

CORPORATIONS LAW
COMPANY LIMITED BY SHARES
CONSTITUTION
OF
AQUAFLOW SOLUTIONS PTY LTD

REGIONAL COMPANY SERVICES PTY LTD
NJB

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TABLE OF CONTENTS

INTERPRETATION AND RESTRICTIONS	1
SHARES	2
LIEN.....	4
CALLS ON SHARES	4
SHARE CAPITAL REDUCTION AND BUY-BACKS	5
TRANSFER OF SHARES.....	5
TRANSMISSION OF SHARES	9
BORROWING POWERS	9
FORFEITURE OF SHARES	10
GENERAL MEETINGS	10
PROCEEDINGS AT GENERAL MEETINGS	11
VOTING.....	11
DIRECTORS	13
PROCEEDINGS OF DIRECTORS	15
POWERS AND DUTIES OF DIRECTORS	16
SECRETARY	17
EXECUTION OF DOCUMENTS	17
ACCOUNTS	18
DIVIDENDS, RESERVES AND CAPITALISATION OF PROFITS.....	18
AUDIT	19
NOTICES	19
WINDING-UP	19

CONSTITUTION

INTERPRETATION AND RESTRICTIONS

1. Definitions

1.1. Unless there is something in the subject or context inconsistent therewith:

"the board" or "the directors" means the directors of the Company for the time being assembled at a meeting of directors in accordance with this Constitution and not being less than a quorum, or a sole director acting in accordance with clause 60;

"the Company" means the abovenamed Company;

"this Constitution" means this Constitution as originally adopted or as from time to time duly added to or amended;

"corporation" means any body corporate;

"dividend" includes interim dividend or bonus;

"the Law" means the Corporations Law 1989 and any statutory modification or re-enactment thereof for the time being in force;

"letter" includes circular;

"member" means the holder of any share in the Company;

"month" means a calendar month;

"the office" means the registered office for the time being of the Company;

"paid-up" includes credited as paid-up;

"proposing transferor" means any member who has either served a transfer notice on the Company pursuant to sub-clause 20.5.1 or where no such transfer notice is required to be served has signed a share transfer form;

"purchasing member or members" means any member or members of the Company who are willing to purchase all or any of "the said shares" as defined in sub-clause 20.5.1 at the purchase price as defined in sub-clause 20.5.1;

"registered holder" and "holder" means any person or corporation which became a holder of a share or shares in the Company upon its registration or to whom shares have been allotted or transferred in the Company and whose name is entered in the register as a member of the Company;

"the register" means the register of members to be kept pursuant to the provisions of the Law;

"related corporation" means a corporation that is deemed to be related to the Company under the provisions of the Law;

"resolution" means a resolution other than a special resolution;

"secretary" and "manager" include an assistant or acting secretary or manager or any substitute for the time being for a secretary or manager;

"share" or "shares" means any and all (as the case may be) shares from time to time issued in the Company and not cancelled;

"special resolution" means a special resolution as defined under the provisions of the Law;

"State" means the State of Victoria;

"transfer notice" means a notice in writing given to the Company by a proposing transferor that he desires to transfer any of the shares held by him in the Company;

"writing" and "written" include printing and other modes of reproducing or representing words in a visible form;

Words importing persons include corporations and all legal entities;

Words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation of Legislation Act 1984 as in force at the date at which this Constitution become binding on the Company and in accordance with the Act.

- 1.2. Division 10 of Part 1.2 of the Law applies in relation to this Constitution as if it was an instrument made by an authority under a power conferred by the Law as in force on the date on which this Constitution became binding on the Company.
- 1.3. An expression used in a particular Part or Division of the Law that is given by that Part or Division a special meaning for the purposes of that Part or Division has in any of this Constitution that deals with a matter dealt with by that Part or Division unless the contrary intention appears the same meaning as in that Part or Division.

2. Replaceable rules excluded

The replaceable rules contained in the Law shall not apply to the Company to the extent that they conflict with any provision of this Constitution.

3. Restrictions

The Company is a proprietary company and accordingly:

- 3.1. the right to transfer the shares of the Company is restricted in the manner and to the extent set out in this Constitution;
- 3.2. 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 of its subsidiaries or any person who while previously in the employment of the Company or of any of its subsidiaries was and thereafter has continued to be a member of the Company) shall not be more than fifty;
- 3.3. the Company shall not issue any invitation to the public to subscribe for or make any offer to the public to accept subscriptions for any shares in or debentures of the Company; and
- 3.4. The Company shall not issue any invitation to the public to deposit money with or make any offer to the public to accept deposits of money with the Company for fixed periods or payable at call whether bearing or not bearing interest.

SHARES

4. Issue of shares

The power of the Company to issue shares shall be exercised by the directors who may issue shares of such class or type and with such rights and restrictions attaching to those shares as they may determine and as is permitted by the Law.

5. Rights attaching to shares

All shares of the Company will have equal rights as to voting and return of capital and participation in any surplus on winding up unless the directors resolve otherwise on the issue of the shares. Clause 74 of this constitution deals with the payment of dividends in respect of different classes of shares.

6. Offer to holders

Upon the issue of any new shares the directors shall offer them to the existing holders of shares in the Company as nearly as may be in proportion to the existing shares held by those members respectively and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer if not accepted will be deemed to be declined and after the expiration of such time the directors may issue those shares not applied for to such persons and upon such terms as they resolve. The Company may by resolution passed at a general meeting authorize the directors to make a particular issue of shares without complying with the preceding provisions of this clause.

7. Non-beneficial holder

A person holding shares non-beneficially must notify the Company to that effect in accordance with the requirements of the Law.

8. Preference shares

Subject to the provisions of the Law, the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed.

9. Variation by new issue

The rights conferred upon the holders of preference shares shall be deemed to be varied by a further issue of preference shares ranking pari passu therewith unless otherwise expressly provided by the terms of issue of the existing preference shares.

10. Interest and commission

The Company may pay interest on share capital raised for works buildings or plant as limited by and subject to compliance with the provisions of the Law. The Company may make a payment as commission and/or brokerage of cash and/or shares in relation to subscriptions for shares but subject to compliance with the provisions of the Law.

11. Joint-holders

Joint-holders of shares shall be deemed to hold the same as joint tenants with survivorship; they shall be severally as well as jointly liable for all payments due in respect of the shares; notice to the owner whose name stands first in the register shall be notice to all joint-holders.

12. No trust

Subject to any valid order of a Court and to the provisions of the Law unless the directors otherwise determine the Company shall not be under any obligation to recognise any trust or equitable mortgage or other outstanding interest in respect of a share notwithstanding notice thereof.

13. Restriction on use of Company's funds

Save as permitted by the provisions of clause 19 the funds of the Company or of any subsidiary may not be employed in the acquisition of the Company's shares whether by loan guarantee security or otherwise.

14. Variation of rights

If the issued shares of the Company be divided into different classes the rights attached to any special class may, subject to the provisions of the Law and to the conditions of issue, be varied or abrogated by the written consent of the holders of two-thirds of the issued shares of that class or by a special resolution passed at a separate meeting of the holders of shares of that class.

15. Certificate

Until the directors resolve otherwise, every person whose name is entered as a member in the register shall be entitled without payment to receive a certificate issued by the Company provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. If the directors resolve not to issue share certificates the Company will upon the reasonable request of any member provide a statement of the number and class of shares held by that member.

LIEN

16. Lien

The Company shall have a first and paramount lien over shares and on the dividends accruing thereon, for all moneys payable presently or at a future date to the Company by any member or his deceased estate. Such lien shall constitute the Company a secured creditor as against any other outstanding interest.

17. Sale of shares upon default in payment of moneys due

Where default has been made in payment of any money referred to in clause 16 which has fallen due for payment and such default continues for more than fourteen days after written notice thereof is served on the registered holder of the shares the directors may sell all such shares in such manner as they deem fit; upon the completion of any such sale the directors shall account to the registered holder of such shares for the residue (if any) of the net proceeds of such sale, and transfer such shares to the purchaser thereof who shall hold them free of any prior equities and shall be registered as the holder thereof. Payment to one joint holder of any such shares shall be sufficient.

CALLS ON SHARES

18. Calls

Subject to the conditions of issue the directors may make revoke and postpone calls on shares upon giving fourteen days notice in writing to the holder thereof; the directors may require from members interest at a rate not exceeding 18 per centum per annum in default of due payment and the Company shall pay interest at a rate not exceeding 18 per centum per annum in respect of any calls paid in advance which they may see fit to accept. Further, the Company may:

- 18.1. make arrangements on the issue of shares for varying the amounts and times of payment of calls as between shareholders; and
- 18.2. accept from any member the whole or a part of the amount remaining unpaid on any shares although no part of that amount has been called up.

SHARE CAPITAL REDUCTION AND BUY-BACKS

19. Company may exercise powers conferred by the Law

The Company may:

- 19.1. reduce its share capital;
- 19.2. buy-back its shares;
- 19.3. consolidate any of its share capital into larger or subdivide such capital into smaller amounts;

in the manner permitted by the Law.

TRANSFER OF SHARES

20. Transfer of shares

20.1. Instrument of transfer compulsory

No transfer of shares shall be registered unless a proper instrument of transfer has been delivered to the Company. Except as provided by the Law or by this Constitution the instrument of transfer of any shares shall be signed by the transferor and (if required by the Company) by the transferee.

20.2. Directors may refuse to register transfer

The directors shall be bound to register a transfer of shares executed in compliance with either clauses 20 or 21 but may decline to register any other transfer of shares without being bound to give any reason for such refusal.

20.3. No transfer if maximum number of members exceeded

No transfer of shares shall be registered if upon its registration the number of members of the Company would exceed the maximum prescribed by sub-clause 3.2.

20.4. Shares not to be transferred until rights of pre-emption exhausted

Subject to sub-clause 20.7 no share or shares shall be sold assigned or transferred by a member unless and until the rights of pre-emption herein contained shall have been exhausted.

20.5. Transfer notice fixing price; Company is seller's agent at price fixed by seller or price certified under sub-clause 20.5.2 below

20.5.1. Except where a transfer is under the provisions of sub-clause 20.7 excepted from the provisions of this sub-clause 20.5 a proposing transferor who desires to transfer any shares held by him in the Company shall give a transfer notice to the Company that he desires to transfer such shares. Such notice shall specify the number of shares the proposing transferor desires to transfer (in this sub-clause 20.5 called "the said shares") and shall also specify the sum he fixes as the price at which he wishes to dispose of the said shares and shall constitute the Company his agent for the sale of the said shares to any other member or members of the Company who are willing to purchase all or any of the said shares at the price so fixed or at the option of the purchasing member or members at the fair value which may be certified at the option of the Company

in accordance with sub-clause 20.5.2 (in this sub-clause 20.5 called "the purchase price"). A transfer notice shall not be revocable except as provided in sub-clause 20.5.2 or with the sanction of the directors. A transfer notice including more than one share shall not operate as a separate notice in respect of each and nothing in this Constitution contained shall bind the proposing transferor to sell to any member or members less than the total number of the said shares.

20.5.2. Upon receipt of a transfer notice the Company may cause the auditors for the time being of the Company (or if the Company has no auditors such accountant who is a member of the Institute of Chartered Accountants in Australia or the Australian Society of Certified Practising Accountants and who is as agreed between the members within one week of the receipt of such notice or failing agreement within that time who is selected by the president for the time being of the branch in the State of the Institute of Chartered Accountants in Australia) to certify in writing the sum which in their opinion is the fair value of the said shares and shall give written notification thereof to the proposing transferor. In so certifying the persons concerned shall be considered to be acting as experts and not as arbitrators and accordingly any statute relating to the resolution of disputes by arbitration shall not apply. The proposing transferor may withdraw the transfer notice by written notice to the Company given within seven days of his receiving written notification of the sum so certified by the auditors or accountants and upon such notice of withdrawal being received the Company's power to sell the said shares shall cease.

20.5.3. The said shares shall be offered in the first place to any member or members of the Company as nearly as may be in proportion to the existing shares held by them respectively and the offer shall in each case limit the time not being less than seven days within which the same if not accepted will be deemed to be declined. Such offer shall be made not earlier than seven days and not later than twenty-one days after the date on which the Company gives to the proposing transferor written notification either of its decision not to cause the auditors for the time being of the Company or accountants to value the said shares in accordance with sub-clause 20.5.2 or of the sum which the auditors or accountants certify as the fair value of the said shares. If all the said members do not claim their full proportions the unclaimed shares shall in the second place be offered to those members who shall have claimed their full proportions pursuant to the first offer and such offer shall be made to those members in proportion to the existing shares held by them respectively as aforesaid and shall in each case limit the time not being less than seven days within which the same if not accepted will be deemed to be declined. If after such second offer there remain any unclaimed shares such shares shall be offered and the balance

thereof shall be reoffered (and so on) to the members who in respect of each previous offer of the shares of which the unclaimed shares form part have claimed their full proportions until either all the said shares have been taken or there shall be some of the said shares unclaimed by all of the said members and such offer and each such reoffer shall be made to the members entitled thereto in proportion to the existing shares held by them respectively as aforesaid and shall in each case limit the time not being less than seven days within which the same if not accepted will be deemed to be declined.

- 20.5.4. Unless the transfer notice is withdrawn pursuant to sub-clause 20.5.2 the Company may within the space of two months after the date on which it gives to the proposing transferor written notification in accordance with sub-clause 20.5.3 find a purchasing member or members in accordance with sub-clause 20.5.3 and give notice thereof to the proposing transferor who shall then be bound to transfer to the purchasing member or members the said shares upon payment to him of the purchase price.
- 20.5.5. If within seven days of the Company giving notice to the proposing transferor of the name or names of the purchasing member or members pursuant to sub-clause 20.5.4 the proposing transferor has not tendered to the purchasing member or members a duly executed share transfer in respect of the said shares in return for the purchase price then the Company may after the receipt of a duly executed share transfer by a person authorised under sub-clause 20.6 and upon which stamp duty has been paid receive the purchase price and shall thereupon cause the name of the purchasing member or members to be entered in the register as the holder or holders of the said shares and shall hold the purchase price in trust for the proposing transferor. The receipt of the Company for the purchase price shall be a good discharge to the purchasing member or members and after his name has or their names have been entered in the register in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.
- 20.5.6. If the Company shall not within the space of two months after the date on which it gives to the proposing transferor written notification in accordance with sub-clause 20.5.3 find a purchasing member or members and gives notice in the manner aforesaid the proposing transferor shall at any time within two months afterwards be at liberty to transfer the whole or any of the said shares to any person and at the price as determined in accordance with either of sub-clauses 20.5.1 or 20.5.2 as the case may be, and in all other respects on the same terms as those on which they were offered to members in accordance with this sub-clause 20.5.
- 20.5.7. The Company may by special resolution and not otherwise from time to time vary this Constitution as to the manner in which any shares specified in any

transfer notice shall be offered to the members and as to their rights in regard to the purchase thereof and in particular may give any member or class of members a preferential right to purchase the same.

20.6. Secretary may authorise to sign transfer

For the purpose of giving effect to any sale pursuant to the foregoing provisions a secretary or director of the Company may authorise some person to transfer the shares so sold to the purchaser thereof.

20.7. Circumstances in which previous provisions of this clause do not apply

The provisions of sub-clause 20.5 shall not apply where:

- 20.7.1. all members have previously consented in writing to a proposed transfer; or
- 20.7.2. the transferee of shares (or the executors or administrators of a deceased transferee) is the husband, wife, parent, child, son-in-law, daughter-in-law, brother or sister of the proposing transferor and any children or remoter issue of those persons ("the specified relatives");
- 20.7.3. the transferee of shares is the trustee of any deed of trust or settlement made exclusively for the benefit of one or more of the specified relatives of the proposing transferor and/or of any related corporation of the proposing transferor and the shares to be transferred are to be held by such trustee upon the terms of such deed ("a family trust");
- 20.7.4. the proposing transferor is the trustee of a deed of trust or settlement and shares are to be transferred by the proposing transferor to any specified relative of any beneficiary under such deed of trust or settlement;
- 20.7.5. the transferee is a corporation all of the shares in which are beneficially owned by one or more of the transferees referred to in this sub-clause 20.7;
- 20.7.6. where the proposing transferor is the trustee of a family trust and shares are to be transferred from the trustee of that family trust to one or more of the beneficiaries of such family trust;
- 20.7.7. where the proposing transferor is a corporation and the transferee is a related corporation of the proposing transferor and the proposing transferor has executed and delivered to each of the other members a deed whereby he covenants that if the transferee ceases to be a related corporation of the proposing transferor the subject shares will thereupon be transferred back to the proposing transferor or to another related corporation of the proposing transferor; or
- 20.7.8. the transferee of shares is the trustee of a superannuation fund established and existing primarily for the benefit of one or more members of the Company or, where members of the Company are corporations, one or more persons who have a beneficial interest in the capital of such a corporation.

- 20.8. Members must not mortgage shares
A member shall not without the prior approval of a resolution of the members create or permit to subsist over all or any of that member's shares in the Company (or any interest therein) any mortgage charge or other encumbrance.
- 20.9. Proposing transferor is holder until transfer registered
The proposing transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register.
- 20.10. Form of share transfers
Share transfers shall be in any usual form or in any other form approved by the directors.
- 20.11. Delivery of transfers and share certificates to Company's Office
Every instrument of transfer shall be left at the office or in the place where a share register is kept accompanied by the certificate (if any) in respect of the shares to be transferred and such other evidence as the directors may require to prove the title of the transferor or his right to transfer such shares. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the directors decline or refuse to register shall (except in the case of fraud) on demand be returned to the transferee.
- 20.12. Closure of transfer books and register
The transfer books and the register may be closed during such time or times as the directors think fit provided that such books and the register shall not be closed for more than thirty days in the aggregate in any calendar year.

TRANSMISSION OF SHARES

21. Transmission
Subject to this Constitution and in particular to the provisions relating to transfers of shares, any person becoming entitled to a share in consequence of the death or bankruptcy of a member or by operation of law or otherwise than by transfer may, upon production of such evidence of title as the directors require, be registered as the holder of that share or have some person nominated by them in writing registered as such holder.

BORROWING POWERS

22. Directors may exercise power of Company to borrow
The directors may from time to time at their discretion exercise all the powers of the Company to borrow or raise or secure the payment of money and to guarantee or to become liable for the payment of money or for the performance of any obligations by any company or person and the directors may exercise the powers conferred by this clause in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of perpetual or redeemable debentures or any charge, bill of sale 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. Any debentures may be issued at a discount, premium or otherwise and with any special privileges as to redemption surrender drawings allotment of shares attending at general meetings of the Company and otherwise. Debentures or other

securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any debentures of the Company. If the directors or any of them or any other person shall become or be 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 by way of indemnity to secure the directors or persons so becoming liable from any loss in respect of such liability.

FORFEITURE OF SHARES

23. Forfeiture

If a member should fail to pay any call or other money payable under the terms of issue of a share on the due date the directors may, after giving at least fourteen days' notice to such member that such share will be liable to be forfeited in the event of non-compliance with such notice, thereupon by resolution forfeit such share together with any dividends declared thereon but not paid. The share so forfeited shall be the property of the Company and may be reissued or sold in such manner as the directors may resolve; in the event of sale the Company shall account to the member for the residue (if any) after satisfaction of the moneys due to the Company.

GENERAL MEETINGS

24. Convening general meetings

Any director may whenever he thinks fit convene a general meeting and the directors shall convene a general meeting on a requisition of members as provided by the Law.

25. Notice

Subject to the provisions of the Law relating to special resolutions and agreements for shorter notice, twenty one days notice at the least (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day for which notice is given) specifying the place the day and the hour of meeting (and, if the meeting is to be held in two or more places, the technology that will be used to facilitate this) and the general nature of the business to be transacted at the meeting shall be given to such persons as are entitled to receive such notices from the Company. If a special resolution is to be proposed at the meeting the notice shall set out an intention to propose the special resolution and state the resolution. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any member shall not invalidate the proceedings at that meeting.

26. Members may call meeting

Members with at least five per cent of the votes that may be cast at a general meeting of the Company may call a general meeting in accordance with the Law.

PROCEEDINGS AT GENERAL MEETINGS

27. Quorum

No business shall be transacted at any general meeting unless a quorum of members is present at all times during the meeting. Subject to clause 31, two members present in person shall be a quorum. For the purpose of this clause 27 "member" includes a person attending as a proxy or as representing a corporation which is a member.

28. No quorum

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of members shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.

29. Chairman to preside

The chairman if any of the board of directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman or if he is not present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the members present shall elect one of their number to be chairman of the meeting.

30. Adjourned meeting

A meeting may resolve to adjourn only to complete business unfinished at such meeting; if a meeting be adjourned for more than thirty days a further notice of seven days shall be given complying with the requirements of this Constitution regarding notice for the original meeting.

31. Resolution of a single member

Where the Company has only one member:

- 31.1. if the member records in writing the member's decision to a particular effect, the recording of the decision shall constitute the passing by the member of a resolution to that effect;
- 31.2. a record in writing made for the purpose of sub-clause 31.1 shall have effect as minutes of the passing of the resolution at a general meeting unless otherwise specified in that record.

VOTING

32. Show of hands or poll

Subject always to clause 31 a resolution shall be decided on a show of hands unless a poll be demanded before or on the declaration of the result thereof. A declaration by the Chairman and an entry in the minute book of the Company shall be conclusive evidence of the result of the vote upon any resolution on the show of hands. A proxy shall be entitled to vote on a show of hands or on a poll. The Chairman shall have a casting vote.

33. Poll

- 33.1. A poll may be taken forthwith if demanded by two or more persons present concerning:
 - 33.1.1. the election of a Chairman; or
 - 33.1.2. adjournment of the meeting.

33.2. Except on the subject of matters of the type referred to in sub-clause 33.1 a poll shall be taken as and when the Chairman directs in lieu of a show of hands if demanded:

33.2.1. by the Chairman;

33.2.2. by at least three persons having the right to vote at the meeting; or

33.2.3. by any member or members present in person or by proxy and representing not less than five per cent of the total voting rights of all the members having the right to vote at general meetings.

34. Voting on poll

On a poll a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

35. Voting entitlement

Subject to this Constitution and to any conditions attached to a share every person present entitled to vote shall have one vote on a show of hands, and on a poll one vote for each share he holds or represents.

36. Joint-holders, etc

In the case of joint-holders the vote of the senior shall be accepted to the exclusion of other joint-holders. Seniority shall be determined by the order of names in the register. A member having mental incapacity may vote only through the person having the management of his estate and such person may vote by proxy or attorney.

37. Payments due disqualify

No member shall be entitled to vote unless all moneys payable in respect of his shares have been paid. Any objection to the qualification of any voter shall be referred to the Chairman of the meeting whose decision shall be final.

38. Resolution in writing without meeting

To the extent permitted by the Law from time to time a resolution or special resolution may be passed without a general meeting being held if all the members entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. Such a resolution is passed when the last member signs.

39. Proxy

A member may appoint another person (whether a member or not) as his proxy to attend and vote in his stead at a meeting and such proxy shall have the same rights as the member he represents, including the right to vote on a show of hands and on a poll and to demand a poll. The appointment may specify the proportion or number of votes that the proxy may exercise. If the member is entitled to cast 2 or more votes at the meeting they may appoint 2 proxies. If the member 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 (fractions of shares arising from such division will not have an entitlement to vote).

40. Form of proxy

A member may appoint a proxy by instrument in writing in accordance with the Law under the hand of the appointor or of his attorney so authorised. In the case of a corporation member the instrument shall be executed by the corporation or by a person duly authorised so to do by the corporation.

41. Proxy to be deposited

The instrument appointing a proxy and the documents (or a certified copy thereof) evidencing a power of attorney or other authority to sign same on behalf of a member shall be deposited at the registered office of the Company or such other place in Victoria as the notice convening the meeting shall state 24 hours before the time mentioned in the notice for holding the meeting or the time of an adjourned meeting.

42. Validity of proxy

Unless the Company has received notice thereof an instrument of proxy or attorney shall not be invalidated by previous revocation thereof or the death or mental incapacity of the principal.

DIRECTORS

43. Number

The Company shall have at least one director and until otherwise determined by a general meeting shall not have more than seven directors. The first director or directors shall be that person or those persons who have prior to the registration of the Company consented to be directors of the Company and are named in the application for registration of the Company. Reference in this Constitution to directors shall be a reference to the director or directors as the case may be.

44. Appointment

The directors or the Company in general meeting by resolution or any member or members holding a majority of the issued shares of the Company by writing delivered to the Company may at any time and from time to time appoint any person to be a director of the Company either to fill a vacancy or as an addition to the board but so that the total number of directors shall not at any time exceed the maximum number for the time being fixed. The directors may appoint a person as a director to make up a quorum for a meeting of directors even if the number of directors of the Company is not enough to make up that quorum.

45. Removal

The Company in general meeting by resolution or any member or members holding a majority of the issued shares of the Company by writing delivered to the Company may from time to time remove any director from office and if thought fit appoint another person in his stead.

46. Directors to continue in office

The directors for the time being shall continue to hold office subject only to clauses 45 and 50.

47. Variation in number of Directors

The Company may from time to time by resolution passed at a general meeting increase or reduce the number of directors (provided that the Company shall always have at least one director) and may also determine in what rotation the increased or reduced number is to go out of office.

48. No share qualification

Until fixed by the Company in general meeting no share qualification shall be required for a director. Any share qualification must be held by a director solely and not as a joint-holder.

49. Remuneration

The directors shall be paid for their services the remuneration that the Company determines by resolution. The Company may also pay the travelling and other expenses that the directors properly incur in attending meetings of directors. Further, a director may receive a special remuneration and expenses for performing extra services in and about the Company's business.

50. Vacation of office

The office of director shall be vacated if the director:

- 50.1. ceases to be a director by virtue of the Law;
- 50.2. becomes bankrupt or makes any arrangement or composition with his creditors generally;
- 50.3. becomes prohibited from being a director by reason of any order made under the Law;
- 50.4. becomes mentally incapacitated; or
- 50.5. resigns his office by notice in writing to the Company.

51. Directors not disqualified from contracting with Company; Directors disclosure obligations; Director may vote in respect of contract in which interested and may attest affixing of seal to any such contract; Director of subsidiary

- 51.1. Subject to the provisions of the Law, no director or proposed director shall be disqualified by his office from entering into any contract agreement or arrangement with the Company or from becoming or remaining a director of any company or corporation in which the Company is in any way interested or which is in any way interested in the Company nor shall any such contract agreement or arrangement or any contract agreement or arrangement entered into by or on behalf of the Company in which any director is in any way interested be avoided nor shall any director entering as aforesaid into any contract agreement or arrangement or being a director of such other company or corporation or being so interested be liable to account to the Company for any profits or remuneration realised by his so entering or being a director of such other company or corporation or being so interested by reason of such director holding office as a director of the Company or of the fiduciary relationship thereby established.
- 51.2. If the Company has more than one director then a director who has a material personal interest in a matter that relates to the affairs of the Company must give the other director or directors notice of the interest unless the Law provides that such notice does not need to be given. If it is required the notice must give details of the extent and nature of the interest and the relation of the interest to the affairs of the Company and be given at a directors' meeting as soon as practicable after the director becomes aware of his interest in the matter. The details of such notice must be recorded in the minutes of the meeting.
- 51.3. A director shall be entitled to vote at any meeting of directors in respect of any matter in which he is interested and he shall be entitled to be counted in the quorum at any meeting at which any such matter is considered and he may attest the affixing of the Company's seal to

(or otherwise participate in the execution by the Company of) any document relating to any such matter.

- 51.4. A director may hold any other office or place of profit under the Company (except the office of Auditor) in conjunction with his office of director for such period and on such terms as to remuneration and otherwise as the directors may determine.
- 51.5. If the Company is a wholly owned subsidiary of another company a director of the Company may act in the best interests of the holding company even if those interests are different to the best interests of the Company.

PROCEEDINGS OF DIRECTORS

52. Meetings

The directors may meet for the despatch of business and adjourn their meetings as they think fit. A directors' meeting may be called or held using any technology consented to by all the directors. The consent may be a standing one. A director may only withdraw their consent within a reasonable period before the meeting.

53. Chairman

The directors may elect a chairman of their meetings and determine the period for which he is to hold office but if no such chairman be elected or if at any meeting the chairman be not present within fifteen minutes after the time appointed for holding the meeting the directors present may choose one of their number to be chairman of the meeting.

54. Majority decision

Questions at board meetings shall be decided by a majority. Where there is an equality of votes the chairman shall have a casting vote.

55. Convening meeting

A director may convene a meeting of directors by giving reasonable notice individually to each other director.

56. Quorum

The Quorum for a directors' meeting shall be two until otherwise determined by the directors unless the Company has only one director.

57. Number to be brought up to minimum

If the number of directors should become less than any minimum fixed by this Constitution the continuing director or directors (if any) may act solely for the purpose of increasing their number to that minimum or for calling a general meeting of the Company.

58. Resolution in writing without meeting

The directors may pass a resolution without a meeting being held if all the directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. Separate copies of a document may be used for signing by directors if the wording of the resolution and statement is identical in each copy. The resolution is passed when the last director signs.

59. Validity of acts

All acts done by any meeting or by any committee of directors or by any person acting as a director shall, notwithstanding the subsequent discovery of some defect in the appointment of any such person or of the fact that any such person was disqualified at the time, be as valid as if no such defect or disqualification existed.

60. Resolution of a single Director

Where the Company has only one director:

- 60.1. if the director records in writing the director's decision to a particular effect, the recording of the decision shall constitute the passing by the director of a resolution to that effect;
- 60.2. a record in writing made for the purpose of sub-clause 60.1 shall have effect as minutes of the passing of the resolution.

POWERS AND DUTIES OF DIRECTORS

61. Management vested in Directors

The management of the Company's business is vested in the directors who shall exercise all the powers of the Company as are not required to be exercised by the Company in general meeting PROVIDED that the directors may not dispose of the Company's main undertaking or approve the transfer of a controlling share interest in the Company without the approval of a general meeting previously given. No such resolution of a general meeting shall be retrospective in its effect.

62. Negotiable instruments

All cheques promissory notes 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, unless the Company has only one director in which case that director may execute, or in such other manner as the directors from time to time determine.

63. Minutes

The directors shall cause minutes to be made of:

- 63.1. all appointments of officers;
- 63.2. names of directors present at all meetings of the Company and of the directors and of any committee of the directors; and
- 63.3. all resolutions and proceedings at all meetings of the Company and of the directors and of any committee of directors. Subject to clauses 31 and 60 such minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of any succeeding meeting.

64. Delegation

The directors may delegate any of their powers to:

- 64.1. a committee of directors;
- 64.2. a director;
- 64.3. an employee of the Company; or
- 64.4. any other person.

Where the delegation is to a committee of directors the provisions of this Constitution entitled "proceedings of directors" will apply with such changes as are necessary to the proceedings of any such committee. Such delegation is to be recorded in the minutes.

65. Managing Director

The directors may from time to time appoint one or more of themselves to be managing director of the Company for the period and on the terms (including as to remuneration) as the directors see fit. A person ceases to be managing director if they cease to be a director. The directors may confer on a managing director any of the powers that the directors can exercise. The directors may revoke or vary any such appointment or any of the powers conferred on the managing director.

66. Alternate Director

A director may with the approval of a majority of the directors appoint by notice in writing a person to be an alternate director on the board in his place during such times as he shall appoint but only for so long as the appointor remains a director. Such appointment may be revoked by notice in writing. An alternate director shall not require the share qualification (if any) of a director. The Company shall not pay an alternate director remuneration but may pay him the expenses provided by this Constitution to be paid to a director. A copy of each notice of appointment or termination must be given to the Company.

67. Indemnity

Every director, officer, or auditor of the Company shall be indemnified by the Company against any liability incurred by him in defending civil or criminal proceedings resulting in his favour or in which relief is granted to him by the Court pursuant to the Law. This provision is not intended to limit the indemnities which the Law may permit the Company to give to its directors, officers or auditors.

SECRETARY

68. Secretary

The directors may appoint a person as Company secretary for such term at such remuneration and upon such conditions as they may deem fit and any secretary so appointed may be removed by them.

EXECUTION OF DOCUMENTS

69. Execution of documents

Without limiting any other manner in which the Company may execute a document:

- 69.1. it may execute a document if the seal is fixed to the document and the fixing of the seal is witnessed by two directors of the Company or a director and a secretary of the Company or, if the Company has a sole director who is also the sole secretary (or it has a sole director and no secretary) – by that director.
- 69.2. it may execute a document without using a seal if the document is signed by two directors of the Company or a director and a secretary of the Company or, if the Company has a sole director who is also the sole secretary (or it has a sole director and no secretary) – by that director.

ACCOUNTS

70. Accounts

The directors shall keep proper books of account and prepare such financial statements as they may by the Law be required to prepare and such further statements as the directors resolve to prepare and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being directors and no member (not being a director) shall have the right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the directors or by the Company in general meeting.

DIVIDENDS, RESERVES AND CAPITALISATION OF PROFITS

71. Payment of dividends

A dividend may only be paid out of profits of the Company:

72. Mode of payment

The Directors may determine that a dividend is payable and fix:

- 72.1. the amount; and
- 72.2. the time for payment; and
- 72.3. the method of payment.

The methods of payment may include the payment of cash, the issue of shares, the grant of options and the transfer of assets.

73. Reserves

The directors may before making such determination either:

- 73.1. carry forward; or
- 73.2. set aside such of the Company's profits as they think fit which shall constitute a reserve fund which the board may apply to any purpose to which the profits of the Company may be applied.

74. Dividends to be discretionary

Subject to any special condition concerning dividends attached to any class of shares the Company may declare a dividend or dividends of the same or differing amounts in respect of any one or more class or classes of shares to the exclusion of the other or others and in so doing shall have the most complete discretion subject always to the Law.

75. Interim dividends

The directors may pay interim dividends.

76. Dividend not to bear interest

A dividend shall not bear interest against the Company.

77. Deductions

Any moneys presently payable by a member to the Company may be deducted from the dividends payable.

78. Payment to joint-holders

Payment to one of joint-holders shall be sufficient.

79. Capitalisation of profits

A general meeting may by resolution authorise the directors to capitalise profits. The capitalisation need not be accompanied by the issue of shares.

AUDIT

80. Audit

If so required by the Law, an auditor or auditors shall be appointed with duties regulated in accordance with the Law.

NOTICES

81. Notices

81.1. Notice of every general meeting shall be given individually to:

81.1.1. every member entitled to vote at the meeting;

81.1.2. every director of the Company; and

81.1.3. the auditor (if any) for the time being of the Company.

81.2. Notice to joint members must be given to the joint member named first in the register of members.

81.3. The company may give the notice of meeting to a member:

81.3.1. personally; or

81.3.2. by sending it by post to the address for the member in the register of members or the alternative address (if any) nominated by the member; or

81.3.3. by sending it to the fax number or electronic address (if any) nominated by the member;

and may give notice in like manner to each director and auditor.

81.4. A notice of meeting sent by post is taken to be given 2 business days after it is posted. A notice of meeting sent by fax, or other electronic means, is taken to be given on the business day after it is sent.

WINDING-UP

82. Winding-up

If the Company be wound up the liquidator may, with the sanction of a special resolution of the Company, divide amongst the members the whole or any part of the assets of the Company and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator with the like sanction thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

