



Constitution of Ergon Energy Queensland Pty Ltd

Approved by Shareholding Ministers on 29 June
2016



RETAIL

CORPORATIONS ACT
A Company Limited by Shares
CONSTITUTION

of

ERGON ENERGY QUEENSLAND PTY LTD

- A. The name of the company is Ergon Energy Queensland Pty Ltd (the "**Company**").
- B. The liability of the Shareholders is limited.
- C. Objects
 - (a) The Company's objects are for the Company to:-
 - (i) carry on the business of a retail entity under the *Electricity Act 1994 (Qld)*;
 - (ii) carry on other activities approved by the shareholding Ministers; and
 - (iii) carry on any activities relating, or helpful, to any of its objects
 - (b) The Company's objects are to be interpreted independently and not as limiting any other object.
 - (c) Paragraphs (a) and (b) apply only for so long as the Company is a GOC Subsidiary.

1. Definitions and Interpretation

1.1 Definitions

In this Constitution unless the context otherwise requires:

Article means an article or clause of this Constitution as altered or added to from time to time;

board means the board of directors of the Company;

business day means a day, other than a Saturday, Sunday or public holiday, in Brisbane;

Cabinet means the Cabinet for the State of Queensland as constituted from time to time;

Company means Ergon Energy Queensland Pty Ltd;

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

director means a person appointed from time to time to the office of director of the Company;

GOC has the meaning given in the *GOC Act*;

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

GOC Subsidiary means a subsidiary of a GOC whether it is prescribed by a regulation under section 155 of the *GOC Act* or not;

Governor in Council means the Governor in Council for the State of Queensland as constituted from time to time;

Law means the *Corporations Act 2001 (Cth)* and its regulations;

Office means the registered office of the Company;

officer has the same meaning as under the Law;

person and words importing persons means any person including partnerships, associations and bodies corporate, unincorporated bodies and all other entities or associations recognised by law as well as individuals;

related body corporate has the meaning given to that term in the *Corporations Act 2001 (Cth)*;

Seal means the common seal of the Company;

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

Shareholder means a person whose name is entered in the share register as a member of the Company;

shareholding Ministers means the shareholding Ministers (as that term is defined in the GOC Act) of any Shareholder or Shareholders that is or are GOCs; and

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

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

1.2 References to legislation and Constitution

A reference to:

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

Presumptions of interpretation

Unless the context otherwise requires, a word which denotes:

- (a) the singular denotes the plural and vice versa; and
- (b) any gender denotes the other genders.

Replaceable Rules excluded

The Replaceable Rules provided for in the Law do not apply to the Company.

Application of Law

In a provision of this Constitution which deals with a subject that is the same as or similar to a particular provision of the Law, an expression has the same meaning as in that provision of the Law.

Headings

Headings must be ignored in the interpretation of this Constitution, except to the extent that a heading identifies whether an article applies to the Company when it is, or is not, a GOC Subsidiary.

References to and calculations of time

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

GOC Act prevails

- (a) This Article 1.8 applies while the Company is a GOC Subsidiary.
- (b) This Constitution is to be read subject to the *GOC Act*. To the extent of any inconsistency between the *GOC Act* and this Constitution, the *GOC Act* will prevail.

2. Application of the GOC Act

2.1 Application of this Article

This Article 2 applies while the Company is a GOC Subsidiary.

2.2 Application of Chapter 3 of the GOC Act

The provisions of Chapter 3 of the GOC Act which apply to a subsidiary of a GOC apply to the Company to the fullest extent permitted by law.

3. Compliance with the Law and GOC Act

3.1 When Company is a GOC Subsidiary

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

3.2 When Company is not a GOC Subsidiary

- (a) Where the Law authorises or permits a company to do any matter or thing if so authorised by its Constitution, the Company is and is taken by this Article to be authorised or permitted to do that matter or thing despite any other provision in this Constitution.
- (b) Despite any provision of this Constitution the Company must comply with and observe the provisions of the Law.

4. Proprietary company

4.1 Proprietary company restrictions

The Company is a proprietary company and accordingly:-

- (a) the number of Shareholders (counting joint holders of shares as one person and not counting any person in the employment of the Company or of a subsidiary of the Company or any person who while previously in the employment of the Company or of a subsidiary of the Company was and has continued to be a Shareholder) is limited to fifty (50);
- (b) the right to transfer shares in the Company shall be restricted in the manner as may be provided in this Constitution; and
- (c) must not engage in any activity that would require the lodgement of a prospectus under the Law but this does not apply to an offer of shares to:
 - (i) existing Shareholders; or
 - (ii) employees of the Company or a subsidiary of the Company.

5. Propriety company

5.1 Power to issue shares when Company is a GOC Subsidiary

- (a) The shares in the Company may only be issued by the directors:
 - (i) with the prior written approval of the shareholding Ministers (if required under the *GOC Act*); and
 - (ii) to its Shareholders.
- (b) The directors must comply with any written direction of the shareholding Ministers concerning the issue of shares.

5.2 Permitted allottees when Company is a GOC Subsidiary

- (a) The directors may issue or otherwise dispose of shares to those persons permitted by this Constitution, and the *GOC Act*.
- (b) Shares may be issued at a price and at the times determined by the directors.

5.3 Power to issue shares when Company is not a GOC Subsidiary

Except as provided by contract or this Constitution to the contrary, all unissued shares are under the control of the directors who may grant options on the shares, issue or otherwise dispose of the shares on the terms and conditions and for the consideration they think fit. Any director or any other person who is an associate of a director may participate in any issue by the Company of shares.

5.4 Permitted allottees when Company is not a GOC Subsidiary

- (a) The directors may issue or otherwise dispose of shares to those persons permitted by this Constitution.
- (b) Shares may be issued at a price and at the times determined by the directors.

5.5 Special Rights

Shares may be issued with those preferred, deferred or other special rights or with those restrictions, whether with regard to dividend, voting, return of capital or otherwise as the directors determine.

5.6 Effect of allotment on class rights

Subject to any rights or restrictions for the time being attached to a class or classes of shares, rights conferred on the holders of the shares of a class allotted with preferred rights are not to be treated as varied by the allotment of further shares by the Company ranking equally with them unless the terms of allotment of the earlier allotted shares expressly provide otherwise.

5.7 Power to issue redeemable preference shares

Subject to the Law, preference shares may be issued on terms that they are, or at the option of the Company are liable, to be redeemed.

5.8 Entitlement to certificates

- (a) Every person whose name is entered as a Shareholder in the share register is entitled without payment to receive a certificate in accordance with the Law.
- (b) However, if the Company is participating in a share transfer scheme under which the ownership of shares is recorded without certificates, at the request of a Shareholder the directors may:
 - (i) not issue a certificate for shares held by that Shareholder; or
 - (ii) cancel without replacing a certificate for shares held by that Shareholder.

5.9 Issue of certificates to joint holders

- (a) The Company is not bound to issue more than one certificate in respect of a share or shares held jointly by several persons.
- (b) Delivery of a certificate for a share to one of several joint holders is sufficient delivery to all such holders.

5.10 Rights and obligations of joint holders

If several persons are jointly entitled to a share or shares:

- (a) in the absence of an express direction from those persons to the contrary, the Company may enter the names of those persons as Shareholders in the share register in the order in which their names appear on the application for shares or the instrument of transfer or the notice of death or bankruptcy given to the Company to establish those persons' entitlement to the share or shares;
- (b) it is a sufficient discharge of any of the Company's obligations to those persons if the Company discharges that obligation in relation to the first named holder of the share or shares in the share register;

- (c) any one of those persons may give effectual receipts for any dividend or return of capital payable to those persons; and
- (d) those persons are jointly and severally liable to pay all calls, interests and other amounts in respect of the share or shares.

6. Variation of class right

6.1 Forum of consent

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

- (a) with the consent in writing of the holders of 75% of the issued shares of that class; or
- (b) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

6.2 Separate general meeting

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

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

7. Alteration of capital

7.1 Alteration by resolution

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

- (a) increase its share capital by the creation of new shares of the amount specified in the resolution;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (c) subdivide its shares or any of them into shares of smaller amount so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each subdivided share is the same as it was in the case of the share from which the subdivided share is derived; or
- (d) cancel shares that, at the date of the passing of the resolution to that effect, have not been taken or agreed to be taken by any person or that have been forfeited and by reducing the amount of its share capital by the amount of the shares so cancelled.

7.2 Reduction of capital

Subject to the Law the Company may, by special resolution, reduce its share capital or any capital redemption reserve fund.

7.3 Buy – back authorisation

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

8. Transfer and dealings with shares

8.1 Form and execution of transfer when Company is a GOC Subsidiary

- (a) A transfer of shares must be in writing in any form authorised by the Law, a usual form or in another form approved by the directors.
- (b) A transfer:
 - (i) must show the jurisdiction of incorporation of the Company;
 - (ii) must be executed by or on behalf of the transferor or by any person who is authorised or permitted by the *GOC Act* to execute a transfer for or on behalf of the transferor; and
 - (iii) need not be executed by or on behalf of the transferee.

8.2 Form and execution of transfer when Company is not a GOC Subsidiary

No transfer of any Shares may be registered unless a proper instrument of transfer, in writing in the usual or common form or in any form the directors may prescribe or in a particular case accept, signed by the transferor and the transferee and properly stamped (if necessary) is delivered to the Company (but the directors may dispense with the execution of the instrument by the transferee if the directors think fit).

8.3 Effect of transfers

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

8.4 Registration procedure when Company is a GOC Subsidiary

- (a) Despite Articles 8.4(b) and 8.7, the directors must register a transfer of shares (either accompanied by the certificate for the shares to which it relates or not) if required or directed to do so under the *GOC Act*.
- (b) A transfer of shares must be left for registration at the Office, or at another place determined by the directors, accompanied by:
 - (i) the certificate for the shares to which it relates;
 - (ii) evidence reasonably required by the directors to show the right of the transferor to make the transfer.
- (c) The directors must register the transferee as a Shareholder unless they have the right under this Constitution, the Law or the *GOC Act* to refuse to register the transfer.

8.5 Registration procedure when Company is not a GOC Subsidiary

- (a) Every transfer must be left for registration at the registered office of the Company or any other place the directors determine. Unless the directors otherwise determine either generally or in a particular case, the transfer is to be accompanied by the certificate for the shares to be transferred. In addition, the transfer is to be accompanied by any other evidence which the directors may require to prove the title of the transferor, the transferor's right to transfer the shares, execution of the transfer or compliance with the provisions of any law relating to stamp duty.
- (b) Subject to Article 8.5(a), on each application to register the transfer of any shares or to register any person as the holder in respect of any shares transmitted to that person by operation of law or otherwise, the certificate specifying the shares in respect of which registration is required must be delivered to the Company for cancellation and on registration the certificate is considered to have been cancelled.
- (c) Each transfer which is registered may be retained by the Company for any period determined by the directors after which the Company may destroy it.

8.6 Notification of refusal to register

If in exercise of their rights under this Constitution the directors refuse to register a transfer of a share, they must give written notice of the refusal to the person who lodged the transfer within two (2) months after the date on which the transfer was lodged with the Company.

8.7 Closure of register

The registration of transfers may be suspended at those times and for those periods not exceeding in the whole, thirty (30) days in any year, as the directors from time to time determine.

8.8 Transfers directed by shareholding Ministers must be registered

- (a) This Article 8.8 applies when the Company is a GOC Subsidiary;
- (b) The directors must register any share transfer notified in writing to them by the shareholding Ministers.

9. General meetings

9.1 Resolution in writing

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

9.2 Resolution without meeting

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

9.3 Convening of meetings

- (a) The directors may convene a general meeting at any time whenever they think fit.

- (b) The Shareholders are entitled to require the directors to convene a general meeting in accordance with the Law.

9.4 Notice of general meeting

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

9.5 Quorum at general meetings

- (a) Business may not be transacted at a general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business.
- (b) Except where the Company has only one (1) member, in which case the member is a quorum or as otherwise set out in this Constitution, two (2) Shareholders present is a quorum.
- (c) If a quorum is not present within half an hour from the time appointed for the meeting or a longer period allowed by the chairman:
 - (i) and if the meeting was convened on the requisition of Shareholders, it must be dissolved; or
 - (ii) it must stand adjourned to the same day in the next week at the same time and place or to another day and at another time and place determined by the directors.

9.6 Quorum at adjourned general meetings

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

9.7 Representatives of Shareholders

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

9.8 Appointment of chairman

- (a) If the directors have elected one of their number as chairman of their meetings, that person is entitled to preside as chairman at every general meeting.
- (b) The directors present at a general meeting must elect one of their number to be chairman of the meeting if:
 - (i) a director has not been elected as chairman of directors meetings; or
 - (ii) the chairman is not present within 15 minutes after the time appointed for the holding of the meeting or he is unwilling to act.
- (c) The Shareholders present at a general meeting must elect one of their number to be chairman of the meeting if:
 - (i) there are no directors present within 15 minutes after the time appointed for the holding of the meeting; or
 - (ii) all directors present decline to take the chair.

9.9 Chairman's powers

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

9.10 Adjournment of meetings

- (a) The chairman may, with the consent of any meeting at which a quorum is present, and must if so directed by the meeting, adjourn the meeting to another time and to another place.
- (b) The only business that may be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.
- (c) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting must be given as in the case of an original meeting.

- (d) Except when a meeting is adjourned for thirty (30) days or more, it is not necessary to give a notice of an adjournment or of the business to be transacted at an adjourned meeting.

9.11 Voting on a show of hands

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

9.12 Demand for a poll

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

9.13 Voting rights of Shareholders

Subject to any rights or restrictions for the time being attached to a class or classes of shares, on a show of hands and on a poll, every person present who is a Shareholder or who represents a Shareholder has one vote for each share held by the Shareholder.

9.14 Joint shareholders' vote

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

9.15 Chairman's vote at general meetings

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

9.16 Objections to voter qualification

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

9.17 Minutes

The Company will cause minutes of each Shareholders' meeting to be promptly prepared and tabled for approval at the next Shareholders' meeting. If approved, the chairman is to sign those minutes, which then are prima facie evidence of the proceedings and decisions of the Shareholders' meeting to which they relate.

10. Appointment, removal and remuneration of directors

10.1 Appointment of directors when Company is a GOC Subsidiary which is not a prescribed GOC subsidiary for the purpose of section 155 of the GOC Act

If the Company is a GOC Subsidiary which is not a prescribed GOC subsidiary for the purpose of section 155 of the GOC Act, a person may only be appointed as a director with the prior approval of the Shareholding Ministers.

10.2 Appointment of Directors when Company is not a GOC Subsidiary

- (a) The holder or holders of the majority of the issued shares in the capital of the Company conferring the right to vote at all general meetings of the Company may appoint any person to be a director to fill a vacancy or as an addition to the existing directors or remove a director from office.
- (b) The directors (or where there is only one director in office at the relevant time, that director) may appoint any person to be a director to fill a vacancy or as an addition to the existing directors.
- (c) Any appointment or removal of a director by the members must be in writing signed by or on behalf of the holder or holders of a majority of the issued shares in the capital of the Company conferring the right to vote at all general meetings of the Company. Any such appointment or removal will take effect immediately on delivery of the instrument of appointment or removal to the registered office of the Company.

10.3 Number of directors

The number of directors of the Company is the number of directors that are appointed from time to time in accordance with this Constitution.

10.4 No share qualification

No share qualification is required of a director.

10.5 No retirement by rotation

No director is subject to retirement by rotation.

10.6 Removal of directors from office

The Company may, by ordinary resolution, remove a director from office.

10.7 Removal of directors from office when Company is a GOC Subsidiary

The Shareholders may by resolution remove a director from office with the prior approval of the shareholding Ministers.

10.8 Vacation of office when Company is a GOC Subsidiary

In addition to the circumstances in which the office of a director becomes vacant by virtue of the *GOC Act*, the Law or another provision of this Constitution, the office of director becomes vacant if the director:

- (a) resigns by notice in writing to the Company;
- (b) becomes an insolvent under administration;

- (c) 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;
- (d) becomes prohibited from being a director by reason of an order made under the Law; or
- (e) dies.

10.9 Special GOC rule regarding cessation of appointment

In addition to the circumstances set out in article 10.8, the office of director becomes vacant if:

- (a) the ultimate holding company of the Company is a GOC; and
- (b) the director ceases to be a director of the ultimate holding company of the Company,

unless the Shareholding Ministers consent to the person remaining as a director prior to the person ceasing to be a director of the ultimate holding company of the Company.

10.10 Vacation of Office when Company is not a GOC Subsidiary

- (a) In addition to the circumstances in which the office of a director becomes vacant under the Law, the office of a director becomes vacant if the director:
 - (i) 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;
 - (ii) resigns by notice in writing to the Company;
 - (iii) is absent without the consent of the directors from meetings of the directors held during a continuous period of six months; or
 - (iv) dies.
- (b) The office of a director who is an employee of the Company or any of its subsidiaries is terminated on the director ceasing to be employed but the person is eligible for reappointment or re-election as a director of the Company.

10.11 Directors' fees when Company is a GOC Subsidiary

The directors will not be entitled to be paid by way of fees or other remuneration for their services (other than the payment of insurance premiums and expenses permitted elsewhere in this Constitution) unless approved by the shareholding Ministers under arrangements approved by Cabinet.

10.12 Directors' fees when Company is not a GOC Subsidiary

- (a) The directors are to be paid for their services as directors.
- (b) As remuneration for services, each Director is to be paid out of the funds of the Company a sum per annum (accruing from day to day) determined by the Company in general meeting. The Directors may determine to suspend, reduce or postpone payment of any

remuneration if it thinks fit. The expression **remuneration** in this Article does not include any amount paid by the company under Articles 10.11(e) or 10.12.

- (c) A director who is remunerated as an executive director shall not be paid fees under Article 10.11(a).
- (d) The remuneration to be provided under Article 10.11(a) is to be divided among the directors in the proportions as they may agree or, if they cannot agree, equally among them.
- (e) If any director, with the approval of the directors, performs extra services or makes any special exertions for the benefit of the company, the directors may approve the payment to that director of special and additional remuneration as the directors determine having regard to the value to the company of the extra services or special exertions. Any special or additional remuneration must not include a commission on or percentage of profits or operating revenue or turnover.
- (f) A director may be engaged by the company in any other capacity (other than auditor) and may be appointed on terms as to remuneration, tenure of office and otherwise as may be agreed by the directors.

10.13 Payment for directors' expenses

The directors must be paid all travelling, accommodation and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings or otherwise in the execution of their duties as directors.

10.14 Sole director provision

For the purposes of this Constitution, where there is only one director appointed in office at any time, any reference to the directors of the Company or the board of directors of the Company shall be construed as referring to that sole director.

11. Appointment of Managing Director

- (a) If the Company is not a GOC Subsidiary the directors may appoint one or more directors to the office of Managing Director for the period and on the terms as they determine. Subject to the terms of any agreement entered into in a particular case, the directors may at any time revoke any appointment, with or without cause.
- (b) A Managing Director's appointment automatically terminates if the Managing Director ceases for any reason to be a director.

12. Powers and duties of directors

12.1 Management of Company when Company is a GOC

Subsidiary

- (a) Subject to the Law, the *GOC Act*, and this Constitution, the directors are responsible for management of the business of the Company and the attainment and performance of the objects contained in this Constitution and may exercise all the powers of the Company which are not, by the law or this Constitution or the *GOC Act*, required to be exercised by the Company in general meeting or the shareholding Ministers.
- (b) The roles, responsibilities and duties of the directors include those required of them under the *GOC Act*.

12.2 Management of Company when Company is not a GOC

Subsidiary

- (a) The business of the Company is managed by the directors, who may exercise all powers of the Company which are not, by the law or this Constitution, required to be exercised by the Company in general meeting.
- (b) The directors may, on the terms and conditions and with any restrictions as they determine, delegate to a Managing Director any of the powers exercisable by them and may at any time withdraw, suspend or vary any of those powers conferred on the Managing Director.

12.3 Appointment of Attorneys

- (a) The directors may from time to time by power of attorney appoint a corporation, firm or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Company.
- (b) The attorney may be granted all powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under this Constitution) for the period and subject to the conditions which the directors think fit.
- (c) A power of attorney may contain any provisions for the protection and convenience of persons dealing with the attorney which the directors think fit. It may also authorise the attorney to delegate all or any of the powers, authorities, and discretions vested in him under the power of attorney.

12.4 Delegation by Directors

The directors may by resolution delegate their powers to:

- (a) a director;
- (b) a committee of the board;
- (c) the Company's chief executive officer; or
- (d) an employee of the Company or of a related body corporate.

13. Proceedings of directors

13.1 Convening of directors' meetings

- (a) A director may at any time, and a Secretary must on the requisition of a director, convene a meeting of the directors.
- (b) A meeting of directors is to be convened at least once every three months.
- (c) Unless all directors agree otherwise, each director is to be given at least three business days written notice of the date and an agenda of each meeting.
- (d) Unless all directors agree otherwise, no business is to be considered by a meeting of directors unless it is specified in the notice convening the meeting of directors.

13.2 Mode of meeting for directors

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

13.3 Quorum at directors' meetings

- (a) At a meeting of directors, the number of directors whose presence is necessary to constitute a quorum is half the number of directors and if that number is not a whole number, the next highest whole number.
- (b) If a quorum is not present within 30 minutes after the time appointed for a meeting, the meeting will stand adjourned to the same day in the next week at the same time and place, or to such other day, time and place as the directors may unanimously agree.

13.4 Voting at directors' meeting

- (a) Questions arising at a meeting of directors must be decided by a majority of votes of directors present and voting and a decision of the majority is for all purposes a decision of the directors.
- (b) If, under this Article, there is an equality of votes at a meeting of directors, the chairman of a meeting of directors is entitled to a second or casting vote.

13.5 Appointment of chairman of directors

- (a) If the person appointed chairman is not present, the directors may elect a chairman of their meeting and determine the period for which the person is elected to hold office.
- (b) If a chairman has not been elected, or if at any meeting the chairman is not present within ten (10) minutes after the time appointed for holding the meeting or is unwilling to act, the directors present may choose one of their number to be chairman of that meeting.
- (c) A nomination of chairman or request for removal of a chairman under this Article 13.5 may be made by notice to the secretary.

13.6 Disclosure of director's interests

- (a) A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company must declare the nature of the director's interest at a meeting of the directors where required to do so under the Law.
- (b) Every declaration of interest must be recorded in the minutes of the meeting at which it is made.
- (c) A director is not to be regarded as interested or to have been at any time interested in a contract or proposed contract merely because:-
 - (i) where the contract or proposed contract relates to a loan to the Company, the director has guaranteed or joined in guaranteeing the repayment of the loan or a part of the loan;
 - (ii) where the contract or proposed contract has been or will be made with or for the benefit of or on behalf of a body corporate which by virtue of the Law is treated as related to the Company, the director is a director of that body corporate;
 - (iii) where the contract or proposed contract has been or will be made with or for the benefit of or on behalf of a Shareholder, and the director is a director of that Shareholder or has been appointed to the board of this Company by that Shareholder; or
 - (iv) any matter set out in subsection 191(2)(a) of the Law.

13.7 Director's contracts

- (a) Despite a failure by a director to declare the nature of the director's interest as required by this Constitution and the law:
 - (i) a director or intending director is not disqualified from holding office as director or from contracting or entering into any arrangement with the Company, whether as vendor, purchaser or otherwise;
 - (ii) a contract or arrangement entered into by or on behalf of the Company in which a director is in any way, whether directly or indirectly, interested, is not liable to be avoided.
- (b) A director and a firm in which the director is interested may act in a professional capacity for the Company. The director and that firm are entitled to remuneration for professional services as if the director was not a director of the Company.
- (c) Nothing in this Constitution authorises a director or a firm in which the director is interested to act as auditor of the Company.

13.8 Director not accountable for profit

If a director has a material personal interest in a matter that relates to the affairs of the Company, and the director discloses the nature and extent of the interest and its relation to the affairs of the Company at a meeting of the directors, in accordance with this Constitution and the law:

- (a) any transaction that relates to the interest may proceed; and
- (b) a director is not liable to account to the Company for a profit realised from that transaction even though the director has the interest.

13.9 Directors holding office of profit

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

13.10 Participation where directors interested

If a director declares the nature of his or her interest as required by this Constitution and the Law, that director

- (a) may vote in respect of a contract or proposed contract with the Company in which the director is directly or indirectly interested;
- (b) may be counted in the quorum at a meeting at which there is considered a matter in which the director is, directly or indirectly, interested and in respect of which the director is entitled to vote; and

- (c) may, on behalf of the Company, sign a contract or enter into an arrangement in which the director is, directly or indirectly, interested.

13.11 Delegation of powers to committee

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

13.12 Proceedings of committees

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

13.13 Validity of acts of directors

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

13.14 Minutes

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

13.15 Resolution in writing

A resolution in writing signed by all directors, excluding directors who have been given leave of absence or those who are not entitled to vote, is to be treated as a determination of the directors passed at a meeting of the directors duly convened and held and the resolution passed as if a majority of directors are in favour of the resolution.

13.16 Form of resolution in writing

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

13.17 Appointment of alternate directors

- (a) Subject to Article 13.17(e), a director who is an officer of a Shareholder may appoint a person approved by the Shareholder to be an alternate director in the director's place, during the period that the director thinks fit or generally.
- (b) The appointment of an alternate director must be in writing, signed by the director.
- (c) The appointment of an alternate director takes effect immediately on the signing of the notice of appointment by the director.
- (d) If the Company is a GOC Subsidiary which is not prescribed under section 155 of the GOC Act,
 - (i) the alternate director must be a director of the Shareholder, or ultimate parent company or, provided approved by the shareholding Ministers, another person; and
 - (ii) as soon as possible after the appointment of an alternate director under this Article 13.17, the directors must inform the shareholding Ministers about the appointment of the person as alternate director.
- (e) If the Company is a GOC Subsidiary, a director is not permitted to appoint a person to be an alternate director.

13.18 Powers of alternate director

- (a) An alternate director is subject in all respects to the terms and conditions applying to the other directors and may exercise any power which the appointor may exercise except:
 - (i) for the provisions of this Constitution relating to the appointment of directors and their remuneration;
 - (ii) for the power to appoint an alternate director; and
 - (iii) as expressly provided in this Constitution.
- (b) An alternate director is entitled to:

- (i) perform all the duties of a director while the director who appointed the alternate director is not exercising or performing them;
 - (ii) receive notice of meetings of the directors; and
 - (iii) attend and vote at meetings of the directors if the director who appointed the alternate director is not present.
- (c) The exercise of any power by the alternate director is taken to be the exercise of the power by the appointor.

13.19 Termination of appointment of alternate directors

The appointment of an alternate director is immediately terminated if:

- (a) the director who appointed the alternate director ceases for any reason to be a director;
- (b) the director who appointed the alternate director gives notice of termination of the appointment to the Company; or
- (c) the directors resolve to terminate the appointment after giving seven (7) days notice of intention to remove the alternate director.

14. Secretary

14.1 Appointment of Secretaries

The directors:

- (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.

14.2 Eligibility

If the ultimate holding company of the Company is a GOC, an individual may only be appointed as a Secretary if:

- (a) the individual is also a company secretary of the ultimate holding company of the Company; or
- (b) the Shareholding Ministers consent to the individual being a Secretary without being a company secretary of the ultimate holding company of the Company.

14.3 Terms of appointment of the Secretary

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

14.4 Secretary may act separately

A Secretary may carry out any act or deed required by this Constitution, the Law or by any other statute to be carried out by the secretary of the Company.

15. Seal

15.1 Custody of the Seal

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

15.2 Affixing the Seal

- (a) The Seal may be used only by the authority of the directors or of a committee of the directors authorised by the directors to authorise the use of the Seal.
- (b) Every document to which the Seal is affixed must be signed by a director and countersigned by:
 - (i) the Secretary;
 - (ii) another director; or
 - (iii) another person appointed by the directors to countersign that document or a class of documents in which that document is included.

15.3 Official seal

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

15.4 Share seal

- (a) The Company may have a duplicate common seal which must be a facsimile of the Seal with the addition on its face of the words "Share Seal". A certificate referring to or relating to securities of the Company sealed with the share seal is taken to be sealed with the Seal.

- (b) Certificates referring to or relating to securities of the Company may be issued bearing a printed impression of the share seal and printed facsimiles of the signatures of the persons permitted by this Constitution to sign and countersign the affixing of the Seal. A certificate so issued is to be taken as sealed with the Seal.

16. Chief executive officer and senior executives

16.1 Appointment

- (a) If the Company is a GOC Subsidiary which is not prescribed under section 155 of the *GOC Act*, the following provisions apply:
 - (i) the directors may appoint the chief executive officer with the prior written approval of the shareholding Ministers; and
 - (ii) the directors may appoint the senior executives.
- (b) if the Company is not a GOC Subsidiary, the directors may appoint the chief executive officer in their sole discretion, subject to the Law and this Constitution; and
- (c) the directors may appoint one or more persons to a position as a senior executive and may at any time terminate the appointment or appointments.

16.2 Terms and conditions

- (a) If the Company is a GOC Subsidiary, 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 directors (and in an appropriate case is subject to the approval of the shareholding Ministers) in accordance with any such guidelines as may be applied from time to time to the Company by the shareholding Ministers.
- (b) If the Company is not a GOC Subsidiary, the directors may determine the terms and conditions of appointment of a person in a position as a chief executive officer or a senior executive, including remuneration.

16.3 Shareholding Ministers to be informed when Company is a GOC Subsidiary

- (a) This Article 16.3 applies when the Company is a GOC Subsidiary.
- (b) As soon as possible after the appointment of a person to a position as a chief executive officer, the directors must inform the shareholding Ministers about the appointment of and the remuneration arrangements of the person who has been appointed to the position of chief executive officer.

- (c) The directors must keep the shareholding Ministers informed about the appointment of and the remuneration arrangements for the chief executive officer and senior executives.

16.4 Delegation

- (a) The directors may delegate any of their powers (including the power to delegate) to a person in a senior executive position.
- (b) The directors may revoke or vary:
 - (i) the appointment of a person in a position as a senior executive; or
 - (ii) any power delegated to a person in a position as a senior executive.
- (c) A person in a position as a senior executive must exercise the powers delegated to them in accordance with any directions of the directors.

17. Dividends

17.1 Payment of Dividends

Dividends may only be paid in accordance with the Law.

17.2 Declaration of dividends when Company is a GOC

Subsidiary

Dividends or interim dividends may be declared by the directors or the Company in general meeting provided that before declaring a dividend or interim dividend, the directors or the Company as the case may be, must comply with the procedures and consider the matters set out in the GOC Act.

17.3 Declaration of dividends when Company is not a GOC

Subsidiary

Subject to any special rights or restrictions attached to any shares, the directors may determine that a dividend is payable.

17.4 Interest

Interest is not payable by the Company in respect of a dividend.

17.5 Payment of dividends in cash

A dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or bankers draft or bank transfer.

18. Notices

18.1 Persons authorised to give notices

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

18.2 Method of giving notices

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

- (a) delivering it to a street address of the addressee;
- (b) sending it by prepaid ordinary post (airmail if outside Australia) to a street or postal address of the addressee; or
- (c) sending it by fax to the fax number of the addressee; or
- (d) scanning it by email to the email address of the addressee.

18.3 Notices to joint holders

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

18.4 Addresses for giving notices to Shareholders

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

- (b) A Shareholder may, by written notice to the Secretary left at or sent to the Office, require all notices to be given by the Company or the directors, be served on the Shareholder's attorney at an address specified in the notice.

18.5 Address for giving notices to the Company

For the purposes of giving notices to the Company:-

- (a) the address (for delivery and post) of the Company is the Office;
- (b) the fax number of the Company is the number which the Company may specify by written notice to the Shareholders as the fax number to which notices may be sent to the Company; and
- (c) the email address of the Company is the email address which the Company may specify by written notice to the Shareholders as the email address to which notices may be sent to the Company.

18.6 Time notice of meeting is given

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

- (a) if delivered in writing to the street address of the addressee, at the time of delivery;
- (b) if it is sent by post to the street or postal address of the addressee, on the day after posting; or
- (c) if sent by fax to the fax number of the addressee, at the time transmission is completed; or
- (d) if scanned and sent to the email address of the addressee, at the time the email is received.

18.7 Time other notices are given

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

- (a) if delivered in writing to the street address of the addressee, at the time of delivery;
- (b) if it is sent by post to the street or postal address of the addressee, at the time at which it would be delivered in the ordinary course of post; or
- (c) if sent by fax to the fax number of the addressee, at the time transmission is completed; and
- (d) if scanned and sent to the email address of the addressee, at the time the email is received.

18.8 Proof of giving notices

The sending of a notice by fax or email and the time of completion of transmission or receipt may be proved conclusively by production of a transmission report by the fax machine from which the notice was transmitted or a print out of the email which indicates that a fax or email of the notice was sent in its entirety to the fax number or email address of the addressee.

18.9 Persons entitled to notice of meeting

- (a) Notice of every general meeting must be given by a method authorised by this Constitution to:
 - (i) every Shareholder;
 - (ii) the auditor for the time being of the Company; and
 - (iii) if the Company is a GOC Subsidiary, every shareholding Minister.
- (b) No other person is entitled to receive notices of general meetings.

19. Winding up

- (a) If the Company is wound up and the assets available for distribution among the members are insufficient to repay the whole of the paid up capital, the assets must be distributed so that, as nearly as may be, the losses are borne by the Shareholders in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively.
- (b) If, in a winding up, the assets available for distribution among the members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess must be distributed among the members in proportion to the capital paid up at the commencement of the winding up, or which ought to have been paid up, on the share held by them respectively.
- (c) If the Company is wound up, the liquidator may, with the sanction of a special resolution, do either or both of the following:
 - (i) divide amongst the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set a value which he considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders; or
 - (ii) vest the whole or any part of that property in trustees on those trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder may be compelled to accept any shares or other securities in respect of which there is any liability.

20. Indemnity

20.1 Costs and expenses

The Company indemnifies and will keep indemnified, any person who is or has been an officer of the Company against a liability for costs and expenses incurred by that person as an officer:

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

20.2 Liabilities to third parties

The Company indemnifies, and will keep indemnified, every person who is or has been an officer of the Company against every liability incurred by that person as an officer to a person other than the Company or a related body corporate, except:

- a) a liability which arises from conduct that involves a lack of good faith; or
- b) a liability in respect of which the Company is prohibited by law from providing an indemnity.

20.3 Insurance premiums

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

- (a) a liability for costs and expenses incurred by the person in defending proceedings arising out of the person's conduct as an officer, whether civil or criminal and whatever their outcome; and
- (b) other liability incurred by the person as an officer of the Company except a liability which arises from conduct that involves a wilful breach of duty in relation to the Company or a contravention of subsections 182 or 183 of the Law.

21. Auditor

The Auditor-General of Queensland will be appointed and remain the auditor of the Company during such time as the Company is a GOC Subsidiary.

22. No liability to the State of Queensland

- (a) This Article 22 applies when the Company is a GOC Subsidiary.

- (b) In accordance with section 130 of the *GOC Act*, the State of Queensland is only liable for the debts and other liabilities of the Company only if, and to the extent that, the liability is expressly and lawfully undertaken on behalf of the State of Queensland.

23. Amendment of Constitution

- (a) This Article 23 applies when the Company is a GOC Subsidiary.
- (b) Despite any other provision of this Constitution or the Law, the shareholding Ministers may direct the amendment to this Constitution in accordance with the provisions of the *GOC Act*.
- (c) No amendment or change may be made to this Constitution, including this Article, without the prior written consent of the shareholding Ministers.

24. Director may act in the best interests of the Parent Company

At any time when the Company is a wholly owned subsidiary of another body corporate, each director is authorised to act in good faith in the best interests of that body corporate.

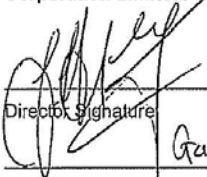
**CONSENT TO TERMS OF THE CONSTITUTION OF
ERGON ENERGY QUEENSLAND PTY LTD**

The person named below as a member consents to becoming a member of Ergon Energy Queensland Pty Ltd, agrees to the terms of the Ergon Energy Queensland Pty Ltd constitution and agrees to take up the number of the class of shares set out against the member's name for the amount specified which will be fully paid on registration.

Name of member	Number and class of shares the member agrees to take	Amount paid per share	Amount unpaid per share
Ergon Energy Corporation Limited (ABN 50 087 646 062)	100 Ordinary shares	\$1	\$0.00

DATED: In accordance with the resolution of the Board of Ergon Energy Corporation Limited made 19 December 2014.

Executed in accordance with s127 of the Corporations Act by Ergon Energy Corporation Limited:


 Director Signature
 Gary Humphrys
 Print Name


 Director/Secretary Signature
 Karen Ann Stafford
 Print Name