

CONSTITUTION

OF

TOWNSVILLE ENTERPRISE LIMITED

ACN 053 020 536

17 APRIL 2014

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CONSTITUTION
OF
TOWNSVILLE ENTERPRISE LIMITED
ACN 053 020 536

1. DICTIONARY AND INTERPRETATION

1.1 Dictionary

In this Constitution the following words shall, unless the context otherwise requires, have the meanings:

“Annual General Meeting” means the Annual General Meeting of the Company held in accordance with the Law and this Constitution;

“Annual Subscription” means the amount specified by the Board from time to time;

“Associate Member” means a person described in Rule 8.2(b);

“Auditor” means the Company's auditor;

“Board” means the Directors and members of the Board appointed pursuant to Rule 16 for the time being of the Company or those of them who are present at a meeting at which there is a quorum;

“Chairman” means the Chairman of the Board or any other person occupying the position of Chairman from time to time;

“Chief Executive Officer” means the Chief Executive Officer of the Company;

“Committee” means a committee appointed in accordance with Rule 22;

“Company” means Townsville Enterprise Limited ACN 053 020 536;

“Constitution” means the Constitution of the Company;

“Deputy Chairman” means the Deputy Chairman of the Board or any other person occupying the position of Deputy Chairman from time to time;

“Director” means a person appointed to the office of Director of the Company in accordance with this Constitution;

“Discretionary Director” means a person appointed to the office of Director in accordance with Rule 16.9;

“Economic Development Objectives” has the meaning given to the term in Rule 4;

“Entrance Fee” means the amount specified by the Board from time to time;

“Events Objectives” has the meaning given to the term in Rule 6;

“Finance Director (Treasurer)” means the person appointed to the office of Director in accordance with Rule 16.10;

“General Meeting” means a General Meeting of the Company;

“Government” means the Federal, State or Local government or other authority of the day;

“Law” means the Corporations Act 2001 (Cth) and includes any amendment or re-enactment of it or any legislation passed in substitution of it and includes reference to the Corporations Regulations;

“Life Member” means a member of the Company who is a member for the length of the person's life or until the Company is no longer in existence, whichever is the earlier;

“Lifestyle Objectives” has the meaning given to the term in Rule 7;

“Major Partners” has the meaning given to the term in Rule 16.8;

“Member” or **“member”** means any person who becomes a member in accordance with the law and this Constitution and includes a contra member but excludes an Associate Member;

“Members Present” means Members present at a general meeting of the Company in person or by duly appointed representative, proxy or attorney;

“Office” means the registered office of the Company;

“Officer” means:

- (a) a Director; or
- (b) a person:
 - i) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the Company; or
 - ii) who has the capacity to affect significantly the Company's financial standing; or
 - iii) in accordance with whose instructions or wishes the Directors of the Company are accustomed to act (excluding advice given by the person in

the proper performance of functions attaching to the person's professional capacity or their business relationship with the Directors or the Company); or

- (c) a receiver, or receiver and manager of the property of the Company; or
- (d) an administrator of the Company; or
- (e) an administrator of a deed of company arrangement executed by the Company; or
- (f) a liquidator of the Company; or
- (g) a trustee or other person administering a compromise or arrangement made between the Company and someone else.

"Person" and words importing person include partnerships, associations and corporations, unincorporated and incorporated by Ordinance, Act of Parliament or registration as well as individuals;

"Principal Partners" has the meaning given to the term in Rule 16.7;

"Region" has the meaning given to the term in Rule 3.2;

"Register" means the register of Members of the Company;

"Registered Address" means the address of a Member which the Member notifies the Company as a place at which the Member is willing to accept service of notices;

"Rule" or **"rule"** means the Rules contained in this Constitution;

"Seal" means the common seal of the Company;

"Secretary" means the person appointed in accordance with Rule 16.11;

"Special Meeting" means a special meeting of the Company;

"Treasurer" means the Finance Director (Treasurer) of the Company;

"Tourism Development and Marketing Objectives" has the meaning given to the term in Rule 5;

"Writing" and **"written"** includes printing, typing, electronic, facsimile and other modes of reproducing words in a visible form.

1.2 Unless the context otherwise requires:

- (a) a word or phrase which is given a meaning by the Law has the same meaning in this Constitution;

- (b) words in the singular include the plural and vice versa;
- (c) a reference to the Law or any other statute or regulation, means the Law, statute or regulation as amended, modified or substituted; and

1.3 Headings do not affect the construction of this Constitution.

2. GENERAL

2.1 The name of the Company is Townsville Enterprise Limited.

2.2 The Law that applies to certain companies as replaceable Rules are displaced by this Constitution in their entirety and do not apply to the Company.

3. OBJECTIVES

3.1 The Objectives for which the Company is established are:

- (a) To generate a suitable climate for investment in the Region which will provide appropriate and sustainable business and economic development;
- (b) To develop increased tourism in a planned and sustainable manner in the Region;
- (c) To develop the Region's physical and community environments and improve the quality of life for residents;
- (d) To carry out the Economic Development Objectives ;
- (e) To carry out the Tourism Development and Marketing Objectives;
- (f) To carry out the Events Objectives;
- (g) To carry out the Lifestyle Objectives;
- (h) To advertise, promote and market the Region;
- (i) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company; and
- (j) To develop and maintain a membership base that adequately funds the operation of the Company.

3.2 In this Constitution the term "Region" shall mean the area which is from time to time within the greater North Queensland region.

3.3 It is expressly agreed that the Objectives specified in this Constitution shall be regarded as independent Objectives and accordingly shall in

no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the Objectives of a separate and distinct Company.

- 3.4 The Objectives of the Company are to be carried out in accordance with the Corporate, Strategic and Operational Plans and within the framework of the Budget of the organisation.

4. ECONOMIC DEVELOPMENT OBJECTIVES

- 4.1 The Economic Development Objectives for the Company are:

- (a) To foster and encourage the continuing economic development of the Region;
- (b) To generate a suitable climate for investment which will provide and generate sustainable business and economic development;
- (c) To encourage local manufacturers, primary producers and business people generally to develop new products and enter new markets, to increase production levels and create new employment opportunities in the Region;
- (d) To market the Region as a suitable base for the establishment of new, or the relocation of existing manufacturing, processing or service facilities;
- (e) To market the Region as the administrative centre for North Queensland highlighting the advantages of locating new, or increasing the prominence of existing, regional or head offices or government departments and government owned corporations in the Region;
- (f) To liaise with and provide appropriate levels of support to regional industry, commerce, tourism, primary producers and other organisations in furthering the development of the Region as a whole;
- (g) To work towards the creation of a favourable climate for economic growth in the Region; and
- (h) To work towards raising general community awareness to the existence of an "economic zone" within the Region and the need for community commitment to economic development.

5. TOURISM DEVELOPMENT AND MARKETING OBJECTIVES

5.1 The Tourism Development and Marketing Objectives of the Company are:

- (a) To promote the growth of tourism both from domestic and overseas sources in a planned and sustainable manner;
- (b) To provide tourists and travellers with information on and relating to the Region and on tourist facilities and attractions;
- (c) To promote awareness amongst all persons of the Region of the benefits (including future and potential benefits) of tourism;
- (d) To monitor research studies and reports carried out by Government and Government instrumentalities, commercial organisations and other agencies which are likely to provide information and statistics useful in the formulation of marketing strategies for the Region and where applicable to encourage, sponsor or conduct research relating to tourism;
- (e) To promote, encourage and assist other organisations and authorities to develop ways and means by which tourist facilities in the Region can be increased, supplemented, enhanced and improved and made known to tourists and tourism authorities; and
- (f) To provide, organise and sponsor seminars, training courses and development programs and to encourage and promote existing programs, as a means of assisting tourist operators in the Region to improve service and staff efficiency and to assist and advise where possible on improvements to tourist enterprises within the Region.

6. EVENTS OBJECTIVES

6.1 The Events Objectives of the Company are:

- (a) To generate economic activity, develop civic spirit, pride and local confidence while lifting the profile of the Region by developing and supporting conventions and meetings;
- (b) To develop and promote the high yield conventions and meetings travel business to the Region;
- (c) To increase the volume of conventions and meetings and delegate length of stay and expenditure;
- (d) To promote the Region as a pre and post touring option for national and international delegates visiting the State;
- (e) To liaise with all persons, corporations, organisations, government and government departments and any other body in the interests of promoting the conventions and meetings industry; and other events as deemed appropriate by the

Board or its delegate(s).

7. LIFESTYLE OBJECTIVES

- 7.1 The Lifestyle Objectives of the Company are to develop the Region's physical and community environments, and improve the quality of life for residents and, without limiting the generality of the foregoing, to:
- (a) Co-operate with local authorities in the Region and other civic groups with respect to physical improvements to the Region;
 - (b) Work with media in the development of campaigns to raise local awareness concerning all aspects of marketing development and lifestyle in the Region;
 - (c) Undertake, support and publicise research with respect to the economy of the Region and the employment and other aspects of economic and tourism development in the Region;
 - (d) Participate in conjunction with other community groups and community activities in the Region; and
 - (e) To liaise with all persons, corporations, organisations, government and government departments and any other body in the interests of promoting the 'liveability' of the Region.

8. MEMBERSHIP

- 8.1 The members of the Company and such other persons as the Board shall admit to membership in accordance with this Constitution shall be members of the Company.
- 8.2 The Board may in its absolute discretion:
- (a) appoint persons to be Life Members of the Company upon such terms as it may think fit; and
 - (b) appoint persons to be Associate Members of the Company upon such terms and conditions as it may think fit. Despite anything to the contrary contained in this Constitution, Associate Members are entitled to notice of, and to attend, but are not entitled to vote whether as a proxy or otherwise at meetings of the Company and may not become a director of the Company but shall otherwise enjoy the rights and benefits and be subject to the obligations of a Member.
- 8.3 Every applicant for membership of the Company shall apply in writing to the Board to be a member in such form as may be prescribed by the Board.
- 8.4 Upon receipt of an application for membership, it shall be considered by the Chief Executive Officer or another nominated delegate who shall determine the admission or rejection of the applicant. The Board or the Chief Executive Officer or another nominated delegate is not required to give any reason for the rejection of an application.

- 8.5 When an applicant has been accepted for membership a nominated delegate of the Company shall send to the applicant written notice of the acceptance and a request for payment of the Entrance Fee and first Annual Subscription. Upon payment of the Entrance Fee and the first Annual Subscription the applicant shall become a member or Associate Member of the Company as the case may be. In the event that the payment specified in this Constitution is not made within two (2) calendar months after the date of the notice, the Chief Executive Officer or another nominated delegate may at his/her discretion cancel the member's membership in the Company.
- 8.6 The Annual Subscription payable by members of the Company shall be such amount as the Board may from time to time determine and the Board shall have power to set different annual subscriptions in relation to different classifications of membership which may be set from time to time by the Board.
- 8.7 All Annual Subscriptions shall become due and payable in advance on the first day of July, in every year or upon such other date as the Board may determine.
- 8.8 In the event that a member becomes a member of the Company on a day other than the first day of July in any given year, the member must pay to the Company:
- (a) the Entrance Fee as required by Rule 8.5;
 - (b) the First Annual Subscription; or
 - (c) if agreed by the Directors from time to time, a proportionate part of the First Annual Subscription, such proportionate part to be determined in the absolute discretion of the Directors from time to time.

9. CESSATION OF MEMBERSHIP

- 9.1 If the subscription of a member shall remain unpaid for a period of two (2) calendar months after it becomes due then the member may be debarred, by resolution of the Board, from all privileges of membership. In any event, the Board may, in its absolute discretion, reinstate the member on payment of all arrears.
- 9.2 A member may resign membership of the Company by giving notice to the Chief Executive Officer or another nominated delegate. The resignation takes effect on the date of receipt of the notice of resignation by the Company or any later date provided for in the notice. However, the member shall continue to be liable for any Annual Subscription and all arrears due and unpaid at the date of the member's resignation and for all other moneys owing by the member to the Company under this Constitution. The member shall be entitled to a refund (if applicable) of any part of the Annual Subscription paid to a date after the date of resignation of the member. The refund is calculated on a pro-rata basis.

- 9.3 If any member:
- (a) wilfully refuses or neglects to comply with the provisions of the Constitution; or
 - (b) is guilty of any conduct which, in the opinion of the Board, is unbecoming of a member; or
 - (c) acts in a manner which is prejudicial to the interests of the Company;

the Board may pass a resolution for the member's expulsion and the member shall be expelled.

- 9.4 In the event the Board exercises its power pursuant to Rule 9.3 then the Board must:

- (a) Give the member one (1) week's notice of the meeting of the Board at which the resolution is to be proposed. The notice of the meeting must set out:
 - i) The conduct that is alleged against the member and the intended resolution;
 - ii) That the member shall have the opportunity, before resolution, to give, orally or in writing, any explanation the member thinks fit.
- (b) If, at the meeting of the Board, a resolution is passed that the member be expelled then the member shall be expelled immediately following the passing of the resolution. The decision of the Board is final.

10. ANNUAL GENERAL MEETINGS

- 10.1 The Company must hold an Annual General Meeting:

- (a) At least once every calendar year; and
- (b) Within the period of five (5) months after the end of the Company's financial year.

- 10.2 The Board must call an Annual General Meeting in accordance with the Law to be held at a time to be determined by the Board.

- 10.3 Except as permitted by the Law, Annual General Meetings must be called on at least the minimum number of days notice required by the Law (which at the date of adoption of this Constitution is twenty-one (21) days) and otherwise in accordance with the procedures set out in the Law.

- 10.4 In addition to those items to be discussed at the Annual General Meeting in accordance with the Law, the following business items will be discussed:

- (a) Election of members to the Committees

10.5 The business of an Annual General Meeting may include:

- (a) Any of the following matters even if not referred to in the notice of meeting:
 - i) Consideration of the annual financial report, directors report and auditor's report;
 - ii) Confirmation of Directors in accordance with this Constitution; and
 - iii) Appointment of the Auditor.
- (b) Any business which under this Constitution or the Law is required to be transacted at an Annual General Meeting; and
- (c) Any other business which may lawfully be transacted at an Annual General Meeting.

10.6 The Chairman of an Annual General Meeting must allow a reasonable opportunity for the members as a whole at the meeting to:

- (a) Ask questions about or make comments on the management of the Company; and
- (b) Ask the Auditor or their representative questions relevant to the conduct of the audit and the preparations and content of the Auditor's report for the Company.

11. ANNUAL GENERAL MEETING AND GENERAL MEETINGS

CALLING GENERAL MEETINGS

- 11.1 A Director of the Board or Member may if so authorised by a resolution of the Board call a General Meeting.
- 11.2 Members may also request or call and arrange to hold a General Meeting in accordance with the procedures and requirements set out in the Law.
- 11.3 A General Meeting may be held at two or more venues simultaneously using any technology that gives the Members as a whole a reasonable opportunity to participate.
- 11.4 The Board may postpone or cancel any General Meeting (other than a meeting requested or called by Members) at any time before the day of the meeting. The Board must give notice of the postponement or cancellation to all persons entitled to receive notices of a General Meeting.

NOTICE OF MEETINGS

- 11.5 Notice of an Annual General Meeting or a General Meeting must be

given in accordance with the Law to the persons entitled to receive notice of the Annual General Meeting or the General Meeting.

- 11.6 Except as permitted by the Law, Annual General Meetings or General Meetings must be called on at least the minimum number of days notice required by the Law (which at the date of adoption of this Constitution is twenty-one (21) days) and otherwise in accordance with the procedures set out in the Law.
- 11.7 Subject to the requirements of the Law, a notice calling an Annual General Meeting or a General Meeting must:
- (a) Specify the place, date and time of the meeting (and if the meeting is to be held in more than one place, the technology to be used);
 - (b) State the general nature of the business to be transacted at the meeting;
 - (c) If a special resolution is to be proposed at the meeting, set out an intention to propose the special resolution and state the resolution;
 - (d) Include such statements about the appointment of proxies as are required by the Law;
 - (e) Specify a place and facsimile number and may specify an electronic address for the purposes of proxy appointments; and
 - (f) Comply with any other requirements of the Law.
- 11.8 An accidental omission to send a notice of an Annual General Meeting or a General Meeting (including a proxy appointment form) or the postponement of an Annual General Meeting or a General Meeting to any Member or the non-receipt of a notice (or form) by any Member does not invalidate the proceedings at or any resolution passed at the General Meeting.

PROCEEDINGS AT ANNUAL GENERAL MEETINGS AND GENERAL MEETINGS

- 11.9 No business shall be transacted at any Annual General Meeting or General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- 11.10 Unless otherwise provided for in this Constitution, twenty five (25) members present in person shall be a quorum.
- 11.11 For the purpose of this rule "member" includes a person attending as a proxy or as representing a corporation which is a member.
- 11.12 If a quorum is not present within thirty (30) minutes after the time appointed for an Annual General Meeting or a General Meeting:

- (a) the Annual General Meeting or General Meeting, if it was requested or called by members, is automatically dissolved; or
- (b) in any other case:
 - i) it will stand adjourned to the same time and place seven (7) days after the meeting, or to another day, time and place determined by the Board; and
 - ii) if at the adjourned Annual General Meeting or General Meeting a quorum is not present within thirty (30) minutes after the time appointed for the General Meeting, the General Meeting is automatically dissolved.

11.13 If the Board has elected a Chairman of the Board that person is entitled to chair every Annual General Meeting or General Meeting.

11.14 (a) If at any Annual General Meeting or General Meeting the Chairman of the Board:

- i) is not present within fifteen (15) minutes after the time appointed for the holding of the meeting; or
- iii) is present but unwilling to act as Chairman of the meeting;

then the Deputy Chairman of the Board is entitled to chair the meeting.

(b) If at any Annual General Meeting or General Meeting the Deputy Chairman of the Board:

- i) becomes entitled to chair the meeting pursuant to Rule 11.14(a); and
- ii) is not present; or
- iii) is unwilling to act;

then the members present shall elect one of their members to be Chairman for the Annual General Meeting or General Meeting.

GENERAL CONDUCT OF MEETING

11.15 At any time the Chairman considers it necessary or desirable for the proper and orderly conduct of the meeting, the Chairman may demand the cessation of debate or discussion on any business, question, motion or resolution being considered by the Annual General Meeting or General Meeting and require the business, question, motion or resolution to be put to a vote of the members present;

11.16 The Chairman may require the adoption of any procedures which are, in the Chairman's opinion, necessary or desirable for the proper and

orderly casting or recording of votes at any Annual General Meeting or General Meeting of the Company, whether on a show of hands or by a poll;

11.17 At any Annual General Meeting or General Meeting a resolution put to the vote of the members shall 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:

- (a) by the Chairman of the meeting; or
- (b) by at least three (3) members present in person or by proxy.

11.18 Unless a poll is demanded:

- (a) the Chairman shall declare that a resolution has been carried or carried unanimously, or by a particular majority, or lost.

An entry to that effect shall be recorded in the book containing the minutes of the proceedings of the Meeting. This shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.19 The demand for a poll may be withdrawn.

TAKING A POLL

11.20 If a poll is demanded it will be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman of the meeting directs.

11.21 The result of the poll shall be the resolution of the meeting at which the poll was demanded.

11.22 A poll demanded on the election of a Chairman of the meeting or on a question of adjournment shall be taken immediately.

VOTING RIGHTS

11.23 Subject to this Constitution:

- (a) each member or representative of a member shall have one vote on a show of hands; and
- (b) Associate Members are not entitled to vote.

11.24 If a member:

- (a) Dies; or
- (b) Through mental or physical infirmity is incapable of managing the member's affairs;

The personal representative, trustee or other person appointed under law to administer the member's estate or property may exercise any

rights of the member in relation to the General Meeting as if the personal representative, trustee or other person were the member.

- 11.25 In the case of an equality of votes, whether on a show of hands or by a poll, the Chairman of the meeting shall be entitled to a second or casting vote.
- 11.26 No member shall be entitled to vote at any General Meeting if his/her Annual Subscription is more than one (1) month in arrears at the date of the meeting.

PROXIES

- 11.27 An appointment of a proxy is valid if it is signed by the member making the appointment or the member's attorney duly authorised in writing, or, in the case of a corporation, either under seal or signed by an officer or attorney duly authorised, and contains the information required under the Law.
- 11.28 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 11.29 A member shall be entitled to instruct his/her proxy in favour of or against any proposed resolutions. Unless otherwise instructed the proxy may vote as he/she thinks fit.
- 11.30 The instrument appointing a proxy may be in the following form or in a common or usual form:

{Name of company}

I/we,.....of.....being a member of the above Company, hereby appointof.....or, in his/her absence..... of.....as my proxy to vote for me on my behalf at the *annual general *general meeting of the Company to be held on the....day of 20.... and at any adjournment of that meeting.

#This form is to be used *in favour of / *against the resolution:

.....
.....

Signed this day of 20....

*Strike out whichever is not desired.
#To be inserted if desired.

- 11.31 The appointment of a proxy or attorney must be received by the Company at least forty-eight (48) hours (unless reduced in the notice of meeting to which the appointment relates) before the Annual General Meeting or General Meeting (or the resumption of an adjourned meeting) at which the appointee is to attend and vote.
- 11.32 If the appointment purports to be executed under a power of attorney or other authority, the original document or a certified copy of it must

be received by the Company at least forty-eight (48) hours (unless reduced in the notice of meeting to which the appointment relates) before the General Meeting (or the resumption of an adjourned General Meeting).

- 11.33 The Company receives an appointment of a proxy or power of attorney or other authority under which it was signed when they are received at:
- (a) The Company's Registered Office;
 - (b) A facsimile number at the Company's Registered Office; or
 - (c) A place, facsimile number or electronic address specified for that purpose in the notice of the General Meeting.

VALIDITY AND REVOCATION OF PROXY

- 11.34 A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid even if before the vote was cast the appointer:
- (a) Died;
 - (b) Became mentally incapacitated; or
 - (c) Revoked the proxy or power.

Unless the Company received written notification of the death, mental incapacitation or revocation before the relevant Annual General Meeting or General Meeting or the adjourned General Meeting.

12. POWERS

- 12.1 The Company has the following powers:
- (a) The Company has the legal capacity and powers of an individual;
 - (b) The Company has all the powers of a Body Corporate;
 - (c) The Company has all the powers conferred on it by the Law;
 - (d) Despite Rule 12.1(a), 12.1(b) and 12.1(c):
 - i) the Company does not have the power to issue shares; and
 - ii) the powers of the Company are ancillary to and exercisable only to pursue the Objectives of the Company as set out in this Constitution.

13. INCOME AND PROPERTY OF THE COMPANY

- 13.1 The income and property of the Company, from wherever it is derived, must be applied solely towards the promotion of the Objectives of the Company as set out in this Constitution.

13.2 No portion of the income, profits or property of the Company shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise, to the members of the Company. However, nothing in this Rule 13.2 shall prevent:

- (a) the payment in good faith of remuneration to any officer, servant or member of the Company in return for any services actually rendered to the Company at the request of the Company or the Board or for goods supplied in the ordinary and usual way of business;
- (b) the payment of interest at a rate not exceeding the rate for the time being fixed for the purpose of this Rule by the Board on money borrowed from any member of the Company;
- (c) The payment of reasonable and proper rent by the Company to a member for premises demised, let or leased by any member to the Company; and
- (d) The reimbursement of expenses incurred by any member on behalf of the Company.

14. LIABILITY OF MEMBERS

The liability of members is limited.

15. FURTHER ASSURANCES

Each Party must promptly at its own cost do all things (including executing and if necessary delivering all documents) necessary or desirable to give full effect to this Constitution.

16. BOARD OF DIRECTORS

16.1 The Board shall consist of a number of Directors which will be dependent upon the number of Principal Partners Directors and the number of Major Partners Directors. The number of Directors:

- (a) must not be less than nine (9); and
- (b) the Company in a General Meeting may by resolution increase or reduce the number of Directors but the number may not be reduced below nine (9).

QUALIFICATIONS OF BOARD

16.2 All Directors must be a partner or member of the Company.

16.3 The Board shall consist of and shall be appointed as follows:

- (a) Chairman to be appointed in accordance with Rule 16.5;
- (b) Deputy Chairman to be appointed in accordance with Rule 16.6

- (c) Principal Partners Directors appointed in accordance with Rule 16.7;
- (d) Major Partners Directors appointed in accordance with Rule 16.8;
- (e) Seven (7) Discretionary Directors appointed in accordance with Rule 16.9;
- (f) Finance Director (Treasurer) appointed in accordance with Rule 16.10.

16.4 The role of the Board is to uphold the Constitution of the Company.

16.5 Chairman

- (a) The Chairman will be appointed by a majority vote of the Board and will be selected from the Company's members and be from an independent non-government organisation.
- (b) The Chairman will remain Chairman for a period of two (2) years.
- (c) Following the completion of the term specified in Rule 16.5(b), the Chairman may be reappointed by a majority vote of the Board to act as Chairman for another term.

16.6 Deputy Chairman

- (a) The Deputy Chairman will be appointed by a majority vote of the Board.
- (b) The Deputy Chairman will remain Deputy Chairman for a period of two (2) years.
- (c) Following the completion of the term specified in Rule 16.6(b), the Deputy Chairman may be reappointed by a majority vote of the Board to act as Deputy Chairman for another term.

16.7 Principal Partners

- (a) All Principal Partners will be entitled to appoint a Director to the Board. The Principal Partners Directors shall consist of all persons, firms, corporations and other organisations which, prior to an Annual General Meeting, have pledged to contribute to the amount of not less than two hundred and fifty thousand dollars (\$250,000) or such other amount as the Board may determine from time to time (the "Guaranteed Contribution of the Principal Partners").
- (b) The appointment must be ratified by the Board.
- (c) In the event that any member of the Principal Partners shall pledge to contribute the Guaranteed Contribution for Principal Partners but fails to make available to the Company the

Guaranteed Contribution for Principal Partners within one (1) month of the relevant invoice becoming due and payable or such extended period as the Board may permit, the person(s) who is/are the Principal Partners Director(s) shall be deemed to have resigned as a Director or as Directors of the Board.

16.8 Major Partners

- (a) All Major Partners will be entitled to appoint a Director to the Board. The Major Partners shall consist of all persons, firms, corporations and other organisations which, prior to an Annual General Meeting, have pledged to contribute to the Company an amount of not less than one hundred thousand dollars (\$100,000) or such other amount as the Board may determine from time to time (the "Guaranteed Contribution of the Major Partners").
- (b) The appointment must be ratified by the Board.
- (c) In the event that any member of the Major Partners Group shall pledge to contribute the Guaranteed Contribution for Major Partners but fails to make available to the Company the Guaranteed Contribution within one (1) month of the relevant invoice becoming due and payable or such extended period as the Board may permit, the person(s) who is or are the Major Partners Director(s) shall be deemed to have resigned as a Director of the Board.

16.9 Discretionary Directors

- (a) The seven (7) Discretionary Directors shall be appointed or reappointed (as the case may be) by the Directors (as appointed from time-to-time) for a period of two (2) years.
- (b) Following the completion of the term specified in Rule 16.9(a), the Discretionary Directors may be reappointed by a majority vote of the Board to act as Discretionary Directors for another term.

16.10 Finance Director (Treasurer)

- (a) The Finance Director (Treasurer) shall be appointed by the Board, upon such terms and conditions as the Board shall think fit, for a period of two (2) years;
- (b) The Finance Director will have the role of Director;
- (c) The appointment of the Finance Director shall be for the purpose of providing support and advice to the Board on financial matters;
- (d) Following the completion of the term specified in Rule 16.10(a), the Finance Director (Treasurer) may be reappointed by a majority vote of the Board to act as the Finance Director

(Treasurer) for another term.

16.11 Secretary

- (a) The Board may appoint a Secretary in accordance with the Law on terms and conditions as the Board shall think fit;
- (b) The Board may remove a Secretary from office; and
- (c) The Secretary will not have the role of Director but may attend meetings of the Board if invited to do so by a Director.

16.12 Chief Executive Officer

The Board may appoint a Chief Executive Officer upon such terms and conditions as the Board shall think fit.

16.13 Alternate Directors

The Company agrees that alternate directors shall not be appointed.

16.14 Power to Remove Director

The Company may, subject to the Law, by resolution passed in General Meeting remove any Director before the end of the Director's term of office.

16.15 Vacation of Office

The office of a Director immediately becomes vacant if the Director:

- (a) Ceases to be a Director by virtue of the Law;
- (b) Is prohibited by the Law from holding office or continuing as a Director;
- (c) Is prohibited from holding, or is removed from, the office of Director by an order made under the Law;
- (d) Becomes bankrupt or makes any general arrangement or composition with his or her creditors;
- (e) Cannot fully participate in the management of the Company because of his or her mental incapacity or is a person whose estate is liable to have a person appointed, under the law relating to the administration of estates of persons who through mental or physical infirmity are incapable of managing their affairs, to administer it, or becomes in the opinion of the Directors incapable of performing his or her duties;
- (f) Resigns from his or her office of Director by notice in writing to the Company;
- (g) Is removed by a resolution of the Company;

- (h) Fails to attend at least seventy-five per cent (75%) of the Board Meetings in any financial year without written dispensation from attendance from the Board;
- (i) Holds any office of profit under the Company; or
- (j) Ceases to be a member of the Company.

17. ELECTION

17.1 Subject to the rules regarding the qualification of Directors contained in this Constitution, the election of Committee members shall take place in the following manner:

- (a) The nomination, which shall be in writing and signed by the member and his/her proposer and seconder, shall be lodged with the Secretary at least twenty-eight (28) days before the Annual General Meeting at which the election is to take place;
- (b) A list of the candidates' names, in alphabetical order, with the proposers and seconds names shall be posted in a conspicuous place in the registered office of the Company for at least seven (7) days immediately preceding the Annual General Meeting;
- (c) The Board may authorise the Secretary to prepare and distribute to members in such form as the Secretary may determine, information prepared by the candidates in support of their application to be a member of a Committee of the Company;
- (d) Balloting lists shall be prepared (if necessary) containing the names of the candidates only, in alphabetical order;
- (e) In case there shall not be a sufficient number of candidates nominated, the Board may fill up the remaining vacancy or vacancies.

18. GUARANTEE

Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while he/she is a member, or within one year after he/she ceases to be a member, for payment of the debts and liabilities of the Company (contracted before he/she ceases to be a member) and of the costs, charges, and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding Twenty Dollars (\$20.00).

19. DISSOLUTION OF THE COMPANY

If upon the winding up or dissolution of the Company there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Company, but shall be given or transferred to some other institution or institutions having Objectives similar to the Objectives of the Company, and whose constitution

shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Company under or by virtue of this Constitution, such institution or institutions to be determined by the members of the Company at or before the time of the dissolution and in default thereof by application to the Supreme Court for determination.

20. POWERS AND DUTIES OF THE BOARD

20.1 The business of the Company is managed by the Board which may exercise all powers of the Company that this Constitution and the Law do not require to be exercised by the Company in General Meeting.

20.2 Without limiting the generality of Rule 20.1, the Board may exercise all the powers of the Company to:

- (a) Borrow money;
- (b) Charge any property or business of the Company;
- (c) Issue debentures or give any other security for a debt, liability or obligation of the Company.

20.3 All cheques, electronic funds transfers, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company shall be authorised, signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by any two Directors or in such other manner as the Board from time to time determines.

MINUTES

20.4 The Board must cause minutes to be made of:

- (a) the names of the Directors present at all Directors meetings and meetings of Committees;
- (b) All proceedings and resolutions of Annual General Meetings, General Meetings, Directors Meetings and Committee Meetings;
- (c) All resolutions passed by the Directors in accordance with this Constitution;
- (d) Appointments of officers or Committees, but only if the Directors resolve that a minute of the appointment shall be made in accordance with the Law; and
- (e) All disclosures of interests made in accordance with the Law.

20.5 Minutes must be signed by the Chairman of the meeting or by the Chairman of the next meeting and, if so signed, will be conclusive evidence of the matters stated in such Minutes.

21. PROCEEDINGS OF THE BOARD OF DIRECTORS

- 21.1 For this Rule 21, a reference to a Director includes a reference to any Director, Finance Director (Treasurer) or Chairman.
- 21.2 A minimum of two Directors may at any time call a meeting of the Directors.
- 21.3 A Board meeting must be called by not less than forty-eight (48) hours notice of a meeting to each Director unless the Board unanimously agrees otherwise. The notice may be in writing or given using any technology consented to by all Directors.
- 21.4 Subject to the Law and this Constitution, a Board meeting may be held by the Board communicating with each other by any technological means consented to by all of the Directors. The consent may be a standing one.
- 21.5 Each Director shall have one (1) vote.
- 21.6 While the Board will endeavour to resolve issues by consensus, questions arising at a Board meeting are to be decided by a majority of votes cast. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
- 21.7 A quorum for meetings of the Board may be fixed by the Board and unless so fixed is half of the total number of Directors appointed plus one present. The quorum must be present at all times during the meeting.
- 21.8 A Director who is unable to attend a Board meeting is required to seek a formal leave of absence from the Board.

VALIDITY OF ACTS

- 21.9 An act done by a Director is effective even if his/her appointment, or the continuance of his/her appointment, is invalid because the Company or Director did not comply with this Constitution or any provision of the Law.

WRITTEN RESOLUTIONS

- 21.10 The Board may pass a resolution without a Board Meeting being held if all the Directors entitled to vote on the resolution:
 - (a) sign a document containing a statement that they are in favour of the resolution set out in the document; or
 - (b) send by electronic mail to all other Directors entitled to vote on the resolution a statement that they are in favour of the resolution;
 - (c) a resolution under Rule 21.10(a) is passed when the last Director signs the document; and

- (d) a resolution under Rule 21.10(b) is passed when all Directors receive the electronic mail transmission from all other Directors.

DELEGATION TO THE CHIEF EXECUTIVE OFFICER

- 21.11 The Board may delegate any of its powers, other than those which by Law must be dealt with by the Board, to the Chief Executive Officer appointed from time to time in accordance with this Constitution.

DELEGATION TO COMMITTEES

- 21.12 The Board may delegate any of its powers, other than those which by Law must be dealt with by the Board, to a Committee.

FREQUENCY OF MEETINGS

- 21.13 Subject always to the Law, the Board must meet at least four (4) times in each financial year.

22. COMMITTEES

Despite anything to the contrary contained in this Constitution, the Board may appoint, establish or abolish Committees on terms and conditions as the Board thinks fit from time to time, consisting of such member or members of the company as the Board thinks fit from time to time.

- 22.1 The Board may establish the following Committees:

- (a) economic development strategic advisory Committee;
- (b) tourism development and marketing strategic advisory Committee;
- (c) events strategic advisory Committee; and
- (d) finance, audit and risk Committee.

- 22.2 Each member of each Committee shall have one (1) vote.

- 22.3 The Chairman of each Committee must be a Director or such other person who is a member of Townsville Enterprise Limited approved by the Board.

- 22.4 In the event that the Chairman of the Committee is not a Director then the Board shall ensure that each meeting of the Committee is attended by a Director.

- 22.5 The Chairman of each committee will, subject to the terms of reference of the committee, have power to invite any member or members of the Company to join that Committee, until the next Annual General Meeting.

- 22.6 In addition to the members of the Strategic Advisory Committees, the Chief Executive Officer and the relevant Managers of the Company

will also be members of those Committees.

- 22.7 The Board may, in its absolute discretion, amend the membership of the Committees.
- 22.8 Two (2) of the members on each Committee referred to in Rules 22.1(a), 22.1(b) and 22.1(c) will be representatives of industry who will be selected by the members in accordance with the procedure for nominating a Committee member contained in Rule 17 for a term of two (2) years.
- 22.9 In the event a member of a Committee vacates the position before the end of the term, then the chairman of the relevant Committee may appoint a replacement for the remainder of the term.
- 22.10 The Board nominated members of a Committee will be appointed for a period of two (2) years following the Annual General Meeting of the Company.

23. SEAL

- 23.1 The Board shall provide for the safe custody of the Seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Directors in that behalf. Every instrument to which the Seal is affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose.

24. ACCOUNTS

- 24.1 The Board must cause proper financial records and accounts to be kept. The Board must distribute copies of financial reports, director's reports and other documentation (as prescribed by the Law from time to time) in accordance with the Law.
- 24.2 True accounts must be kept of:
 - (a) the sums of money received and expended by the Company, and the manner in respect of which such receipt and expenditure takes place;
 - (b) the property of the Company;
 - (c) credits of the Company;
 - (d) liabilities of the Company; and
 - (e) any other items, transactions or things whatsoever required by the Law.
- 24.3 The Board shall cause to be made out and laid before each Annual General Meeting a balance sheet and profit and loss account made up to a date not more than five (5) months before the date of the meeting.
- 24.4 Subject always to the Law, the Board shall determine to what extent,

where, at what times and under what conditions or regulations the accounts, records, financial reports and director's reports of the Company shall be open to the inspection of members.

- 24.5 Once at least in every year, the accounts of the Company shall be examined by one or more properly qualified auditor or auditors who shall report to the members in accordance with the provisions of the Law.

25. AUDIT

- 25.1 A properly qualified Auditor or Auditors shall be appointed and his or their duties regulated in accordance with the Law.

26. NOTICE

- 26.1 Any notice required by law or under this Constitution to be given to any Member or Associate Member shall be given by sending it:

- (a) by post to the Member or Associate Member at their registered address, or
- (b) to the address, if any, within the State supplied by the Member or Associate Member to the Company for the purpose of giving such notices; or
- (e) to the electronic mail address supplied by the Member or Associate Member to the Company for the purpose of giving such notices.

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

- 26.3 Where a notice is sent by electronic mail, service of the notice shall be deemed to be effected on the next business day after the notice was sent provided that:

- (a) the member has authorised the Company to issue notices to the member by way of electronic mail transmission;
- (b) the electronic mail transmission was correctly addressed to the relevant member considering the address supplied to the Company by the member; and
- (c) the sender does not receive any automatically generated notification (or similar notification) that the electronic mail transmission was not delivered to the intended recipient.

- 26.4 Notice of every Annual General Meeting and General Meeting shall be given in any manner authorised to:

- (a) every member including Associate Members except those members for whom the Company has no registered address or an address or the giving of notices to them;
- (b) the Auditor or Auditors for the time being of the company; and
- (c) No other person shall be entitled to receive notices of Annual General Meetings and General Meetings.

27. INDEMNITY

27.1 In this Rule 27 "proceedings" means in relation to a person, any proceedings (whether civil or criminal) in which it is alleged that the person has done or omitted to do some act, matter or thing:

- (a) in his or her capacity as an officer of the Company;
- (b) in the course of acting in connection with affairs of the Company;
- (c) otherwise arising out of the person holding office as an officer of the Company; and
- (d) including proceedings alleging that he or she was guilty of negligence, default, breach of trust or breach of duty in relation to the Company.

27.2 Indemnity against Liabilities

- (a) To the extent permitted by law, the Company:
 - i) indemnifies every person who is, or has been, a member of the Board of Directors including a Director, Secretary and Finance Director of the Company; and
 - ii) may, by deed, indemnify or agree to indemnify a person who is, or has been, an Officer of the Company;

against a liability incurred by that person, in his or her capacity as a member of the Board of Directors, including a Director, Secretary or Finance Director or Officer, to another person (other than the Company or a related body corporate of the Company) provided that the liability does not arise out of conduct involving a lack of good faith.

27.3 Indemnity for Costs and Expenses

- (a) To the extent permitted by law, the Company:
 - i) indemnifies every person who is, or has been, a member of the Board of Directors including a Director, Secretary or Finance Director of the Company;
 - ii) may, by deed, indemnify or agree to indemnify a person who is or has been, an Officer of the Company.
- (b) Against a liability for costs and expenses incurred by that

person:

- i) in defending any proceedings in which judgement is given in that person's favour, or in which that person is acquitted; or
- ii) in connection with an application in relation to any Proceedings in which the Court grants relief to that person under the Law.

27.4 Insurance

- (a) To the extent permitted by 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 a liability:
 - i) in his or her capacity as such an officer;
 - ii) in the course of acting in connection with the affairs of the Company;
 - iii) otherwise arising out of the person holding office as such an officer;
 - iv) provided that the liability does not arise out of conduct involving a wilful breach of duty in relation to the Company;
 - v) for costs and expenses incurred by that person in defending proceedings, whatever their outcome;
 - vi) provided that the liability does not arise out of conduct involving:
 - a. a wilful breach of duty in relation to the Company;
 - b. a contravention of the Law; or
 - c. for costs and expenses incurred by that person in defending proceedings, whatever their outcome.