

CONSTITUTION
OF
PAPUA NEW GUINEA
MAMA GRAUN
CONSERVATION TRUST
FUND LIMITED

*Papua New Guinea Mama Graun Conservation Trust Fund Limited –
Constitution*

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COMPANIES ACT

CONSTITUTION

OF

PAPUA NEW GUINEA MAMA GRAUN CONSERVATION TRUST FUND
LIMITED

1. PRELIMINARY

1.1 Definitions

In this constitution, unless the context otherwise requires:

"Act" means the Companies Act 1997 as it is amended and applies to the Company from time to time;

"Alternate Director" means a person appointed as an alternate director under clause 5.2;

"Appointor" means in respect of an Alternate Director, the Director who appoints that Alternate Director under clause 5.2;

"Board" means the Trustees acting collectively under this constitution;

"Business Day" means a day on which banks in Papua New Guinea generally are open for the full range of banking business;

"Chair" means the person appointed as chair of the Board under clause 6.1 from time to time;

"Common Seal" means the common seal of the Company;

"Company" means the company named above whatever its name may be from time to time;

"Director" means a person appointed as a director for the time being of the Company (including, where appropriate, an Alternate Director);

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"Ex Officio Director" means a person appointed as a Director by reason of holding the office referred to in clause 3.2(a) or clause 3.2(b);

"Fund" means the Papua New Guinea Conservation Trust Fund established pursuant to the Trust Deed;

"Official Seal" means the duplicate common seal referred to in clause 10.7;

"Secretary" means a person appointed as a secretary of the Company from time to time (including any person appointed to perform the duties of a secretary temporarily);

"Settlor" means The Nature Conservancy as settlor of the Trust or such other person nominated as settlor in accordance with the Trust Deed;

"Share" means a share in the capital of the Company;

"Shareholder" means a person whose name is entered in the Register as the holder of a Share;

"Special Board Resolution" means a resolution passed in accordance with clause 8.10;

"Statutory Body" means a body, authority or instrumentality (corporate or incorporate) established by or under any legislation or a constitutional law other than the Act;

"Trust" means the Papua New Guinea Conservation Trust Fund established by the Trust Deed; and

"Trust Deed" means the deed to be entered between the Settlor and the Company.

1.2 Interpretation

In this constitution, unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation or statutory instrument issued under, that legislation or legislative provision;
- (b) the singular includes the plural and vice versa;

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- (c) a reference to an individual or person includes a corporate body, partnership, joint venture, association, authority, trust, state or government and vice versa;
- (d) a reference to a person is also to the legal personal representative of that person;
- (e) a reference to any gender includes all genders;
- (f) a reference to a clause or a schedule is to a clause of or schedule to this constitution;
- (g) a schedule is part of this constitution;
- (h) a reference to any agreement or document (including this constitution) is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- (i) an expression defined in, or given a meaning for the purposes of, the Act (except where defined, or given a meaning, in this constitution) has the same definition or meaning in this constitution where it relates to the same matters for which it is defined, or given a meaning, in the Act;
- (j) a reference to a matter being written includes that matter being in any mode of representing or reproducing words, figures or symbols in written form;
- (k) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (l) a reference to power is also to authority and discretion;
- (m) where an expression is defined anywhere in this constitution it has the same meaning throughout; and

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- (n) a reference to a particular Part, Division, section, sub-section, paragraph or sub-paragraph is a reference to a Part, Division, section, sub-section, paragraph or sub-paragraph of the Act.

1.3 Headings

In this constitution headings are for convenience of reference only and do not affect interpretation.

2. SHARES

2.1 Share Capital

At the date of adoption of this constitution, the capital of the Company comprises one ordinary Share.

2.2 Issue of Shares

The Board may not issue Shares in the Company.

2.3 No Pre-emptive Rights

Section 45 of the Act shall not apply to the issue of Shares by the Company unless the terms of issue of any Shares otherwise provide.

3. TRUSTEES

3.1 Number of Trustees

The number of Trustees (excluding Alternate Trustees) must be no less than 9 including the persons mentioned in clause 3.2(a) and (b) and no more than 12 unless this number is increased by Special Board Resolution.

3.2 Board

The Directors of the Company may consist of:

- (a) **the person for the time being appointed as Secretary of the Department of Environment and Conservation or if no such office, such other similar office as the Board may deem appropriate;**

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- (b) the person for the time being appointed as Secretary of the Department of Treasury and Corporate Affairs or if no such office, such other similar office as the Board may deem appropriate; and**
- (c) at least 7 other Directors appointed in accordance with this constitution.**

3.3 Board on Adoption

On and from the date of adoption of this constitution, the Trustees referred to in clause 3.2 (c) shall be persons selected by the Settlor for terms as the Settlor may in its absolute discretion, deem appropriate.

3.4 Qualification of Trustees

A director must be a resident of Papua New Guinea but must not be:

- (a) an elected member of the National Parliament, Provincial Assembly or a Local-Level Government body of Papua New Guinea; or
- (b) a person holding a full-time position as a member of the Public Service, or as a full-time employee of a Statutory Body, other than employees of public academic institutions such as university professors; or
- (c) a person who is a constitutional office-holder as defined in the Constitution of The Independent State of Papua New Guinea; or
- (d) a person who is an employee of the Company other than by virtue of his or her position as Director; or
- (e) a person who has been removed as a director pursuant to clause 3.7 or clause 3.8; or

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- (f) a person inconsistent with the Trust Deed's requirements as to Trustees, including without limitation those set forth in Appendix A to the Trust Deed.

3.5 Appointment by Board

Subject to clauses 3.2(a), (b) and 3.6, the Board must by Special Board Resolution, as soon as is reasonably practicable, appoint any person as a Director (but not as an Alternate Director) to fill a casual vacancy or as an addition to the Board but so that the number of Trustees does not at any time exceed the maximum number set under clause 3.1.

3.6 Subsequent Appointments

The Trustees other than an Ex Officio Director and a Director appointed in accordance with clause 3.3, shall be appointed in accordance with procedures and regulations prescribed by the Board except that:

- (a) the maximum term for a Director shall be three years;
- (b) each Director shall be permitted to serve a maximum of three consecutive terms only;
- (c) **where a person is appointed as Director to fill a casual vacancy, the initial term for that Director shall be the unexpired (if any) term of the person vacating the office of Director and creating the casual vacancy;**
- (d) the Board should consider any recommendations of the Stakeholder General Assembly established pursuant to the Trust Deed; and
- (e) the procedure for selecting and appointing a person as a Director shall be conducted in an open and transparent manner and to this purpose shall include public advertisement of the vacancy and a call for nominations from the public.

3.7 Removal of Director

The Board may by Special Board Resolution remove a Director if the Director:

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- (a) fails to attend three successive Board meetings without leave or absence from the Board; or
- (b) fails to disclose a Material Interest in accordance with clause 4.1 or
- (c) in the opinion of the Board, fails to perform his or her duties or carry out his or her obligations as a Director.

3.8 Vacation of office

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

- (a) becomes a bankrupt;
- (b) is not permitted by the Act (or an order made under the Act) to be a Director;
- (c) becomes of unsound mind;
- (d) becomes disqualified from being appointed as a Director pursuant to clause 3.4;
- (e) is an Ex-Officio Director and that person ceases to hold the position referred to in clause 3.2(a) or clause 3.2(b); or
- (f) is removed as a Director under the Act or this constitution.

3.9 Agreement

Each person to be appointed as a Director to the Board, shall before his or her appointment, execute a deed substantially in the form set out in schedule 1.

3.10 Remuneration

The position of a member of the Board of Trustees of the Company is unpaid.

3.11 Expenses of Trustees

The Company must reimburse a Director of all reasonable expenses including, without limitation, any travelling and accommodation expenses incurred by the Director, provided such expenditure is authorised and within the approved budget:

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- (a) in attending meetings of the Board or a committee of the Board;
- (b) on the business of the Company; or
- (c) in carrying out the Director's duties as a Director.

3.12 Loans and Other Benefits

The Board is not permitted to authorise:

- (a) the payment by the Company to a Director or former Director of compensation for loss of office;
- (b) the making of loans by the Company to a director;
- (c) the giving of guarantees by the Company for debts incurred by a Director; and
- (d) the entering into of a contract to do any of the things set out in paragraphs (a) to (c) inclusive.

4 TRUSTEES' MATERIAL INTERESTS AND DUTIES

4.1 Definition of Material Interest

"Material Interest" means for the purposes of this section 4, in relation to a Director, but subject to clause 4.5:

- (a) any interest (other than an interest in relation to which the Act provides that a director is not, or is not to be taken to be, interested including, without limitation, an interest to which section 117(2) of the Act applies) which would result in the Director being "interested" for the purposes of section 117(1) of the Act; or
- (b) any interest which by virtue of this clause a Director is deemed to have due to any of the following circumstances:
 - (i) a Director's business is involved in a project or activity applying for support from the Fund;

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- (ii) a Director's traditional group is opposed to a project or activity applying for support from the Fund;
- (iii) the applicants for support from the Fund are members of a Director's extended family group;
- (iv) there is clear friendship or hostility between members of a Director's extended family group and those promoting a project or activity applying for support from the Fund;
- (v) there is, or there has within the previous 3 years been, a material business or professional relationship between a Director and those who will benefit financially from a project or activity applying for support from the Fund.

4.2 Disclosure

Where:

- (a) a Director has a Material Interest by virtue of paragraph (a) of clause 4.1, the Director shall comply with section 118 of the Act; or
- (b) a Director has a Material Interest by virtue of paragraph (b) of clause 4.1, the Director shall provide full disclosure of the Material Interest in writing to the Board.

4.3 Consequence of Material Interest

Where a Director who has a Material Interest and either:

- (a) the Director has not complied with section 4.2 and in particular any requirements under the Act; and
- (b) the Director exercises or purports to exercise a power as Director, the Director is in breach of his or her duty to the Company.

4.4 Powers of Trustees with Material Interests

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Where:

- (a) a Director has a Material Interest; and
- (b) even if the Director has complied with the Act and in particular section 118 or with clause 4.2(b),

then, with respect to the matter in which he or she has a Material Interest, the Director may not exercise the powers referred to in section 122 of the Act except that a Director may attend a meeting of the Board at which a resolution concerning a matter in which he or she has a Material Interest is considered and be included for the purposes of a quorum.

4.5 Application to Alternate Trustees

The provisions of this clause 4 apply to the Material Interests of an Alternate Director, but an Alternate Director does not have a Material Interest solely by reason of the fact that the Director who has appointed the Alternate Director has a Material Interest and vice versa.

5. ALTERNATE TRUSTEES

5.1 Power to appoint Alternate Director

A Director (but not an Alternate Director) may from time to time in accordance with the procedures set out in clause 5.2 appoint any person to be the Alternate Director of the Appointor whether for a specified period or until the appointment is revoked.

5.2 Method of appointment

A Director is appointed as such where:

- (a) the Appointor gives notice in writing (including, without limitation, by facsimile transmission) to the Company in the form of schedule 2 hereto (Form of Appointment of Alternate Director] or in any other form that the Board may from time to time prescribe or accept; and

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- (b) the Chair or where the Appointer is also the Chair, the Board (excluding the Appointer from voting) approves the person specified to be the Alternate Director of the Appointor.

5.3 Termination of appointment

The Appointor, at any time and regardless of whether the appointment is for a specified period, may revoke the appointment of a person as the Appointor's Alternate Director by notice in writing (including, without limitation, by facsimile transmission) to the Company to that effect and the appointment is automatically revoked if the Appointor ceases to be a Director.

5.4 Entitlements of Alternate Director

An Alternate Director by reason of being appointed as such:

- (a) is not entitled to receive notice of meetings of the Board unless the Appointor has by notice in writing (including, without limitation, by facsimile transmission) to the Company required it to do so;
- (b) if the Appointor is not present at a meeting of the Board, may attend and vote at that meeting in place of the Appointor;
- (c) if also a Director, may vote both as a Director and as an Alternate Director;
- (d) and when acting as such, is an officer of the Company and not an agent of the Appointor and, in those circumstances, is subject to all the duties and has all the powers and rights of the Appointor as a Director; and
- (e) may not be remunerated except out of the remuneration which would otherwise be available to be paid to the Appointor and, in respect of that remuneration, the Alternate Director's only rights (if any) are against the Appointor and not the Company.

6. CHAIR

6.1 Appointment of the Chair

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The Board may from time to time in accordance with this constitution appoint one of the Trustees (other than an Ex Officio Director) to be the Chair for a fixed term of two years and on any other terms and conditions that it determines.

6.2 Termination of appointment of the Chair

The appointment of the Chair terminates if:

- (a) the Chair ceases for any reason to be a Director; or
- (b) the Board revokes the appointment (which this paragraph empowers it to do) by Special Board Resolution.

6.3 Procedures for Appointment

The Board may from time to time prescribe procedures for or regulations in relation to, or connected with, the nomination, appointment, or removal of the Chair and in particular the Board shall prescribe procedures for or regulations in relation to the appointment of the Chair and the conduct of secret ballots referred to in clause 6.5.

6.4 Number of Terms

A person appointed as the Chair under this constitution may only serve a maximum of three consecutive terms.

6.5 Vacancy of the Chair

Where the office of the Chair becomes vacant due to the resignation of the Chair or the expiry of the term of appointment:

- (a) the Chair shall convene a meeting of the Board immediately prior to the resignation becoming effective or the expiry of the term at which nominations for a new Chair shall be submitted; and
- (b) the meeting of the Board shall vote to appoint a new Chair and such voting shall be by secret ballot and a Director not attending in person shall convey his or her ballot in confidence in a manner he or she deems fit to the current Chair; and

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- (c) if more than one nomination is received, a second secret ballot must be conducted between the two Trustees receiving the highest number of votes.

6.6 Unexpected Vacancy

Where the office of the Chair becomes vacant other than in circumstances referred to in clause 6.5, a meeting of the Board shall be convened as soon as practicable thereafter to elect a new Chair in accordance with the procedures in clause 6.5 except that the meeting of the Board shall be chaired by the person who is appointed head of the Management Unit established by the Company .

7. POWERS OF THE BOARD

7.1 Powers generally

Except as otherwise required by the Act, in particular section 110, or any other applicable law or another provision of this constitution:

- (a) the business and affairs of the Company shall be managed by, or under the direction or supervision of, the Board; and
- (b) the Board has all the necessary powers for managing, and for directing and supervising the management of, the business and affairs of the Company,

to the exclusion of any meeting of Shareholders and the Shareholders.

7.2 Appointment of attorney

Subject to the Act, and in particular section 111, the Board by power of attorney may appoint any person to be an attorney of the Company for the purposes, with the powers (being powers of the Board), for the period and subject to the conditions determined by it.

7.3 Contents of power of attorney

A power of attorney under clause 7.2 may, without limitation:

- (a) contain any provisions for the protection and convenience of persons dealing with the attorney as the Board determines; and

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- (b) authorise the attorney to delegate any or all of the powers vested in the attorney.

8. PROCEEDINGS OF THE BOARD

8.1 Mode of meeting

The Board may meet in person or by telephone or other instantaneous means of conferring for the dispatch of business (or by any combination of those means) which allows each person present to hear and be heard by each other person present, and adjourn and otherwise regulate its meetings as it determines.

8.2 Quorum

The quorum of Trustees present at a meeting of the Board necessary for the transaction of business at the meeting:

- (a) is half the number of Trustees (rounded up to the next whole number) plus one; and
- (b) for the purposes of this clause and clauses 8.4 and 8.11, a Director is treated:
 - (i) as present at the meeting by telephone or other instantaneous means of conferring if the Director is able to hear the entire meeting and be heard by all others attending the meeting; and
 - (ii) as not being present at the meeting if that Director is not permitted to be present at it by the Act or clause 4.

8.3 Notice of meeting

Notice of each meeting of the Board to be given by the Secretary (or if no Secretary, by the Chair):

- (a) must be given to each Director (and each Alternate Director in respect of whom the Appointor has given notice to the Company requiring notice to be given to that Alternate Director); and
- (b) may be given by telephone, facsimile or email message,

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but the non-receipt of any notice of a Board meeting by a Director does not affect the validity of the convening of the meeting unless the meeting is convened to pass a Special Board Resolution.

8.4 Place of meeting

Where the Board holds a meeting solely or partly by telephone or other instantaneous means of conferring, the meeting is to be treated as held at the place at which at least one of the Trustees present at the meeting is physically located as is agreed by those Trustees present at the meeting.

8.5 Period of notice

Other than a meeting to pass a Special Board Resolution, the Board may determine the period of notice (unless waived by a majority of the Trustees to whom notice of a particular meeting is sent) for each meeting of the Board which, until otherwise determined, is 5 Business Days.

8.6 Convening of Board meeting

Any three Trustees together may at any time request a meeting of the Board, and the Secretary (or if no Secretary, the Chair) must on request from those three Trustees in writing, convene a meeting of the Board.

8.8 Chair of Board meetings

Where the Board holds a meeting, the Chair shall be chair of the meeting or if the Chair is not present or if the Chair is prevented from voting due to consideration of a matter in which he or she has a Material Interest, the Trustees present at the meeting may choose one of their number to be chair of that meeting.

8.9 Majority decisions

Every question and resolution dealt with at a meeting of the Board is to be decided by a majority of votes of the Trustees who are entitled to be present and to vote and who vote on the question or resolution except where a greater majority is required by this constitution or the Trust Deed.

8.10 Special Board Resolution

A resolution of the Board is a Special Board Resolution if:

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- (a) it is passed at a meeting of the Board, being a meeting of which at least 10 Business Days written notice specifying the intention to propose the resolution as a Special Board Resolution has been given (unless waived by all Trustees); and
- (b) it is passed at the meeting referred to in clause 8.10(a) by 75% of the number of all Trustees (whether present or not).

8.11 Votes of Trustees

Subject to this constitution:

- (a) each Director (other than a person who is only a Director by reason of being an Alternate Director) present at a meeting of the Board has one vote on every question or resolution at that meeting;
- (b) each Alternate Director entitled to be present and to vote at the **meeting has one vote for each Appointor in respect of which the Alternate Director is present which, in the case of an Alternate Director who is also a Director to whom paragraph (a) applies, is to be in addition to the vote conferred on that Director by paragraph (a); and**
- (c) **if there is an equality of votes on any question or resolution, the chair of the meeting, if entitled to vote on the question or resolution, may exercise a casting vote in addition to any other vote the chair may have.**

8.12 Exercise of powers by Board

A power of the Board, unless it has been delegated exclusively to a committee of the Board under clause 8.13, is exercisable only:

- (a) by resolution at a meeting of the Board at which a quorum is present; or
- (b) by a resolution of the Trustees under clause 8.15.

8.13 Delegation to committee

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Subject to the Act, and in particular to Section 111, the Board may delegate any of its powers (which powers may be delegated so as to be concurrent with, or to the exclusion of, the powers of the Board) to a committee consisting of persons, determined by the Board.

8.14 Committee powers and meetings

Where the Board has appointed a committee under clause 8.13:

- (a) that committee must exercise the powers delegated to it under clause 8.13 in accordance with any directions of the Board;
- (b) a power so delegated when exercised by the committee in accordance with clause 8.14(a) is treated as exercised by the Board; and
- (c) the committee meetings are otherwise governed to the greatest extent practicable by the provisions of this constitution which regulate the meetings and procedures of the Board.

8.15 Written resolution of Trustees

If all the Trustees entitled to receive notice of a meeting of the Board and to vote on a resolution sign a document to the effect that they support the resolution (the terms of which are set out in the document), a resolution in those terms is for all purposes treated as having been passed at a duly convened meeting of the Board held on the date and at the time when the last Director signed the document.

8.16 Several documents suffice

For the purpose of clause 8.15:

- (a) two or more separate documents in identical terms each of which is signed by one or more Trustees are treated as one document;
- (b) the signature by an Alternate Director of a document is not required if the Appointor of that Alternate Director has signed the document;

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- (c) the signature by the Appointor of an Alternate Director of a document is not required if that Alternate Director has signed the document; and
- (d) a telex, telegram, facsimile or email message containing the text of the document expressed to have been signed by a Director and sent to the Company is a document signed by that Director at the time of its receipt by the Company.

8.17 Validity of acts of Trustees

Each resolution passed or act or thing performed or done by, or with the participation of, a person acting as a Director or member of a committee in respect of whom it is later discovered there was some defect in appointment to, or continuation in, office of that person or that the person was disqualified or not entitled to perform, vote on or do, the resolution, act or thing, is as valid and effective as if that Director or member of committee had been validly appointed, had validly continued in office, had not been disqualified and was entitled so to perform, vote or do.

8.18 Other procedures

Except as provided in this clause 8, the Board may determine its own procedures.

8.19 Fourth Schedule not to apply

Except to the extent that any such provision may be expressly adopted in this constitution, the provisions of the Fourth Schedule to the Act shall not apply to proceedings of the Board.

9. SECRETARY

9.1 Appointment of Secretary

The Board may:

- (a) appoint any person to be a Secretary of the Company;
- (b) determine the term of appointment, powers, duties and remuneration of that person as a Secretary;
- (c) vary any determination so made; and

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(d) terminate or suspend any appointment of a person as a Secretary.

10. COMPANY ADMINISTRATION

10.1 Minutes to be made

The Board must cause minutes to be made of:

- (a) the names of the Trustees present at each Board meeting;
- (b) the names of the committee members present at each meeting of a committee appointed under clause 8.13;
- (c) the proceedings and resolutions of each meeting of Shareholders (if any);
- (d) the proceedings and resolutions of each Board meeting; and
- (e) the proceedings and resolutions of each meeting of a committee appointed under clause 8.13.

10.2 Minutes to be entered

The Board must cause all minutes made under clause 10.1 to be entered in the relevant minute book of the Company.

10.3 Signature of minutes

The minutes of a meeting made under clause 10.1, if appearing on their face to be signed by the chair of the meeting or the chair of the next succeeding meeting of the relevant body, are sufficient but (except where this constitution otherwise provides) not conclusive evidence without proof of any further facts of the matters stated in them.

10.4 Custody of Common Seal

The Board must provide for the safe custody of the Common Seal.

10.5 Use of Common Seal

The Common Seal may only be used with the authority of either:

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- (a) the Board; or
- (b) a committee appointed under clause 8.13 empowered to authorise the use of the Common Seal.

10.6 Mode of execution by Common Seal

An instrument is validly executed under the Common Seal where the Common Seal is affixed to it in the presence of:

- (a) a Director; and
- (b) a Director or Secretary,

who signs the instrument to attest the affixing of the Common Seal.

10.7 Official Seal

The Company may have, for use in any place outside Papua New Guinea a duplicate common seal (known as the Official Seal for that place) which shall be a facsimile of the Common Seal but with the addition on its face of the name of the place where it is to be used.

10.8 Authority to affix an Official Seal

The Company may by instrument under the Common Seal authorise any person either generally or in specified circumstances to affix the Official Seal for a particular place in that place to any instrument to which the Company is a party and determine any manner required for the affixing by that person of that Official Seal in that place.

10.9 Effect of Official Seal

Where an Official Seal is affixed to an instrument in the place to which it relates by a person authorised and in the circumstances authorised for that person under clause 10.8 in the manner described in clause 10.8 (if any), that instrument is to be treated for all purposes as having been validly executed under the Common Seal.

10.10 Execution of bills and cheques

All cheques, bills of exchange and other negotiable instruments, all orders for payment and all receipts for money paid to the Company, may only be signed for and on behalf of the Company in the manner (which may include the use of facsimile

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signatures) determined, and by the persons appointed for the purpose, by the Board from time to time.

11. RULES AND REGULATIONS

The Board may by Special Board Resolution make rules, regulations or determinations not inconsistent with the Act or this constitution for the conduct of the affairs, operations and business of the Company prescribing all matters which are necessary or convenient to prescribe.

12. FUND Operations Manual

The Board must adopt a Fund Operations Manual as required by the Trust Deed. The adoption or amendment of the Fund Operations Manual as required by the Trust Deed shall not be valid unless at least 50% of all Trustees entitled to vote on the resolution to adopt or amend (whether present or not) vote in favour of it, except that authority to adopt or amend purely procedural provisions for office management purposes may be delegated by the Trustees to the executive officer of the Company, who shall report back to the Trustees on any such procedures adopted or amended.

13. MISCELLANEOUS

13.1 Indemnity

The Company is authorised to indemnify and shall indemnify to the fullest extent permitted by the Act each Director and employee of the Company or a related company:

- (a) for any costs incurred by that person in any proceeding of the kind described in section 140(3) of the Act; and
- (b) for any:
 - (i) liability to any person other than the Company or a related company for any act or omission in that person's capacity as a Director or employee; and

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- (ii) costs incurred by that person in defending or settling any claim or proceeding relating to any such liability;

not being criminal liability or liability in respect of a breach, in the case of a Director, of the duty specified in section 112 of the Act or, in the case of an employee, of any fiduciary duty owed to the Company or a related company.

13.2 Insurance

The Company is authorised with the prior approval of the Board, to effect insurance for each Director and employee of the Company or a related company in respect of:

- (a) liability, not being criminal liability, for any act or omission in his or her capacity as a Director or employee;
- (b) costs incurred by that Director or employee in defending or settling any claim or proceeding relating to any such liability; and
- (c) costs incurred by that Director or employee in defending any criminal proceedings in which he or she is acquitted.

13.3 Interpretation

Words having extended meanings by section 140(9) of the Act shall have those extended meanings in clauses 12.1 and 12.2.

14. Trustee

For as long as the Company is a trustee of the Trust, the Company must comply, and the Trustees must ensure that the Company complies, with the terms of the Trust Deed.

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SCHEDULE 1 - AGREEMENT BY DIRECTOR

(clause 3.9)

PAPUA NEW GUINEA MAMA GRAUN CONSERVATION TRUST FUND
LIMITED

AGREEMENT dated

I _____, on and from the date of my appointment as director of the Papua New Guinea Mama Graun Conservation Trust Fund Limited (the "Company") which is trustee for the Papua New Guinea Conservation Trust Fund (the "Trust") and for the duration of my appointment, agree:

- (a) to act honestly, in good faith and in the best interests of the Company and the Trust;
- (b) to exercise due care and diligence in fulfilling the functions of my office of director and exercising the powers attached to that office;
- (c) to use the powers of my office of director for a proper purpose, in the best interests of the Company as a whole and the Trust;
- (d) that I will not make improper use of information acquired by me as a director;
- (e) that I will not take improper advantage of my position as director;
- (f) to not allow my personal interests, or the interest of any associated person, to conflict with the interests of the Company or the Trust;
- (g) to be independent in my judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions of the Board of Trustees;

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- (h) that confidential information received by me in the course of the exercise my directorial duties remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;
- (i) that I will not engage in conduct likely to bring discredit upon me, the Company or the Trust; and
- (j) at all times, to comply with the spirit, as well as the letter of any relevant law, the constitution of the Company, the deed establishing the Trust and any by-laws, rules or regulations relating to the Trust or the Company.

EXECUTED as a deed.

SIGNED, SEALED AND DELIVERED)
by in the presence of:)
Name of director

.....
Witness
Name (printed):

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SCHEDULE 2 - FORM OF APPOINTMENT OF ALTERNATE DIRECTOR

(clause 5.2)

I, the undersigned, a Director of Papua New Guinea Mama Graun Conservation Trust Fund Limited, exercise the power given to me by the constitution of that company and appoint, subject to the approval of the Board, [insert name] of [insert address] to act as Alternate Director for me. This appointment takes effect **immediately/**on [insert date] and extends until **[insert date]/**revoked by me.

Notice of meetings of the Board **is/**is not to be given to the person appointed by this notice.

Dated:

(Signature)

(Name printed)

*** Delete and complete as required**