

Corporations Act 2001

A NO LIABILITY COMPANY

CONSTITUTION

of

PARKWAY MINERALS NL

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1. GENERAL

1.1 Objects.

The sole objects for which the Company is established are for mining purposes.

1.2 Replaceable Rules Not Applicable

The Replaceable Rules contained in the Corporations Act shall not apply to this Company.

1.3 Definitions

In this Constitution:-

"ASX" means Australian Stock Exchange Limited;

"Bonus Share Plan" means a plan implemented under Clause 22;

"Business Day" means a day other than a Saturday, a Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day which the ASX shall declare and publish to be a day which is not a business day;

"Chairman" and **"Vice-Chairman"** means the persons elected by the Directors to the office of Chairman and Vice-Chairman from time to time in accordance with Clause 13.8 or as otherwise elected in accordance with Clause 10.4;

"CHES" means the Clearing House Electronic Subregister System established and operated by ASX including but not limited to:

- (a) the clearing and settlement of transaction in CHES approved securities;
- (b) the transfer of securities; and
- (c) the registration on transfers.

"CHES approved securities" means securities of a company for which CHES approval has been given in accordance with the SCH Business Rules;

"CHES subregister" means that part of a company's register for a class of the company's CHES approved securities that is administered by SCH and that records uncertificated holdings of securities in that class;

"the Company" means this company as it is from time to time named in accordance with the Corporations Act;

"Constitution" means this Constitution as altered or added to from time to time;

"Corporations Act" means the Corporations Act 2001 as amended;

"the Directors" means the directors of the Company from time to time or such number of them as have authority to act for the Company (including any alternate director duly acting as such), and "Director" has a corresponding meaning;

"Dispose" has the meaning given to that term in the Listing Rules and **Disposal** has the corresponding meaning;

"Executive Director" means a Director appointed in accordance with Clause 15.1 to an office of, or otherwise employed by, the Company;

"Home Branch" means the State Branch of the ASX designated to the Company by the ASX;

"listing rules" means the listing rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX each as amended or replaced from time to time except to the extent of any express written waiver by ASX;

"Listed Securities" means any Shares, Share Options, stock, debentures, debenture stock or other securities for the time being issued by the Company and officially quoted by the ASX;

"Managing Director" means a Director appointed as a managing director of the Company in accordance with Clause 15.1;

"Marketable parcel" means a marketable parcel of securities as defined in the Listing Rules;

"Market transfer" means:

- (a) a transfer of shares in the Company where the transfer is pursuant to or connected with a transaction entered into on the stock market operated by the ASX and for the avoidance of doubt includes a proper SCH transfer; or
- (b) an allotment of shares in the Company as a result of the exercise of any rights, options or convertible notes where such rights, options or notes are traded on a market operated by the ASX;

"Officer" means any Director or Secretary of the Company;

"Official List" means the official list of entities that the ASX has admitted and not removed;

"Prescribed rate" means the rate of 18% per annum or such other rate as may from time to time be fixed by the Directors;

"proper SCH transfer" has the same meaning as that term has under the Corporations Act;

"Registered Office" means the registered office of the Company;

"Register of Shareholders" means the register of Shareholders kept by the Company;

"Related Body Corporate" means a body corporate which by virtue of the provisions of Section 50 of the Corporations Act is deemed to be related to the Company and 'related' has a corresponding meaning;

"Representative" means a person authorised to act as a representative of a corporation under Clause 10.20;

"Restricted Securities" has the meaning ascribed to it by the listing rules;

"Restriction Deed" means a restriction deed in a form prescribed by the Listing Rules or otherwise approved by a Stock Exchange;

"SCH business rules" has the same meaning as that term has in the Corporations Act; **"Seal"** means the common seal of the Company;

"Secretary" means any person appointed to perform the duties of a secretary of the Company;

"Share" means a share in the capital of the Company;

"Shareholder" means a person or company registered in the Register of the Shareholders as the holder of one or more Shares and includes any person or company who is a member of the

Company in accordance with or for the purposes of the Corporations Act;

“**Share Option**” means an option to require the Company to allot and issue a Share;

1.4 Definitions

- (a) Any word or expression defined in or for the purposes of the Corporations Act or the Listing Rules shall, unless otherwise defined in Clause 1.3 or the context otherwise requires, have the same meaning when used in this Constitution.
- (b) The rules of interpretation specified in or otherwise applicable to the Corporations Act shall, unless the context otherwise requires, apply in the interpretation of this Constitution.

1.5 Headings

Headings are inserted in this Constitution for convenience only, and shall not affect the interpretation of this Constitution.

1.6 No Contract to Pay Calls

Notwithstanding other provision of this Constitution the Company has no contractual right to recover calls made on its shares from a Shareholder who fails to pay them.

2. SHARE CAPITAL AND VARIATION OF RIGHTS

2.1 Issue of Shares

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, Shares for the time being unissued shall be under the control of the Directors, and subject to the Corporations Act, the listing rules and this Constitution, the Directors may at any time and from time to time issue such number of Shares either as ordinary Shares or Shares of a named class or classes (being either an existing class or a new class) at such price and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, return of capital, or otherwise, and whether as preference Shares that are or at the option of the Company are liable to be redeemed, as the Directors shall determine.

2.2 Share Options

Subject to the listing rules, the Directors may at any time and from time to time issue Share Options on such terms and conditions as the Directors shall determine.

2.3 Classes of Shares

If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of the class. Any variation of rights under this Clause 2.3 shall be subject to Sections 246B to 246E of the Corporations Act. The provisions of this Constitution relating to general meetings shall apply so far as they are capable of application and with necessary alterations to every such separate meeting except that a quorum is constituted by two persons who together hold or represent by proxy one-third of the issued Shares of the class.

2.4 Recognition of Trusts

Except as permitted or required by the Corporations Act, the Company shall not recognise a person as holding a Share or Share Option upon any trust.

2.5 Unregistered Interests

The Company is not bound by or compelled in any way to recognise any equitable, contingent,

future or partial right or interest in any Share or Share Option (whether or not it has notice of the interest or right concerned) unless otherwise provided by this Constitution or by law, except an absolute right of ownership by the registered holder of the Share or Share Option.

2.6 Commissions

The Company may exercise the power to pay brokerage or commission conferred by the Corporations Act. The rate or the amount of the brokerage or commission paid or agreed to be paid must be disclosed in the manner required by the Corporations Act. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other. The Company shall comply in all respects with the requirements of the listing rules with respect to the payment of such commission or brokerage and to shares issued by the Company to an underwriter or sub underwriter for a consideration which in the opinion of the ASX is substantially other than cash.

2.7 Restricted Securities

- (a) While the Company is on the official list of ASX, the Company must recognise and comply with the Listing Rules with respect to Restricted Securities.
- (b) Notwithstanding the generality of Clause 2.7(a):
 - (i) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX;
 - (ii) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
 - (iii) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer), of Restricted Securities during the escrow period except as permitted by the Listing Rules or the ASX;
 - (iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX; and
 - (v) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.

2.8 "Uncertificated Holdings and Electronic Transfer

- (a) Notwithstanding any other provision in this Constitution, the Directors may determine not to issue a share certificate or option certificate or may determine to cancel such a certificate without issuing any certificate in its place, if that determination is not contrary to the Corporations Act or the listing rules;
- (b) The Directors may do anything they consider necessary or desirable and which is permitted under the Corporations Act and the listing rules to facilitate the participation by the Company in CHES developed by the ASX or in any computerised or electronic system established or recognised by the Corporations Act or the listing rules for the purposes of facilitating dealings in shares or securities. Where the securities of the Company are CHES approved securities the Company shall comply with the SCH business rules.

2.9 Share Holding Statements

Where the Directors of the Company have pursuant to Clause 2.7 determined not to issue share

certificates or to cancel existing share certificates a shareholder shall have the right to receive such statements of the holdings of the shareholder as are required to be distributed to a shareholder under the Corporations Act and the listing rules.

2.10 Share Certificates

Subject to Clauses 2.7 and 2.8 if the Directors determine to issue a certificate for *Shares* held by a shareholder the following provisions apply:

- (a) a person whose name is entered as a shareholder in the Register of Shareholders or as an option holder in the register of options is entitled without payment to receive a certificate in respect of the shares or options registered in the person's name issued in accordance with the Corporations Act but, in respect of shares or options held jointly by several persons, the Company is not bound to issue more than one certificate;
- (b) delivery of a certificate for a Share may be affected by delivering it personally to the holder or by posting it in a prepaid envelope addressed to the holder at the address shown in the Register of Shareholders or by delivering or posting the certificate in accordance with the written instructions of the holder. Delivery of a certificate for a share to one of several joint holders is sufficient delivery to all such holders;
- (c) where satisfactory evidence has been received by the Company that the certificate for Shares previously issued has been stolen, lost or destroyed and has not been pledged, charged, sold or otherwise disposed of, and the holder has undertaken in writing to the Company to return any such certificate to the Company if it is found or received by the holder, then the Company must issue a replacement certificate in accordance with the Corporations Act;
- (d) where a certificate for Shares previously issued has been worn out or defaced and has been surrendered to the Company for cancellation and has been cancelled the person whose name is entered as the shareholder in respect of those Shares in the Register of Shareholders is entitled to receive a replacement certificate in accordance with the Corporations Act and the listing rules;
- (e) the Directors may determine the number of Shares to be issued in any one certificate; and
- (f) every certificate for Shares must be issued in accordance with the Corporations Act and the listing rules.

2.11 Small holdings

Subject to Clause 2.12 the Company may sell the shares of a holder who has less than a marketable parcel of those shares in the following circumstances:-

- (a) the Company may do so only once in any 12 month period.
- (b) the Company must notify the shareholder in writing of its intention.
- (c) the shareholder must be given at least 6 weeks from the date the notice is sent in which to tell the *Company* that the holder wishes to retain the holding.
- (d) if the shareholder tells the Company under the preceding paragraph (c) that the shareholder wishes to retain the holding, the Company will not sell it.
- (e) the power to sell lapses following the announcement of a takeover. However if the procedure may be started again after the close of the offers made under the takeover.
- (f) The Company or the purchaser must pay the costs of the sale.
- (g) The proceeds of the sale will not be sent until the entity has received any certificate relating to the shares (or is satisfied that the certificate has been lost or destroyed).

2.12 The divestment provisions of Clause 2.11 only apply to shares in a new holding created by the

transfer of *parcel* of shares that was less than a marketable parcel at the time the transfer document was initiated or, in the case of a paper based transfer document, was lodged with the Company. However, the provisions must not apply to shares transferred before 1 September 1999,

2.13 The proceeds of sale of the shares (less the costs of the sale) must be sent to the holder after the sale.

2.14 Divestment of shares under Clause 2.12 permits the removal or change to a shareholder's right to vote or to receive dividends (in the case of a trust, distributions) for those securities. The constitution must also provide for any dividends (in the case of a trust, distributions) that have been withheld to be sent to the holder after the sale.

3. LIEN

3.1 Generally

Subject to the listing rules, the Corporations Act and the SCH Business Rules, whenever any law for the time being of any country, state or place imposes any immediate or future or possible liability upon the Company to make any payments or empowers any government or taxing authority or governmental official to require the Company to make any payment in respect of any Shares held either jointly or solely by any Shareholder, or in respect of any transfer of such Shares, or of any dividends, bonuses or other monies due or payable or accruing due or which may become due or payable to such Shareholder by the Company on or in respect of any Shares or for or on account or in respect of any Shareholder, and whether in consequence of:-

- (a) the death of such Shareholder;
- (b) the non-payment of any income tax or other tax by such Shareholder;
- (c) the non-payments of any estate, probate, succession, death, stamp or other duty by the executor or administrator or such Shareholder or by or out of his estate; or
- (d) any other act or thing; the

Company in every such case:

- (e) shall be fully indemnified by such Shareholder or his executor or administrator from *all liability*;
- (f) shall have a lien upon all dividends payable in respect of the Shares held either jointly or solely by such Shareholder for all monies paid by the Company in respect of the said Shares or in respect of any such dividend or for an account or in respect of such Shareholder under or in consequence of any such law, together with interest at the Prescribed Rate thereon from date of payment to date of repayment, and may deduct or set off against any such dividend so paid by the Company together with interest as aforesaid;
- (g) may recover as a debt due from such Shareholder or his executor or administrator, wherever constituted or situate, any monies paid by the Company under or in consequence of any such law and interest thereon at the Prescribed Rate and for the period aforesaid in excess of any dividend, bonus or other money as aforesaid then due by the Company to such Shareholder; and
- (h) may, if any such money be so paid by the Company under any such law, refuse to register a transfer of any Shares other than by a Market Transfer by any such Shareholder or his executor or administrator until such money and interest as aforesaid is so set off or deducted or, in case the same exceeds the amount of any such dividend then due by the Company to such Shareholder, until such excess is paid to the Company.

Nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company, and, as between the Company and every such Shareholder, his executor, administrator and estate, wheresoever constituted or situate, any right

or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company. Such lien extends to cover reasonable interest (not exceeding 10% per annum) and expenses incurred because such monies are not paid.

3.2 Exemptions

The Directors may at any time exempt a Share wholly or in part from the provisions of this Clause 3.

3.3 Dividends

Whenever the Company has a lien on a Share, the lien extends to all dividends payable in respect of the Share.

3.4 Sale of Shares

Subject to Clause 3.5 the Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien.

3.5 Restrictions on Sale

A Share on which the Company has a lien shall not be sold by the Company unless:

- (a) the sum in respect of which the lien exists is presently payable; and
- (b) the Company has, not less than 14 days before the date of the sale, given to the registered holder for the time being of the Share or the person entitled to the Share by reason of the death or bankruptcy of the registered holder a notice in writing setting out, and demanding payment of, such part of the amount in respect of which the lien exists as is presently payable.

3.6 Person Authorised to Sign Transfers

For the purpose of giving effect to a sale of a Share under Clause 3.4, the Directors may authorise a person to transfer the Shares sold to the purchaser of the Shares. The *Company* shall register the purchaser as the holder of the Shares comprised in any such transfer and he is not bound to see to the application of the purchase money. The title of the purchaser to the Shares is not affected by any irregularity or invalidity in connection with the sale.

The Company may do all such things as may be necessary or appropriate for it under the SCH business rules to protect any lien charge or other right to which it may be entitled under any law or this Constitution.

3.7 Proceeds of Sale

The proceeds of a sale under Clause 3.4, shall be applied by the Company in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue (if any), shall (subject to any like lien for sums not presently payable that existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

4. CALLS ON SHARE

4.1 Calls

The Directors may subject to compliance with the requirements of the Corporations Act the listing rules and the original terms of issue of shares make calls upon the Shareholders, that

are payable not less than 14 days from the day on which the call is made, in respect of any money unpaid on the Shares of the Shareholders which is not by the terms of issue of those Shares made payable at fixed times, except that no call shall be payable earlier than one month from the date fixed for the payment of the last preceding call. Each Shareholder shall, upon receiving at least 15 Business Days (or such longer period as is required by the listing rules) notice specifying the amount the time or times and place of payment, pay to the Company at the time or times and place so specified the amount called on his Shares. Any monies payable in respect of a call made in accordance with this Constitution which remain outstanding shall from and including the day for payment until the date payment is received or the date on which the relevant Share is forfeited (whichever occurs first) bear interest at the Prescribed Rate. The Directors may revoke or postpone a call. The Company shall comply with the listing rules in relation to calls.

4.2 Making a Call

A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and a call may be required or permitted to be paid by installments.

4.3 Deemed Calls

Subject to the listing rules any amount that, by the terms of issue of a Share, becomes payable on allotment or at a fixed date, shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the amount becomes payable, and, in case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise apply as if the amount had become payable by virtue of a call duly made and notified.

4.4 Payments in Advance of Calls

The Directors may accept from a Shareholder the whole or any part of the amount unpaid on a Share although no part of that amount has been called up, and in that event the Directors shall nominate whether the amount so paid is to be treated as capital or a loan to the Company by the Shareholder. If the amount so paid is nominated to be capital, it shall be deemed as from the date of such nomination to have been applied in paying up (so far as it will extend) the unpaid balance of the total issue price of the Share, but the dividend entitlement attaching to such Share shall remain as it was prior to the payment so made until there is a call in respect of the Share under this Clause of an amount equal to or greater than the amount so paid. If the amount so paid is nominated to be a loan to the Company, it shall carry interest at such rate, not exceeding the Prescribed Rate, as is agreed between the Directors and the Shareholder, shall not be repayable unless the Directors so determine, shall not confer on the Shareholder any rights attributable to subscribed capital, and shall, unless so repaid, be applied in payment of calls on the Share as and when the same become due.

5. FORFEITURE OF SHARES

5.1 Failure to Pay Call

If a Shareholder fails to pay a call or installment of a call on the day appointed for payment of the call or installment, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid (but subject to this Clause), serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest that has accrued. The notice shall name a further day being the date 14 Business Days after the day for payment of the call or installment on or before which the payment required by the notice is to be made and shall state that, in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

5.2 Forfeiture

If the requirements of a notice served under Clause 5.1 are not complied with, any Share in respect of which a call is unpaid at the expiration of 14 Business Days after the day for its payment is thereupon forfeited without any resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

5.3 Sale of Forfeited Share

A forfeited Share shall be offered for sale by public auction within 6 weeks after the call became payable and in accordance with the listing rules or otherwise disposed of on such terms and in such manner as the Directors may determine and, at any time before a sale or disposition, the forfeiture may be cancelled in such manner and on such terms as the Directors may determine.

5.4 Continuing Liability

A person whose Shares have been forfeited ceases to be a Shareholder in respect of the forfeited Shares, but remains liable to pay to the Company all money that, at the date of forfeiture, was payable by him to the Company in respect of the Shares (excluding the unpaid call but including interest at the Prescribed Rate from the date of forfeiture on any other money for the time being unpaid if the Directors decide to enforce payment of the interest), but his liability ceases if and when the Company receives payment in full of all the money (including interest) so payable in respect of the Shares.

5.5 Shares Held on Trust

Forfeited Shares which are withdrawn from sale or for which no bid is received at the sale shall be held by the Directors in trust for the Company and shall be disposed of in such manner and on such terms as the Directors shall determine.

5.6 Officer's Statement Prima Facie Evidence

A statement in writing declaring that the person making the statement is a Director or a Secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the statement, is prima facie evidence of the facts stated in the statement as against all persons claiming to be entitled to the Share.

5.7 Procedures

The Company may receive the consideration (if any) given for a forfeited Share on any sale or disposition of the Share, and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of, Upon the execution of the transfer, the transferee shall be registered as the holder of the Share and is not bound to see to the application of any money paid as consideration. The title of the transferee to the Share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Share.

5.8 Listing Rules

The Company shall comply with the listing rules with respect to forfeited Shares.

5.9 Forfeiture applies to Non-Payment of Installment

The provisions of this Constitution as to forfeiture apply in the case of non-payment of any sum that, by the terms of the issue of a share, becomes payable at a fixed time, as if that sum had been payable by virtue of a call duly made and notified.

Where the transfer of forfeited shares is to be effected by a SCH regulated transfer, the Company may do all such things as may be necessary or appropriate for it to do under the SCH business rules.

6. TRANSFER OF SHARES

6.1 Forms of Instrument of Transfer

Subject to this Constitution, a Shareholder may transfer all or any of the Shareholder's shares by:

- (a) a Market Transfer in accordance with any computerised or electronic system established or recognised by the listing rules or the Corporations Act for the purpose of facilitating dealings in shares, including a transfer that may be effected pursuant to the SCH business rules or some other computerised or electronic transfer process; and
- (b) an instrument which is:
 - (i) in writing in any usual or common form or in any other form that the Directors approve;
 - (ii) a sufficient instrument or transfer of marketable securities under the Corporations Act;
 - (iii) in a form approved by the ASX; or (iv) in any other usual or common form.

6.2 Registration Procedure

Where an instrument of transfer referred to in Clause 6.1(b) is to be used by a Shareholder to transfer Shares the following provisions apply:

- (a) it must be executed by or on behalf of both the transferor and the transferee unless it is a sufficient transfer of marketable securities within the meaning of the Corporations Act;
- (b) the instrument of transfer must be left for registration at the share registry of the Company, accompanied by the certificate for the Shares to which it relates (if any) and such information as the Directors properly require to show the right of the transferor to make the transfer, and in that event, the Company must, subject to the powers vested in the Directors by this Constitution, register the transferee as a shareholder;
- (c) the Company must register all registrable transfer forms, split certificates, renunciations and transfers, issue certificates and transmission receipts and mark or note transfer forms without charge except in the case the Company issues certificates for shares where the issue of a certificate is to replace one lost or destroyed;
- (d) on registration of a transfer of Shares, the Company must cancel the old certificate (if any).

6.3 Transferor holds Shares until Registration of Transfer

Subject to the Corporations Act and the SCH Business Rules, a transferor of Shares remains the holder of the Shares transferred until the transfer (if any) is registered and the name of the transferee is entered in the Register of Shareholders in respect of the Shares. The right to any dividends declared on any Shares subject to a transfer will be determined by reference to the record date for the purposes of that dividend and the date of registration of the transfer.

6.4 Market Transfer

In the case of a Market Transfer the Company must comply with such obligations as may be imposed on it by the listing rules and where appropriate the SCH business rules in connection with any transfer of Shares.

6.5 Directors Power to Decline to Register

The Directors may decline to register any transfer of Shares (other than a Market Transfer) where:

- (a) the listing rules or SCH Business Rules permit the *Company* to do so; or
- (b) the listing rules or SCH Business Rules require the Company to do so.

if in the exercise of their rights under Clause 6.5 the Directors refuse to register a transfer of a security they must give written notice in accordance with the listing rules of the refusal to the transferee and the broker lodging the transfer (if any). Failure to give such notice will not invalidate the decision of the Directors.

Notwithstanding any other provisions contained in this Constitution, the Company may not prevent delay or interfere with the registration of a Market Transfer where to do so would be contrary to the provisions of any of the listing rules or the SCH Business Rules.

6.6 Closure of Register

Subject to the Corporations Act, the listing rules, and the SCH Business Rules, the Register may be closed during such time as the Directors think fit, not exceeding in whole thirty days in any calendar year.

6.7 Other Securities

The provisions of this Clause shall apply, with necessary alterations, to any other Listed Securities for the time being issued by the Company.

7 CHESS

7.1 Participation

The Directors may do anything permitted by the Corporations Act, the listing rules or the SCH Business Rules which they consider necessary or desirable in connection with the participation of the Company in any computerised or electronic system established or recognised by the Corporations Act, the listing rules or the SCH Business Rules for the purpose of facilitating dealings in shares.

7.2 Sub-Register

The Company may provide facilities for members to hold securities in the Company on an issuer sponsored sub-register in accordance with the listing rules and the SCH Business Rules.

7.3 Lien

The Company may do anything necessary or desirable for it to do under the SCH Business Rules to protect or enforce any lien, charge or other right to which it is entitled under any law or under this Constitution.

7.4 Compliance with SCH Business Rules

The Company shall comply with the listing rules and with the SCH Business Rules in respect of its participation in CHESS.

8. TRANSMISSION OF SHARES

8.1 Death of Shareholder Leaving a Will

On the death of a Shareholder who leaves a will appointing an executor, the executor shall be entitled as from the date of death, and on behalf of the deceased Shareholder's estate, to the same dividends and other advantages and to the same rights whether in relation to meetings of the Company, or voting or otherwise, as the Shareholder would have been entitled to if he had not died, whether or not probate of the will has been granted. Nevertheless, if probate of the will is granted to a person or persons other than the executor first referred to in this Clause, his executor's rights shall cease, and such rights shall only be exercisable by the person or persons to whom probate is granted as provided in Clauses 8.2 and 8.3.

8.2 Death or Bankruptcy of Shareholder

Subject to Clause 8.1, where the registered holder of a Share dies or becomes bankrupt, his personal representative or the trustee of his estate, as the case may be, shall be entitled upon the production of such information as is properly required by the Directors, to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise), as the registered holder would have been entitled to if he had not died or become bankrupt.

8.3 Registration by Transmission or to Beneficiary

A person becoming entitled to a Share in consequence of the death, or subject to the Bankruptcy Act 1966, the bankruptcy of a Shareholder may, upon such information being produced as is properly required by the Directors, elect by written notice to the Company either to be registered himself as holder of the Share or to have some other person nominated by him registered as the transferee of the Share. If he elects to have another person registered, he shall execute a transfer of the Share to that other person.

8.4 Limitations to Apply

All the limitations, restrictions and provision of this Constitution the listing rules SCH business rules or the law relating to the right to transfer Shares and the registration of a transfer of Shares are applicable to any such notice or transfer as if the death or bankruptcy of the Shareholder had not occurred and the notice of transfer were a transfer signed by that Shareholder.

8.5 Death of a Joint Holder

In the case of the death of a Shareholder who was a joint holder, the survivor or survivors shall be the only persons recognised by the Company as having any title to the deceased's interest in the Shares, but this Clause 8.5 does not release the estate of a deceased joint holder from any liability in respect of a Share that had been jointly held by him with one or more other persons.

8.6 Joint Personal Representatives

Where two or more persons are jointly entitled to any Share in consequence of the death of the registered holder, they shall, for the purpose of this Constitution, be deemed to be joint holders of the Share.

8.7 Market Transfers not affected

In the case of a Market Transfer the provisions of this Clause 8 are subject to any such obligation as may be imposed on the Company or the person entitled to the shares in the death or bankruptcy of the Shareholder by the listing rules SCH business rules or any law.

9. GENERAL MEETINGS

9.1 Convening of General Meetings of Shareholders

The Directors may, whenever they think fit, convene a general meeting of Shareholders provided that, in the event that there are no Directors holding office, the *Secretary* shall convene a general meeting for the purpose of electing Directors. A general meeting shall also be convened on requisition as is provided for by the Corporations Act, or in default, may be convened by such requisitions as empowered to do so by the Corporations Act.

9.2 Notice

A notice of a general meeting shall be given in accordance with the requirements of Sections 249H to 249M of the Corporations Act and Clause 24. The non-receipt of a notice of a general meeting by a Shareholder or the accidental omission to give such a notice to a Shareholder shall not invalidate any resolution passed at any such meeting.

9.3 Notice to Home Exchange

The Company shall notify the Home Exchange:

- (a) of any general meeting at which Directors are to be elected at least 20 Business Days before the earliest intended date for the general meeting and that notice shall state that nominations for election to the office of Director is to be received not later than 5 Business Days after the date that the notice to the Home Exchange bears, or any extended time as the Directors shall determine;
- (b) of any general meeting (other than a meeting to pass a special resolution) at least 10 Business Days before such meeting is held; and
- (c) of any general meeting convened to pass a special resolution, at least 15 Business Days before such meeting is held.

9.4 Annual General Meeting

An annual general meeting shall be held in accordance with the requirements of the Corporations Act and the listing rules.

10. PROCEEDINGS AT GENERAL MEETINGS

10.1 Quorum

No business shall be transacted at any general meeting unless a quorum is present comprising 3 Shareholders (or only 1 Shareholder if the Company has only 1 shareholder) present in person, by proxy, attorney or Representative. For the purpose of determining whether a quorum is present, a person attending as a proxy, attorney or Representative shall be deemed to be a Shareholder present in person. If a quorum is not present within 30 minutes after the time appointed for a general meeting, the general meeting, if convened upon a requisition shall be dissolved, but in any other case, it shall stand adjourned sine die.

10.2 Business at General Meetings

Only matters that appear in a notice of meeting shall be dealt with at a general meeting or an annual general meeting, as the case may be.

10.3 Persons Entitled to Attend a General Meeting

The persons entitled to attend a general meeting shall be:

- (a) Shareholders, in person, by proxy, attorney or Representative;
- (b) Directors;

- (c) the Company's auditor; and
- (d) such other person or persons as the Chairman may *approve*.

10.4 Chairman

if the Directors have elected one of their members as Chairman of Directors' meetings he shall if willing preside as Chairman at every general meeting. Where a general meeting is held and a Chairman has not been so elected, or the Chairman is not present within 15 minutes after the time appointed for the holding of the general meeting or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the general meeting, but failing an election by the Directors, the Shareholders present shall elect one of their number to be Chairman of the general meeting.

10.5 Casting Vote

In the case of an equality of votes, the Chairman of the general meeting shall have a second or casting vote.

10.6 Adjournment

The Chairman may, with the consent of the general meeting, and shall, if so directed by the general meeting, *adjourn* the general meeting *from* time to time and from place to place, but no business shall be transacted on the resumption of any adjourned general meeting other than the business left unfinished at the general meeting from which the adjournment took place.

10.7 Notice of Resumption of Adjourned General Meeting

When a general meeting is adjourned for 30 days or more, notice of the resumption thereof shall be given in the same manner as for the original general meeting, but otherwise, it is not necessary to give any notice of any adjournment or of the business to be transacted on the resumption of the adjourned general meeting.

10.8 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote;
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall have a fraction of a vote for each partly paid share. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). In this Clause, amounts paid in advance of a call are ignored when calculating the proportion.

10.9 Voting - Show of Hands

At any general meeting a resolution put to the vote of the general meeting shall be decided on a show of hands unless a poll is demanded in accordance with Clause 10.11.

Unless a poll is so 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 general meetings 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.

10.10 Results of Voting

10.11 Poll

A poll may be demanded before a vote is taken before the voting results on a show of hands are declared or immediately upon the declaration of the result of the show of hands by:

- (a) the *Chairman* of the general meeting;
- (b) at least 5 Shareholders entitled to vote on the resolution present in person or by proxy, attorney or Representative; or
- (c) any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote on the resolution on the poll.

10.12 Manner of Taking Poll

If a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the general meeting at which the poll was demanded. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith.

10.13 Meeting May Continue

A demand for a poll shall not prevent the continuation of the general meeting for the transaction of other business.

10.14 Voting by Joint Holders

In the case of joint holders of Shares, the vote of the senior who tenders a vote, whether in person or by proxy, attorney or Representative, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Shareholders.

10.15 Shareholder under Disability

If a Shareholder 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, his committee or trustee or such other person as properly has the management of his estate may exercise any rights of the Shareholder in relation to a general meeting as if the committee, trustee or other person were the Shareholder.

10.16 Payment of Calls

A Shareholder is not entitled to any vote at a general meeting in respect of those Shares on which calls are outstanding; this restriction does not apply in respect of those Shares on which no calls are outstanding.

10.17 Objection to Voting

An objection may be raised to the qualification of a voter only at the general meeting or adjourned general meeting at which the vote objected to is given or tendered. Any such objection shall be referred to the Chairman of the general meeting, whose decision shall be final. A vote not disallowed pursuant to such an objection is valid for all purposes.

10.18 Proxies

- (a) A Shareholder of a Company who is entitled to attend and cast a vote at a meeting of the Company's members may appoint a person as the Shareholder's proxy to attend and vote for the Shareholder at the meeting.
- (b) The appointment may specify the proportion or number of votes that the proxy may exercise.
- (c) Each Shareholder may appoint a proxy. If the Shareholder is entitled to cast 2 or more votes at the meeting, they may appoint 2 proxies. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.
- (d) Disregard any fractions of votes resulting from the application of paragraphs (b) and (c) .
- (e) An instrument appointing a proxy:
 - (1) shall be in writing under the hand of the appointor or of his attorney, or, if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
 - (ii) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
 - (iii) shall be deemed to confer authority to demand or join in demanding a poll;
 - (iv) shall be in such form as the Directors determine and which complies with the requirements of the Corporations Act;
 - (v) shall not be valid unless the original instrument and the power of attorney or other authority (if any) under which the instrument is signed (duly stamped where necessary) or a copy or facsimile which appears on its face to be an authentic copy of that proxy, power or authority, is or are deposited at or sent by facsimile transmission to the Registered Office, or deposited at or sent by facsimile transmission to such other place as is specified for that purpose in the notice convening the general meeting, no later than 48 hours prior to the time of the commencement of the general meeting in the place that the general meeting is being convened (or the resumption thereof if the general meeting is adjourned and notice is given in accordance with Clause 10.7) as shall be specified in the notice convening the general meeting (or the notice under Clause 10.7, as the case may be); and
 - (vi) shall comply with the listing rules.

10.19 Proxy Votes

A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or the authority under which the instrument was executed) or the transfer of the Share in respect of which the instrument or power is given, if no intimation in writing of the death, unsoundness of mind, revocation or transfer has been received by the Company at the Registered Office before the commencement of the general meeting or adjourned general meeting at which the instrument is used or the power is exercised.

10.20 Representatives of Corporate Shareholders

A body corporate ("the Appointor") that is a Shareholder may authorise, in accordance with Section 250D of the Corporations Act, by resolution of its Directors or other governing body such person or persons as it may determine to act as its Representative at any general meeting of the Company or of any class of Shareholders. A person so authorised shall be entitled to exercise all the rights and privileges of the Appointor as a Shareholder. When a Representative is present at a general meeting of the Company, the Appointor shall be deemed to be personally present at the general meeting unless the Representative is otherwise entitled to be present at the general meeting.

11. THE DIRECTORS

11.1 First Directors

The names of the first Directors shall be the persons named with their consent in the application for registration of the Company.

11.2 Number of Directors

The Company shall at all times have at least 3 Directors. The number of Directors shall not exceed 10. The Company may, by ordinary resolution, increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office.

11.3 Rotation of Directors

At the Company's first annual general meeting, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the whole number nearest one-third, shall retire from office. The Directors to retire at an annual general meeting other than the first annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A retiring Director is eligible for re-election. No director except a Managing Director shall hold office for a period in excess of 3 years or until the third annual general meeting following his appointment whichever is the longer without submitting himself for re-election.

11.4 No Share Qualification

A Director is not required to hold any Shares.

11.5 Election of Directors

No person other than a Director seeking re-election shall be eligible for election to the office of Director at any general meeting unless he or some Shareholder intending to propose him has not later than 5 Business Days after the date shown on the notice to the Home Exchange referred to in Clause 9.3(a) left at the Registered Office a notice in writing duly signed by the nominee giving his consent to the nomination and signifying his candidature for the office or the intention of such Shareholder to propose him. Notice of each and every candidature for election as a Director shall be given to each Shareholder with or as part of the notice of the meeting at which the election is to take place. The Company shall observe the requirements of Section 201E of the Corporations Act with respect to the election of Directors.

Where the number of nominations for election as a Director exceeds the number of Directors who have or are to resign at the general meeting, the order in which the nominations are to be voted on shall be determined by drawing lots and once the relevant vacancies have been filled, no further nominations shall be voted on.

11.6 Casual Vacancies and Additional Directors

The Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by this Constitution. Any Director so appointed holds

office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

11.7 Removal of Director

The Company may by resolution remove any Director before the expiration of his period of office, and may by resolution appoint another person in his place. The person so appointed is subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

11.8 Vacation of Office

The office of Director shall automatically become vacant if the Director:

- (a) ceases to be a Director by virtue of the provisions of the Corporations Act;
- (b) becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) becomes prohibited from being a Director by reason of any order made under the Corporations Act;
- (d) 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;
- (e) resigns his office by notice in writing to the Company;
- (f) is removed from office under Clause 11.7; or
- (g) he is absent for more than 6 months, without permission of the Directors, from meetings of the Directors held during that period.

11.9 Remuneration

The Directors shall be paid out of the funds of the Company, by way of remuneration for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company, to be divided among themselves and in default of agreement then in equal shares. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the suggested increase shall have been given to Shareholders in the notice convening the meeting. No non-executive Director shall be paid as part or whole of his remuneration a commission on or a percentage of profits or a commission on or a percentage of operating revenue, and no Executive Director shall be paid as whole or part of his remuneration a commission on or percentage of operating revenue. The remuneration of a Director shall be deemed to accrue from day to day.

11.10 Expenses

The Directors shall be entitled to be paid reasonable traveling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors. If any of the Directors being willing shall be called upon to perform extra services or make any special exertions on behalf of the Company or the business thereof, the Directors may remunerate such Director in accordance with such services or exertions, and such remuneration may be either in addition to or in substitution for his share in the remuneration provided for by Clause 11.9.

12. POWERS AND DUTIES OF DIRECTORS

12.1 Management of the Company

Subject to the Corporations Act the listing rules and to any other provision of this Constitution, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and forming the Company, and may exercise all such powers of the Company as are not, by the Corporations Act or by this Constitution, required to be exercised by the Company in general meeting.

12.2 Borrowings

Without limiting the generality of Clause 12.1, the Directors may at any time:

- (a) exercise all powers of the Company to borrow money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person;
- (b) sell or otherwise dispose of the whole or any part of the assets, undertakings and other properties of the Company or any that may be hereafter acquired on such terms and conditions as they may deem advisable, but:
 - (i) the Company shall comply with the listing rules;
 - (ii) any sale or disposal of the Company's main undertaking shall only be made subject to the prior approval or ratification of the sale or disposal by the Company in general meeting; and
 - (iii) on the sale or disposition of the Company's main undertaking or on the liquidation of the Company, no commission or fee shall be paid to any Director or Directors or to any liquidator of the Company unless it shall have been ratified by the Company in general meeting, with prior notification of the amount of such proposed payments having been given to all Shareholders at least 10 days prior to the meeting at which any such payment is to be considered; and
- (c) take any action necessary or desirable to enable the Company to comply with the listing rules.

12.3 Attorneys

The Directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys 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. Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with the attorney as the Directors may determine and may also authorise the attorney to delegate all or any of the powers, authorities and discretions vested in him.

12.4 Cheques etc.

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

12.5 Retirement Benefits for Directors

The Directors may at any time adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide retiring or superannuation

benefits for both present and future non-executive Directors, and they may from time to time vary any such scheme or plan. Any scheme or plan may be effected by agreements entered into by the Company with individual Directors, or by the establishment of a separate trust or fund, or in such other *manner* as the Directors consider proper. The Directors may attach such terms and conditions to any entitlement under any such scheme or plan as they think fit, including, without limitation, a minimum period of service by a Director before the accrual of any entitlement and the acceptance by the Directors of a prescribed retiring age. No such scheme or plan shall operate to confer upon any Director or on any of the dependants of any Director any benefits exceeding those permitted by Section 200G of the Corporations Act, except with the approval of the Company in general meeting.

12.6 Securities to Directors

If the Director acting solely in his capacity as a Director of the Company shall become personally liable for the payment of any sum primarily due by the Company, the Directors may create any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the persons or person so becoming liable from any loss in respect of such liability.

12.7 Directors and Officer's indemnity

12.7.1 Except as may be prohibited by Section 199A and 199B of the Corporations Act or to the extent permitted by law and without limiting the powers of the Company, the Company shall indemnify each person who is or has been a director, principal executive officer or secretary of the Company against any liability which results directly or indirectly from facts or circumstances relating to the person serving or having served in that capacity:

- (a) to any person (other than the Company or a related body corporate) and which does not arise out of conduct involving a lack of good faith; or
- (b) for costs and expenses incurred by the person defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted or in connection with any application in relation to such proceedings in which the Court grants relief to the person under the law.

12.7.2 Except as may be prohibited by Section 199A and 199B of the Corporations Act or to the extent permitted by law and without limiting the powers of the Company, the board of directors may authorise the Company to, and the Company may, enter into any:

- (a) documentary indemnity in favour of; or
- (b) insurance policy for the benefit of

a person who is, or has been a director, principal executive officer, secretary, auditor, employee or other officer of the Company or of a subsidiary of the Company.

12.7.3 The benefit of each indemnity given in sub-clause 12.7.1 continues, even after its terms are modified or deleted in respect of a liability arising out of acts or omission occurring prior to the modification or deletion.

13. PROCEEDINGS OF DIRECTORS

13.1 Convening a Meeting

A Director may at any time, and a Secretary shall, whenever requested to do so by one or more Directors, convene a Directors' meeting but not less than 24 hours' notice of every such Directors' meeting shall be given to each Director either by personal telephone contact or in writing by the convenor thereof. The Directors may by unanimous resolution agree to shorter notice.

13.2 Procedure at Meetings

The Directors may meet together for the dispatch of business and adjourn and, subject to this

Clause 13, otherwise regulate the Directors' meetings as they think fit.

13.3 Quorum

No business shall be transacted at any Directors' meeting unless a quorum is present, comprising 2 Directors present in person. However, if there are not enough directors to form a quorum for a directors' meeting because of the provisions of Sub-Section 195(1) of the Corporations Act one or more Directors (including those who have a material interest in that matter) may call a general meeting and the general meeting may pass a resolution to deal with the matter. Provided a quorum is present at the place where the meeting is held, other Directors unable to attend in person may participate in the proceedings of the meeting in accordance with Clause 14.

13.4 Majority Decisions

Subject to this Constitution and Section 195 of the Corporations Act questions arising at any Directors' meeting shall be decided by a majority of votes. A resolution passed by a majority of Directors shall for all purposes be deemed a determination of "the Directors".

13.5 Casting Votes

In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote, but the Chairman shall have no casting vote where only 2 Directors are competent to vote on the question.

13.6 Alternate Directors

A Director may appoint any person to be an alternate Director in his place during such period as he thinks fit, and the following provisions shall apply with respect to any alternate Director:

- (a) he is entitled to notice of Directors' meetings and, if his appointor Director is not present at such a Directors' meeting, he is entitled to attend and vote in the place of the absent Director;
- (b) he may exercise any powers that his appointor Director may exercise, and the exercise of any such power by the alternate Director shall be deemed to be the exercise of the power by his appointor Director;
- (c) he is not required to hold any Shares;
- (d) his appointment may be terminated at any time by his appointor Director notwithstanding that the period of the appointment of the alternate Director has not expired, and the appointment shall terminate in any event if his appointor Director vacates office as a Director; and
- (e) the appointment, or the termination of an appointment, of an alternate Director shall be effected by a written notice signed by the Director who made the appointment given to the Company.

13.7 Continuing Directors May Act

In the event of a vacancy or vacancies in the office of a Director, the remaining Directors may act but, if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of Directors, they may act only for the purpose of increasing the number of Directors to a number sufficient to constitute such a quorum, or in order to convene a general meeting of the Company.

13.8 Chairman

The Directors shall elect from among their number a Chairman and Vice-Chairman of their meetings and may determine the period for which each is to hold office. Where a Directors' meeting is held and a chairman has not been elected or the Chairman or in his absence, the Vice-Chairman is not present within 10 minutes after the time appointed for holding of the Directors' meeting or is unwilling to act, the Directors present shall elect one of their number to be a chairman of the Directors' meeting.

13.9 Committees

The Directors may delegate any of their powers to a committee or committees consisting of such of their number as they think fit. A committee to which any powers have been so delegated shall exercise the powers delegated in accordance with any directions of the Directors, and a power so exercised shall be deemed to have been exercised by the Directors. The members of such a committee may elect one of their number as chairman of their meetings. Questions arising at a meeting of a committee shall be determined by a majority of votes of the members present and voting. In the case of an equality of votes, the chairman shall have a casting vote.

13.10 Written Resolutions

A resolution in writing signed by all Directors for the time being or their respective alternate Directors (except those Directors (or their alternates) who expressly indicate their abstention in writing to the Company and those who would not be permitted by virtue of Section 195 of the Corporations Act to vote were the resolution to be put to a meeting of the Directors) shall be as valid and effectual as if it had been passed at a Directors' meeting duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Directors. A telex, telegram, facsimile transmission or other document produced by mechanical means and bearing the signature of the Director printed mechanically and with his authority, shall be deemed to be a document in writing signed by the Director.

13.11 Defective Appointment

All acts done by any Directors' meeting or of a committee of Directors or by any person acting as a Director are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be, or to act as, a Director, or that a person so appointed was disqualified, as valid as if the person had been duly appointed and was qualified to be a Director or to be a member of the committee.

13.12 Directors May Hold Other Offices

A Director may hold any other office or place of profit in or in relation to the Company (except that of auditor) in conjunction with his office of Director and on such terms as to remuneration or otherwise as the Directors shall approve.

13.13 Directors May Hold Shares, etc

A Director may be or become a shareholder in or director of or hold any other office or place of profit in or in relation to any other company promoted by the Company or in which the Company may be interested, whether as a vendor, shareholder or otherwise.

13.14 Directors Not Accountable for Benefits

No Director shall be accountable for any benefits received as the holder of any other office or place of profit in or in relation to the Company or any other company referred to in Clause 13.13 or as a shareholder in or director of any such other company.

13.15 Disclosure of Interests

No Director shall be disqualified by his office from contracting with the Company whether as vendor purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided or prejudiced on that account, nor shall any Director be liable to account to the Company for any profit arising from any such contract or agreement by reason only of such Director holding that office or of the fiduciary relationship thereby established. A director who has a material personal interest in a matter that relates to the affairs of the Company must give to the other director's notice of the interest unless such interest falls within the exception of Section 191 (2) of the Corporations Act. The nature of this interest must be disclosed by the director at a directors' meeting as soon as practicable after the relevant facts have come to his knowledge and such director must comply with the requirements of Sections 191, 192 and 195 of the Corporations Act. Subject to the requirements of Sections 191 and 192 of the Corporations Act, a standing notice that a Director has an interest in any matter shall be a sufficient disclosure under this Clause as regards the interest of the Director in any transactions relating to the matter and after such standing notice it shall not be necessary for such Director to give a special notice relating to any particular transaction relating to that matter.

13.16 Related Body Corporate Contracts

Subject to the requirements of part 2 [] 2 [] Section 191 of the Corporations Act a Director shall not be deemed to be interested or to have been at any time interested in any contract or arrangement by reason only that in a case where the contract or arrangement has been or will be made with, for the benefit of, or on behalf of a Related Body Corporate, he is a shareholder in that Related Body Corporate.

13.17 Voting, Affixation of Seal

A Director may in all respects act as a Director in relation to any contract or arrangement in which he is interested, including, without limiting the generality of the foregoing, in relation to the use of the Company's common seal, but he may not vote in relation to any contract or proposed contract or arrangement in which he has directly or indirectly a material interest and in that respect he shall comply with the requirements of Sections 191 and 192 of the Corporations Act.

13.18 ASX to be Advised

The Directors shall advise the Company, which in turn shall advise the ASX without delay of any material contract involving Directors' interests. The advice shall include at least the following information:-

- (a) the names of the parties to the contract;
- (b) the name or names of the Director or Directors who has or have any material interest in the contract;
- (c) particulars of the contract; and
- (d) particulars of the relevant Director's or Director's interest or interests in that contract.

14. MEETING BY INSTANTANEOUS COMMUNICATION DEVICE

14.1 Meetings to be Effectual

For the purposes of this Constitution, but subject to Clause 13.3, the contemporaneous linking together by instantaneous communication device of a number of consenting Directors not less than the quorum, whether or not any one or more of the Directors is out of Australia, shall be deemed to constitute a Directors' meeting and all the provisions of this

Constitution as to the Directors' meetings shall apply to such meetings held by instantaneous communication device so long as the following conditions are met:

- (a) all the Directors for the time being entitled to receive notice of the Directors' meeting (including any alternate for any Director) shall be entitled to notice of a meeting by instantaneous communication device for the purposes of such meeting. Notice of any such Directors' meeting shall be given on the instantaneous communication device or in any other manner permitted by this Constitution;
- (b) each of the Directors taking part in the Directors' meeting by instantaneous communication device must be able to hear each of the other Directors taking part at the commencement of the Directors' meeting; and
- (c) at the commencement of the Directors' meeting each Director must acknowledge his presence for the purpose of a Directors' meeting of the Company to all the other Directors taking part.

14.2 Procedure at Meetings

A Director may not leave a Directors' meeting held under Clause 14.1 by disconnecting his instantaneous communication device unless he has previously obtained the express consent of the Chairman of the Directors' meeting and shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the Directors' meeting by instantaneous communication device unless he has previously obtained the express consent of the Chairman of the Directors' meeting to leave the Directors' meeting as aforesaid. However, if the Director would not be permitted by virtue of Section 195 of the Corporations Act to be present or to vote during the consideration of a matter then such Director may disconnect his instantaneous communication device during the consideration of such matter without obtaining the express consent of the Chairman and he shall not be counted for the purpose of determining a quorum during the consideration of that matter.

14.3 Minutes

A minute of the proceedings at a Directors' meeting held under Clause 14.1 shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the Chairman or the person taking the chair at the Directors' meeting under Clause 14.1.

14.4 Definition

For the purpose of this Constitution "instantaneous communication device" shall include telephone, television or any other audio or audio-visual device which permits instantaneous communication.

15. MANAGING DIRECTOR

15.1 Appointment

The Directors may from time to time appoint one or more of their number to the office of Managing Director or Managing Directors of the Company or to the office of Executive Director or Executive Directors either for a fixed term or at will, but not for life and, subject to the terms of any agreement entered into in a particular case, may revoke any such appointment. The appointment of a Managing Director or Executive Director so appointed automatically terminates if he ceases for any reason to be a Director.

15.2 Remuneration

Subject to Clause 11.9, a Managing Director or Executive Director shall, subject to the terms of any agreement entered into in a particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine.

15.3 Powers

The Directors may, upon such terms and conditions and with such restrictions as they think fit confer upon a Managing Director or Executive Director any of the powers exercisable by them. Any powers so conferred may be concurrent with, or be to the exclusion of, the powers of the Directors. The Directors may at any time withdraw or vary any of the powers so conferred on a Managing Director or an Executive Director.

15.4 Rotation

A Managing Director shall not retire by rotation in accordance with Clause 11.3, but if there is more than one Managing Director then the first appointed Managing Director shall not be subject to re-election and the other Managing Director and the Executive Directors shall be subject to re-election.

16. SECRETARY

A Secretary of the Company shall hold office on such terms and conditions, as to remuneration and otherwise, as the Directors determine.

17. SEALS

Common Seal

17.1 The Directors may provide for the safe custody of the Seal. The Seal shall only be used by the authority of the Directors, or of a committee of the Directors authorised by the Directors to authorise the use of the Seal. Every document to which the Seal is affixed shall be signed by a Director and countersigned by another Director (who may be an alternate Director) a Secretary or another person appointed by the Directors to countersign that document or a class of documents in which that document is included.

17.2 Execution of documents without the Seal

The Company may execute a document without using the Seal if the document is signed by:

- (a) two Directors; or
- (c) a Director and a Secretary.

18. ACCOUNTS, AUDIT AND RECORDS

18.1 Accounting records to be kept

The Directors shall cause proper accounting and other records to be kept by the Company and shall distribute copies of the Company's accounts and reports as required by the Corporations Act.

18.2 Audit

The Company shall comply with the requirements of the Corporations Act and the listing rules as to the audit of accounts, registers and records.

18.3 inspection

The Directors shall determine whether and to what extent, and at what time and places and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of Shareholders other than Directors. A Shareholder other than a Director shall not be entitled to inspect any document of the Company except as provided by law or authorised by the Directors or by the Company in general meeting.

19. MINUTES

19.1 Minutes to be Kept

The Directors shall cause to be kept, in accordance with Sections 251A and 1306 of the Corporations Act, minutes of:

- (a) all proceedings of general meetings and Directors meetings; and
- (b) all appointments of Officers and persons ceasing to be Officers.

19.2 Signature of Minutes

All minutes shall be signed by the chairman of the meeting at which the proceedings took place or by the chairman of the next succeeding meeting.

19.3 Requirements of the Corporations Act

The Company and the Officers shall comply with the requirements of Sections 251A and 251B of the Corporations Act.

20. DIVIDENDS AND RESERVES

20.1 Dividends

The Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend. The dividend as declared shall (subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend) be payable on all Shares in accordance with but subject to the provisions of Section 254W of the Corporations Act.

20.2 Interim Dividend

The Directors may from time to time pay to the Shareholders such interim dividends as they may determine.

20.3 Dividends only Payable from Profits

No dividend shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive.

20.4 No Interest

No dividend shall carry interest as against the Company.

20.5 Reserves

The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors for any purpose for which the profits of the Company may be properly applied.

20.6 Alternative Method of Payment of Dividend

When declaring any dividend, the Directors may:

- (a) direct payment thereof to be made wholly or in part by the distribution of specific assets or documents of title (including, without limitation, paid-up Shares, debentures or debenture stock of this or any other company, gold, gold or mint certificates or receipts and like documents) or in any one or more of such ways, and where any difficulty arises with regard to the distribution the Directors may settle it as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may

determine that cash payments shall be made to any Shareholders upon the basis of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors; or

- (b) direct that such dividend be payable to the particular shareholders wholly or partly out of any particular fund or reserve or out of profits derived from any particular source and to the remaining Shareholders wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source and may so direct notwithstanding that by so doing the dividend will form part of the assessable income for taxation purposes of some Shareholders and will not form part of the assessable income of others.

20.7 Payment of Dividends

All dividends shall be dispatched simultaneously to the Shareholders entitled to the dividend.

20.8 Unclaimed Dividends

Except as otherwise provided by statute, all dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

21. CAPITALISATION

21.1 Capitalisation

Subject to the listing rules a Company may capitalise profits. The capitalisation need not be accompanied by the issue of Shares.

21.2 Procedures

Subject to the listing rules the Directors shall do all things necessary to give effect to the resolution referred to in Clause 21.1 and, in particular but without limiting the generality of the foregoing if the capitalisation involves the issue of Shares to the extent necessary to adjust the rights of the Shareholders among themselves, may:-

- (a) issue fractional certificates or make cash payments in cases where Shares or debentures could only be issued in fractions; and
- (b) authorise any person to make, on behalf of all the Shareholders entitled to any further Shares or debentures upon the capitalisation, an agreement with the Company 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 and any agreement made under an authority referred to in sub-clause (b) is effective and binding on all the Shareholders concerned.

22. BONUS SHARE PLAN

22.1 Authorisation of Bonus Share Plan

The Company may, by ordinary resolution in general meeting, authorise the Directors to implement a Bonus Share Plan on such terms and conditions as are referred to in such resolution and which plan provides for any dividend which the Directors may declare from time to time under Clause 20, less any amount which the Company shall either pursuant to this Constitution or any law be entitled or obliged to retain, not be payable on Shares which are participating Shares in the Bonus Share Plan but for those Shares to carry instead an entitlement to receive an allotment of additional fully paid ordinary Shares to be issued as bonus Shares.

22.2 Amendment and Revocation

Any resolution passed by the Company in general meeting pursuant to Clause 22.1 may, at anytime, be amended or revoked by the Company by ordinary resolution in general meeting.

23. DIVIDEND PLANS

- (a) Notwithstanding any other provision of this Constitution, but subject to the requirements of the Corporations Act and, if applicable, the listing rules, the Directors may in their absolute discretion establish on such terms and conditions as they think fit:
 - (i) plans (to be called a "dividend reinvestment plan" or an "interest reinvestment plan" as the case may be) for cash Dividends paid by the Company in respect of shares issued by the Company and interest paid by the Company on unsecured notes or debenture stock issued by the Company to be reinvested by way of subscription for shares in the Company; and
 - (ii) a plan (to be called a "dividend election plan") permitting holders of shares to the extent that his shares are fully paid up, to have the option to elect to forgo his right to share in any Dividends (whether interim or otherwise) payable in respect of such shares and to receive instead an issue of shares credited as fully paid up to the extent as determined by the Directors.
- (b) The Directors may in their absolute discretion, modify, suspend or terminate all or any plans established pursuant to the Clause 23 from time to time on not less than one month's written notice to all Shareholders.
- (c) The powers given to the Directors by this Clause 23 are additional to the other powers reposed in the Directors by this Constitution and shall not in any way be limited, restricted or otherwise affected by Clauses 20, 21 and 22 inclusive.

24. NOTICES

24.1 Service

A notice may be given by the Company to any Shareholder either by serving it on him personally or by sending it by post to him at his address as shown in the Register of Shareholders or the address supplied by him to the Company for the giving of notices to him or by sending it by fax to the number or electronic address nominated by the Shareholder. Notices to Shareholders whose registered address is outside Australia shall be sent by airmail or fax or in another way that ensures that it will be received quickly, or where applicable by the means provided for by Clause 24.7.

24.2 Service by Post or Fax

Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected, in the case of a notice of a meeting, 3 days after the date of its posting and, in any other case, at the time at which the letter would be delivered in the ordinary course of post.

A notice of meeting sent by fax or other electronic means is taken to be given on the Business Day after it is sent.

24.3 Notice to Joint Holders

A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder first named in the Register of Shareholders in respect of the Share.

24.4 Notices to Personal Representatives and Others

A notice may be given by the Company to a person entitled to a Share in consequence of the death or bankruptcy of a Shareholder by serving it on him or by sending it to him by post addressed to him by name or by the title of representative of the deceased or assignee of the bankrupt, or by any like description, at the address (if any) supplied for the purpose by the person or, if such an address has not been supplied, at the address to which the notice might have been sent if the death or bankruptcy had not occurred.

24.5 Persons Entitled to Notice

Notice of every general meeting shall be given to>

- (a) every Shareholder;
- (b) every person entitled to a Share in consequence of the death or bankruptcy of a Shareholder who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
- (c) the auditor for the time being of the Company;
- (d) the ASX (if the Company is listed); and
- (e) every Director or Alternative Director.

No other person is entitled to receive notices of general meetings.

24.6 Change of Address

The Company shall acknowledge receipt of all notifications of change of address by holders of partly paid Shares.

24.7 Incorrect Address

Where the Company has bona fide reason to believe that a Shareholder is not known at his registered address, and the Company has subsequently made an enquiry in writing at that address as to the whereabouts of the Shareholder which enquiry either elicits no response or a response indicating that the Shareholder or his present whereabouts are unknown, all future notices will be deemed to be given to such Shareholder if the notice is exhibited in the Registered Office (or, in the case of a member registered on a Branch Register, in a conspicuous place in the place where the Branch Register is kept) for a period of 48 hours (and shall be deemed to be duly served at the commencement of that period) unless and until the Shareholder informs the Company that he has resumed residence at his registered address or notifies the Company of a new address to which the Company may send him notices (which new address shall be deemed his registered address).

25. WINDING-UP

25.1 Distribution in Kind

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

25.2 Order for Winding Up

Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by the Home Exchange as Restricted Securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

25.3 Distribution in Proportion to Shares Held

Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding-

up, all monies and property that are to be distributed among Shareholders on a winding-up, shall be so distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid up on the Shares.

26. OVERSEAS SHAREHOLDERS

Each Shareholder with a registered address outside Australia acknowledges that, with the approval of the ASX, the Company may, as contemplated by and in accordance with the listing rules, arrange for a nominee to dispose of any of its entitlement to participate in any issue of Shares or Share Options by the Company to Shareholders.

27. LISTING RULES

If the Company is admitted to the Official List of the ASX, the following clauses apply:

- (a) notwithstanding anything contained in this Constitution, if the listing rules prohibit an act being done, the act shall not be done;
- (b) nothing contained in this Constitution prevents an act being done that the listing rules require to be done;
- (c) if the listing rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the listing rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (e) if the listing rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision;
- (f) if any provision of this Constitution is or becomes inconsistent with the listing rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.
- (g) In this Constitution a reference to the Listing Rules is to have effect if, and only if, at the relevant time, the Company has been admitted to and remains on the Official List of the ASX and is otherwise to be disregarded