

SCHEDULE 3

B CLASS DIRECTORS' ELECTION RULES

1 WHO ARE THE B CLASS DIRECTORS?

- 1.1 Under **Article 20.1** of the Articles of Association of CoINVEST Limited ('CoINVEST'), four of the eleven directors will be persons nominated (as described in **rule 5**), and if necessary elected, by Employers in the Construction Industry.
- 1.2 For the purposes of **Article 20.1(b)** and these B Class Directors' Election Rules, '**Employer**' means a person (not being the Crown in the right of the Commonwealth of Australia or the State of Victoria or any public statutory body constituted under the law of the Commonwealth or of that State) who employs Workers under a contract of employment and includes a Working Sub-Contractor who employs a Worker.
- 1.3 Two of the B Class Directors will be appointed from persons nominated by Employers engaged in Building Trades Work, one B Class Director will be a person nominated by Employers engaged in Electrical Trades Work, and one B Class Director will be a person nominated by Employers engaged in Metal Trades Work.

2 HOW FREQUENTLY ARE B CLASS DIRECTORS APPOINTED?

- 2.1 Each B Class Director will be appointed for a term of 4 years (with the exception of the initial B Class Directors). CoINVEST will call for nominations, and if necessary will hold elections, every 2 years for the appointment of two B Class Directors. This will enable the appointment (or re-appointment) of two B Class Directors every 2 years.
- 2.2 ³⁶ ³⁷The first round of nominations (and, if necessary, elections) in 1999 will be for the appointment (or re-appointment) of a B Class Director nominated in accordance with **rule 5** by Employers engaged in Building Trades Work and one B Class Director nominated in accordance with **rule 5** by Employers engaged in Metal Trades Work. This **rule 2.2** applies to each subsequent four year term after the 1999 round of nominations.

³⁶ Amended by special resolution of members on 11 November 1997

³⁷ Amended by special resolution of members on 1 February 2005

- 2.3 ³⁸ ³⁹At the next round of nominations (and, if necessary, elections) in 2001 will be for the appointment (or re-appointment) of a B Class Director nominated in accordance with **rule 5** by Employers engaged in Building Trades Work and one B Class Director nominated in accordance with **rule 5** by Employers engaged in Electrical Trades Work. This **rule 2.2** applies to each subsequent four year term after the 1999 round of nominations.

38 Amended by special resolution of members on 11 November 1997

39 Amended by special resolution of members on 1 February 2005

3 HOW ARE CASUAL VACANCIES FILLED?

- 3.1 Where a B Class Director resigns or is removed before the end of that Director's 4 year term, CoINVEST will ask the Assessment Committee to nominate another person (who in the opinion of the Assessment Committee complies with the selection criteria) to fill that vacant position on the Board until the expiry of the original 4 year term, at which time CoINVEST will call for nominations (and, if necessary, hold an election), and the person appointed as Director to fill the casual vacancy will be eligible for renomination and re-appointment.
- 3.2 Under **Article 23.2** a B Class Director may be removed before the end of that Director's 4 year term by the Assessment Committee if not less than 6 Directors (that is, not less than 2 A Class Directors, 2 B Class Directors and 2 C Class Directors) notify the Assessment Committee in writing that they have lost confidence in the ability of that B Class Director to properly carry out his duties.
- 3.3 A B Class Director is immediately removed under **Articles 27 or 28** of the Articles of Association in some circumstances.

4 WHAT QUALIFICATIONS MUST A B CLASS DIRECTOR HOLD?

- 4.1 A candidate nominated for a position as a B Class Director must comply with the selection criteria published by CoINVEST from time to time. CoINVEST will make its selection criteria available on request to Employers and organisations which are eligible to nominate persons as B Class Directors.
- 4.2 CoINVEST will review all nominations for candidates for B Class Directors to verify, from its records, that the Employer or Employer organisation nominating the person is eligible to make that nomination under the criteria set down below. CoINVEST's Assessment Committee will then review the information supplied by the nominating Employer or Employer organisation in respect of the candidate in light of CoINVEST's prevailing selection criteria. CoINVEST will then confirm in writing to the candidate and to the Employer or Employer organisation which lodged the nomination:
 - (a) whether or not the candidate complies with the selection criteria; and
 - (b) if not, the reasons why the nominee does not comply with the selection criteria.
- 4.3 Where CoINVEST (through its Assessment Committee) informs a candidate, and the Employer or organisation which nominated that candidate, that the candidate does not comply with the selection criteria, the candidate, the Employer or the organisation may request CoINVEST to review its decision in accordance with the review procedure established under **Rule 45 of Schedule 2** to the Trust Deed. If, following a review, CoINVEST affirms its decision the matter may be set down for arbitration under the procedure established under **Rule 46 of Schedule 2** to the Trust Deed.

5 ⁴⁰WHO MAY NOMINATE A CANDIDATE?

- 5.1 Subject to **rule 5.2** and **rule 5.3**, a candidate for the position of a B Class Director may be nominated by:
- (a) an Employer organisation directly representing more than 200 Employers in the Construction Industry who are registered with CoINVEST as at 1 January of the year the nomination is made;
 - (b) any group of Employers who can jointly substantiate a membership of more than 200 Employers engaged in the Construction Industry who are registered with CoINVEST as at 1 January of the year the nomination is made; or
 - (c) an Employer (other than an Employer who has been granted Non-Voting Person status), group of Employers or an Employer organisation that can substantiate that it, or the Employers which it represents directly employ more than 3,000 Workers in the Construction Industry who are registered with CoINVEST as at 1 January of the year the nomination is made.
- 5.2 Subject to **rule 5.3**, an Employer, group of Employers, or Employer organisation which is otherwise eligible to nominate a candidate under **rule 5.1**:
- (a) may not nominate a person as a B Class Director if one of the continuing B Class Directors is a person who was nominated by that Employer, Employer group or Employer organisation;
 - (b) may, where under the Articles of Association the successful candidate is to be nominated by Employers or an organisation of Employers which are engaged in Building Trades Work, nominate a candidate for that position only if the majority of Construction Industry Workers employed by it, or them, or the Employers which it represents are engaged in Building Trades Work;
 - (c) may, where under the Articles of Association the successful candidate is to be nominated by Employers or an organisation of Employers which are engaged in Electrical Trades Work, nominate a candidate for that position only if the majority of Construction Industry Workers employed by it, or them, or the Employers which it represents are engaged in Electrical Trades Work; and
 - (d) may, where under the Articles of Association the successful candidate is to be nominated by Employers or an organisation of Employers which are engaged in Metal Trades Work, nominate a candidate for that position only if the majority of Construction Industry Workers employed by it, or them, or the Employers which it represents are engaged in Metal Trades Work ⁴¹.

⁴⁰ Amended by special resolution of members on 11 November 1997.

⁴¹ Amended by special resolution of members on 1 August 2006.

- 5.3 For the purposes of **rule 5.1** and **rule 5.2** above, Employers and Workers who at any time are Non-Voting Persons must not be counted at that time for the purposes of determining:
- (a) the number of Employers represented by a group or organisation; or
 - (b) the number of Workers employed by Employers represented by a group or organisation.

6 WHEN WILL ELECTIONS BE REQUIRED?

- 6.1 ⁴²If there is more than one candidate nominated for one position as a B Class Director, an election will be held before 31 May of that year and the successful candidate will be the person who receives the greatest number of votes for that position. The successful candidate will be appointed as a B Class Director as from 1 July immediately after the election.
- 6.2 If there is only one candidate nominated for one position as a B Class Director, that person will be appointed as a B Class Director as from 1 July immediately after the close of the nomination process.

7 ⁴³WHO MAY VOTE?

- 7.1 All Construction Industry Employers registered with CoINVEST at 1 January of the year the nominations are made other than:
- (a) Employers who, as at 1 January of the relevant year, held Non-Voting Person status; and
 - (b) Employers who hold Non-Voting Person status on the date of the election, will be eligible to vote at an election of a B Class Director.
- 7.2 ⁴⁴Where an election is required, CoINVEST will issue to Employers who are eligible to vote a Ballot Paper. Ballot Papers may be issued at the same time as CoINVEST issues regular worker returns.
- 7.3 Each Ballot Paper will be accompanied by details of each candidate's current employment, Construction Industry affiliations and service with CoINVEST or its predecessor.
- 7.4 CoINVEST will indicate on the Ballot Paper the number of Workers listed on the Employer's most recent worker return and the number of those Workers (if any) who had been granted Non-Voting Person status as at the date of that worker return. If the Employer chooses to vote, he or she must complete the Ballot Paper by marking for each elected position one (1) candidate as the preferred B Class Director.

42 Amended by special resolution of members on 6 March 2007

43 Amended by special resolution of members on 11 November 1997

44 Amended by special resolution of members on 6 March 2007

8 ⁴⁵**HOW MANY VOTES?**

On each election each Employer who is eligible to vote will be entitled to the number of votes for, and to vote once in respect of, each B Class Director position which is up for election equal to the number of Workers listed on that Employer's most recent worker return minus the number of those Workers (if any) who had been granted Non-Voting Person status as at the date of that worker return.

9 **WHAT IS THE PROCEDURE FOR ELECTIONS?**

9.1 ⁴⁶All elections and election matters pursuant to these B Class Directors' Election Rules will be conducted by CoINVEST in conjunction with an independent individual or organisation experienced in the conduct of elections and approved by the Board.

9.2 ⁴⁷CoINVEST will rely on such statistical information which is held by the Company (including the Register of Employers, Register of Working Sub-Contractors, Register of Workers and the Register of Non-Voting Persons kept by CoINVEST) for the purposes of the Fund, as supplemented by such other information provided by candidates, Workers (and/or Working Sub-Contractors), Worker (and/or Working Sub-Contractors) groups, or Worker (and/or Working Sub-Contractors) associations, or such other sources, as CoINVEST considers reasonable and reliable for the purposes of these B Class Directors' Election Rules.

9.3 ⁴⁸CoINVEST may hold elections and election matters using any technology that in the opinion of the Directors gives the eligible Employers as a whole a reasonable opportunity to vote. This includes conducting elections via postal voting or by any other means or, at a venue or venues.

9.4 ⁴⁹All elections and election matters pursuant to these B Class Directors' Election Rules will be conducted according to the Election Procedures approved by the Board.

45 Amended by special resolution of members on 11 November 1997

46 Amended by special resolution of members on 1 February 2005

47 Amended by special resolution of members on 11 November 1997

48 Amended by special resolution of members on 6 March 2007

49 Amended by special resolution of members on 1 February 2011