present at the meeting. If there is any Shareholders above and beyond the Leading Member Appointor, the Leading Member Appointor holds a right to veto to any proposed resolution. If there are joint Leading Member Appointors then the power of veto shall reside by way of a unanimous decision between the Leading Member Appointors, unless an agreement between the joint Leading Member Appointors states otherwise.

#### 19.5 Circulating minutes

If a circulating minute contains a statement that the Shareholders are in favour of a resolution in the terms set out in that document and that document has been signed by all Shareholders, a resolution in those terms will be taken to have been passed at a meeting of the Shareholders held on the day and at the time at which the document was last signed by a Shareholder. Two or more separate documents containing statements in identical terms, each of which is signed by one or more Shareholders will together be taken to constitute one document for the purposes of this Rule.

#### 19.6 Attendance by auditors

Any one Shareholder can invite any person who is or has audited the Company or the Trust to attend any meeting of the Shareholders and that auditor shall have the right to address that meeting.

### **Rule 20. Proxies**

20.1 There is no right by any Shareholder to appoint a proxy.

### **Rule 21. Inspection of Books**

21.1 The Directors of the Company or the Company by a resolution passed at a general meeting may authorise a Member to inspect the books of the Company.

### **Rule 22. Company Accounts**

22.1 The Company must keep such accounting records that correctly record and explain the transactions of the Company. Although, as the Company acts in its sole capacity as the Trustee of the Trust, transactions should be limited.

22.2 Such accounting records are to be kept in such form and supported by such documentation as to enable those accounting records to be properly audited.

- 22.3 The Company must as soon as practical after the end of each Financial Year:
- (a) prepare a balance sheet recording the assets and liabilities of the company as at the end of that preceding Financial Year;
  - (b) prepare a profit and loss account recording the profit derived or loss incurred by the Company for that preceding Financial Year (or part year if the Company was not in existence for a full year);
  - (c) arrange for the Company's balance sheet, profit and loss account and accounting records to be audited by an auditor; and
  - (d) arrange for all tax returns and other statements required to be lodged by the Company to be lodged as and when required.
- 22.4 The Company must retain the accounts and statements for a period of 10 years after the end of the Financial Year to which they relate.

**Rule 23. Common Seal**

- 23.1 The Company may have a seal but intends to apply the provisions of section 127 of the *Corporations Act 2001* such that no seal is required.

**Rule 24. Dividends**

- 24.1 The Company is acting as a Trustee of the Trust and may not carry on a business. The shares on issue are non-dividend paying shares. However on the winding up of the Company, all income and property of the Company will be distributed to the Shareholders or such charities as the Shareholders agree in a general meeting.

**Rule 25. Loans to Members, Shareholders and Directors**

- 25.1 The Company may under such terms as the Directors agree:
- (a) lend money of the Company to:
    - i. a Member, Shareholder or Director; or
    - ii. a relative of a Member, Shareholder or Director; and
  - (b) give any other financial assistance to:
    - i. a Member, Shareholder or Director; or
    - ii. a relative of a Member, Shareholder or Director.

**Rule 26. Notices**

26.1 A notice may be given by the Company to a Shareholder

- (a) by leaving it at the Shareholder's registered address;
- (b) by sending it by prepaid post or facsimile transmission to the Shareholder's Registered Address; or
- (c) by sending it by any other electronic means to the Shareholder's Registered Address.

**Rule 27. Indemnification of Directors**

27.1 Subject to law, the Company indemnifies each person who is or has been a Director out of the assets of the Company against any liability incurred by the person as a consequence of that person being or having been a Director, except any liability incurred by that person's gross negligence, wilful wrongdoing, or fraud.

27.2 The Company may insure any person against any liability incurred by that person as a consequence of that person being or having been a Director.