

POWERLINK TRANSMISSION SERVICES PTY LTD

**MEMORANDUM AND ARTICLES
OF ASSOCIATION**

CLAYTON UTZ

SOLICITORS AND ATTORNEYS

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Corporations Law

A Company Limited by shares

MEMORANDUM OF ASSOCIATION

of

POWERLINK TRANSMISSION SERVICES PTY LTD

1. The name of the Company is Powerlink Transmission Services Pty Ltd.
2. The amount of share capital with which the Company proposes to be registered is \$1,000,000,000 divided into 1,000,000,000 shares of \$1.00 each.
3. The liability of the Members is limited.
4. The full name address and occupation of each subscriber and the number of shares that subscriber agrees to take are:

Name, address and occupation

Number of shares

Queensland Electricity Transmission
Corporation Limited
33 Harold Street
VIRGINIA QLD 4014

2

5. The subscriber wishes to be formed into a company in pursuance of this Memorandum and agrees to take the number of shares in the capital of the Company set opposite that subscriber's name in paragraph 4.

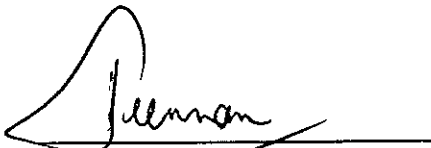
DATE:

25th February 1998

Signature of Subscriber

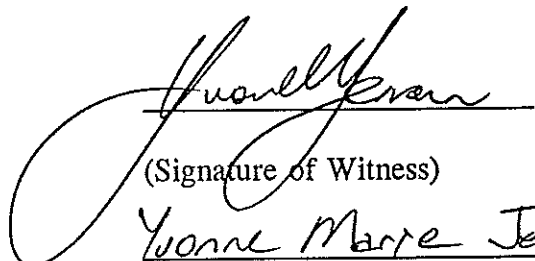
Number of shares which
Subscriber agrees to take

Witness



2

Signed on behalf of
Queensland Electricity
Transmission Corporation
Limited by Maurice Douglas
Brennan



(Signature of Witness)

(name of witness in full)

Corporations Law
A Company Limited by Shares

ARTICLES OF ASSOCIATION

of

POWERLINK TRANSMISSION SERVICES PTY LTD

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

(a) In these Articles:

"**Articles**" means these Articles of Association as altered or added to from time to time.

"**Alternate Director**" means a person for the time being holding office as an alternate director of the Company under Article 22.

"**Appointor**" means in respect of an Alternate Director the Director who appointed the Alternate Director under Article 22.

"**Associate Director**" means a person for the time being holding office as an associate director of the Company under Article 23.

"**Business Day**" means a day which is not a Saturday, Sunday or public holiday in the State.

"**Company**" means the company named above whatever its name may be from time to time.

"**Committee**" means a committee to which powers have been delegated by the directors pursuant to Article 21.12.

"**corporation**" means any body corporate, whether formed or incorporated within or outside the State.

"**Director**" means a director for the time being of the Company, and where the Company is a Sole Director Company, the sole director for the time being of the Company.

"**Executive Director**" means a Director who is an employee (whether full-time or part-time) of the Company or of any related body corporate of the Company.

"**GOC Act**" means the Government Owned Corporations Act 1993.

"Law" means the Corporations Law and the Corporations Regulations (as defined in the *Corporations Act 1989*), or any other statutory modification, amendment or reenactments thereof for the time being in force or applicable to the Company and any reference to any provision thereof to that provision so modified, amended or reenacted.

"Managing Director" means a person holding office as a managing director of the Company under Article 18.1.

"Member" means a person whose name is entered into the register as a member of the Company.

"Memorandum" means the Company's Memorandum of Association as altered from time to time.

"Non-Executive Directors" means all Directors other than Executive Directors.

"Office" means the registered office from time to time of the Company.

"Officer" means an officer as defined in section 82A of the Law.

"paid up" includes credited as paid up.

"person" and words importing persons include partnerships, associations and bodies corporate, unincorporated bodies and all other entities or associations recognised by law as well as individuals.

"Premier" means the Premier from time to time of the State.

"Register" means the register of Members kept under the Law and where appropriate includes any branch register.

"Representative" means a person appointed under Article 15.10 read with section 249(3) of the Law.

"Seal" means the common seal from time to time of the Company.

"Secretary" means a person appointed as Secretary of the Company and includes any person appointed to perform the duties of the Secretary.

"shares" means issued shares of the Company.

"Share Seal" means a duplicate of the Seal which is a facsimile thereof with the addition on its face of the words "Share Seal" or "Certificate Seal".

"Sole Director Company" means a company which has only one director.

"Sole Officer Company" means a company which has only one director who is also the only secretary of the Company.

"State" means the State of Queensland.

"Statement of Corporate Intent" means the statement of corporate intent for the time being applicable to Queensland Electricity Transmission Corporation Limited.

"writing" and "written" includes printing, typing, lithography and other modes of reproducing words in a visible form.

- (b) Where a word or phrase is given a defined meaning any other part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

1.2 References to sections and Articles

A reference to:

- (a) any legislation includes any regulations, rules, by-laws, ordinances, orders and statutory instruments made or issued under it;
- (b) any legislation or to any provision of any legislation includes any amendments, variation, modification, re-enactment or extension of it or legislative provision substituted for it; or
- (c) these Articles, where amended, means these Articles as so amended.

1.3 Presumption of interpretation

Unless the context otherwise requires a word which denotes:

- (a) the singular denotes the plural and vice versa;
- (b) any gender denotes the other genders; and
- (c) a person denotes an individual and a body corporate.

1.4 Table A excluded

The regulations contained in Table A of Schedule 1 of the Law do not apply to the Company.

1.5 Application of the Law

Except so far as a contrary intention appears anywhere in the Company's Memorandum or Articles of Association:

- (a) section 110B of the Law is to operate to apply provisions of the Law in the interpretation of these Articles so far as they can apply and with such

changes as are necessary as if these Articles were an instrument made under the Law, but is not to so apply sections 105, 109D, 109X and 109Y;

- (b) an expression used in a particular Part or Division of the Law which is given a special meaning by any provision of that Part or Division for the purposes of that Part or Division (or any part thereof) has, in any of these Articles which deals with a matter dealt with by that Part or Division (or part thereof), the same meaning as in that Part or Division;
- (c) an expression which is given a general meaning by any provision of the Law has the same meaning in these Articles; and
- (d) section 110C of the Law (which deals amongst other things with severance of invalid provisions) applies in the interpretation and operation of these Articles as if they were an instrument made under the Law.

1.6 Headings and table of contents

Headings and the table of contents must be ignored in the interpretation of these Articles.

1.7 References to and calculations of time

- (a) Unless the context otherwise requires a reference to a time of day means that time of day in the state or territory in which the Office is situated.
- (b) For the purposes of determining the length of a period (but not its commencement) a reference to:
 - (i) a day means a period of time commencing at midnight and ending 24 hours later; and
 - (ii) a month means a calendar month which is a period commencing at the beginning of a day of one of the 12 months of the year and ending immediately before the beginning of the corresponding day of the next month or, if there is no such corresponding day, ending at the expiration of that next month.
- (c) Where a period of time is specified and is to be calculated before or after a given day, act or event it must be calculated without counting that day or the day of that act or event.
- (d) A provision of these Articles, except that specifying the time for deposit of proxies with the Company, which has the effect of requiring anything to be done on or by a date which is not a business day in the place where the thing is to be done must be interpreted as if it required it to be done on or by the next business day in the place where the thing is to be done.

1.8 *GOC Act prevails*

These Articles are to be read subject to the *GOC Act*. To the extent of any inconsistency between the *GOC Act* and these Articles, the *GOC Act* will prevail.

1.9 *Inconsistencies*

- (a) To the extent that the provisions of the *GOC Act* apply to the Company, such provisions prevail over any inconsistent provisions of these Articles.
- (b) To the extent that the provisions of these Articles are inconsistent with the Law, the Law will prevail.
- (c) To the extent that the provisions of these Articles are inconsistent with the Statement of Corporate Intent, the Statement of Corporate Intent will prevail.
- (d) To the extent that the provisions of the *GOC Act* and the Law are inconsistent regarding a provision of these Articles the *GOC Act* will prevail to the extent of the inconsistency.

2. *COMPLIANCE WITH THE LAW AND GOC ACT*

- (a) Where the Law or the *GOC Act* authorises or permits a company to do any matter or thing if so authorised by its Articles of association, the Company is and is taken by this Article to be authorised or permitted to do that matter or thing, despite any other provision of these Articles.
- (b) Despite any provision of these Articles the Company and the directors must comply with and observe the provisions of the Law, the *GOC Act* and any lawful direction or notification given pursuant to the *GOC Act*.

3. *PROPRIETARY COMPANY*

The Company is a proprietary company and accordingly:

- (a) the number of members of the Company (counting joint holders of shares as one person and not counting any person in the employment of the Company or of any subsidiary of the Company or any person who was in the employment of the Company or of any subsidiary of the Company when they became a Member) shall not be more than 50;
- (b) the Company shall not engage in any activity that would require the lodgement of a prospectus under Part 7.12 of the Law or a corresponding law, other than an offer of shares to any:
 - (i) Member of the Company; or
 - (ii) person in the employment of the Company or of any subsidiary of the Company.

4. SHARES

4.1 Control of Directors

The unissued shares and all options over unissued shares are under the control of the Directors who, subject to:

- (a) the Law; and
- (b) any rights for the time being attached to the shares in any special class of such shares,

may, on behalf of the Company:

- (c) allot, issue or otherwise dispose of those unissued shares to such persons, on such terms and conditions, at such times, with such preferred, deferred, qualified or other rights or restrictions (including the right to have any amounts payable to the holder, whether by way of or on account of dividends, repayment of capital or participation in surplus assets or profits of the Company paid in the currency of a country other than Australia), and at such premium or discount (if any) as the Directors think fit; and
- (d) grant options over unissued shares either at par or at a premium during such time and for such consideration as the Directors think fit.

4.2 Preference shares

The Company may issue preference shares including preference shares which are, or at the option of the Company are, liable to be redeemed, and such power may be exercised by the Directors.

4.3 Differentiation among Members as to calls on shares

The Directors may differentiate between the holders of shares as to the amounts of calls to be paid on the shares and as to the times for payment of those calls.

4.4 Brokerage and commission on subscriptions for unissued shares

Subject to the provisions of the Law:

- (a) the Company may exercise the power to make payments by way of brokerage or commission in connection with subscriptions for unissued shares; and
- (b) payments by way of brokerage or commission may be satisfied by the payment of cash, by the allotment of fully or partly paid shares or partly by the payment of cash and partly by the allotment of fully or partly paid shares.

5. SHARE CERTIFICATES

5.1 Share certificates to be issued under Seal

Any certificates issued in respect of shares will be uniquely numbered and will be issued under the Seal or the Share Seal or in such other manner permitted under the Law as the Directors may determine but, except as provided by Article 5.4, no fee will be charged by the Company for the issue of share certificates.

5.2 Member's entitlement to share certificates

Unless the conditions of allotment of the shares provide otherwise, every Member will be entitled to one certificate, without payment, in respect of the shares registered in the Member's name, or to several certificates in reasonable denominations.

5.3 Duplicate certificate if original damaged or defaced

If any share certificate, letter of allotment, transfer, receipt or any other document of title to shares is worn out or defaced, then on production of it to the Directors, the Directors may order it to be cancelled and may issue a duplicate in its place.

5.4 Duplicate certificate if original lost or destroyed

If any share certificate, letter of allotment, transfer, receipt or any other document of title to shares is lost or destroyed, a duplicate of it may be issued on the conditions set out in the Law and on payment of the fee (not exceeding that prescribed in the Law) as the Directors determine.

5.5 Certificate of joint holders

In the case of shares held jointly by 2 or more persons, any certificates issued in respect of those shares will be in the same number which would be issued in respect of those shares if those shares were held by one person. Delivery of a certificate in respect of a share to any one of several joint holders named on the Register is deemed to be delivery to all the joint holders.

6. REGISTER

6.1 Registered holder absolute owner

Except as required by law or as otherwise provided in these Articles, the Company is entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly is not bound to recognise any equitable or other claim to or interest in that share on the part of any other person, whether or not it has notice of that claim or interest.

6.2 Transferor is holder until transfer registered

A transferor of shares remains the registered holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the Register in respect of them.

6.3 Closure of Registers and transfer books

The Register, transfer books and any other register required to be kept by the Company may be closed during such time or times as the Directors think fit, but no such book or register will be closed for more than 30 days in the aggregate in any calendar year.

6.4 Branch Register

The Company may exercise the powers conferred by section 216K of the Law, which powers are vested in the Directors. In exercising those powers, and subject to section 216K of the Law, the Directors may apply such provisions as they think fit in relation to the subject matter thereof and may comply with the requirements of any local law. Subject to the Law, the Directors may make provision for the transfer of shares between the Register and any branch register of Members.

7. CALLS ON SHARES**7.1 Directors' power to make calls**

Subject to compliance with the provisions of the Law, the Directors may make such calls on the Members as they think fit in respect of all money unpaid on shares held by the Members (whether in respect of capital or premium), unless the conditions of issue of the shares make that money payable at fixed times.

7.2 Notice of call

- (a) Notices of any calls given by the Company will specify the amount of the call, the time and place of payment, to whom that call will be paid.
- (b) The Company will give members at least 10 Business Days notice of any call.
- (c) The non-receipt of a notice of any call or the accidental omission to give notice of any call to any of the Members will not invalidate the call.

7.3 Payment of call: when and where due

Subject to Article 7.6, each Member will pay the amount of every call so made on the Member to the persons and at the times and places appointed by the Directors.

7.4 Terms of call

- (a) Subject to the conditions of issue of the shares, a call may be made payable by instalments.
- (b) The Directors may revoke or postpone any call.

7.5 When call deemed to be made

A call is deemed to have been made when the Directors resolve to make the call.

7.6 Call deemed to have been made when instalment of capital payable under terms of issue

- (a) If, by the terms of issue of any share, or otherwise, any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment will be payable as if it were a call duly made by the Directors and of which due notice had been given.
- (b) All of the provisions of these Articles relating to calls relate to such amount or instalment accordingly.

7.7 Non-payment of call: interest

- (a) If the sum payable in respect of any call is not paid on or before the day appointed for its payment, the holder for the time being of the share in respect of which the call has been made will pay interest on the sum payable from the day appointed for payment to the time of the actual payment at the rate of 15% per annum or at such other rate as the Directors may determine.
- (b) The Directors may waive payment of that interest in whole or in part.

7.8 Liability of joint holders for calls

The joint holders of a share are jointly and severally liable for the payment of all calls due in respect of that share.

7.9 Proof of liability for call

- (a) On the trial or hearing of any action for the recovery of any money due for any call, it will be sufficient to prove that the name of the Member sued is entered in the Register as the holder or one of the holders of the shares in respect of the call and that, subject to Article 7.6, the resolution making the call is duly recorded in the minute book and notice of the call was duly given to the Member sued under these Articles.
- (b) Proof of these matters will be conclusive evidence of the debt due in respect of a call.

- (c) It will not be necessary to prove the appointment of the Directors who made the call or any other matter.

7.10 Payment of calls in advance

- (a) The Company may accept from any Member willing to advance the same all or any part of the sum due upon the shares held by the Member beyond the sum actually called for.
- (b) The Company may pay interest on any advance payment to the extent that the amount paid for the time being exceeds the amount of the calls made on the shares in respect of which the advance payment is made, at such rate as the Member who makes the advance payment and the Directors may agree.
- (c) The amount paid in advance will not confer a right to participate in a dividend declared or otherwise participate in profits of the Company in respect of a period before the date on which the amount advanced would but for such payment have become payable.
- (d) The Directors may repay the amount advanced upon giving to the Member at least 14 days' notice in writing.

8. FORFEITURE AND LIEN ON SHARES

8.1 Notice to pay calls and interest

If any Member fails to pay any call on or before the day appointed for its payment, the Directors may, at any time thereafter during such time as the call remains unpaid, serve a notice on such Member requiring the Member to pay the call together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of the non-payment.

8.2 Form of notice to pay call and interest

The notice will name a day being not less than 10 Business Days from the date of the notice and a place or places on and at which the call, interest, and expenses are to be paid. The notice will also state that if payment is not made at or before the time and at the place appointed, the shares in respect of which the call was made will be liable to be forfeited.

8.3 Failure to comply with notice brings forfeiture

- (a) If the requirements of any such notice are not complied with, any shares in respect of which notice has been given may at any time thereafter be forfeited by a resolution of the Directors to that effect before payment of all calls, interest and expenses due in respect thereof.
- (b) Forfeiture will include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

8.4 Notice of forfeiture

- (a) When any share has been forfeited, notice of the forfeiture will be given to the Member in whose name it stood immediately before the forfeiture and an entry of the forfeiture with the date thereof will forthwith be made in the Register.
- (b) Omission or neglect to give notice or to make an entry as specified in this Article 8.4 will not invalidate a forfeiture in any way.

8.5 Sale of forfeited shares

The Directors may sell, otherwise dispose of or reissue a share which has been forfeited on such terms and in such manner as they think fit and, in the case of reissue, with or without any money paid on the share by any former holder being credited as paid up.

8.6 Cancellation of forfeiture

Where any share has been forfeited, the Directors may, at any time before a sale, disposition or reissue of the share, cancel the forfeiture on such terms as the Directors think fit.

8.7 Company may receive proceeds of sale

Subject to Article 8.13, the Company may receive the consideration (if any) given for a forfeited share on any sale or disposition of the share.

8.8 Previous holder's continuing liability to pay calls, etc.

Any Member whose shares have been forfeited ceases to be a Member in respect of the forfeited shares, but is nevertheless liable to pay and will forthwith pay to the Company, all calls, interest and expenses owing on or in respect of those shares at the time of forfeiture, together with interest thereon from the time of forfeiture until payment at the rate of 15% per annum or such other rate as the Directors may determine. The Directors may enforce the payment of such money or any part thereof if they think fit but are not under any obligation so to do.

8.9 Company's lien on shares and proceeds of sale

- (a) The Company has a first and paramount lien for unpaid calls on the specific shares registered in the name of a Member, whether solely or jointly with others, in respect of which such money is due and unpaid and a first and paramount lien on the proceeds of sale thereof and for expenses which the Company may be called upon by law to pay in connection with such shares or the forfeiture or sale thereof.
- (b) The lien also extends to all dividends from time to time declared in respect of those shares.

- (c) Unless otherwise agreed, the registration of a transfer of shares will operate as a waiver of the Company's lien (if any) on those shares.

8.10 **Another lien: when Company makes payment on Member's behalf**

If any law of any country, state or place imposes or purports to impose any immediate or future liability upon the Company to make any payment or empowers any government or taxing authority or governmental official to require the Company to make any payment:

- (a) in respect of shares held solely or jointly;
- (b) in respect of a transfer or transmission of shares by a Member;
- (c) in respect of dividends, bonuses or other money due or payable or which may become due and payable to a Member; or
- (d) otherwise for or on account of or in respect of a Member;

whether as a consequence of:

- (e) the death of that Member;
- (f) the non-payment of any income tax, capital gains tax, wealth tax or other tax by that Member or the legal personal representative of that Member;
- (g) the non-payment of any estate, probate, succession, death, stamp or other duty by that Member or the legal personal representative of that Member; or
- (h) any other act or thing;

then, in addition to any right or remedy that law may confer on the Company:

- (i) the Member or, if the Member is deceased, the Member's legal personal representative will:
 - (i) fully indemnify the Company against that liability;
 - (ii) reimburse the Company for any payment made under or as a consequence of that law immediately on demand by the Company; and
 - (iii) pay interest from the date the Company makes a payment under or as a consequence of that law until the date the Company is reimbursed for that payment at such rate (not exceeding any rate prescribed by or under the Law) as the Directors determine;
- (j) the Company has a lien upon all dividends and all amounts called upon by law to be paid in respect of the shares held solely or jointly by that Member or that Member's legal personal representative for all money payable to the Company under this Article 8.10;

- (k) the Company may recover, as a debt due from that member or from that Member's legal personal representative, any money payable to the Company under this Article 8.10; and
- (l) the Company may refuse to register a transfer of any shares by that Member or that Member's legal personal representative until all money payable to the Company under this Article 8.10 has been paid.

8.11 Recovery by Company of amount paid on Member's behalf

All amounts paid or to be paid under Article 8 may be deducted by the Company from any money payable by the Company to that Member or that Member's executors or administrators (as the case may be) in respect of those shares, or be recovered by the Company by action or otherwise from the Member or the Member's executors or administrators (as the case may be).

8.12 Enforcement of liens by sale

For the purpose of enforcing any lien, the Directors may sell the shares subject to the lien in such manner as they think fit but, subject to Article 8.10, no sale will be made until notice in writing of the intention to sell has been served on the Member or the Member's executors or administrators (as the case may be) and the Member or the Member's executors or administrators has or have defaulted in the payment, fulfilment or discharge of those debts or liabilities for 10 Business Days after service of that notice.

8.13 Application of proceeds of sale, other disposal or reissue

The proceeds of any sale, other disposal or reissue will be applied in payment of:

- (a) first, the expenses of the sale, other disposal or reissue;
- (b) second, any expenses necessarily incurred in respect of the forfeiture, enforcement of a lien on the sale, other disposal or reissue; and
- (c) third, the calls, interest, expenses, money paid or liabilities due and unpaid,

and the residue (if any) will be held on trust by the Company until paid to the Member or the Member's executors and administrators or assigns (as the case requires) or as such person (or if more than one such person, as such persons) directs in writing, and the Company will so pay any such residue within 5 Business Days of the Company receiving the share certificate that relates to the forfeited shares or such other satisfactory evidence as the Company may require relating to ownership of the forfeited shares.

8.14 Execution of transfer of shares sold

On any sale or other disposal after forfeiture, or on enforcing a lien in purported exercise of the powers in this Article 8, the Directors may:

- (a) appoint a person to effect a transfer of the shares sold or otherwise disposed of (and such person will have authority to do all such things as may be necessary or appropriate for it to do to effect the transfer); and
- (b) cause the transferee's name to be entered in the Register in respect of the shares sold or otherwise disposed of.

8.15 **Proof of due forfeiture**

A certificate in writing under:

- (a) if the Company is a Sole Officer Company, the hand of the only Director; or
- (b) otherwise, the hands of 2 Directors or of one Director and the Secretary,

that a call in respect of any shares was made, that notice of the call was served, that default in payment of the call was made and that forfeiture of the shares was made by resolution of the Directors to that effect will be sufficient evidence of the facts therein stated as against all persons claiming to be entitled to those shares and of the right and title of the Company to dispose of them.

8.16 **Transferee's title to forfeited shares**

- (a) The title of the transferee to the shares sold under this Article 8 is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the share.
- (b) The transferee is not bound to determine the regularity of the proceedings or the application of the purchase money (if any) and, after the transferee's name has been entered in the Register in respect of those shares, the validity of the sale or other disposal will not be impeached by any person. The remedy of any person aggrieved by the sale or other disposal will be in damages only and against the Company exclusively.

8.17 **Exemption from lien**

The Directors may exempt any share wholly or in part from the provisions of this Article 8.

8.18 **Protection of lien**

The Company may do all such things as may be necessary or appropriate for it to do under any applicable law to protect any lien, charge or other right to which it may be entitled under any law or these Articles.

8.19 Further powers regarding forfeited shares and liens

Where a transfer following sale of any shares after forfeiture or for enforcing a lien, charge or right to which the Company is entitled under any law or under these Articles is effected, the Company may do all things necessary or desirable for it to do under any applicable law in relation that transfer.

9. TRANSFER OF SHARES**9.1 Forms of transfer**

Subject to these Articles, Members may transfer any shares held by them by a written instrument of transfer in any usual form or in any other form approved by the Directors.

9.2 Registration Process

The following provisions apply to instruments of transfer referred to in Article 9.1:

- (a) the instrument of transfer will be executed by or on behalf of the transferor unless the instrument is otherwise a sufficient transfer under the Law. The instrument of transfer will be signed by or on behalf of the transferee if required by the Company;
- (b) the instrument of transfer will be left at the share registry of the Company, accompanied by the certificate (if any) in respect of the shares to be transferred and such other evidence as the Directors require to prove the transferor's title to or right to transfer the shares; and
- (c) on registration of a transfer of shares, the Company will cancel the old certificate (if any).

9.3 Directors may refuse to register transfers

The Directors may refuse to register any transfer of shares without giving any reason for such refusal.

9.4 No transfer if maximum number of Members exceeded

No transfer of shares shall be registered if upon its registration the number of Members would exceed the maximum prescribed by Article 3.

9.5 Retention of transfers by Company

All instruments of transfer which are registered will be retained by the Company, but any instrument of transfer which the Directors decline or refuse to register (except in the case of fraud) will on demand be returned to the transferee.

9.6 Powers of attorney

Any power of attorney granted by a Member empowering the donee to transfer shares which may be lodged, produced or exhibited to the Company or any Officer of the Company will be taken and deemed to continue and remain in full force and effect, as between the Company and the grantor of that power, and the power of attorney may be acted on, until express notice in writing that it has been revoked or notice of the death of the grantor has been given and lodged at the Office or at the place where the Register is kept.

9.7 Transfer of Shares by Premier

Notwithstanding any other provision of these Articles the Premier may execute an instrument of transfer of any issued shares, for the purpose of giving effect to the *GOC Act*, whether or not the member consents and the Directors shall as soon as practicable upon such executed instrument of transfer which has been produced for stamp duty purposes to the proper State officer as required by the Stamp Act authorise the Secretary to have the name of the transferee entered in the Register as a member and shall do all such of the acts, matters or things to enable a new share certificate to be issued in accordance with these Articles, the Law and the *GOC Act*. The transferee of such shares shall, immediately upon execution of the instrument of transfer be deemed to be the holder of the shares the subject of the instrument notwithstanding that the name of the transferee has not been entered on the Register.

10. TRANSMISSION OF SHARES

10.1 Title to shares of deceased Member and deceased joint holder

- (a) The executors or administrators of a deceased Member, not being one of several joint holders, will be the only persons recognised by the Company as having any title to the shares registered in the name of that Member or any benefits accruing in respect of the shares and, in the case of the death of any one or more of the joint registered holders of any shares, the survivors will be the only persons recognised by the Company as having any title to or interest in those shares or any benefits accruing in respect thereof. Nothing in these Articles will be taken to release the estate of a deceased Member from any liability.
- (b) Where 2 or more persons are jointly entitled to any share in consequence of the death of the registered holder of that share, for the purpose of these Articles they will be deemed to be joint holders of the shares.

10.2 Title to shares on death, bankruptcy or incapacity of Member

- (a) Subject to the Bankruptcy Act 1966, any person becoming entitled to shares in consequence of:
 - (i) the death or bankruptcy of any Member; or
 - (ii) any Member through mental or physical infirmity becoming incapable of managing his or her affairs,

on producing proper evidence that he or she sustains the character in respect of which he or she proposes to act under this Article or of his or her title to the shares, may by notice in writing signed by him or her and delivered or sent to the Company, elect to be registered as a Member in respect of the shares or may transfer the shares.

- (b) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares are applicable to any such notice or transfer as if the death, bankruptcy, mental infirmity or physical infirmity of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
- (c) If the Company has acted in good faith in so registering such person or the transferee of such person, that person will indemnify the Company to the extent of any loss or damage suffered by the Company as a result of such registration.

10.3 Dividends payable to person entitled to shares on death, bankruptcy or incapacity of Member

A person becoming entitled to a share in the circumstances referred to in Article 10.2 will be entitled to the same dividends and other advantages to which the person would be entitled if registered as the holder of the share, but, before being registered as a holder of the share, the person will not be entitled in respect of the share to exercise any right conferred by membership in relation to general meetings in respect of the share.

11. ALTERATION OF CAPITAL

11.1 Alteration

The Company may by resolution alter its share capital in any one or more of the ways provided for by the Law or alter the provisions of its Memorandum to do any one or more of the following:-

- (a) increase its share capital by the creation of new shares of the amount specified in the resolution;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) subdivide its shares or any of them into shares of smaller amount than is fixed by the memorandum but so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each subdivided share is the same as it was in the case of the share from which the subdivided share is derived; or

- (d) cancel shares that, at the date of the passing of the resolution to that effect, have not been taken or agreed to be taken by any person or that have been forfeited and by reducing the amount of its share capital by the amount of the shares so cancelled.

11.2 Special resolution to reduce capital

- (a) Subject to the Law, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.
- (b) Without limiting the generality of paragraph (a), the Company when reducing its share capital may resolve that such reduction be effected wholly or in part by the distribution of specific assets (whether held in the name of the Company or in the name of any wholly owned subsidiary of the Company) and in particular paid up shares, debentures, debenture stock or other securities of any other company or in any one or more of such ways.
- (c) Where the Company pursuant to a reduction of its share capital distributes to its Members shares in another corporation:
 - (i) the Members will be deemed to have agreed to become members of that corporation; and
 - (ii) each of the Members appoints the Company or any of the Directors as its agent to execute any transfer of shares or other document required to effect the distribution of shares to that Member.

11.3 Additional Rights

Where shares are consolidated under Article 11.1.(b) or subdivided under Article 11.1.(c), the Company in general meeting may determine by special resolution that as between the shares resulting from that consolidation or subdivision, one or more of the shares has some preference or special advantage in relation to dividends, capital, voting or anything else over or compared with one or more of the others.

11.4 Buy-Back authorisation

The Company may, in accordance with the Law, buy shares in itself.

12. VARIATION OF CLASS RIGHTS

12.1 Form of Consent

If at any time the share capital is divided into different class of shares, the rights attached to a class unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied:

- (a) with the consent in writing of the holders of 75% of the issued shares of that class; or

- (b) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

12.2 **Separate general meeting**

The provisions of these Articles relating to general meetings, with all necessary changes required by the context of this Article, apply to every separate general meeting except that:

- (a) two Members represented in any manner permitted at general meetings who together hold one-third of the issued shares of the class, or the only Member holding shares in the class, is a quorum; and
- (b) any person qualified to be counted in a quorum may demand a poll.

12.3 **No variation of rights by further issue**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights will not be deemed to be varied by the creation or issue of further shares ranking equally with the firstmentioned shares, unless otherwise expressly provided by the terms of issue of the shares of that class.

12.4 **Deemed variation of preference shareholders rights**

Notwithstanding any other provision of these Articles, any issue by the Company of securities ranking in priority to, and any conversion of any securities to securities ranking equally or in priority to, a class of preference shares is deemed to be a variation or abrogation of the rights attached to that class of preference shares.

13. **GENERAL MEETINGS**

13.1 **Resolution in writing**

A resolution in writing signed by the Members entitled to vote on the resolution is to be treated as a determination of the Members passed at a meeting of the Members convened and held.

13.2 **Resolution without meeting**

- (a) A resolution in writing may consist of two or more documents in like form, each signed by a Member and that they are in favour of a resolution if so signed it takes effect on the latest date on which a Member signs one of the documents.
- (b) In relation to a resolution in writing:
 - (i) a document generated by electronic means which purports to be a facsimile of a resolution of directors is to be regarded as a resolution in writing; and

- (ii) a document bearing a facsimile of a signature is to be regarded as signed.

13.3 Convening of meetings

- (a) The directors may convene a general meeting whenever they think fit.
- (b) The Members are entitled to require the directors to convene a general meeting under section 246 of the Law and are also entitled to convene a meeting under section 247 of the Law.

13.4 Notice of general meeting

- (a) A notice of a general meeting must specify the place, the day and the hour of meeting and, except as expressly set out in these Articles, the general nature of the business to be transacted.
- (b) The accidental omission to give notice of any general meeting to, or the non receipt of a notice by, a person entitled to receive notice does not invalidate a resolution passed at the general meeting.
- (c) It is not necessary for a notice of a general meeting to state that the business to be transacted at the meeting includes:
 - (i) the declaring of a dividend;
 - (ii) the consideration of accounts and the reports of the directors and auditor; or
 - (iii) the appointment and fixing of the remuneration of the auditor.

13.5 Cancellation of general meetings

- (a) The directors may cancel a general meeting, other than a general meeting convened under section 246 of the Corporations Law.
- (b) A meeting may only be cancelled in accordance with this article if notice of the cancellation is given to all persons entitled to receive notice of the meeting not less than 2 business days prior to the time of the meeting as specified in notice of meeting.

13.6 Quorum at general meetings

- (a) Business may not be transacted at a general meeting unless a quorum of Members is present at the time when the meeting proceeds to business.

(b) A quorum for a general meeting is:

- (i) if the Company has only one Member, one person; or
- (ii) otherwise, 2 persons,

provided that each such person is a Member, or a proxy of a Member, or attorney of a Member, or a Representative entitled to vote at that meeting.

(c) If a quorum is not present within half an hour from the time appointed for the meeting or a longer period allowed by the chairman:

- (i) and if the meeting was convened on the requisition of the Members, it must be dissolved; or
- (ii) it must stand adjourned to the same day in the next week at the same time and place or to another day and at another time and place determined by the directors.

13.7 Quorum at adjourned general meetings

If at the adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting, the meeting must be dissolved.

13.8 Representation of Members

- (a) At meetings of Members or classes of Members, each Member entitled to attend and vote may vote in person or by proxy or by attorney or (where the Member is a body corporate) by representative.
- (b) A person attending as a proxy, as the attorney of a Member, or as representing a corporation which is a Member is to be treated as a Member for the purposes of:
 - (i) determining whether a quorum is present; and
 - (ii) demanding a poll.

13.9 Appointment of chairman

- (a) If the directors have elected one of their number as chairman of their meetings, that person is entitled to preside as chairman at every general meeting.
- (b) The directors present at a general meeting must elect one of their number to be chairman of the meeting if:
 - (i) a director has not been elected as chairman of directors meetings; or

- (ii) the chairman is not present within 15 minutes after the time appointed for the holding of the meeting or he is unwilling to act.
- (c) The Members present at a general meeting must elect one of their number to be chairman of the meeting if:
 - (i) there are no directors present within 15 minutes after the time appointed for the holding of the meeting; or
 - (ii) all directors present decline to take the chair.

13.10 Chairman's powers

Subject to the terms of these Articles dealing with adjournment of meetings, the chairman's ruling on all matters relating to the order of business, procedure and conduct of the general meeting is final and no motion of dissent from a ruling of the chairman may be accepted.

13.11 Adjournment of meetings

- (a) The chairman may, with the consent of any meeting at which a quorum is present, and must if so directed by the meeting, adjourn the meeting to another time and to another place.
- (b) The only business that may be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.
- (c) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting must be given as in the case of an original meeting.
- (d) Except when a meeting is adjourned for thirty (30) days or more, it is not necessary to give a notice of an adjournment or of the business to be transacted at an adjourned meeting.

13.12 Voting on show of hands

- (a) At a general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded.
- (b) If a poll is not duly demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

13.13 Demand for a poll

- (a) A poll may be demanded by:-
- (i) the chairman;
 - (ii) any three (3) Members who have the right to vote at the meeting;
 - (iii) any Member or Members representing not less than ten percent (10%) of the total voting rights of all the Members having the right to vote at the meeting; or
 - (iv) a Member or Members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than ten percent (10%) of the total sum paid up on all the shares conferring that right.
- (b) The demand for a poll may be withdrawn.
- (c) The demand for a poll does not prevent the continuance of a meeting for the transaction of business other than the question on which a poll is demanded.
- (d) If a poll is duly demanded, it must be taken in the manner and, except as to the election of a chairman or on a question of adjournment, either at once or after an interval or adjournment or otherwise as the chairman directs. The result of the poll is the resolution of the meeting at which the poll is demanded.
- (e) A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately.

14. VOTES AT GENERAL MEETINGS**14.1 Voting rights of Members**

Subject to any rights or restrictions for the time being attached to a class or classes of shares:-

- (a) on a show of hands every person present who is a Member or who represents a Member has one vote; and
- (b) on a poll every person present who is a Member or who represents a Member has one vote for each share held by the Member.

14.2 Joint Members' vote

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority must be determined by the order in which the names stand in the share register.

14.3 Voting rights where calls unpaid

A Member is not entitled to vote at a general meeting unless all calls or other sums presently payable by the Member in respect of shares have been paid.

14.4 Chairman's vote at general meetings

The chairman of a general meeting is not entitled to a second or casting vote.

14.5 Objections to voter qualification

- (a) No objection may be raised to the qualification of a voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered.
- (b) An objection to the qualification of a voter must be referred to the chairman of the meeting, whose decision is final.
- (c) A vote not disallowed according to an objection as provided in these Articles is valid for all purposes.

14.6 Votes of incapacitated Member

If a Member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, the Member's committee or trustee or such other person as properly has the management of the Member's estate may exercise any rights of the Member in relation to a general meeting as if the committee, trustee or other person were the Member.

14.7 Proxy not to vote if Member present

If a Member is present at a meeting of the Company and a proxy or attorney for such Member is also present, the proxy or attorney is not in respect of the shares to which the proxy or attorney relates entitled to vote on a show of hands or on a poll.

14.8 When numerous proxies or Representatives are present

If more than one proxy or attorney or Representative for a Member is present at a meeting of the Company, none of them will be entitled to vote on a show of hands, and on a poll the vote of each one is of no effect unless each such person is appointed to exercise a specified proportion of the Member's voting rights and such proportions do not in aggregate exceed 100%.

14.9 No vote if contrary to Law

Notwithstanding any other Article, a Member will not be entitled to vote, and any vote purported to be cast by the Member or any proxy, attorney or Representative for the Member, will be disregarded on a particular resolution where such a vote is prohibited by the Law.

15. PROXIES AND REPRESENTATIVES

15.1 Right to appoint proxy/attorney

- (a) A Member who is entitled to attend and vote at a general meeting of the Company or at a meeting of any class of Members of the Company is entitled to appoint not more than 2 other persons (whether Members or not) as the Member's proxy or proxies or attorney or attorneys, as the case may be, to attend and vote instead of the Member at the meeting.
- (b) Where a Member appoints 2 proxies or attorneys, the appointment is of no effect unless each proxy or attorney, as the case may be, is appointed to represent a specified proportion of the Member's voting rights.
- (c) A proxy or attorney may be appointed for all meetings or for any number of meetings or for a particular purpose.

15.2 Proxy or attorney will be written

An instrument appointing a proxy or attorney:

- (a) will be in writing under the hand of the appointer or of the appointer's attorney duly authorised in writing or, if the appointer is a corporation, under its common seal or the hand of its duly authorised attorney; and
- (b) may contain directions as to the manner in which the proxy or attorney, as the case may be, is to vote in respect of any particular resolution or resolutions.

A facsimile of a written appointment of a proxy or a power of attorney is valid.

15.3 Directors or chairperson decide validity

The Directors' or chairperson's decision as to the validity of a proxy or power of attorney or a facsimile thereof will be final and binding.

15.4 Authority conferred on Proxy or Attorney

Unless otherwise provided in the instrument, an instrument appointing a proxy or attorney will be taken to confer authority:

- (a) to agree to a meeting being convened by shorter notice than is required by the Law or by these Articles;
- (b) to agree to a resolution being proposed and passed as a special resolution at a meeting of which less than 21 days' notice has been given;
- (c) even though the instrument may refer to specific resolutions and may direct the proxy or attorney how to vote on those resolutions:

- (i) to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion; and
- (ii) to vote on any procedural motion, including any motion to elect the chairperson, to vacate the chair or to adjourn the meeting;
- (d) to speak on any proposed resolution on which the proxy or attorney may vote; and
- (e) to demand or join in demanding a poll on any resolution on which the proxy or attorney may vote.

15.5 Power of attorney and proxy form to be deposited before meeting

An instrument appointing an attorney or a proxy and, the power of attorney or other authority (if any) under which it is signed or a copy of that power or authority certified as a true copy by statutory declaration or a facsimile of any of the documents referred to in this Article, will be deposited at the Office not less than 48 hours before the time scheduled for commencement of the meeting (or any adjournment of that meeting) at which the person named in the instrument intends to vote.

15.6 Vote by proxy valid notwithstanding intervening death etc. of Member

A vote given in accordance with the terms of an instrument appointing a proxy or attorney will be valid notwithstanding the previous death or unsoundness of mind of the principal, or revocation of the proxy or power of attorney or transfer of the share in respect of which the vote is given, if no intimation in writing of the death, unsoundness of mind, revocation or transfer has been received at the Office, not less than 48 hours before the time scheduled for the commencement of the meeting at which the person named in the proxy or power of attorney, as the case may be, intends to vote.

15.7 Member may indicate whether proxy is to vote for or against resolution

- (a) Any form of proxy sent out by the Company to Members in respect of a proposed general meeting of Members will make provision for the Member to indicate whether the Member wishes to vote for or against any resolution.
- (b) The Member may but need not give an indication or direction as to the manner in which a proxy is to vote in respect of a particular resolution.
- (c) Where an indication or direction is given, the proxy is not entitled to vote on the resolution on behalf of that Member except in accordance with that indication or direction.

15.8 Form of proxy/attorney

Every instrument appointing a proxy or attorney whether for a specified meeting or otherwise will be in such form as the Directors may prescribe or accept.

15.9 Failure to name appointee

Any instrument of proxy in which the name of the appointee is not filled in will be deemed to be given in favour of the chairperson or such other person as is nominated by the Directors in the notice convening the relevant general meeting.

15.10 Appointment of Representative by Corporation

- (a) Any corporation which is a Member of the Company by a resolution of its directors may authorise any person (whether a Member or not) it thinks fit to act as its Representative at all meetings or any particular meeting or meetings held during the continuance of the authority, whether the meeting is of the Company or of any class of Members of the Company.
- (b) That person, acting in accordance with his or her authority until it is revoked by the corporation, is entitled to exercise the same powers on behalf of that corporation as that corporation could exercise if it were a natural person who was a Member of the Company.

15.11 Proof of appointment or revocation of appointment of Representative

A certificate under the seal of the corporation or such other document as the chairperson of the meeting in his or her sole discretion considers sufficient will be prima facie evidence of the appointment or of the revocation of the appointment (as the case may be) of a Representative under Article 15.10.

16. DIRECTORS: APPOINTMENT AND REMOVAL**16.1 Number of Directors**

- (a) Subject to paragraph (b), the number of Directors will be such number not less than one nor more than the numbers as the Directors may determine, provided that the Directors will not reduce the number of Directors below the number in office at the time of such determination.
- (b) The Company in general meetings may by ordinary resolution increase or reduce the maximum or minimum number of Directors, provided that the minimum will not be less than one.
- (c) The first Directors will be appointed by the subscribers to the Company's memorandum of association or a majority of them.

16.2 Limited ability of Directors to act during vacancies

The continuing Directors may act notwithstanding any vacancy in their number; but for as long as the number of Directors is below the minimum fixed by these Articles, the Directors will not act except in emergencies or for the purpose of filling up vacancies or convening a general meeting of the Company.

16.3 Director need not be Member

A Director need not be a Member of the Company.

16.4 Directors may attend and speak at general meetings

A Director is entitled to attend and speak at all general meetings and at every meeting of the holders of every class of shares.

16.5 Directors may fill casual vacancies and may appoint additional Directors

(a) The Directors have power to appoint any person as a Director either to fill a casual vacancy or as an addition to the Directors, but the total number of Directors will never exceed the maximum number fixed by these Articles.

(b) Any Director so appointed will retire at the next following general meeting of the Company and will then be eligible for re-election.

16.6 Appointment of Directors by general meeting

Subject to the provisions of these Articles, the Company in general meeting may by ordinary resolution appoint new Directors.

16.7 Resignation of Directors

A Director may resign from office on giving the Company notice in writing.

16.8 Removal of Directors by general meeting

Subject to the Law, the Company in general meeting may by ordinary resolution:

(a) remove any Director; and

(b) appoint another qualified person in place of that Director.

16.9 Suspension of Director guilty of prejudicial behaviour

(a) If the conduct or position of any Director is such that continuance in office appears to a majority of the Directors to be prejudicial to the interests of the Company, a majority of the Directors at a meeting of the Directors specially convened for that purpose may suspend that Director.

(b) Within 14 days of the suspension, the Directors will call a general meeting, at which the Members may either confirm the suspension and remove that Director from office in accordance with Article 16.8, or annul the suspension and reinstate that Director.

16.10 Vacation of office of Director: automatic

The office of a Director is vacated if that Director:

- (a) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (b) is absent without the consent of the Directors from all meetings of the Directors held during a period of 3 months and the Directors resolve that his or her office be vacated;
- (c) resigns the office of Director in accordance with Article 16.7 or 18.3;
- (d) is removed under the provisions of Article 16.8 or 18.2;
- (e) ceases to be a Director by virtue of Article 18.4;
- (f) becomes bankrupt or suspends payment or liquidates by arrangement or compounds with or assigns his or her estate for the benefit of his or her creditors; or
- (g) otherwise ceases to be, or becomes prohibited from being, a Director by virtue of the Law.

17. RETIREMENT OF DIRECTORS**17.1 Retirement of Directors at general meeting in certain circumstances**

All of the Non-Executive Directors shall retire from office and be eligible for re-election at every general meeting at which it is determined by ordinary resolution that it shall so happen.

17.2 Retiring Director stays for meeting

A Director retiring will retain office until the dissolution or adjournment of the general meeting at which that Director retires.

17.3 Election of Directors by general meeting

Subject to the provisions of these Articles, the Company in general meeting at which any Director retires or at the conclusion of which any Director ceases to hold office may fill up all or any of the vacated offices by electing a like number of persons to be Directors.

17.4 Director may continue if place not filled

If the vacated office is not filled by election, the retiring Director, if offering himself or herself for re-election and not being disqualified under the Law from holding office as a Director, is deemed to have been re-elected unless at that meeting:

- (a) it is expressly resolved not to fill the vacated office at that time; or
- (b) a resolution for the re-election of that Director is put and lost.

17.5 Nomination of Directors for office

No person other than a Director retiring in accordance with these Articles is eligible for election to the office of Director at any general meeting unless in the case of a person whose nomination is recommended by the Directors, at least 21 days, and in any other case, at least 30 Business Days before the meeting there has been left at the Office:

- (a) a notice in writing signed by a Member duly entitled to attend and vote at the meeting for which such notice is given of that Member's intention to propose the person for election; and
- (b) notice in writing signed by the person of his or her willingness to be elected.

Members duly entitled to attend and vote at the meeting may also propose themselves for election in accordance with these Articles. Notice of each and every candidature will be given to all Members at least 14 days before the meeting at which the election is to be held.

18. MANAGING DIRECTOR AND EXECUTIVE DIRECTORS

18.1 Appointment of Managing Directors

The Directors may appoint one or more of their number as Managing Directors either for a fixed term or without any limitation as to the period for which the person appointed is to hold the office.

18.2 Removal, suspension, replacement of absent Managing Director

Subject to the provisions of any contract between a Managing Director and the Company, the Directors may from time to time remove or dismiss or suspend a Managing Director from that office and appoint another or others in his or her place, or appoint a temporary substitute for a Managing Director while that Managing Director is absent or unable to act. No Managing Director is entitled to attend or vote at any meeting of Directors while under suspension from office.

18.3 Retirement of Managing Directors

Subject to the provisions of any contract between each Managing Director and the Company, a Managing Director is subject to the same provisions as to resignation and removal as the other Directors, and will immediately cease to be a Managing Director if for any reason he or she ceases to hold the office of Director.

18.4 Executive Directors ceasing to be an employee

- (a) Each Executive Director ceases to be a Director on ceasing to be a full time employee of the Company or a related body corporate of the Company.
- (b) A person ceasing to be a Director by virtue of this Article will not for that reason alone be rendered ineligible for appointment or election as a Director under any other Article.

18.5 Powers of Managing Directors and Executive Directors

- (a) The Directors may entrust to and confer on each Managing Director and each Executive Director such of the powers exercisable under these Articles by the Directors as they think fit.
- (b) The Directors may so confer any such powers for the time and to be exercised for any objects and purposes and on any terms and conditions and with such restrictions as they think fit.
- (c) The Directors may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may revoke, withdraw, alter or vary all or any of the powers.
- (d) Notwithstanding any provision of these Articles, every Managing Director and Executive Director will at all times and in all respects be subject to the control of the Directors.

19. POWERS OF COMPANY AND ITS DIRECTORS

19.1 Management of Company

- (a) Subject to the Law, these Articles and the *GOC Act*, the directors are responsible for the management of the business of the Company and the attainment and performance of the Company's objects contained in the Memorandum and may exercise all powers of the Company which are not, by the Law or these Articles or the *GOC Act*, required to be exercised by the Company in general meeting.
- (b) The role, responsibilities and duties of the directors include those required of them under the *GOC Act*.
- (c) The operation and effect of this Article 19.1 are not limited in any way by the following provisions of this Article 19.

19.2 Directors may exercise Company's power to borrow

The Directors may exercise all the powers of the Company to borrow or raise money, to charge any property or business of the Company and all or any of its unpaid capital, to issue debentures or give any other security for a debt, liability or obligation of the

Company or of any other person, to guarantee or to become liable for the payment of money or the performance of any obligations by any other person, and may exercise all the powers of the Company in relation to any official seal for use outside the State and in relation to branch registers.

19.3 Directors may exercise power to give security

The Directors may exercise the powers conferred on them by Article 19.2 in such manner and upon terms and conditions in all respects as they think fit, and in particular but without limiting the generality of the foregoing, by the issue of any debenture, debenture stock (perpetual, redeemable or otherwise), bonds, notes, charge, bill of sale, debt instrument or other security on the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

19.4 Debentures may be issued at discount or premium

Any debentures, debenture stock, bonds, notes, other security or debt instrument may be issued by the Company at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, conversion, allotment of shares, attending and voting at general meetings of the Company, appointment of directors, or other matter.

19.5 Assignability of debentures

Debentures, debenture stock, bonds, notes, charges, bills of sale, other securities or debt instruments issued or given by the Company may be made assignable free from any equities between the Company and the person to whom the same may be issued.

19.6 Commission on issue of debentures

The Company may pay a commission to any person for subscribing or agreeing to subscribe for or procuring or agreeing to procure subscriptions for any debentures, debenture stock, bonds, notes, other securities or debt instruments of the Company.

19.7 Security from Company for Directors

If the Directors or any of them or any other person become or are about to become personally liable for the payment of any sum due from the Company, the Directors may execute or cause to be executed any mortgage, charge, bill of sale or security over or affecting the whole or any part of the assets of the Company in order to secure the Directors or persons so becoming liable from any loss in respect of such liability.

19.8 Directors may appoint attorney or agent

- (a) The Directors may, by resolution, power of attorney under seal, or other written instrument, appoint any person or persons, including any as described in Article 26.3, to be attorney or agent of the Company for such purposes, with such powers, authorities and discretions being powers, authorities and

discretions vested in or exercisable by the Directors for such period and subject to such conditions as they think fit.

- (b) The appointment may be on such terms for the protection and convenience of persons dealing with the attorney or agent as the Directors think fit and may also authorise the attorney or agent to delegate all or any of the powers, authorities and discretions vested in him.

19.9 Execution of Company cheques, etc.

All cheques, promissory notes, banker's drafts, bills of exchange and other negotiable instruments signed, drawn, accepted, endorsed or otherwise executed by the Company, and all receipts for money paid to the Company, will be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner and by such persons as the Directors determine.

20. REMUNERATION OF DIRECTORS

20.1 Remuneration of Non-Executive Directors

- (a) The Non-Executive Directors will be paid out of the funds of the Company by way of remuneration for their services a fixed sum as is determined by a general meeting, but until so determined that remuneration will be such sum as the Directors determine.
- (b) Remuneration will be paid to or applied for the benefit of the Non-Executive Directors in such proportions and in such manner as the Non-Executive Directors determine, and will be paid to them equally failing such determination.
- (c) The remuneration of the Non-Executive Directors will be deemed to accrue from day to day.

20.2 Remuneration of Executive Directors

The remuneration of the Executive Directors will, subject to the provisions of any contract between each of them and the Company, be fixed by the Directors, and may be by way of fixed salary or commission on or percentage of profits of the Company or of any other company in which the Company is interested or partly in one way and partly in another or others.

20.3 Payments on retirement, loss of office or death of Director

Subject to the Law, the Directors may give a prescribed benefit including an exempt benefit to a person in connection with the retirement of a person from a prescribed office in relation to the Company.

20.4 Remuneration of Directors - extra services, payment of expenses and increases in fees

- (a) If any Director is called upon to perform extra services or to make any special exertion in going or residing abroad or otherwise for any of the purposes of the Company, subject to the Law the Company may pay additional remuneration or provide benefits to that Director as the Directors determine.
- (b) The Directors are also entitled to be paid their reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors, and otherwise in the execution of their duties as Directors.

20.5 Interests in staff funds

Subject to the Law, any Director may participate in any association, institution, fund, trust or scheme for the benefit of past or present employees or Directors of the Company, a related body corporate or any of their respective predecessors in business or for the benefit of the dependants of any such persons or for the benefit of persons connected with any of those persons.

21. PROCEEDINGS OF DIRECTORS

21.1 Convening of directors' meetings

A director may at any time, and a Secretary must on the requisition of a director, convene a meeting of the directors.

21.2 Mode of meeting for directors

- (a) The directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- (b) The directors are to be regarded as present together when in communication by telephone, closed circuit television or other means of audio or audio visual communication of each of the directors participating in the communication is able to hear each of the other participating directors.

21.3 Quorum at director's meetings

- (a) At a meeting of directors, the number of directors whose present is necessary to constitute a quorum is half the number of Directors and if that number is not a whole number, the next highest whole number.
- (b) A meeting of the Directors during which a quorum is present is competent to exercise all or any of the authorities, powers and discretions under these Articles for the time being vested in or exercisable by the Directors generally.

- (c) Where a quorum cannot be established for a meeting of Directors (or consideration of a particular matter) a Director may convene a general meeting of Members to deal with the matter or the matters in question.

21.4 Notice of meetings of Directors

- (a) Notice of every Directors' meeting will be given to each Director and Alternate Director who is within Australia, but it is not necessary to give notice to any Director or Alternate Director who is outside Australia.
- (b) Notice of a meeting of Directors may be given in writing or by radio, telephone, closed-circuit television or other electronic means of audio or audio-visual communication.

21.5 Votes at meetings of Directors

- (a) Questions arising at any meeting of the Directors must be decided by a majority of votes of Directors present and voting and each Director has one vote. A decision of the majority is for all purposes a decision of the Directors.
- (b) A person who is an Alternate Director is entitled to one vote (in addition to the Alternate Director's own vote as a Director, if any) on behalf of each Appointor whose alternate the Alternate Director is and who is not personally present.

21.6 Chairman's vote at directors meetings

A chairman has a second or casting vote at meetings of directors.

21.7 Chairperson and deputy chairperson of Directors

- (a) The Directors may elect a chairperson of Directors.
- (b) The Directors may also elect a deputy chairperson who in the absence of the chairperson at a meeting of the Directors may exercise all the powers and authorities of the chairperson.
- (c) If no chairperson or deputy chairperson is elected or if at any meeting the chairperson or deputy chairperson is not present within ten minutes of the time appointed for holding the same, the Directors present will choose one of their number to be chairperson of that meeting.
- (d) The Directors may determine the period for which a person elected as chairperson or deputy chairperson is to hold office.
- (e) If the Directors do not make such a determination then the person concerned will hold office until otherwise resolved by the Directors or until the person ceases to be a Director.

- (f) If the Directors do make such a determination then the person concerned will hold office until the first to occur of the expiration of that period, the person ceasing to be a Director or the Directors at any time during that period resolving that the person will from that time cease to hold that office.
- (g) When a Director who is the chairperson or deputy chairperson retires at a general meeting and is re-appointed or re-elected as a Director at that meeting, that chairperson or deputy chairperson will not by that fact alone cease to be the chairperson or deputy chairperson as the case may be.

21.8 Disclosure of director's interests

- (a) A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company must declare the nature of the director's interest at a meeting of the directors where required to do so under the Law.
- (b) The Secretary must record every declaration of interest in the minutes of the meeting at which it is made.
- (c) A director is not to be regarded as interested or to have been at any time interested in a contract or proposed contract merely because:-
 - (i) where the contract or proposed contract relates to a loan to the Company, the director has guaranteed or joined in guaranteeing the repayment of the loan or a part of the loan; or
 - (ii) where the contract or proposed contract has been or will be made with or for the benefit of or on behalf of a body corporate which by virtue of the Law is treated as related to the Company, the director is a director of that body corporate.

21.9 Director's contracts

- (a) Despite a failure by a director to declare the nature of the director's interest as required by these Articles and the Law:
 - (i) a director or intending director is not disqualified by holding office as director from contracting or entering into any arrangement with the Company, whether as vendor, purchaser or otherwise;
 - (ii) a contract or arrangement entered into by or on behalf of the Company in which a director is in any way, whether directly or indirectly, interested, is not liable to be avoided; and
 - (iii) a director is not liable to account to the Company for a profit realised from that contract or arrangement by reason of the director holding that office.

- (b) A director and a firm in which the director is interested may act in a professional capacity for the Company. The director and that firm are entitled to remuneration for professional services as if the director was not a director of the Company.
- (c) Nothing in this article authorises a director or a firm in which the director is interested to act as auditor of the Company.

21.10 Directors holding office of profit

A director may hold any other office or place of profit under the Company (except that of auditor) in conjunction with the office of director for the period and on the terms as to remuneration and otherwise as the directors may determine.

21.11 Participation where directors interested

- (a) A director may vote in respect of a contract or proposed contract with the Company in which the director is directly or indirectly interested if the director declares the nature of the interest as required by these Articles and the Law.
- (b) A director may be counted in the quorum at a meeting at which there is considered a matter in which the director is, directly or indirectly, interested and in respect of which the director is entitled to vote.
- (c) A director may attest the affixing of the Seal to a contract or arrangement entered into by the director or in which the director is, directly or indirectly, interested.

21.12 Delegation of powers to committee

- (a) The directors may delegate any of their powers to committees consisting of directors or other persons as they think fit to act in Australia or elsewhere.
- (b) The exercise of a power by a committee in accordance with these Articles is to be regarded as the exercise of that power by the directors.
- (c) In the exercise of any powers delegated to it, a committee formed by the directors must conform to the directions of the directors.

21.13 Proceedings of committees

Except as provided in a direction of the directors, the meetings and proceedings of a committee formed by the directors must be governed by the provisions of these Articles, in so far as they are applicable, as if meetings and proceedings of the committee are meetings and proceedings of the directors.

21.14 Validity of acts of directors

All acts done by a meeting of the directors or of a committee of directors or by a person acting as a director are valid even if it is later discovered that there is a defect in the appointment of a person to be a director or a member of the committee or that they or any of them were disqualified or were not entitled to vote.

21.15 Minutes

- (a) The directors must cause minutes of all proceedings of general meetings, of meetings of the directors and of committees formed by the directors to be entered, within one month after the relevant meeting is held, in books kept for the purpose.
- (b) The directors must cause all minutes, except those deemed to constitute minutes by virtue of Section 255 of the Law and those resolutions in writing treated as determinations of directors, to be signed by the chairman of the meeting at which the proceedings took place or by the chairman of the next succeeding meeting.

21.16 Resolution in writing

A resolution in writing signed by all directors, excluding directors who have been given leave of absence, is to be treated as a determination of the directors passed at a meeting of the directors duly convened and held and the resolution passed if a majority of directors are in favour of the resolution.

21.17 Form of resolution in writing

- (a) A resolution in writing may consist of several documents in like form, each signed by one or more directors and if so signed it takes effect on the latest date on which a director signs one of the documents.
- (b) In relation to a resolution in writing:
 - (i) a document generated by electronic means which purports to be a facsimile of a resolution of directors is to be regarded as a resolution in writing and
 - (ii) a document bearing a facsimile of a signature is to be regarded as signed.

22. ALTERNATE DIRECTORS**22.1 Appointment and removal of Alternate Directors**

- (a) Each Director has power to appoint any person approved for that purpose by a majority of the other Directors, to be the alternate of the Director in

the Appointor's place during such times as the Appointor determines, and will have power at the Appointor's discretion to remove that Alternate Director.

- (b) Subject to the Law, an Alternate Director is not prohibited from voting or being present in respect of a matter by reason only that the Alternate Director's Appointor is prohibited from voting or being present in respect of that matter.

22.2 Notice of appointment or removal of Alternate Directors

Any appointment or removal of an Alternate Director will be effected by telegram, telex, cable, facsimile or other notice in writing to the Company.

22.3 Rights and powers of Alternate Directors

Subject to the Law, an Alternate Director:

- (a) may act in the place of his or her Appointor;
- (b) is entitled to attend and vote and be counted in determining a quorum at any meeting of the Directors (notwithstanding any interest the Alternate Director may have in a matter for consideration by the Directors) except while his or her Appointor is present;
- (c) has all the rights and powers of his or her Appointor (other than those conferred by Article 22.1) and be subject to the duties of, his or her Appointor;
- (d) will be subject in all respects to the conditions existing with reference to the other Directors, except that the Alternate Director is not entitled to be remunerated otherwise than out of the remuneration of the Appointor save that the Alternate Director may receive remuneration (as provided in Article 20.4) from the Company for extra services, special exertions and reasonable expenses which in the opinion of the Directors are outside the scope of the ordinary duties of a Director; and
- (e) may act as an Alternate Director to more than one Director and is entitled to one vote in respect of each Appointor where the Appointor is not present.

22.4 Remuneration of Alternate Directors

Except as otherwise provided in Article 22.3.(d), in respect of remuneration (if any), the rights of an Alternate Director lie against his or her Appointor only and not against the Company.

22.5 Alternate Director is an Officer of Company

An Alternate Director is an Officer of the Company and will not be deemed to be the agent of his or her Appointor. An Alternate Director need not be a Member of the Company.

22.6 Voting rights of Alternate Directors and Quorum

If an Alternate Director is already a Director of the Company, the Alternate Director is entitled to vote at meetings of Directors both on behalf of his or her Appointor and separately as a Director, but for the purpose of determining whether a quorum is present will be counted only once.

22.7 Alternate goes when Appointor goes

If any Appointor ceases to be a Director, his or her Alternate Director (if any) thereupon also ceases to be an Alternate Director, but when an Appointor retires at a general meeting either by rotation or otherwise under these Articles and is re-appointed as a Director at that meeting, his or her Alternate Director (if any) will remain an Alternate Director for that Director unless the instrument of appointment of the Alternate Director otherwise provides.

22.8 Form of appointment of Alternate Director

Any instrument appointing an Alternate Director will as nearly as circumstances will admit be in the following form or to the effect of the following:

"Powerlink Transmission Services Pty Ltd

I, the undersigned being a Director of the abovenamed Company in pursuance of the power in that behalf contained in the Articles of Association of the Company DO HEREBY NOMINATE AND APPOINT _____ of _____ to act as Alternate Director in my place and to exercise and discharge all my duties as a Director.

Signed this _____ day of _____, 19 ____."

or in such other form as the Directors may accept.

23. ASSOCIATE DIRECTORS**23.1 Appointment and removal of Associate Directors**

The Directors may appoint any person to be an Associate Director and may cancel that appointment.

23.2 Powers of Associate Directors

- (a) The Directors may fix, determine and vary the powers, duties and remuneration of any person appointed as an Associate Director.
- (b) An Associate Director need not be a Member of the Company, and does not have any right to attend at any meeting of the Directors except by the invitation of the Directors.
- (c) If an Associate Director attends any Directors' meeting, he or she will not be counted in a quorum and does not have the right to vote.

24. MINUTES

24.1 Minutes of all proceedings to be kept

The Directors will cause minutes of all proceedings of general meetings and meetings of the Directors, including meetings of committees of Directors, to be duly entered in books kept for that purpose in accordance with the Law.

24.2 Minutes to be signed by chairperson

Except in the case of written resolutions made in accordance with Article 21.15 and 21.16, the Directors will cause the minutes of all proceedings of general meetings and meetings of the Directors, including meetings of committees of Directors, to be signed by the chairperson of the meeting at which the proceedings took place or by the chairperson of the next succeeding meeting.

24.3 Minutes to be presumed accurate

Where the minutes of proceedings of general meetings and meetings of the Directors, including meetings of committees of Directors, are signed in accordance with Article 24.2, those minutes shall be presumed to be an accurate record of the relevant proceedings unless the contrary is proved.

24.4 Inspection of minutes of general meetings

Books containing the minutes of proceedings of general meetings will be open for inspection by any Member without charge.

25. SECRETARY

25.1 Appointment of secretaries

The directors may appoint one or more Secretaries and may at any time terminate the appointment or appointments.

25.2 Terms of appointment of secretaries

The directors may determine the terms and conditions of appointment of a Secretary, including remuneration.

25.3 Secretaries may act separately

Any one of the Secretaries may carry out any act or deed required by these Articles, the Law or by any other statute to be carried out by the secretary of the Company.

25.4 Acting Secretary

The Directors may appoint a person as an acting Secretary or as a temporary substitute for a Secretary who for the purpose of these Articles will be deemed to be a Secretary.

26. LOCAL MANAGEMENT**26.1 Management in specified localities**

- (a) The Directors may provide for the management and transaction of the affairs of the Company in any specified locality whether in the State or elsewhere in such manner as they think fit.
- (b) The provisions contained in Articles 26.2, 26.3 and 26.4 are without prejudice to the general powers conferred by this Article 26.1.

26.2 Local boards and management committees

- (a) The Directors may establish any local boards, management committees or agencies for managing any of the affairs of the Company in the specified locality.
- (b) The Directors may appoint any persons to be members of local boards or any managers or agents, and may fix their remuneration.
- (c) The Directors may delegate to those appointees any of the powers, authorities and discretions for the time being vested in the Directors other than the power of making calls, and may authorise some or all of the members for the time being of any local board to fill up any existing vacancies and to act notwithstanding vacancies.
- (d) An appointment or delegation may be made on any terms and subject to any conditions as the Directors think fit.
- (e) The Directors may remove any appointee and revoke or vary that delegation.

26.3 Members of local boards and management committees may be attorneys or agents of Directors

An appointment of an attorney or agent under Article 19.8 if the Directors think fit may be made in favour of the members or any of the members of any local board or management committee or agency established as aforesaid or in favour of any corporation or of the members, directors, nominees or managers of any corporation or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors.

26.4 Power of sub-delegation

Any such local board, management committee or agency established as aforesaid may be authorised by the Directors to sub-delegate all or any of the authorities and discretions for the time being vested in them.

27. THE SEALS

27.1 Custody of Seal

The directors must provide for the safe custody of the Seal.

27.2 Affixing the Seal

- (a) The Seal may be used only by the authority of the directors or director or of a committee of the directors authorised by the directors to authorise the use of the seal.
- (b) Every instrument to which the Seal is affixed, subject to any provisions contained in this Article, will be signed by:
 - (i) 2 or more Directors;
 - (ii) at least one Director and the Secretary
 - (iii) at least one Director and the Chief Executive Officer of the Company;
 - (iv) a Director or the Chief Executive Officer of the Company and one or more persons appointed by the Directors for the purpose; or
 - (v) one or more persons appointed by the Directors for the purpose.

27.3 Official seal

- (a) The Company may have for use in place of the Seal outside the jurisdiction where the Seal is kept one or more official seals, each of which must be a facsimile of the Seal with the addition on its face of the name of every place where it is to be used.
- (b) The directors may from time to time appoint persons to affix an official seal and to sign and countersign a document to which the official seal is affixed.

- (c) A person affixing the official seal must:
 - (i) certify in writing on the document to which it is affixed the date on which and the place at which it is affixed; and
 - (ii) sign the certification.

27.4 Share Seal

- (a) The Company may have a duplicate common seal which must be a facsimile of the Seal with the addition on its face of the words "Share Seal". A certificate referring to or relating to shares of the Company sealed with the share seal is taken to be sealed with the Seal.
- (b) Certificates referring to or relating to shares of the Company may be issued bearing a printed impression of the share seal and printed facsimiles of the signatures of the persons permitted by these Articles to sign and countersign the affixing of the Seal. A certificate so issued is to be taken as sealed with the Seal.

27.5 Facsimile signature under Seals

The Directors may determine either generally or in a particular case and in any event subject to such conditions as they think fit that wherever a signature is required by these Articles on a document to or in which the Seal, the Share Seal or an official seal is affixed or incorporated, that requirement will be satisfied by a facsimile of the signature affixed by mechanical or other means.

27.6 Effect of sealing

Any instrument bearing the Seal, the Share Seal or an official seal if issued for valuable consideration will be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same, or the circumstances of its issue.

28. RESERVE FUND AND DIVIDENDS

28.1 Establishment and purpose of reserve funds

Subject to the Law, before declaring or recommending any dividend, the Directors may set aside out of the profits of the Company such sums as they think proper as a reserve fund to be applied, at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied, including but not limited to the following:

- (a) to meet contingencies;
- (b) for equalising dividends;
- (c) for special dividends;

- (d) for repairing, improving and maintaining any property of the Company; and
- (e) for such other purposes as the Directors in their absolute discretion think conducive to the interests of the Company.

28.2 Power to invest reserve funds

- (a) The Directors may invest any of the sums set aside on such investments as they think fit deal with, vary such investments, and dispose of all or any part thereof for the benefit of the Company.
- (b) The Directors may divide the reserve fund into such special funds as they think fit and employ the reserve fund or any part of it in the business of the Company without being bound to keep it separate from the other assets.
- (c) Pending any such application, and at the discretion of the Directors, the reserves may be used in the business of the Company or be invested in such investments as the Directors think fit.

28.3 Profits may be carried forward without going to reserve

The Directors may carry forward so much of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to reserve.

28.4 Profits to be distributed among Members in proportion to nominal capital paid up on their shares

- (a) Subject to any special rights or restrictions for the time being attaching to any shares, and subject to Articles 7.10 and 28.1, the profits of the Company will be divisible among the Members in proportion to the amount of the share capital paid up on the shares held by them respectively at the time at which entitlements thereto are determined.
- (b) Subject to paragraph (a) any nominal share capital paid up on a share during the period in respect of which a dividend is declared will only entitle the holder of such share to an apportioned amount of that dividend from the date of payment, unless the terms of issue otherwise provide.
- (c) A declaration by the Directors as to the amount of profits available for dividend is conclusive.

28.5 Declaration of dividends

- (a) The Directors (without the sanction of a general meeting) may declare a dividend whether interim or final to be paid to the Members out of profits or, subject to the Law, out of the share premium account or both according to the Member's rights and interests in the profits at the time of entitlement to dividend.

- (b) The Directors may fix the time and record date for books closing for determining entitlements to, and for the payment of, the dividend.
- (c) The persons entitled to be paid a dividend will be persons who are the registered holders of the shares at the time and date fixed for determining entitlements to dividends in accordance with paragraph (b).

28.6 No interest on dividends

No dividend will carry interest against the Company.

28.7 Preferential dividends

Without limiting the generality of their powers under Article 28.5, the Directors may pay any preferential dividends on shares issued on terms that preferential dividends are payable on those shares, whether on fixed dates or otherwise.

28.8 Payment of dividends with assets, shares or debentures

- (a) The Directors may resolve when declaring a dividend that that dividend be paid wholly or in part by the distribution of specific assets, including paid up shares, debentures, debentures, debenture stock or other securities of the Company or of any other corporation, and the Directors will give effect to that resolution.
- (b) If the Company is required to distribute to its Members, by way of dividend, shares in another corporation;
 - (i) the Members will be deemed to have agreed to become members of that corporation; and
 - (ii) each of the Members appoints the Company or any of the Directors as its agent to execute any transfer of shares or other document required to effect the distribution of shares to the Members;
- (c) Where a dispute arises in regard to that distribution, the Directors may settle the matter as they consider expedient, fix the value for distribution of the specific assets or any part of those assets, determine that cash payments will be made to any Members on the basis of the value so fixed in order to adjust the rights of all parties, and may vest any specific assets in trustees as the Directors consider expedient.
- (d) If distribution of specific assets to a particular Member is illegal or, in the Directors' opinion, impracticable, the Directors may make a cash distribution to the Member equal to the cash value or the proposed distribution of specific assets.

28.9 Power of one joint holder to give receipt for dividends

Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of the share.

28.10 Method of payment of dividends

- (a) Payment of any dividend or other money in respect of a share may be made in any manner and by any means as determined by the Directors including by:
 - (i) directly crediting the account nominated in writing by the Member from time to time; or
 - (ii) cheque sent through the post to the registered address of the Member or person entitled or in the case of joint holders to the registered address of the person whose name stands first on the Register in respect of the joint holding; or
 - (iii) cheque so sent made payable to the Member or such other person as the Member may direct.
- (b) The payment of any dividend or other money is at that Member's or person's risk.
- (c) Money earned by the Company on the amount of a dividend pending clearance of such a cheque or other collection by a Member will be for the benefit of the Company.

28.11 Power to retain dividends on which there is a lien

The Directors may retain the whole or part of any dividend on which the Company has a lien, and may apply that sum in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

28.12 Retention of dividends when Member dead etc.

The Directors may retain the dividends payable on shares in respect of which under Article 10.2 any person is entitled to become a Member, or which any person under that Article is entitled to transfer until that person becomes a Member in respect of those shares or duly transfers the shares.

28.13 Effect on dividends of transfer of shares

A transfer of shares registered after the books closing date for a dividend but before the dividend is paid will not pass the right to any dividend declared on those shares prior to that books closing date.

28.14 Directors may pay interest on capital raised for building

- (a) The Directors may pay interest on capital raised for the construction of works or buildings when and to the extent that they are authorised so to do under section 202 of the Law.
- (b) Any interest so paid to the holders of preference shares will be deemed to be in satisfaction wholly or pro tanto of dividends on the preference shares for the period for which it is paid.

28.15 Bonus Share Plans

- (a) A general meeting of the Company may (either before or after the adoption of this Article) authorise the Directors to establish and maintain one or more bonus share plans whereby any Member or any number or class of Members eligible in accordance with the plans may elect (in the manner prescribed by the plans) to forego any dividends that may be payable on all or some of the ordinary shares held by that Member and to receive instead some other entitlement in accordance with the plans including the allotment to the Member of fully paid ordinary shares in the capital of the Company.
- (b) The Directors may implement, suspend, terminate or vary the terms and conditions of any such bonus share plans as and when they consider appropriate.

28.16 Dividend Reinvestment Plans

- (a) A general meeting of the Company may (either before or after the adoption of this Article) authorise the Directors to establish and maintain one or more dividend reinvestment plans whereby any Member or any number or class of Members eligible in accordance with the plans may elect (in the manner prescribed by the plans) that dividends payable by the Company will be applied on behalf of that Member in subscribing for fully paid ordinary shares in the capital of the Company in accordance with the plans.
- (b) The Directors may implement, suspend, terminate or vary the terms and conditions of any such plans as and when they consider appropriate.

28.17 Unclaimed dividends

In the discretion of the Directors, all dividends declared but unclaimed may be invested for the benefit of the Company until claimed or until required to be dealt with in accordance with any law relating to unclaimed money.

29. CAPITALISATION OF PROFITS

29.1 Profits and premiums may be capitalised

The Directors, or any general meeting on the recommendation of the Directors, may resolve that:

- (a) any money, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund or in the hands of the Company and available for dividend; or
- (b) subject to the Law, any amount representing premiums received on the issue of shares and standing to the credit of the share premium account; or
- (c) subject to the Law, any amount representing the nominal value of preference shares redeemed otherwise than out of the proceeds of a fresh issue of shares and standing to the credit of the capital redemption reserve,

be capitalised and distributed amongst Members.

29.2 Proportionate distribution of amounts capitalised

Such a distribution will be made to the Members who would be entitled to receive the same if distributed by way of dividend and in the same proportions, on the footing that they become entitled thereto as capital, and that all or any part of the capitalised fund be applied on behalf of those Members:

- (a) in paying up in full either at par or at such premium as the resolution referred to in Article 29.1 provides, any unissued shares or debentures of the Company, which will be distributed accordingly;
- (b) in or towards payment of the uncalled liability on any issued shares or debentures of the Company; or
- (c) partly as mentioned in Article 29.2.(a) and partly as mentioned in Article 29.2.(b),

and that distribution or payment will be accepted by Members in full satisfaction of their interest in the capitalised sum.

29.3 Determination of entitlements to distribution

A resolution under Article 29.1 may fix the time at which entitlements to the distribution are determined.

29.4 Settlement of disputes about distribution

For the purpose of giving effect to any resolution under Article 29.1, the Directors may settle any dispute which arises in regard to the distribution as they think expedient, and in particular may:

- (a) in cases where shares or debentures become issuable in fractions may issue fractional certificates, make cash payments or declare that fractions be ignored; and
- (b) authorise any person to make an agreement with the Company on behalf of all the Members entitled to any further shares or debentures on the capitalisation, providing for the issue to them, credited as fully paid up, of any such further shares or debentures or for the payment up by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised. Any agreement made under that authority will be effective and binding on all Members concerned.

30. ACCOUNTS

30.1 Company to keep

The Company will keep such accounting and other records of the business of the Company as it is required to keep by the Law.

30.2 Copy of accounts to be sent

If so required by the Law as it applies to the Company, a copy of every document which is required to be sent to Members by section 315(3A) of the Law will be sent to all persons entitled to receive notices of general meetings.

30.3 Accounts Conclusive

Every account of the Directors when audited and approved or received by a general meeting at which it is presented (if required by the Law) will be conclusive except as regards any material error discovered in it within 3 months next after its approval or adoption. Whenever any material error is discovered within that period the account will forthwith be corrected and then it will be conclusive.

31. AUDITORS: APPOINTMENT AND REMOVAL

The auditors of the Company will be appointed and may be removed as provided in the Law. They will perform the duties and have the rights and powers as may be provided in the Law.

32. SECRECY

32.1 Members not entitled to discovery

- (a) Subject to the Law, the Directors will determine whether and to what extent, at what time and place or places, and under what conditions, the accounting records and other documents of the Company will be open to the inspection of Members other than Directors.

- (b) Subject to the Law, a Member not being a Director does not have the right, but may in the absolute discretion of the Directors be authorised, to inspect or to require or receive any information, or to require discovery of any record or document of the Company or any information respecting any detail of the Company's trading or business, or any matter which is or may be in the nature of a trade secret, confidential information, mystery of trade or secret process which may relate to the conduct of the business of the Company.

32.2 Officers of Company not to disclose information

- (a) Every Director, Managing Director, manager, Secretary, auditor, trustee, member of a committee, agent, accountant or other Officer is bound to observe secrecy with respect to all transactions of the Company with its customers, the state of the account of any individual, and all related matters.
- (b) If required by the Directors, every such person will, before commencing that person's duties or employment or at any time afterwards, sign and make a declaration in a book to be kept for that purpose that they will not reveal or make known any of the matters, affairs or concerns which may come to their knowledge as Director, Managing Director, manager, Secretary, auditor, trustee, member of a committee, agent, accountant or other Officer and whether relating to transactions of the Company with its customers or the state of the account of any individual or to anything else, to any person or persons except in the course and in the performance of their duties, or under compulsion or obligation of law, or when officially required so to do by the Directors or by the auditors for the time being, or by any general meeting of Members.

33. NOTICES

33.1 Persons authorised to give notices

- (a) A notice by either the Company or a Member in connection with these Articles may be given on behalf of the Company or Member by a solicitor, director or company secretary of the Company or Member.
- (b) The signature of a person on a notice given by the Company may be written, printed or stamped.

33.2 Method of giving notices

In addition to the method for giving notices permitted by statute, a notice by the Company or a Member in connection with these Articles may be given to the addressee by:

- (i) delivering it to a street address of the addressee;

- (ii) sending it by prepaid ordinary post (airmail if outside Australia) to a street or postal address of the addressee; or
- (iii) sending it by telex or facsimile to the telex or facsimile number of the addressee.

33.3 Notices to joint holders

A notice may be given by the Company to the joint holders of a share by giving the notice to the first named joint holder of the share shown in the share register.

33.4 Addresses for giving notices to Members

For the purposes of giving notices to a Member:-

- (i) the street address or postal address of a Member is the street or postal address of the Member shown in the share register;
- (ii) the telex number or facsimile number of a Member is the number which the Member may specify by written notice to the Company as the telex number or facsimile number to which notices may be sent to the Member; and
- (iii) until a person entitled to a share in consequence of the death or bankruptcy of a Member gives notice to the Company of an address for the giving of notices, the address of that person is the address of the deceased or bankrupt Member.

33.5 Address for giving notices to the Company

For the purposes of giving notices to the Company:-

- (i) the address (for delivery and post) of the Company is the Office; and
- (ii) the telex number or facsimile number of the Company is the number which the Company may specify by written notice to the Members as the telex number or facsimile number to which notices may be sent to the Company.

33.6 Time notice of meeting is given

A notice of meeting given in accordance with these Articles is to be taken as given, served and received:

- (i) if delivered in writing to the street address of the addressee, at the time of delivery;
- (ii) if it is sent by post to the street or postal address of the addressee, on the day after posting; or
- (iii) if sent by telex or facsimile to the telex or facsimile number of the addressee at the time transmission is completed.

33.7 Time other notices are given

A notice (other than a notice of meeting) given in accordance with these Articles is to be taken as given, served and received:

- (i) if delivered in writing to the street address of the addressee, at the time of delivery;
- (ii) if it is sent by post to the street or postal address of the addressee, at the time at which it would be delivered in the ordinary course of post; or
- (iii) if sent by telex or facsimile to the telex or facsimile number of the addressee at the time transmission is completed.

33.8 Proof of giving notices

The sending of a notice by telex or facsimile and the time of completion of transmission may be proved conclusively by production of:

- (i) evidence of the answerback code of the addressee after transmission of the notice by telex; or
- (ii) a transmission report by the facsimile machine from which the notice was transmitted which indicates that a facsimile of the notice was sent in its entirety to the facsimile number of the addressee.

33.9 Persons entitled to notice of meeting

- (a) Notice of every general meeting must be given by a method authorised by these Articles to:

- (i) every Member;
- (ii) every person entitled to a share in consequence of the death or bankruptcy of a Member who, but for the Member's death or bankruptcy, would be entitled to receive notice of the meeting; and
- (iii) the auditor for the time being of the Company.

- (b) No other person is entitled to receive notices of general meetings.

34. WINDING UP

34.1 Distribution of property in specie

If the Company is wound up the liquidator may, with the sanction of a special resolution, divide among the Members in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and determine how the division is to be carried out as between the Members or different classes of Members.

34.2 Distribution to be in proportion to nominal share capital paid up

If, on a winding up of the Company there remains a surplus, that surplus will be divided amongst the Members in proportion to the nominal share capital paid up on their shares, whether or not the liquidator exercises the power under Article 34.1.

34.3 Special rights prevail

Articles 34.1 and 34.2 are without prejudice to the rights of holders of shares issued on special terms and conditions.

34.4 Vesting of property in trustees for contributories

Subject to Article 34.5, the liquidator may with the sanction of a special resolution vest the whole or any part of the property in trustees on such trusts for the benefit of the contributories or any of them as the liquidator thinks fit.

34.5 Encumbered property: Member not compelled to accept

No Member will be compelled by the provisions of this Article 34 to accept any property, including shares or other securities, in respect of which there is any liability.

35. OFFICERS: INDEMNITIES AND INSURANCE**35.1 Costs and expenses**

Every person who is or has been an officer of the Company is indemnified by the Company against a liability for costs and expenses incurred by that person as an officer:-

- (a) in defending any proceedings, whether civil or criminal, in which judgement is given in favour of the person or in which the person is acquitted; or
- (b) in connection with any application in relation to those proceedings in which the Court grants relief to the person under the Law.

35.2 Liabilities to third parties

The Company indemnifies, and will keep indemnified, every person who is or has been an officer of the Company against every liability incurred by that person as an officer to a person other than the Company or a related body corporate, except a liability which arises from conduct that involves a lack of good faith.

35.3 Insurance premiums

The Company may pay the premium on a contract insuring a person who is or has been an officer of the company against:-

- (a) a liability for costs and expenses incurred by the person in defending proceedings arising out of the person's conduct as an officer, whether civil or criminal and whatever their outcome; and

- (b) other liability incurred by the person as an officer of the Company except a liability which arises from conduct that involves a wilful breach of duty in relation to the Company or a contravention of subsections 232(5) and (6) of the Law.

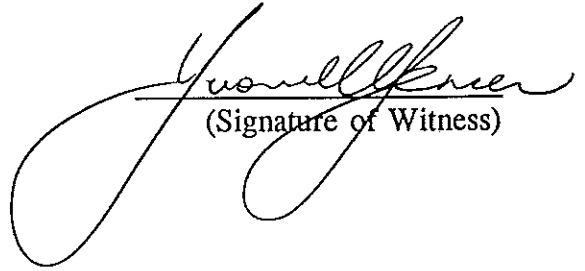
The person whose signature appears below, being the subscriber to the Memorandum of Association of the Company, hereby agrees to the foregoing Articles of Association.

Signatures of Subscriber

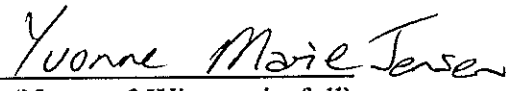
Witness



Signed by MAURICE DOUGLAS BRENNAN for
and on behalf of QUEENSLAND ELECTRICITY
TRANSMISSION CORPORATION LIMITED



(Signature of Witness)



(Name of Witness in full)

DATE: 25 February 1998