

THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

(As presented)

(Chief Minister)

Territory Owned Corporations Bill 1990

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TERRITORY OWNED CORPORATION OR A SUBSIDIARY**

1990
THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

(As presented)

(Chief Minister)

Territory Owned Corporations Bill 1990

A BILL

FOR

An Act to provide for the establishment of Government enterprises as Territory owned corporations

The Legislative Assembly for the Australian Capital Territory enacts as follows:

PART I—PRELIMINARY

Short title

- 5 1. This Act may be cited as the *Territory Owned Corporations Act 1990*.

Commencement

2. (1) Section 1 and this section commence on the day on which this Act is notified in the *Gazette*.
10 (2) The remaining provisions commence on 1 January 1991.

Interpretation

3. (1) In this Act, unless the contrary intention appears—

“Auditor-General” means the Auditor-General for the Territory appointed under section 6 of the *Audit Act 1989*, and includes a person appointed to act as Auditor-General under section 14 of that Act;

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“borrowing”, in relation to a Territory owned corporation or a subsidiary, includes raising money or obtaining credit, whether by dealing in securities or otherwise, but does not include obtaining credit in a transaction forming part of the day-to-day operations of the corporation or subsidiary;

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“company” means a body corporate limited by shares that is a company for the purposes of a law of the Commonwealth, a State or another Territory dealing with the formation or regulation of companies;

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“Corporations Act” means the *Corporations Act 1989* of the Commonwealth;

“group”, in relation to a Territory owned corporation, means the Corporation and any subsidiary;

“Portfolio Minister”, in relation to a Territory owned corporation, means the Minister who has administrative responsibility in respect of the corporation;

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“securities”, includes stocks, debentures, debenture stocks, notes, bonds, promissory notes, bills of exchange and similar instruments or documents;

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“statement of corporate intent” means a statement prepared in accordance with section 19;

“subsidiary”, in relation to a Territory owned corporation, means a body corporate that—

(a) under the *Corporations Act* is a subsidiary of the corporation; and

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(b) all of the issued share capital of which is held by or on behalf of the corporation;

“Territory owned corporation” means a company referred to in subsection 6 (1);

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“voting shareholder”, in relation to a Territory owned corporation, means the holder of a share in the corporation that confers the right to vote at a general meeting.

(2) A reference to a voting shareholder is, in relation to a group or a subsidiary, a reference to a voting shareholder of the Territory owned corporation that—

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(a) in the case of a group, is the holding company of the group; and

(b) in the case of a subsidiary, is the ultimate holding company of the subsidiary.

(3) A reference to the voting shareholders is a reference to the voting shareholders acting in concert.

5 **Construction of Act**

4. This Act shall be read and construed subject to any law of the Commonwealth, and so as not to exceed the legislative power of the Territory, to the intent that where any provision would, but for this section, have been construed as being in excess of that power, it shall nevertheless be valid to the extent to which it is not in excess of that power.

Application to the Crown

5. This Act binds the Crown.

PART II—ESTABLISHMENT OF CORPORATIONS

15 **Territory owned corporations**

6. (1) A company specified in Schedule 1 is a Territory owned corporation.

(2) The Regulations may amend Schedule 1 to reflect a change in the name of a company.

20 **Principal objective of corporations**

7. The principal objective of a Territory owned corporation is to carry on business successfully and, to this end—

- (a) to operate at least as efficiently as any comparable business; and
- 25 (b) to maximise the sustainable return to the Territory on its investment in the corporation in accordance with the performance targets contained in the latest statement of corporate intent of the corporation.

Status

30 8. (1) Subject to this and any other Act, a Territory owned corporation or a subsidiary, by reason only of its status as such—

- (a) is not entitled to any immunity or privilege of the Crown;
- (b) is not and does not represent the Territory; and
- 35 (c) is not exempt from a tax, duty, fee or charge payable under an Act.

(2) The Territory is not liable for the debts, liabilities and obligations of a Territory owned corporation or a subsidiary unless—

- (a) this or another Act provides that the Territory is liable; or

- (b) the Territory agrees to be liable.

Notification to the Assembly

9. (1) Where a company becomes a Territory owned corporation or a subsidiary, the Portfolio Minister shall, within 15 sitting days of the occurrence, lay before the Legislative Assembly— 5

- (a) a statement setting out—
 - (i) the names of the shareholders; and
 - (ii) a description of the principal activities to be carried out by the company; and
- (b) a copy of the memorandum and articles of association of the company. 10

(2) If there is a change in a matter specified in the statement or in the memorandum or articles of association, the Minister shall, within 15 sitting days of the change, lay before the Legislative Assembly a further statement setting out— 15

- (a) in the case of a change in a matter specified in paragraph (1) (a)—details of the change; and
- (b) in the case of a change in the memorandum or articles of association—a summary of the change.

Legal obligations 20

10. The obligations imposed by this Act on a company or the directors or shareholders of a company are additional to the obligations that are imposed upon them by any other law or the memorandum or articles of association of the company.

Memorandum and articles 25

11. (1) The voting shareholders of a Territory owned corporation shall ensure that the memorandum and articles of association of the corporation and any subsidiary at all times contain provisions to the effect of those required—

- (a) in the case of a memorandum of association—by Schedule 2; 30
- (b) in the case of the articles of association of the corporation—by Parts I and II of Schedule 3; and
- (c) in the case of the articles of association of a subsidiary—by Parts I and III of Schedule 3.

(2) Where a company becomes a Territory owned corporation or subsidiary and— 35

- (a) its memorandum of association does not comply with Schedule 2; or
 - (b) its articles of association do not comply with Schedule 3;
- the voting shareholders shall ensure that compliance is achieved as soon as possible. 40

(3) The Legislative Assembly may approve a provision in the memorandum or articles of association of a Territory owned corporation or subsidiary that is inconsistent with this Act.

5 (4) A provision in the memorandum or articles of association of a Territory owned corporation or subsidiary that—

(a) is inconsistent with this Act; and

(b) has not been approved by the Legislative Assembly;

is of no effect to the extent of the inconsistency.

Directors

10 12. A person is not eligible to be appointed as director of a Territory owned corporation or a subsidiary unless, in the opinion of the voting shareholders, he or she has the expertise or skills necessary to assist the corporation to achieve its principal objectives.

Shares in corporations

15 13. (1) The Chief Minister may authorise a person—

(a) to participate, on behalf of the Territory, in the formation of a company; or

20 (b) to acquire, on behalf of the Territory, shares in a company, being a company that is, or it is intended will become, a Territory owned corporation or a subsidiary.

(2) A person authorised under subsection (1) holds any share or other right that he or she may have acquired in a company or proposed company to which the authorisation relates on trust for the Territory.

25 (3) The Chief Minister may, on behalf of the Territory, direct a person who holds a share or right on trust for the Territory to transfer it to another person.

(4) A person who holds a share or right on trust for the Territory shall not sell or transfer it otherwise than in pursuance of a direction under subsection (3).

30 (5) A person is not eligible to hold a share in a Territory owned corporation unless—

(a) he or she has been authorised under subsection (1); and

(b) in the case of a voting share—he or she is a Minister.

PART III—ACCOUNTABILITY

35 Provision of information

14. A Territory owned corporation or a subsidiary shall, upon request, provide to the voting shareholders all the information that they may require.

Acquisition and disposal of subsidiaries and undertakings

15. (1) A Territory owned corporation or a subsidiary shall not, without the prior written consent of the voting shareholders—

- (a) dispose of any of its main undertakings;
- (b) participate, directly or indirectly, in the formation of a company that, upon incorporation, will be a subsidiary; 5
- (c) enter into a transaction, contract or understanding whereby a company becomes or ceases to be a subsidiary;
- (d) acquire or dispose of a significant asset; or
- (e) deal with shares in a company that, as a result of the dealing, becomes or ceases to be a subsidiary within the meaning of the Corporations Act. 10

(2) A consent may be given subject to a condition and, where it is so given, the Territory owned corporation or subsidiary shall not carry out the activity that the consent refers to until the condition is satisfied. 15

(3) Where a consent has been given in respect of a matter specified in paragraph (1) (a), (b) or (c), the Portfolio Minister shall lay before the Legislative Assembly within 15 sitting days of the giving of the consent a statement setting out details of the matter consented to.

Directions to corporations 20

16. (1) Where—

- (a) the voting shareholders of a Territory owned corporation request it or a subsidiary to perform, cease to perform or refrain from performing an activity or to perform an activity in a manner that is different from the manner in which the directors intend to perform the activity; and 25
- (b) the directors of the company advise the voting shareholders that compliance with their request would not be in the best commercial interest of the company;

the voting shareholders may, by written direction, require the company to comply with the request. 30

(2) The company shall comply with a lawful direction.

(3) The directors of a company are not to be taken to be in breach of any duty under a law or the memorandum or articles of association of the company by reason only of their compliance with a lawful direction. 35

(4) The Portfolio Minister shall lay before the Legislative Assembly—

- (a) a copy of a direction; and
- (b) a statement setting out the estimated net reasonable expense of complying with it; 40

within 15 sitting days of the issue of the direction.

(5) The Territory shall reimburse the company for the net reasonable expense of complying with a direction.

(6) The reference in subsection (5) to net reasonable expense is a reference to the difference between—

- 5 (a) the reasonable expense of complying with the direction; and
- (b) the expense (if any) that the company would have incurred in respect of the activity that is the subject of the direction, if the direction had not issued.

10 (7) An amount is not payable under subsection (5) unless it is agreed to by the Treasurer and the company or, failing agreement, is determined by the Chief Minister.

Audit

15 17. (1) The Auditor-General shall audit the books and records of a Territory owned corporation and its subsidiaries in accordance with the requirements of the Corporations Act.

(2) A company shall pay such reasonable fees and expenses of the Auditor-General as are agreed to by the company and the Auditor-General.

20 (3) In default of agreement the reasonable fees and expenses of the Auditor-General shall be determined by the Treasurer.

Preparation of statement of corporate intent

25 18. (1) The directors of a Territory owned corporation shall submit to the voting shareholders a draft statement of corporate intent in relation to the corporation or, if the corporation has a subsidiary, in relation to the group, within 3 months after the corporation becomes a Territory owned corporation and within 1 month after the commencement of each subsequent financial year.

(2) The directors shall—

- 30 (a) consider any comments made within 1 month of the submission of the draft statement by the voting shareholders;
- (b) consult with the voting shareholders on such of the comments as the directors do not agree with, with a view to reaching agreement;
- 35 (c) make such changes to the draft statement as are necessary to give effect to the comments agreed to and any agreement under paragraph (b); and
- (d) give a statement of corporate intent to the voting shareholders within 2 months after the delivery of the draft.

40 (3) The Portfolio Minister shall lay a statement of corporate intent before the Legislative Assembly within 15 days after receiving it.

(4) Before laying a statement before the Legislative Assembly the Portfolio Minister may delete from the statement any part dealing with commercially sensitive information but, if he or she does so, he or she shall lay before the Legislative Assembly a further statement setting out the general nature of the material deleted and the reason for the deletion. 5

(5) Except for the purpose of giving effect to an Act, a person shall not, before a statement is laid before the Legislative Assembly, publish or disclose information or material that is contained in the statement or in a draft of a proposed statement. 10

Statement of corporate intent

19. (1) A statement of corporate intent shall, in relation to the Territory owned corporation or the group of companies comprising a Territory owned corporation and any subsidiaries (as the case may be), contain the following in respect of the financial year it relates to and each of the 2 next following financial years: 15

- (a) the commercial objectives of the group;
- (b) a description of the main undertakings of the group;
- (c) a description of the nature and scope of the activities to be undertaken; 20
- (d) business and corporate strategies;
- (e) the targets and performance measurements by which the performance of the corporation or group may be judged in relation to its stated objectives;
- (f) any other information that the voting shareholders may have requested in writing the directors of the Territory owned corporation to include in the statement. 25

(2) A statement of corporate intent shall relate to—

- (a) in the case of the first statement of a Territory owned corporation—the financial year that ends on 30 June next following the day when the company becomes a Territory owned corporation; and 30
- (b) in any other case—the financial year during which the statement is to be given to the voting shareholders.

Modification of statement 35

20. (1) The directors may, with the agreement of the voting shareholders, modify a statement of corporate intent.

(2) A modification shall not be made unless written details of the proposed modification are furnished to the voting shareholders and they agree to the proposed modification. 40

(3) Subsections 18(2) and (5) apply in relation to a proposed modification as if it were a draft statement.

(4) Subsections 18 (3), (4) and (5) apply in relation to a modification as if it were a statement.

(5) A modification laid before the Legislative Assembly is incorporated with the statement that it modifies.

5 Annual report

21. (1) The directors of a Territory owned corporation shall furnish to the voting shareholders within 4 months after the end of each financial year of the corporation an annual report in accordance with this section on the operations of the corporation or, if the corporation has subsidiaries, the group in the financial year.

(2) The report shall comprise—

- (a) a report on the operations of the corporation or group;
- (b) such other information as has been requested by the voting shareholders in order to make an informed assessment on the operations;
- (c) such accounts, reports and financial statements as, under a law of the Commonwealth relating to corporations, are required to be made out in respect of the corporation and, in the case of a group, each subsidiary and the group as a whole;
- (d) the Auditor-General's report on the accounts, reports and financial statements referred to in paragraph (c), stating—
 - (i) whether they give a true and fair view of the profit or loss and state of affairs; and
 - (ii) whether they comply with applicable accounting standards;
- (e) an assessment of the performance of the corporation or group in relation to its objectives that includes, but is not limited to, an assessment of the performance in relation to the targets and performance measurements set out in the relevant statement of corporate intent; and
- (f) particulars of the manner in which the corporation or group has complied with any directions under section 16 (whether given during the financial year or earlier) and of the cost of compliance.

(3) Where a report, information or material required by this section is also required to be produced under the Corporations Act, it may be produced for the purposes of this section in the manner required by that Act.

(4) The Portfolio Minister shall lay a copy of a report under this section before the Legislative Assembly within 15 sitting days of receiving it.

(5) In this section—

“group”, in relation to a Territory owned corporation, means the corporation and any subsidiary for the purpose of this section;

“subsidiary”, in relation to a Territory owned corporation, means a body corporate that, under the Corporations Act, is a subsidiary of the corporation.

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Financial year

22. A Territory owned corporation or a subsidiary shall not, without the consent of the voting shareholders, adopt or have a financial year other than a period of 12 months commencing on 1 July.

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PART IV—BORROWING**Borrowing from Territory**

23. The Treasurer may, on behalf of the Territory, out of money appropriated by the Legislative Assembly for the purpose, lend money to a Territory owned corporation or a subsidiary on such terms and conditions as the Treasurer, by instrument, determines.

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Borrowing otherwise than from Territory

24. (1) A Territory owned corporation or subsidiary may, within borrowing limits approved in writing by the Treasurer in respect of a financial year—

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(a) borrow money, otherwise than from the Territory; or

(b) raise money, otherwise than by borrowing;

that is from time to time necessary for the exercise of its powers or the performance of its functions.

(2) Without limiting the generality of subsection (1), the corporation or subsidiary may, under that subsection, borrow money, or raise money otherwise than by borrowing, by dealing in securities.

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(3) A borrowing of money, or a raising of money otherwise than by borrowing, may be made, in whole or in part, in a currency other than Australian currency.

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(4) For the purposes of this section—

(a) the issue by a corporation or subsidiary of an instrument acknowledging a debt in consideration of—

(i) the payment or deposit of money; or

(ii) the provision of credit;

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otherwise than in relation to a transaction that is in the ordinary course of the day-to-day operations of the corporation or subsidiary, shall be deemed to be a raising, otherwise than by borrowing, of the amount of money equal to the amount of the money paid or deposited or the value of the credit provided, as the case may be; and

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- 5 (b) the obtaining of credit by the corporation or subsidiary, otherwise than in relation to a transaction that is in the ordinary course of the day-to-day operations of the corporation or subsidiary, shall be deemed to be a raising, otherwise than by borrowing, of an amount of money equal to the value of the credit so obtained.

Security

25. A corporation or subsidiary may give security over the whole or any part of its assets for—
- 10 (a) the repayment of money borrowed under section 23 or paragraph 24 (1) (a) and the payment of interest on money so borrowed; or
- 15 (b) the payment of money (including any interest) that the corporation or subsidiary is liable to pay with respect to money raised by virtue of section 24.

Borrowing not otherwise permitted

26. (1) A Territory owned corporation or subsidiary shall not borrow, or raise money otherwise than by borrowing, except in accordance with this Part.
- 20 (2) A contract is not illegal, void or unenforceable by reason only that this Part has not been complied with.

Guarantee by Territory

27. The Territory may guarantee, in such manner and on such conditions as the Treasurer thinks fit—
- 25 (a) the repayment of the principal of, and the payment of interest on, any sum that a Territory owned corporation or subsidiary borrows; and
- (b) the performance by a Territory owned corporation or a subsidiary of a function or of an obligation under a contract.

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PART V—TAXATION

Territory taxes

28. (1) Tax is not payable by a Territory owned corporation or a subsidiary in relation to—
- 35 (a) an exempt activity;
- (b) an instrument or document prepared, made, executed or lodged to give effect to, or in connection with, an exempt activity; or
- (c) a transaction entered into for the purpose of an exempt activity.
- (2) Where an activity, instrument, document or transaction is within a paragraph of subsection (1), the Treasurer shall certify in writing that

the activity, instrument, document or transaction (as the case may be) is one to which subsection (1) applies.

(3) The Treasurer may delegate to a public servant the function under subsection (2).

(4) A certificate under this section is evidence of the matters stated in the certificate. 5

(5) In this section—

“exempt activity” means—

- (a) the incorporation of a relevant company;
- (b) the acquisition of shares in a relevant company; 10
- (c) the issue or transfer of shares in a relevant company;
- (d) the transfer of assets from the Territory or an authority of the Territory to a relevant company;
- (e) the assumption of responsibility by a relevant company for a liability of the Territory or an authority of the Territory; or 15
- (f) an activity or thing necessary to give effect to, or incidental to, another exempt activity;

“relevant company” means—

- (a) a Territory owned corporation; 20
- (b) a subsidiary; or
- (c) a company that it is intended will become a Territory owned corporation or subsidiary;

“tax” includes a duty, fee, levy or charge payable under an Act.

Commonwealth tax equivalents 25

29. (1) This section applies to a Territory owned corporation or subsidiary that, by reason only of being owned by or on behalf of the Territory, is not required to pay a tax under a law of the Commonwealth that deals with taxation or imposes a tax (in this section referred to as an “equivalent law”). 30

(2) Subject to this section, a company to which this section applies shall pay to the Territory an amount (in this section referred to as a “Commonwealth tax equivalent”) equivalent to the tax that it would be liable to pay under an equivalent law if it were not such a company.

(3) The Commissioner may, at any time, make an assessment of the Commonwealth tax equivalent payable by a company. 35

(4) The Commissioner may, at any time, amend an assessment by making such alterations or additions as he or she thinks necessary, notwithstanding that the Commonwealth tax equivalent may have been paid in respect of the assessment. 40

(5) An amended assessment is an assessment for the purposes of this or any other Act.

5 (6) The Commissioner shall, within 14 days after making an assessment, give a copy of the assessment to the company to which the assessment has issued.

(7) A document purporting to be a copy of an assessment is evidence—

(a) of the due making of the assessment; and

10 (b) except in proceedings by way of review of the assessment or the process of making it—of the Commonwealth tax equivalent payable by the company to which the assessment has issued.

(8) Subject to this section, payment of a Commonwealth tax equivalent shall be made on such terms as the Commissioner determines.

15 (9) A Territory owned corporation that is dissatisfied with an assessment or determination of the Commissioner may request the Commissioner to refer it to the Treasurer.

(10) The Treasurer may, in writing, vary an assessment or determination that has been referred to him or her under subsection (9).

20 (11) An assessment or determination varied by the Treasurer has effect as varied.

(12) For the purposes of performing a function under this section the Commissioner has all the powers, and may exercise any discretions, that, by any law of the Commonwealth, are vested in the authority or
25 officer administering the equivalent law.

(13) A company to which this section applies shall furnish to the Commissioner all the information, returns or documents that, if it were not such a company, it would be obliged under a law of the Commonwealth to furnish to the authority or officer administering the
30 equivalent law.

(14) The information, returns and documents referred to in subsection (13) shall be furnished in such a manner and within such times as they would be required to be furnished under the law of the Commonwealth.

35 (15) The Treasurer may by instrument declare that a provision of a law of the Commonwealth is not to be an equivalent law in respect of—

(a) a company; or

(b) all companies;

40 to which this section applies.

(16) A declaration under subsection (15) is a disallowable instrument for the purposes of section 10 of the *Subordinate Laws Act 1989*.

(17) A provision that is the subject of a declaration under subsection (12) is not an equivalent law for the purposes of this section.

(18) In this section—

“Commissioner” means the Commissioner for Australian Capital Territory Revenue;

“tax” includes a duty, fee or charge.

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Borrowing levy

30. (1) A Territory owned corporation or subsidiary that borrows moneys, whether from the Territory or otherwise, shall pay to the Territory such amount, or an amount calculated in such a manner, as the Treasurer determines in writing. 10

(2) An amount payable under this section shall be paid in such a manner, or by such instalments, as the Treasurer determines in writing. 15

(3) A determination under this section may be made in relation to a borrowing contract or to a class of borrowing contracts.

PART VI—MISCELLANEOUS

Profits available for payment of dividends

31. (1) A Territory owned corporation or subsidiary shall pay a dividend only out of moneys lawfully available for the purpose. 20

(2) For the purpose of calculating the profits that, in respect of a financial year, are available for the payment of a dividend, the directors shall deduct from the profits of the company for that year any amount that, under another Act, is payable out of those profits. 25

Voting equality

32. A Territory owned corporation shall not issue shares to a voting shareholder if the issue would result in a voting shareholder being able to cast a greater number of votes at a meeting than another voting shareholder. 30

Regulations

33. The Executive may make regulations, not inconsistent with this Act, prescribing matters—

- (a) required or permitted by this Act to be prescribed; or
- (b) necessary or convenient to be prescribed for carrying out or giving effect to this Act. 35

SCHEDULE 1

Section 6

TERRITORY OWNED CORPORATIONS

ACTTAB Limited

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SCHEDULE 2

Section 11

**PROVISIONS TO BE INCLUDED IN MEMORANDUM OF
ASSOCIATION OF A TERRITORY OWNED CORPORATION
OR A SUBSIDIARY**

10 Provisions to the effect of the following provisions are to be included in the memorandum of association of a company that is a Territory owned corporation or a subsidiary.

1. The memorandum and articles of association may not be altered in a way that is inconsistent with the provisions of this Schedule unless
15 and until a resolution approving the alteration or addition has been passed by the Legislative Assembly.

2. The provisions of the *Territory Owned Corporations Act 1990* prevail over any inconsistent provisions of the memorandum of association that have not been approved by the Legislative Assembly.

20 3. The memorandum of association shall state the objects of the company.

SCHEDULE 3

Section 11

25 **PROVISIONS TO BE INCLUDED IN ARTICLES OF
ASSOCIATION OF A TERRITORY OWNED CORPORATION
OR A SUBSIDIARY**

Part I

30 Provisions to the effect of the following provisions are to be included in the articles of association of a company that is a Territory owned corporation or a subsidiary.

1. A shareholder who is a Minister ceases to be eligible to hold shares in the company on ceasing to be a Minister, and may thereafter exercise no right as a shareholder (except to transfer his or her shares as directed by the Chief Minister).

SCHEDULE 3—continued

2. The Chief Minister is empowered to execute a transfer of an issued share, whether or not the shareholder consents, and in the case of a shareholder who, at the time of becoming a shareholder, was a Minister, whether or not the shareholder still holds office as a Minister, and the company shall register a transfer signed by the Chief Minister that is accompanied by a declaration that the signature of the shareholder cannot readily be obtained.

3. All decisions relating to the operation of a company are to be made by or under the authority of the directors in accordance with the statement of corporate intent of the company or, if the company is a subsidiary, of the Territory owned corporation that is the ultimate holding company.

4. The company and its directors shall comply with *Territory Owned Corporations Act 1990*.

5. The directors shall declare such dividend as is agreed to between them and the voting shareholders or, failing agreement, as the voting shareholders direct in writing.

6. The company shall ensure that the memorandum and articles of association of its subsidiaries at all times contain provisions to the effect of those required by this Schedule.

7. The company shall, to the maximum extent practicable, ensure that every subsidiary complies with the memorandum and articles of association of the subsidiary and with the requirements of the *Territory Owned Corporations Act 1990*.

8. The provisions of the *Territory Owned Corporations Act 1990* prevail over any inconsistent provisions of the articles of association that have not been approved by the Legislative Assembly.

Part II

Provisions to the effect of the following provisions are to be included in the articles of association of a company that is a Territory owned corporation.

1. The issued capital of a company shall consist of 2 shares that entitle the holders to vote at a general meeting and 3 other shares.

2. Only a Minister may hold a voting share in the capital of the company.

3. The directors of the company are to be appointed by the voting shareholders.

4. Only the voting shareholders may vote at a general meeting of the company.

5. The quorum at a general meeting shall consist of 2 voting shareholders present in person or by proxy.

SCHEDULE 3—continued

Part III

Provisions to the effect of the following provisions are to be included in the articles of association of a company that is a subsidiary.

1. A person shall not be appointed as director unless the voting shareholders consent to the appointment.
2. Shares in the company may not be issued or transferred unless the voting shareholders have consented in writing.