

ANNEXURE A

**Constitution of
Stanwell Corporation
Limited
ACN 078 848 674**

Approved by Stanwell's Shareholding Ministers

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CONSTITUTION OF STANWELL CORPORATION LIMITED ACN 078 848 674

1. PRELIMINARY

1.1 Replaceable rules

The replaceable rules referred to in section 141 do not apply to the Company and are replaced by the rules set out in this document.

1.2 Definitions

The following definitions apply in this document.

Act means the *Corporations Act 2001* (Cth).

Affiliate means:

- (a) any entity (such as body corporate, partnership or trust) which a Director or Relative controls (within the meaning of section 50AA); or
- (b) a Relative of the Director or the Director's spouse, or a body corporate in which the Director, or any Relative own or hold in the aggregate more than 20% of the voting shares (as defined in the Act).

Auditor-General means the Queensland Auditor-General, appointed under the *Financial Administration and Audit Act 1977* (Qld).

Board means the Directors acting collectively under this document.

Company means the company named at the beginning of this document whatever its name is for the time being.

De facto spouse has the meaning given by section 9.

Director means a person who is, for the time being, a director of the Company including, where appropriate, an alternate.

dividend includes bonus.

GOC Act means the *Government Owned Corporations Act 1993* (Qld) and its regulations.

GOC Minister has the meaning given to that term under the GOC Act.

Governor in Council has the meaning given to that term under the Acts Interpretation Act 1954 (Qld).

Indirect Interest includes an interest of a Relative of a Director or an Affiliate of a Director or Relative.

member means a person whose name is entered in the Register as the holder of a share and means a Shareholding Minister.

ordinary resolution means a resolution passed at a meeting of members by a majority of the votes cast by members entitled to vote on the resolution.

Portfolio Minister has the meaning given to that term under the GOC Act.

Premier means the Premier of the State of Queensland.

Public Service Officer has the meaning given by the *Public Service Act 1996* (Qld).

Register means the register of members kept as required by sections 168 and 169.

Relative has the meaning given by section 9 and includes a de facto spouse.

Secretary means, during the term of that appointment, a person appointed as a secretary of the Company in accordance with this document.

Shareholding Ministers means the GOC Minister and the Portfolio Minister.

special resolution has the meaning given by section 9.

Statement of Corporate Intent has the meaning given by the GOC Act.

Voting Member in relation to a general meeting, or meeting of a class of members, means a member who has the right to be present and to vote on at least 1 item of business to be considered at the meeting.

1.3 Interpretation of this document

Headings and marginal notes are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, modified in relation to the Company, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;

- (iii) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (iv) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
 - (c) A word which suggests 1 gender includes the other genders.
 - (d) If a word is defined, another part of speech has a corresponding meaning.
 - (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
 - (f) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
 - (g) A power to do something includes a power, exercisable in the like circumstances, to revoke or undo it.
 - (h) A reference to a power is also a reference to authority or discretion.
 - (i) A reference to something being **written** or **in writing** includes that thing being represented or reproduced in any mode in a visible form.
 - (j) A word (other than a word defined in rule 1.2) which is defined by the Act has the same meaning in this document where it relates to the same matters as the matters for which it is defined in the Act.
 - (k) A reference to a Chapter, Part, Division or section is a reference to a Chapter, Part, Division or section of the Act.

1.4 **GOC Act prevails**

- (a) This document is to read subject to the GOC Act.
- (b) To the extent of any inconsistency between the GOC Act and the Act regarding this document, the GOC Act will prevail.
- (c) To the extent of any inconsistency between the GOC Act and this document, the GOC Act will prevail.
- (d) To the extent of any inconsistency between the Act and this document, subject to rule 1.4(b), the Act will prevail.

2. OBJECTS OF COMPANY

2.1 Objects

The Company's objects are to:

- (a) generate electricity and sell electricity;
- (b) undertake all activities incidental or ancillary or considered by the Board to be necessary or desirable to achieve the objects set out in rule 2.1(a), including:
 - (i) operating electricity generating plants;
 - (ii) undertaking energy and environmental and financial market related activity;
 - (iii) operating a coal mine to ensure the continued generation and sale of electricity; and
 - (iv) developing future fuel resources to ensure the continued generation and sale of electricity;
- (c) do all things reasonably related to supporting, sustaining or developing the economic and efficient generation and/or sale of energy;
- (d) undertake the sale or purchase of coal, gas or water, and do all things reasonably related to supporting, sustaining or developing such undertaking;
- (e) carry out any obligations that the Company has under any instrument (whether or not the Company is specifically referred to in the instrument) in existence immediately before 1 July 1997; and
- (f) carry out any activity that is incidental to the objects set out in this rule 2.1(a) to (e).

The Company must not undertake any activities which do not come within the scope of the objects contained in this rule.

2.2 Interpretation

The Company's objects are to be interpreted independently and not as limiting any other object.

3. DIRECTORS

3.1 Number of Directors

The number of Directors of the Company is the number of Directors that are appointed from time to time by the Governor in Council in accordance with the GOC Act. At all times the Company must have no less than three Directors.

3.2 Qualifications of Directors

In accordance with the GOC Act a Public Service Officer is not eligible for appointment as a Director of the Company.

3.3 Appointment of Directors

All Directors of the Company must be appointed by the Governor in Council in accordance with the GOC Act.

3.4 Retirement by rotation

No Director is subject to retirement by rotation.

3.5 Cessation of Director's appointment

A person automatically ceases to be a Director if the term of the Director's appointment expires, or if the person:

- (a) is not permitted by the Act (or an order made under the Act) to be a Director;
- (b) becomes disqualified from managing corporations under Part 2D.6 and is not given permission or leave to manage the Company under section 206F or 206G;
- (c) becomes of unsound mind or physically or mentally incapable of performing functions of that office;
- (d) resigns by notice in writing to the Company; or
- (e) is removed from office under rule 3.6.

3.6 Removal from office

Whether or not a Director's appointment was expressed to be for a specified period, the Governor in Council may remove a Director from office.

4. POWERS OF THE BOARD

4.1 Powers generally

Except as otherwise required by the Act, the GOC Act, and any other applicable law or this document, the Board:

- (a) has power to manage the business of the Company and the attainment and performance of the Company's objects; and
- (b) may exercise every right, power or capacity of the Company.

4.2 Statement of Corporate Intent

Rule 4.1 is subject to any prior undertaking the Company has given to the Shareholding Ministers in its Statement of Corporate Intent.

4.3 Exercise of powers

A power of the Board can be exercised only by resolution passed at a meeting of the Board or otherwise in accordance with rule 10.

4.4 Responsibilities under the GOC Act

The roles, responsibilities and duties of the Directors include those required of them under the GOC Act.

5. DELEGATION OF BOARD POWERS

5.1 Power to delegate

The Board may delegate any of its powers as permitted by section 198D.

5.2 Power to revoke delegation

The Board may revoke a delegation previously made whether or not the delegation is expressed to be for a specified period.

5.3 Terms of delegation

A delegation of powers under rule 5.1 may be made:

- (a) for a specified period or without specifying a period; and
- (b) on the terms (including power to further delegate) and subject to any restrictions the Board decides.

A document of delegation may contain the provisions for the protection and convenience of those who deal with the delegate that the Board thinks appropriate.

5.4 Proceedings of committees

Subject to the terms on which a power of the Board is delegated to a committee, the meetings and proceedings of committees are, to the greatest extent practical, governed by the rules of this document which regulate the meetings and proceedings of the Board.

6. DIRECTORS' DUTIES AND INTERESTS

6.1 Compliance with duties under the Act

Each Director must comply with sections 180 to 183.

6.2 Degree of care and diligence required

In determining, for the purposes of the Act the degree of care and diligence that a reasonable person in a like position in a Company would exercise in the circumstances of the Company, regard must be had to:

- (a) the application of the GOC Act to the Company; and
- (b) relevant matters required or permitted to be done under the GOC Act in relation to the Company.

6.3 Director can hold other offices etc

A Director may:

- (a) hold any office or place of profit or employment other than that of the Company's auditor or a Public Service Officer; or
- (b) be a member of any corporation (other than the Company) or partnership.

6.4 Disclosure of interests

Each Director must comply with section 191 and section 192.

6.5 Director interested in a matter

- (a) A Director must not be present, and is not entitled to vote, at a Board meeting that considers a matter in which that Director has a material personal interest (whether that interest is a direct interest or an Indirect Interest).
- (b) If the interest has been disclosed by the Director, the Company may proceed with any transaction that relates to the Director's interest.
- (c) A Director may retain benefits under the transaction even though the Director has the interest. If the interest is required to be disclosed under section 191, this rule 6.5(c) applies only if the interest has been disclosed before the transaction is entered into.
- (d) The Company cannot avoid the transaction merely because of the existence of the interest.

6.6 Register of Interests

- (a) In addition to recording every declaration of interest in the minutes of the meeting at which it is made, the Company must maintain a register of interests disclosed under section 191 and section 192.
- (b) The Shareholding Ministers may request the Company to provide them with a copy of the register maintained under paragraph (a) and the Company must provide the register as requested by the Shareholding Ministers.

6.7 **Agreements with third parties**

The Company cannot avoid an agreement with a third party merely because a Director:

- (a) fails to make a disclosure of an interest; or
- (b) is present at, or counted in the quorum for, a Board meeting that considers or votes on that agreement.

6.8 **Obligation of secrecy**

Every Director and Secretary must keep the transactions and affairs of the Company and the state of its financial reports confidential unless required to disclose them:

- (a) in the course of duties as an officer of the Company;
- (b) by the Board or the Company in general meeting; or
- (c) by law.

The Company may require a Director, Secretary, trustee, committee member or other person engaged by it to sign a confidentiality undertaking consistent with this rule. A Director or Secretary must do so if required by the Company.

7. **DIRECTORS' REMUNERATION**

7.1 **Remuneration of Directors**

The Directors of the Company are to be paid by way of fees for their services the amounts, if any, approved by the Company in general meeting.

7.2 **Additional remuneration for extra services**

If a Director, at the request of the Board and for the purposes of the Company, performs extra services or makes special exertions (including going or living away from the Director's usual residential address), the Company may pay that Director a fixed sum set by the Board, with the prior approval of the Shareholding Ministers, for doing so. Remuneration under this rule may be either in addition to or in substitution for any remuneration to which that Director is entitled under rule 7.1.

7.3 **Expenses of Directors**

The Company must pay a Director (in addition to any remuneration) all reasonable expenses (including travelling and accommodation expenses) incurred by the Director:

- (a) in attending meetings of the Company, the Board, or a committee of the Board;
- (b) on the business of the Company; or

(c) in carrying out duties as a Director.

8. OFFICERS' INDEMNITY AND INSURANCE

8.1 Indemnity

Subject to and so far as permitted by the Act, the *Trade Practices Act 1974* (Cth) and any other applicable law:

- (a) the Company must, to the extent the person is not otherwise indemnified, indemnify every officer of the Company against a Liability incurred as such an officer to a person (other than the Company or a related body corporate) including a Liability incurred as a result of appointment or nomination by the Company as a trustee or as an officer of another corporation, unless the Liability arises out of conduct involving a lack of good faith and or involves a pecuniary penalty;
- (b) the Company may make a payment (whether by way of advance, loan or otherwise) in respect of legal costs incurred by an officer or employee in defending an action for a Liability incurred as such an officer or employee or in resisting or responding to actions taken by a government agency or a liquidator.

In this rule, **Liability** means a liability of any kind (whether actual or contingent and whether fixed or unascertained) and includes costs, damages and expenses, including costs and expenses incurred in connection with any investigation or inquiry by a government agency or a liquidator.

8.2 Insurance

Subject to the Act and any other applicable law, the Company may pay or agree to pay a premium in respect of a contract insuring a person who is or has been an officer of the Company against any liability incurred by the person as an officer of the Company except a liability (other than one for legal costs) arising out of:

- (a) conduct involving a wilful breach of duty; or
- (b) a contravention of section 182 or 183.

8.3 Former officers

The indemnity in favour of officers under rule 8.1 is a continuing indemnity. It applies in respect of all acts done by a person while an officer of the Company even though the person is not an officer at the time the claim is made.

8.4 Deeds

Subject to the Act, the *Trade Practices Act 1974* (Cth) and any other applicable law, the Company may, without limiting a person's rights under this rule 8, enter into an agreement with a person who is or has been an officer of the Company, to

give effect to the rights of the person under this rule 8 on any terms and conditions that the Board thinks fit.

9. CHIEF EXECUTIVE OFFICER AND SENIOR EXECUTIVES

9.1 Appointment

The chief executive officer and senior executives must be appointed by the Board with the prior written approval of the Shareholding Ministers.

9.2 Terms and conditions

The terms and conditions of appointment (including remuneration) of the chief executive officer and other senior executives of the Company shall be determined by the Board (and is subject to the approval of the Shareholding Ministers), as may be required.

10. BOARD MEETINGS

10.1 Convening Board meetings

A Director may at any time, and a Secretary must on request from a Director, convene a Board meeting.

10.2 Notice of Board meeting

The convenor of each Board meeting:

- (a) must give reasonable notice of the meeting (and, if it is adjourned, of its resumption) individually to each Director who is in Australia; and
- (b) may give that notice orally (including by telephone) or in writing;

but failure to give notice to, or non-receipt of notice by, a Director does not result in a Board meeting being invalid.

10.3 Use of technology

A Board meeting may be held using any means of audio or audio-visual communication by which each Director participating can hear and be heard by each other Director participating or in any other way permitted by section 248D. A Board meeting held solely or partly by technology is treated as held at the place at which the greatest number of the Directors present at the meeting is located or, if an equal number of Directors is located in each of 2 or more places, at the place where the chairman of the meeting is located.

10.4 Chairing Board meetings

The Governor in Council may nominate a Director to chair meetings of the Board and decide the period for which that Director holds that office. If there is no chairman of Directors or the chairman is not present within 15 minutes after the

time for which a Board meeting is called or is unwilling to act, the Directors present must elect a Director present to chair the meeting.

10.5 Quorum

Unless the Board decides otherwise, the quorum for a Board meeting is half the number of Directors appointed to the Board and if that number is not a whole number, the next highest whole number. A quorum must be present for the whole meeting. A Director is treated as present at a meeting held by audio or audio-visual communication if the Director is able to hear and be heard by all others attending. If a meeting is held in another way permitted by section 248D, the Board must resolve the basis on which Directors are treated as present.

10.6 Majority decisions

A resolution of the Board must be passed by a majority of the votes cast by Directors entitled to vote on the resolution. If an equal number of votes is cast for and against a resolution, the Chairman has a second or casting vote.

10.7 Procedural rules

The Board may adjourn and, subject to this document, otherwise regulate its meetings as it decides.

10.8 Written resolution

If all the Directors entitled to receive notice of a Board meeting and to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document, a Board resolution in those terms is passed at the time when the last Director signs.

10.9 Additional provisions concerning written resolutions

For the purpose of rule 10.8:

- (a) 2 or more separate documents in identical terms, each of which is signed by 1 or more Directors, are treated as 1 document; and
- (b) a facsimile or electronic message containing the text of the document expressed to have been signed by a Director that is sent to the Company is a document signed by that Director at the time of its receipt by the Company.

10.10 Valid proceedings

Each resolution passed or thing done by, or with the participation of, a person acting as a Director or member of a committee is valid even if it is later discovered that:

- (a) there was a defect in the appointment of the person; or

- (b) the person was disqualified from continuing in office, voting on the resolution or doing the thing.

11. MEETINGS OF MEMBERS

11.1 Annual general meeting

The Company must hold an annual general meeting as required by section 250N.

11.2 Calling meetings of members

A meeting of members:

- (a) may be convened at any time by the Board or a Director; and
- (b) must be convened by the Board when required by section 249D or 250N or by order made under section 249G.

11.3 Notice of meeting

Subject to rule 11.4, at least 21 days' written notice of a meeting of members must be given individually to:

- (a) each member (whether or not the member is entitled to vote at the meeting);
- (b) each Director; and
- (c) to the auditor.

Subject to any regulation made under section 249LA, the notice of meeting must comply with section 249L and may be given in any manner permitted by section 249J(3).

11.4 Short notice

Subject to sections 249H(3) and (4):

- (a) if the Company has elected to convene a meeting of members as the annual general meeting, if all the members entitled to attend and vote agree; or
- (b) otherwise, if members who together have power to cast at least 95% of the votes that may be cast at the meeting agree,

a resolution may be proposed and passed at a meeting of which less than 21 days' notice has been given.

12. PROCEEDINGS AT MEETINGS OF MEMBERS

12.1 Resolutions without a meeting

In accordance with section 84 of the GOC Act, the Company may pass a resolution without a general meeting being called or held if the resolution set out in a document is signed and dated by the Shareholding Ministers containing a statement that they are in favour of the resolution set out in the document.

12.2 Signature of resolutions

The Company may treat a document on which a facsimile or electronic signature appears or which is otherwise acknowledged by a member in a manner satisfactory to the Board as being signed by that member.

13. SECRETARY

13.1 Appointment of Secretary

The Board:

- (a) must appoint at least 1 individual; and
- (b) may appoint more than 1 individual,

to be a Secretary either for a specified term or without specifying a term.

13.2 Terms and conditions of office

A Secretary holds office on the terms (including as to remuneration) that the Board decides. The Board may vary any decision previously made by it in respect of a Secretary.

13.3 Cessation of Secretary's appointment

A person automatically ceases to be a Secretary if the person:

- (a) is not permitted by the Act (or an order made under the Act) to be a secretary of a company;
- (b) becomes disqualified from managing corporations under Part 2D.6 and is not given permission or leave to manage the Company under section 206F or 206G;
- (c) becomes of unsound mind or physically or mentally incapable of performing the functions of that office;
- (d) resigns by notice in writing to the Company; or
- (e) is removed from office under rule 13.4.

13.4 Removal from office

The Board may remove a Secretary from that office whether or not the appointment was expressed to be for a specified term.

14. MINUTES

14.1 Minutes must be kept

The Board must cause minutes of:

- (a) proceedings and resolutions of meetings of the Company's members;
- (b) the names of Directors present at each Board meeting or committee meeting;
- (c) proceedings and resolutions of Board meetings;
- (d) resolutions passed by Directors without a meeting; and
- (e) disclosures and notices of Directors' interests,

to be kept in accordance with sections 191, 192 and 251A.

14.2 Minutes as evidence

A minute recorded and signed in accordance with section 251A is evidence of the proceeding, resolution or declaration to which it relates unless the contrary is proved.

14.3 Inspection of minute books

The Company must allow members to inspect, and provide copies of, the minute books for the meetings of members in accordance with section 251B.

15. COMPANY SEALS

15.1 Common seal

The Board:

- (a) may decide whether or not the Company has a common seal; and
- (b) is responsible for the safe custody of that seal (if any) and any duplicate seal it decides to adopt under section 123(2).

15.2 Use of seals

The common seal and duplicate seal (if any) may only be used with the authority of the Board. The Board must not authorise the use of a seal that does not comply with section 123.

15.3 Fixing seals to documents

The fixing of the common seal, or any duplicate seal, to a document must be witnessed:

- (a) by 2 Directors;
- (b) by 1 Director and 1 Secretary; or
- (c) by any other signatories or in any other way (including the use of facsimile signatures) authorised by the Board.

16. FINANCIAL REPORTS AND AUDIT

16.1 Company must keep financial records

The Board must cause the Company to keep written financial records that:

- (a) correctly record and explain its transactions (including transactions undertaken as trustee) and financial position and performance; and
- (b) would enable true and fair financial statements to be prepared and audited,

and must allow a Director and the auditor to inspect those records at all reasonable times.

16.2 Annual report

The Board must cause the Company to prepare an annual report that complies with the GOC Act, the Act or another applicable law.

16.3 Quarterly reports

The Board must cause the Company to prepare and give the Shareholding Ministers a report on the operations of the Company in accordance with the GOC Act.

16.4 Information

The Board must provide information (including report and information of the operations, financial performance and financial position of the Company and its subsidiaries) in accordance with the GOC Act.

16.5 Audit

The Board must cause the Company's financial report for each financial year to be audited and obtain an auditor's report. The Auditor-General will be the auditor of the company. The remuneration of the auditor will be in accordance with the GOC Act.

17. SHARES

17.1 Power to issue shares

The Board may, on behalf of the Company, issue or otherwise dispose of shares only to those persons permitted by the GOC Act.

17.2 Classes of shares

Shares are divided into "A" (voting) and "B" (non voting) class shares. The rights, privileges and conditions attaching to shares of both classes are identical in all respects except that:

- (a) Voting shares have attached to them the right to vote at general meetings and execute a written resolution of members; and
- (b) Non voting shares have attached to them no right to vote whatsoever at general meetings or to execute a written resolution of members.

17.3 Permitted members

Unless otherwise provided by the GOC Act only a Shareholding Minister may hold shares in the Company and be entered in the Register as a member of the Company.

17.4 Members rights

Unless otherwise provided by the GOC Act:

- (a) each Shareholding Minister must at all times have an equal number of voting shares in the Company;
- (b) each Shareholding Minister must at all times be entitled to voting rights equal to those to which the other Shareholding Minister is entitled; and
- (c) each Shareholding Minister may hold non-voting shares but the number of non-voting shares held by them need not be equal.

18. CERTIFICATES

18.1 Issue of share certificate

The Company must issue a certificate of title to shares that complies with section 1070C and deliver it to the holder of those shares in accordance with section 1071H.

18.2 Lost and worn out certificates

If a certificate:

- (a) is lost or destroyed and the owner of the relevant securities applies in accordance with section 1070D(5), the Company must; or

(b) is defaced or worn out and is produced to the Company, the Company may, issue a new certificate in its place.

19. DIVIDENDS

19.1 Dividends able to be paid

(a) The Board may, subject to compliance with the requirements of the Corporations Act, the GOC Act and any other applicable law, determine or declare that a dividend or interim dividend is payable and fix:

- (i) the amount; and
- (ii) the time for payment; and
- (iii) the method of payment.

(b) Interest is not payable on a dividend.

19.2 Time when debt arises

Subject to the Corporations Act and the GOC Act, the Company incurs a debt for payment of a dividend or interim dividend only when the time fixed for payment arrives.

20. TRANSFER OF SHARES

20.1 Transfer to Shareholding Minister

A member may not transfer shares otherwise than to a Shareholding Minister.

20.2 Transfer on member ceasing to be Shareholding Minister

- (a) A member shall cease to be eligible to hold shares in the Company if the member ceases to be a Shareholding Minister.
- (b) The shares held by a member ceasing to be a Shareholding Minister must be transferred by the member in accordance with the GOC Act.
- (c) If a member ceases to be a Shareholding Minister that member must not exercise any rights as a member under this document (except to transfer shares in accordance with the GOC Act).

20.3 Mode of transfer

Subject to rules 20.1, 20.6 and 20.8, and the GOC Act, a member may transfer a share by a document the form of which is permitted by law and which is signed by or on behalf of both the transferor and the transferee. The Company must not register a transfer that does not comply with this rule.

20.4 Premier may execute transfer

In accordance with the GOC Act the Premier may execute a transfer on behalf of either or both the transferor and transferee.

20.5 Provisions of the GOC Act

Notwithstanding any contrary rules in this document or the Act, the Directors:

- (a) must register a transfer of shares which is permitted by the GOC Act; and
- (b) must not register a transfer of shares unless the provisions of the GOC Act concerning the transfer of shares are fully complied with.

20.6 Delivery of transfer and certificate

A document of transfer under rule 20.3 must be:

- (a) delivered to the registered office of the Company or the address of the Register last notified to members by the Company;
- (b) accompanied by the certificate (if any) for the shares to be transferred or evidence satisfactory to the Board of its loss or destruction; and
- (c) marked with payment of any stamp duty payable.

Property in and title to a document of transfer that is delivered to the Company (but not the shares to which it relates) passes to the Company on delivery.

20.7 Refusal to register transfer

Subject to rule 20.8, the Board, without giving any reason, may refuse to register a transfer of shares and, subject to section 259C and insofar the GOC Act permits such refusal, must not register a transfer to a subsidiary of the Company. If the Board refuses to register a transfer, the Company must give the transferee notice of the refusal within 2 months after the date on which the transfer was delivered to it.

20.8 Transfers directed by Shareholding Ministers

The Directors must register any share transfer notified in writing to them by the Shareholding Ministers or the Premier.

20.9 Transferor remains holder until transfer registered

The transferor of a share remains the holder of it until the transfer is registered and the name of the transferee is entered in the Register in respect of it.

21. TRANSMISSION OF SHARES

In the event of the death, bankruptcy or mental incapacity of a member, the provisions of rules 20.2, 20.3 and 20.4 apply.

22. ALTERATION OF SHARE CAPITAL

22.1 Reduction of capital

The Company may reduce its share capital:

- (a) by reduction of capital in accordance with Division 1 of Part 2J.1;
- (b) by buying back shares in accordance with Division 2 of Part 2J.1;
- (c) in the ways permitted by sections 258E and 258F; or
- (d) in any other way for the time being permitted by the Act.

22.2 Payments in kind

Where the Company reduces its share capital in accordance with Division 1 of Part 2J.1, it may do so by way of payment of cash, distribution of specific assets (including shares or other securities in another corporation), or in any other manner permitted by law. If the reduction is by distribution of specific assets, the Board may:

- (a) fix the value of any assets distributed;
- (b) make cash payments to members on the basis of the value fixed so as to adjust the rights of members between themselves; and
- (c) vest an asset in trustees.

23. WINDING UP

23.1 Entitlement of members

Subject to the terms of issue of shares, the surplus assets of the Company remaining after payment of its debts are divisible among the members in proportion to the number of fully paid shares held by them and, for this purpose, a partly paid share is counted as a fraction of a fully paid share equal to the proportion which the amount paid on it bears to the total issue price of the share.

23.2 Distribution of assets generally

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- (a) divide the assets of the Company among the members in kind;
- (b) for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different classes of members; and
- (c) vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

23.3 No distribution of liabilities

The liquidator cannot compel a member to accept marketable securities in respect of which there is a liability as part of a distribution of assets of the Company.

23.4 Distribution not in accordance with legal rights

If the liquidator decides on a division or vesting of assets of the Company under rule 23.2 which does not accord with the legal rights of the contributories, any contributory who would be prejudiced by it may dissent and has ancillary rights as if that decision were a special resolution passed under section 507.

24. NOTICES

24.1 Notices by Company

A notice is properly given by the Company to a person if it is:

- (a) in writing signed on behalf of the Company (by original or printed signature);
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) delivered personally;
 - (ii) sent by prepaid mail (by airmail, if the addressee is overseas) to that person's address;
 - (iii) sent by fax to the fax number (if any) nominated by that person; or
 - (iv) sent by electronic message to the electronic address (if any) nominated by that person.

24.2 When notice is given

A notice to a person by the Company is regarded as given and received:

- (a) if it is delivered personally:
 - (i) by 5 pm (local time in the place of receipt) on a business day - on that day; or
 - (ii) after 5 pm (local time in the place of receipt) on a business day, or on a day that is not a business day - on the next business day;
- (b) if it is sent by fax or electronic message:
 - (i) by 5 pm (local time in the place from which it is sent or given) on a business day – on that day; or

- (ii) after 5 pm (local time in the place from which it is sent or given) on a business day, or on a day that is not a business day – on the next business day; and
- (c) if it is sent by mail:
 - (i) within Australia - 1 business day after posting; or
 - (ii) to a place outside Australia - 3 business days after posting.

A certificate in writing signed by a Director or Secretary stating that a notice was sent is conclusive evidence of service.

24.3 Business days

For the purposes of rule 24.2, a business day is a day that is not a Saturday, Sunday or public holiday in the place to which the notice is sent.

24.4 Counting days

If a specified period must pass after a notice is given before an action may be taken, neither the day on which the notice is given nor the day on which the action is to be taken may be counted in reckoning the period.

25. AMENDMENT OF THIS DOCUMENT

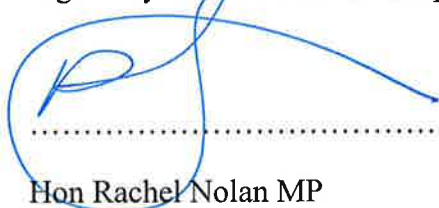
25.1 Amendment by Shareholding Ministers

Notwithstanding any contrary rules in this document or in the Act, the Shareholding Ministers may at any time amend this document.

25.2 Consent of Shareholding Ministers required

Notwithstanding any contrary rules in this document or the Act, this document must not be amended without the prior written consent of the Shareholding Ministers.

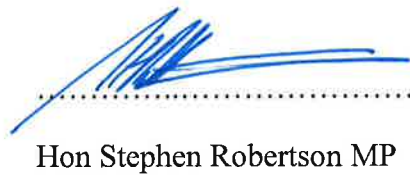
Signed by the members for the purposes of identification:



.....
Hon Rachel Nolan MP

Minister for Finance and The Arts

Date: 16/6/11



.....
Hon Stephen Robertson MP

Minister for Energy and Water Utilities

Date: 14/6/11