

**NEW SOUTH WALES COMPANIES (NEW SOUTH WALES) CODE****A Company Limited by Guarantee****MEMORANDUM OF ASSOCIATION**

of

**AUSTRALIAN TOY ASSOCIATION LIMITED**

1. The name of the company is Australian Toy Association Limited.
2. The objects for which the company is established are:
  - a) To promote the Australian Toy Industry in Australia and elsewhere throughout the World.
  - b) To promote and participate in the development of toy safety standards in Australia and elsewhere throughout the World.
  - c) To promote and participate in the development of codes of conduct and ethical standards among persons employed in or either directly or indirectly connected or associated with the Australian Toy Industry.
  - d) To promote and participate in the development of trade and commerce among persons employed in or either directly or indirectly connected or associated with the business of designing, making, marketing or handling toys and other articles or commodities designed, made, marketed or handled for sporting, recreation, pastimes, educational, scientific purposes or for the benefit of any person.
  - e) To promote and participate in consultation with any government or authority supreme local or otherwise for the purpose of encouraging and improving orderly marketing procedures, safety standards, affairs of consumers, health standards, publicity, advertising, packaging and generally to obtain from any such government or authority or from any person any rights, privileges and concessions which the company may think it desirable to obtain.
  - f) To take over the funds and other assets and liabilities of the present unincorporated association known as The Australian Toy Association.
  - ff) To seek donations from the public for the purpose of providing money, property or benefits to a fund established for the relief of persons in Australia who are in necessitous circumstances and to establish a fund, authority or institution which has that same objective.
  - g) Solely for the purpose of carrying out the aforesaid objects and not otherwise:
    - (i) To hold or arrange competitions and provide or contribute towards the provision or prizes, awards and distinctions in connection therewith.

Provided that no members of the company shall receive any prize, award or distinction of monetary value except as a successful competitor at any competition held or promoted by the company.
    - (ii) To subscribe to, become a member of and co-operate with or amalgamate with any other association or organisation, whether incorporated or not, whose objects are similar to those of the company.

Provided that the company shall not subscribe to or support with its funds or amalgamate with any association or organisation which does not prohibit the distribution of its income and property among its members to an extent at least as great as that imposed on the company under or by virtue of Clause 3 of this memorandum.
    - (iii) To buy, sell and deal in all kinds of apparatus and all kinds of provisions, liquid and solid, required by the members of the company or persons frequenting the company's premises.
    - (iv) To purchase, take on lease or in exchange, hire and otherwise acquire any lands, building, easement or property, real and personal, and any rights or privileges which may be requisite for the purposes of, or capable of being conveniently used in connection with, any of the objects of the company.

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| <i>Added<br/>16/10/1998</i> |
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Provided that in case the company shall take or hold any property which may be subject to any trusts the company shall only deal with the same in such manner as is allowed by law having regard to such trusts.

- (v) To enter into any arrangements with any Government or authority, supreme municipal, local or otherwise, that may seem conducive to the company's objects or any of them and to obtain from any such Government or authority any rights, privileges and concessions which the company may think it desirable to obtain; and to carry out exercise and comply with any such arrangements, right privileges and concessions.
- (vi) To appoint, employ, remove or suspend such managers, clerks, secretaries, servants, workmen and other persons as may be necessary or convenient for the purposes of the company.
- (vii) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or past employees of the company or the dependants or connections of any such persons; and to grant pensions and allowances; and to make payments towards insurance; and to subscribe or guarantee money for charitable or benevolent objects, or for any public, general or useful object.
- (viii) To construct, improve, maintain, develop, work, manage, carry out, alter or control any houses, buildings, ground, works, or conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute, to subsidise or otherwise assist and take part in the construction, improvements, maintenance, development, working, management, carrying out, alteration or control thereof.
- (ix) To invest and deal with the money of the company not immediately required in such manner as the committee thinks fit.
- (x) To borrow or raise or secure the payment of money in such manner as the company may think fit and to secure the same or the repayment or performance of any debt liability contract guarantee or other engagement incurred or to be entered into by the company in any way and in particular by the issue of debentures perpetual or otherwise charged upon all or any of the company's property (both present and future), and to purchase, redeem or pay off such securities.
- (xi) To make, draw, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments.
- (xii) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company.
- (xiii) To take or hold mortgages, liens and charges to secure payment of the purchase price or any unpaid balance of the purchase price, of any part of the company's property of whatsoever kind sold by the company or any money due to the company from purchasers and others.
- (xiv) To take any gift of property whether subject to any special trust or not for any one or more of the objects of the company but subject always to the proviso in paragraph (iv) of this clause 2.
- (xv) To take such steps by personal or written appeals, public meetings or otherwise, as may from time to time be deemed expedient for the purpose of procuring contributions to the funds of the company in the shape of donations, annual subscriptions or otherwise.
- (xvi) To print and publish any newspapers, periodicals, books, or leaflets that the company may think desirable for the promotion of its objects.
- (xvii) To purchase or otherwise acquire and undertake all or any part of the property assets, liabilities and engagements of any one or more of the companies, institutions, societies or associations with which the company is authorised to amalgamate.

- (xviii) To transfer all or any part of the property, assets, liabilities and engagements of the company to any one or more of the companies, institutions, societies or associations with which the company is authorised to amalgamate.
- (xix) To make donations for patriotic or charitable purposes.
- (xx) To transact any lawful business in aid of the Commonwealth of Australia in the prosecution of any war in which the Commonwealth of Australia is engaged.

Provided that the company shall not support with its funds any activity or endeavour to impose on or procure to be observed by its members or others any regulations or restrictions, which if an object of the company would make it a trade union within the meaning of the Trade Unions Act.

The powers set forth in Schedule 2 to the Code shall not apply to the company except insofar as they are included in this Clause 2.

- (xxi) As a trustee to undertake the execution of any trusts and/or to act in a fiduciary capacity for or without remuneration on any terms or conditions, and to execute, amend, or revoke any trust deed or declaration and to contract as trustee of any real or personal property.

Added  
16/10/1998

3. The income and property of the company whencesoever derived, shall be applied solely towards the promotion of the objects of the company as set forth in this memorandum of association, and no portion thereof shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise, to the members of the company.

Provided that nothing herein contained shall prevent the payment in good faith of remuneration to any officers or servants of the company or to any member of the company in return for any services actually rendered to the company or for goods supplied in the ordinary and usual way of business nor prevent the payment of interest at a rate not exceeding the rate for the time being fixed for the purpose of this paragraph by the Articles of Association on money borrowed from any members of the company or reasonable and proper rent for premises demised or let by any member to the company or reasonable and proper rent for premises demised or let by the company to any member but so that no member of the committee or Governing Body of the company shall be appointed to any salaried office of the company or any office of the company paid by fees no remuneration or other benefit in money or money's worth shall be paid or given by the company to any member of such council or governing body except repayment of out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and proper rent for premises demised or let to the company.

4. The liability of the members is limited.
5. Every member of the company undertakes to contribute to the property of the company in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for a payment of the debts and liabilities of the company (contracted before he ceased 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 one hundred dollars (\$100).
6. 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 objects similar to the objects of the company and whose memorandum of association or 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 clause 3. hereof, 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.
7. True accounts shall be kept of the sums of money received and expended by the company and the matter in respect of which such receipt and expenditure takes place, and of the property, credits and liabilities of the company and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the articles of association for the time being in force shall be open to the inspection of the members. 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 Code.

8. The names, addresses and occupations of the subscribers are as follows:

Maxwell David STEARNE  
 6 Devlaw Drive,  
 DONCASTER EAST VIC 3109  
 Company Director  
 Kenneth Frederick CHAPMAN  
 140 Campbell Drive,  
 WAHROONGA NSW 2076  
 Company Director  
 Ian James ANDERSON  
 3 The Avenue,  
 OAKLEIGH VIC 3166  
 Company Director  
 Robert Frederick ATYEO  
 12 Pylingerra Crescent,  
 CHELTENHAM VIC 3192  
 Company Director  
 George Frederick BARNES  
 313 Sprinvale Road  
 DONVALE VIC 3111  
 Company Director

Graham Hamilton HODGSON  
 Unit 2, 28 Hillside Parade  
 GLEN IRIS VIC 3146  
 Company Merchandising Controller  
 Ronald George HYDE  
 62 Woodville Street,  
 NORTH BALWYN VIC 3104  
 Company Director  
 Gary Kenneth HUTCHENS  
 92 Page Street,  
 ALBERT PARK VIC 3206  
 Company Marketing Manager  
 Graham John KENNEDY  
 7 Crofton Terrace  
 DONVALE VIC 3111  
 Company General manager  
 Robert John LINDSAY  
 13/26 Marshall Srteet  
 MANLY NSW 2095  
 Company General Manager

We, the several persons whose names and addresses are subscribed are desirous of being formed into a company in pursuance of the memorandum of association.

Signatures of Subscribers

Witnesses to signature  
and address of witness

(Signed) M.D. STEARNE

(Signed) D.W. GRANT

(Signed) K. CHAPMAN

D.W. GRANT 16 Buena Vista Avenue Denistone

(Signed) IAN J. ANDERSON

Secretary ATA

(Signed) ROBERT F. ATYEO

(Witness to all signatures)

(Signed) G. BARNES

(Signed) G.H. HODGSON

(Signed) R.G. HYDE

(Signed) G.K. HUTCHENS

(Signed) G.J. KENNEDY

(Signed) R. LINDSAY

DATED the ..... day of ..... 19 ....

**NEW SOUTH WALES  
COMPANIES (NEW SOUTH WALES) CODE  
ARTICLES OF ASSOCIATION  
of  
AUSTRALIAN TOY ASSOCIATION LIMITED**

1. In these regulations:

"the Board" means the company's board of directors.

"the Code" means the Companies (New South Wales) Code.

"the Company" means the Australian Toy Association Limited.

"the Corporations Law" means the Corporations Law contained in Section 82 of the Corporations Act 1989.

"the unincorporated Association" means the unincorporated body known as the Australian Toy Association whose funds and other assets and liabilities the company is authorised to take over by Clause 2 (f) of the Memorandum of Association;

"the seal" means the common seal of the company;

"Secretary" means any person appointed to perform the duties of a secretary of the company and includes an honorary secretary;

"State" means the State of New South Wales.

Expressions referring to writing shall, unless the contrary intention appears, to be construed as including reference to printing, lithography, photography and other modes of representing or reproducing words in a visible form;

Division 10 of Part 1.2 of the Corporations Law applies in relation to these regulations as if they were an instrument made under the Law as in force on the day when this provision becomes binding on the company.

Except so far as the contrary intention appears in these regulations, an expression had, in a provision of these regulations that deals with a matter dealt with by a particular provision of the Corporations Law, the same meaning as that provision of the Corporations Law.

"financial member" means a member whose annual subscription fee for the current financial year has been paid.

*Amended  
15/10/1999*

2. The company is established for the purposes set out in the Memorandum of Association.

**MEMBERSHIP**

3. a) The membership of the Company shall be divided into classes as follows:

- i) Full Members; and
- ii) Associate Members

b) All natural persons and corporations who were members of the company on the date when this provision was adopted remained members on that date.

c) All members have the right to receive notice of and to attend and speak at meetings of the company.

d) The only members who may vote at meetings of the Company are financial Full Members and each of them has only one vote irrespective of size.

e) Each applicant for membership must be a corporation or natural person who represents a partnership or a natural person who is a sole trader, which corporation, partnership or sole trader is in the case of a Full Member actively involved in Australia and/or New Zealand in manufacturing, wholesaling, distributing or retailing products for children's & family leisure, learning and entertainment and in the case of an Associate Member, actively involved in a country other than Australia or New Zealand in manufacturing,

*Amended  
10/10/2003*

*Amended  
16/10/1998*

*Amended  
10/10/2003*

*Amended  
10/10/2003*

wholesaling, distributing or retailing products for children & family leisure, learning and entertainment.

4. If the whole of the funds and other assets of the unincorporated Association become the absolute property of the company forthwith after its incorporation then every person who at the date of incorporation of the company is a member of the unincorporated Association and who on or before the Thirtieth day of November, 1983 or such extended date as the Board may prescribe agrees in writing to become a member of the company shall be admitted by the Board to membership of the company.

Every member of the company who previously to his agreeing to become a member of the company has paid his subscription due on the First day of July 1983 as a member of the unincorporated Association shall not be liable to pay any further sum by way of annual subscription to the company for the period prior to the First day of July 1984.

5. Every applicant for membership of the company (other than the subscribers to the Memorandum of Association) shall be proposed by another member of the company. The application for membership shall be made in writing, signed by the applicant and his proposer and shall be in such form as the Board from time to time prescribes and includes the applicant agreeing to accept the ATA's Code of Conduct as adopted and amended by the Board from time to time.

*Amended  
15/10/1999*

When lodging an application for membership, every applicant must pay the then current application fee as set by the Board. The Board may set the level of application fee payable by applicants for membership by resolution and may similarly vary the level of the application fee from time to time. Application fees are non-refundable and are not offset against the initial annual subscription.

6. At the next meeting of the Board after the receipt of any application for membership, such application shall be considered by the Board, who shall thereupon determine upon the admission or rejection of the applicant. In no case shall the Board be required to give any reason for the rejection of an applicant.
7. When an applicant has been accepted for membership the Secretary shall forthwith send to the applicant written notice of his acceptance and a request for payment of his first annual subscription. Upon payment of his first annual subscription the applicant shall become a member of the company, provided nevertheless that if such payment be not made within two calendar months after the date of the notice, the Board may in its discretion cancel its acceptance of the applicant for membership of the company.
8. The annual subscription payable by members are set by the Board from time to time. Different annual subscriptions may be set for different groups of members, where the groupings are defined by reference to the members' turnovers or other objective measures. The company from time to time by ordinary resolution passed at a general meeting may increase or reduce the annual subscriptions prescribed by the board for any group of members.
9. All annual subscriptions shall become due and payable in advance on the First day of July in every year.

#### **CESSATION OF MEMBERSHIP**

10. If the subscription of a member shall remain unpaid for a period of two calendar months after it becomes due then the member may after notice of the default shall have been sent to him by the Secretary or Honorary Treasurer be debarred by resolution of the Board from all privileges of membership provided that the Board may reinstate the member on payment of all arrears if the Board thinks fit to do so.
11. A member may at any time by giving notice in writing to the Secretary resign his membership of the company but shall continue to be liable for any annual subscription and all arrears due and unpaid at the date of his resignation and for all other moneys due by him to the company and in addition for any sum not exceeding 100 dollars for which he is liable as a member of the company under clause 5 of the memorandum of association of the company.
12. If any member shall wilfully refuse or neglect to comply with the provisions of the memorandum or articles of association of the company or shall be guilty of any conduct which in the opinion of the Board is unbecoming of a member or prejudicial to the interest of the

company the Board shall have power by resolution to censure fine suspend or expel the member from the company.

*Amended  
15/10/1999*

Provided that at least one week before the meeting of the Board at which such a resolution is passed the member shall have had notice of such meeting and of what is alleged against him and of the intended resolution and that he shall at such meeting and before the passing of such resolution have had an opportunity of giving orally or in writing any explanation or defence he may think fit and provided further that any such member may by notice in writing lodged with the Secretary at least twenty-four hours before the time for holding the meeting at which the resolution is to be considered by the Board, elect to have the question dealt with by the company in general meeting and in that event an extraordinary general meeting of the company shall be called for the purpose and if at the meeting such a resolution be passed by a majority of two-thirds of those present and voting (such a vote to be taken by ballot) the member concerned shall be punished accordingly and in the case of a resolution for his expulsion the member shall be expelled.

### GENERAL MEETINGS

13. An annual general meeting of the company shall be held in accordance with the provisions of the Corporations Law. All general meetings, other than the Annual General Meetings, shall be called extraordinary general meetings.
14. Any member of the Board may whenever he thinks fit convene an extraordinary general meeting, an extraordinary general meeting shall be convened on such requisition or in default may be convened by such requisitions as provided by the Corporations Law.
15. Subject to the provisions of the Corporations Law relating to special resolutions and agreements for shorter notice, twenty-one days notice at the least (exclusive of the day on which the notice is served or deemed to be served, and exclusive of the day for which notice is given) specifying the place, the day and the hour of the meeting and in case of special business the general nature of that business shall be given to such persons as are entitled to receive such notices from the company.
16. For the purpose of article 15 all business shall be special that is transacted at the extraordinary general meeting and also all that is transacted at an annual general meeting, with the exception of the consideration of the accounts, balance sheets, and the report of the Board and Auditors, the election of officers of other members of the Board in the place of those retiring, and the appointment of the Auditors, if necessary.

*Amended  
15/10/1999*

### PROCEEDINGS AT GENERAL MEETINGS

17. No business may be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Except as provided below, fifteen financial members are a quorum. For the purpose of this regulation, "member" includes a person attending as a proxy, attorney or duly appointed representative of a member and a person attending as a proxy, attorney or duly appointed representative of more than one member is counted once for each member he or she represents.
18. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, is dissolved; in any other case it stands adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may determine and if at within half an hour from the time appointed for the meeting, two financial members present are a quorum.
19. The President shall preside as Chairman at every general meeting of the company, or if there is no President, or if he is not present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Vice-President shall be the Chairman or if the Vice President is not present or is unwilling to act then the members present shall elect one of their number to be the Chairman of the meeting.
20. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case

*Amended  
15/10/1999*

of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or the business to be transacted at an adjourned meeting.

21. At any general meeting a resolution put to the vote of the meeting is 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, or
  - b) by at least three financial members present by proxy, attorney or duly authorised representative.

Unless a poll is so demanded a declaration by the chairman that a resolution has on show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

22. If a poll is duly demanded it shall be taken in such a manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded but a poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.
23. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
24. A member may vote in person or by proxy or by attorney and on a show of hands every person present who is a member or a representative of a member shall have one vote and on a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote.
25. A member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental health may vote whether on a show of hands or on a poll, by his Board or by his trustee or by such other person as properly has the management of his estate, and any such Board, trustee or other person may vote by proxy or attorney.
26. No member shall be entitled to vote at any general meeting if his annual subscription shall be more than one month in arrears at the date of the meeting.
27. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A member shall be entitled to instruct his proxy in favour of or against any proposed resolutions. Unless otherwise instructed the proxy may vote as he thinks fit.
28. The instrument appointing a proxy may be in the following form or in a common or usual form.

.....I..... of.....being a member of the..... hereby appoint..... of..... or failing him..... of..... as my proxy to vote for me on my behalf at the annual/extraordinary general meeting of the company, to be held on the.....day of .....19.....and at any adjournment thereof. My proxy is hereby authorised to vote +in favour of/+against the following resolutions.

Signed this.....day of.....19.....

NOTE: In the event of the member desiring to vote for or against any resolution he shall instruct his proxy accordingly. Unless otherwise instructed, the proxy may vote as he thinks fit.

+ Delete whichever is not desired.

29. An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority certified to be a true copy by a notary, solicitor or registered company auditor must be deposited at the registered office of the company or at such other place within the State as is specified for that purpose in the notice convening the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the

case of a poll, not less than forty- eight hours before the time appointed for the taking of the poll, or else the instrument of proxy is ineffective.

30. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed. If no intimation in writing of such death, unsoundness of mind or revocation as aforesaid has been received by the company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.

#### THE BOARD OF DIRECTORS AND OFFICE BEARERS

31. (1) The office-bearers of the company are a president and vice-president (both of whom are elected by the Board from amongst their own ranks).
- (2)(a) The president holds office for a period of two years from the date of his or her election and is eligible to stand for election for a consecutive term of two years.
- (2)(b) The president and vice-president for the time being shall retire every two years and shall be eligible for re-election, provided that the president shall not be eligible for re-election if he or she has already served two consecutive terms.
- (2)(c) Any retiring president, if ineligible to stand for president or, if standing, is not re-elected as president, is eligible to remain on the Board for the remaining years of his/her term as a director immediately after non-election.
- (2)(d) Any retiring president, if ineligible to stand by virtue of having just completed two consecutive terms as president, must retire from his or her office for a period of at least two years before being eligible to again stand for election as president.
32. The following named persons who have subscribed to the memorandum of association shall constitute the first board and the first office-bearers shall be set out below:

|                    |                           |
|--------------------|---------------------------|
| President          | Maxwell David Stearne     |
| Vice President     | Kenneth Frederick Chapman |
| Honorary Treasurer | Kenneth Frederick Chapman |
| Board Members      | Ian James Anderson        |
|                    | Robert Frederick Atyeo    |
|                    | George Frederick Barnes   |
|                    | Gary Kenneth Hutchens     |
|                    | Graham Hamilton Hodgson   |
|                    | Ronald George Hyde        |
|                    | Graham John Kennedy       |
|                    | Robert George Lindsay     |

They shall all retire at the first Annual General Meeting but shall be eligible for re-election.

33. The Board shall consist of twelve directors ten (10) of whom are elected and two (2) of whom are appointed in accordance with the following provisions.
34. a) At each annual general meeting of the company one-third of the elected directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, must retire from office as a director. A retiring director is eligible for re-election. The directors to retire at an annual general meeting are those who have been longest in office since their election, but, as between persons who became directors on the same day, those to retire are (unless they otherwise agree among themselves) determined by lot.
- b) The appointed directors hold office only until the next annual general meeting. Following the annual general meeting the Board may appoint up to two (2) directors to the Board. The two appointed directors may be persons who have previously been appointed directors and whom the Board wishes to reappoint.
35. The election of the office-bearers and other members of the Board shall take place in the following manner:

Amended  
3/11/2000

Amended  
18/7/2002

Amended  
18/7/2002

Added  
18/7/2002

- a) The company may, at a meeting at which a director so retires, by resolution fill the vacated office and any other vacancies on the Board, by an election as follows.
- b) If the vacated office is not so filled, the retiring director is, if offering himself for re-election and not being disqualified under the Corporations Law from holding office as a director, deemed to have been re-elected unless at that meeting –
- (i) a resolution for the re-election of that director is put and lost.
  - (ii) it is expressly resolved not to fill the vacated office; or
- c) To stand for election as a director, a person must be –
- (i) a member of the company, or
  - (ii) a director of a member of the company, or
  - (iii) an employee of a member of the company.
- d) Any candidate for election as a director must be nominated in writing by two financial members of the company and the nomination must be lodged with the Secretary at least twenty-eight days before the annual general meeting at which the relevant election is to take place.
- e) The Secretary must post a list of the candidates' names in alphabetical order, with their proposers' names shown, in a conspicuous place in the registered office of the company for at least seven days immediately preceding the annual general meeting.
- f) Voting for the election of Directors shall be by ballot.
- (i) The Secretary must prepare ballot papers (if necessary) containing only the names of the candidates in alphabetical order to be sent to each financial member with the notice of meeting at least twenty-one days immediately preceding the annual general meeting.
  - (ii) Each member shall be entitled to vote at the annual general meeting (in person or by proxy) or by registering a postal vote for any number of such candidates not exceeding the number of vacancies.
  - (iii) Each member may only vote once, and a member's registered postal vote will take precedence in the event of duplication.
  - (iv) A postal vote must be deposited at the registered office of the company or at such other place within the State as is specified for that purpose in the notice convening the meeting, not less than seventy-two hours before the time for holding the meeting or adjourned meeting at which the person proposes to vote.
- g) The counting of all votes will take place at the annual general meeting and the candidates with the most number of votes are declared elected and, as between candidates who receive equal numbers of votes, those to be elected are (unless they otherwise agree among themselves) determined by lot.
- h) The Board shall comprise of directors each of whom are associated with different members.  
A member is entitled to have no more than one director on the Board at any one time.  
In the event of an election each member is entitled to stand only one candidate provided that that member does not already have a director on the Board.
36. a) The Board has the power to appoint a company or a natural person (who may, but need not be, a member) as Executive Secretary.
- b) The Executive Secretary is not a director and is not a member of the Board. The Executive Secretary must attend at meetings of the Board for the purposes of keeping minutes of board meetings, reporting to the Board and receiving instructions and directions from the Board but must leave Board meetings whenever and for such periods as the Board directs from time to time.
- c) The Board has the power to determine the conditions under which an Executive Secretary is appointed (including remuneration whether by way of salary, commission or participation in profits, or partly in one way and partly in another) and the position may be honorary. This provision is, however, subject to clause 3 of the Memorandum of Association.

*Amended  
12/10/2001*

*Amended  
12/10/2001*

*Amended  
12/10/2001*

*Added  
16/10/1998*

- d) The Board may, upon such terms and conditions and with such restrictions as they think fit, confer upon an Executive Secretary any of the powers exercisable by the Board. Any powers so conferred may be concurrent with, or be to the exclusion of, the powers of the Board. The Board may at any time withdraw or vary any of the powers so conferred.
37. The Board has the power at any time, and from time to time, to appoint any person to the Board, either to fill a casual vacancy or as an addition to the other members of the Board but so that the total number of office-bearers or other members of the Board does not exceed the number fixed in accordance with these Articles. The Board is not obliged to fill any casual vacancy if there are at least six directors. Any office-bearer or other member of the Board appointed under this provision holds office only until the next following annual general meeting.
38. The company may by ordinary resolution of which special notice has been given remove any office-bearer or other member of the Board before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall hold office only until the next following annual general meeting.
39. The office of a member of the Board shall become vacant if the member -
- a) becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - b) becomes prohibited from being a director of a company by reason of any order made under the Corporations Law;
  - c) ceases to be a member of the Board by operation of Section 228 of the Corporations Law;
  - d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
  - e) resigns his office by notice in writing to the company;
  - f) is absent from three consecutive Board meetings without having first obtained leave of absence from the Board;
  - g) holds any office of profit under the company;
  - h) ceases to be a member of the company; or
  - i) (The office of a member of the Board shall become vacant if the member -) votes on a matter at a meeting of the Board, or is present at a Board meeting, contrary to the requirements of Section 232A of the Corporation Law (which deals with voting by interested directors of public companies).

*Amended  
15/11/1991*

*Added  
15/11/1991*

- 39A (a) Leave of absence from any Board meeting may only be granted by resolution of the Board in advance and only where the Board is satisfied that the member has a reasonable excuse for non- attendance.

(b) Notwithstanding any other provision of these Articles, if a member of the Board loses office under Article 39(f), he may be reinstated to office as a member of the Board if the Board is reasonably satisfied that the member had a reasonable excuse for missing one or more of the relevant meetings and that the member will be in a position to attend most of the meetings of the Board which might be held before the next annual general meeting".

#### **POWERS AND DUTIES OF THE BOARD**

40. The business of the company shall be managed by the Board who may pay all expenses incurred in promoting and registering the company and may exercise all such powers of the company as are not, by the Corporations Law or by these articles, required to be exercised by the company in general meeting, subject nevertheless, to any of these articles to the provisions of the Corporations Law, and to such regulations, being not inconsistent with the aforesaid articles or provisions, as may be prescribed by the company in general meeting; provided that any rule regulation or by-law of the company made by the Board may be disallowed by resolution or regulation made by the company in general meeting provided further that no resolution or regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that resolution or regulation had not been passed or made.

41. The Board may exercise all the powers of the company to borrow money and to mortgage or change its property, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability, or obligation of the company.
42. For the purpose of clause 3 of the Memorandum of Association the rate of interest payable in respect of money lent by members to the company shall not exceed the lowest rate paid for the time being by banks in the State in respect of term deposits.
43. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by any two members of the Board or in such other manner as the Board from time to time determines.
44. The Board shall cause minutes to be made -
  - a) of all appointments of officers and servants;
  - b) of names of members of the Board present at all meetings of the company and of the Board; and
  - c) of all proceedings at all meetings of the company and of the Board.Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

#### **PROCEEDINGS OF THE BOARD**

45. The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A member of the Board may at any time and the Secretary shall on the requisition of a member of the Board summon a meeting of the Board.
46. Subject to these articles questions arising at any meeting of the Board shall be decided by a majority of votes and a determination by a majority of the members of the Board shall for all purposes be deemed a determination of the Board. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote.
47. The quorum necessary for a Board meeting is six directors present at the time when the meeting commences. In addition, the requirements of Section 232A(4) of the Corporations Law, regarding minimum quorums, must also be met.
48. The continuing members of the Board may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the number fixed by or pursuant to these articles as the necessary quorum of the Board, the continuing member or members may act for the purpose of increasing the number of members of the Board to that number or of summoning a general meeting of the company, but for no other purpose.
49. The President shall preside as Chairman at every meeting of the Board, or if there is no President, or if at any meeting he is not present within ten minutes after the time appointed for holding the meeting, the Vice-President shall be Chairman or if the Vice- President is not present at the meeting then the members may choose one of their number to be Chairman of the Meeting.
50. The Board may delegate any of its powers and or functions (not being duties imposed on the Board as the directors of the company by the Corporations Law or the general law) to one or more sub- committees consisting of such member or members of the company as the Board thinks fit. Any sub-committee so formed shall conform to any regulation that may be imposed by any member or members of the company and all members of such sub-committees shall have one vote.
51. A sub-committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.
52. All acts done by any meeting of the Board or of a sub-committee or by any person acting as a member of the Board shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of such member of the Board or person acting as aforesaid, or that the member of the Board or any of them were disqualified, be as valid as if every person had been duly appointed and was qualified to be a member of the Board.

53. A resolution in writing signed by all the members of the Board in Australia for the time being entitled to receive notice of a meeting of the Board, shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members of the Board.

#### **SECRETARY**

54. The Secretary shall in accordance with the Corporations Law be appointed by the Board for such term and upon such conditions as it thinks fits, and any secretary so appointed may be removed by it. Nothing herein shall prevent the Board from appointing a member of the company as Honorary Secretary and any member so appointed shall forthwith become an office-bearer of the Company and, if not already a member of the Board, ex officio a member of the Board and he shall be subject to the provisions of Clause 3. or the memorandum of association.

#### **SEAL**

55. 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 sub- committee of members of the Board authorised by the Board on that behalf, and every instrument to which the seal is affixed shall be signed by a member of the Board and shall be countersigned by the Secretary or by a second member of the Board or by some other person appointed by the Board for that purpose.

#### **ACCOUNTS**

56. The Board shall cause proper accounting and other records to be kept and shall distribute copies of every profit and loss account and balance-sheet (including every document required by law to be attached thereto) accompanied by a copy of the Auditors report thereon as required by the Corporations Law provided, however that 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 date not more than five months before the date of the meeting.
57. The Board shall from time to time determine in accordance with Clause 7. of the memorandum of association at what times and places under what conditions or regulations the accounting and other records of the company shall be open to the inspection of members.

#### **AUDIT**

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

#### **NOTICE**

59. Any notice required by law or by or under these articles to be given to any member shall be given by sending it by registered post to him at his address, or (if he has no address within Australia) to the address, if any, within Australia supplied by him to the company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on three days after the date of its posting and in any other case at any time at which the letter would be delivered in the ordinary course of posting.
60. (1) Notice of every general meeting shall be given in any manner herein - before authorised to
- a) every member except those members who (having no registered address within Australia) have not supplied to the company an address within Australia for the giving of notices to them;
  - b) the auditor or auditors for the time being of the company.
- (2) No other person shall be entitled to receive notices of other general meetings.

**WINDING UP**

61. The provisions of Clause 6. of the memorandum of association relating to the winding up or dissolution of the company shall have effect and be observed as if the same were repeated in these articles.

**INDEMNITY**

62. Every member of the Board, auditor, secretary and other officer for the time being of the company shall be indemnified out of the assets of the company against any liability arising out of the execution of the duties of his office which is incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Corporations Law in which relief is granted to him by the Court in respect of any negligence default breach of duty or breach of trust.

63. Signatures of Subscribers

- (Signed) M.D. STEARNE
- (Signed) K. CHAPMAN
- (Signed) IAN J. ANDERSON
- (Signed) ROBERT F. ATYEO
- (Signed) G. BARNES
- (Signed) G.H. HODGSON
- (Signed) R.G. HYDE
- (Signed) G.K. HUTCHENS
- (Signed) G.J. KENNEDY
- (Signed) R. LINDSAY

Witness to Signatures  
and address of Witness

- (Signed) D.W. GRANT
- D.W. GRANT
- 16 Buena Vista Avenue
- Denistone
- Secretary ATA
- (Witness to all signatures)

DATED the ..... day of ..... 19 ....

*Amended*  
*3/11/2000*

## ATA CODE OF PRACTICE

The members of the association are committed to the promotion of a safe play environment for children. To achieve this members will do all things necessary to adhere to all relevant safety standards, to observe the ethical advertising of children's products and maintain free and fair trade in children's products throughout the country.

All members of the Association are subscribers to the ATA Code of Practice as follows:

1. We are firmly committed to the development and promotion of a safe play environment for children, and to place only safe products on the market.
2. We agree to adhere strictly to national and international safety standards and to take prompt, effective and appropriate action should a safety problem arise.  
Further we agree to notify the Association immediately of any allegation by an enforcement authority that my/our product(s) contravene relevant safety regulations.
3. We are committed to the principle of ethical standards in regard to the advertising to children and adhere to government regulations and requirements.  
Further we agree to operate under the AANA Principles and Advisory Notes on Advertising to Children (August 1999).
4. We support and encourage research conducted in regard to any aspect of children's products and will be involved where possible and offer full co-operation.
5. We oppose strongly the practice of counterfeiting not only as an unfair trading practice but one which may expose children to products which do not comply with safety standards.  
Further we declare that we do not knowingly market counterfeit product(s) and we understand that a judgement against us whether brought privately or otherwise for copyright or trade mark infringement may render us liable to review under ATA procedures.
6. We recognise we have a duty to ensure lawful, fair, safe and healthy working conditions for those employed in the contract manufacture of children's products.  
We support the production of safe product in compliance with the Code of Business Practice of International Council of Toy Industries.  
To discharge this duty, we agree to have arrangements with vendors or their agents which require and maintain such conditions.
7. We understand that a successful prosecution under relevant safety regulations will be regarded by the Association as a breach of this code and may render us liable to review under ATA procedures
8. We understand that wilful breaches of the code may lead to my/our expulsion from the Association and the denial of space at the Australian Toy, Hobby & Nursery Fair.
9. We shall actively support appropriate children's causes.