

Constitution

of

Family Business Australia Limited

A Company Limited by Guarantee not having Share Capital

Registered Address

Level 8, 5 Queens Road
Melbourne, VIC 3004

ACN: 083 076 000

Overview

This is the Constitution of Family Business Australia Limited.

The Company is a company limited by guarantee. The liability of its members is limited to the amount they have agreed to pay in the guarantee. The Company must always have at least one member and three directors.

The Constitution sets out the basis on which the Company is to be managed. Nothing in the Constitution is intended to derogate from the *Corporations Act 2001* (Cth). That Act:

- imposes many obligations on the Company which are not reproduced in this Constitution; and
- overrules anything in this Constitution to the extent that this Constitution is inconsistent.

This Constitution replaces the replaceable rules in the *Corporations Act*. Words used in the Constitution which have a meaning in the *Corporations Act* have the same meaning in this Constitution (unless expressly stated otherwise).

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Constitution of Family Business Australia Limited

A Company's name, objects and powers

Name of the Company

1 The name of the Company is Family Business Australia Limited.

Objects

2 The Company's objects are all or any of the following:

- 2.1 To enable learning, innovation and co-creation, empowering family businesses to shape the future for individuals, communities, the environment and future generations
- 2.2 To represent Family Businesses in Australia as its peak body.
- 2.3 To work with governments, regulators and other industry stakeholders to develop and implement workable, safe and practical policies, standards and regulations that assist Family Businesses in Australia.
- 2.4 To coordinate and provide education and information for Members that improves the knowledge and capability of members in the provision and promotion of their businesses and operations.
- 2.5 To increase the standing of Family Businesses through the provision of a single unified voice (where possible) that advocates in the interests of the Members to relevant stakeholders.
- 2.6 To actively partner with other affiliated organisations with similar purposes for the benefit of the Company.
- 2.7 To apply the property and resources of the Company in the best possible way to advance the objects of the Company.
- 2.8 To encourage members to operate in an ethical and professional manner at all times.

Powers

3 The Company has:

- 3.1 the legal capacity and powers of an individual; and
- 3.2 all the powers of a body corporate (other than the power to issue shares).

4 However, the Company has those capacities and powers only to the extent:

- 4.1 necessary, or convenient, to carry out the Company's objects; or
- 4.2 incidental to carrying out those objects.

B Members' liability and guarantee

Liability of Members

5 The liability of each Member is limited to the amount of the guarantee set in clause 6.

Guarantee by Members

6 If the Company is wound up while a person is a Member (or within one year after they stop being a Member) then that person must contribute up to \$AUD2.00 to the Company for:

6.1 payment of the Company's debts and liabilities incurred before that person ceased to be a Member;

6.2 payment of the costs, charges and expenses of winding-up the Company; and

6.3 adjustment of the rights of the contributories among themselves.

C How the Company's income and property are to be applied

For the Company's objects

7 All of the Company's income and property must be applied solely towards the promotion of the Company's objects as set out in clause 2.

Not-for-Profit

8 The Company may not pay, or transfer, any of its income or property — directly or indirectly — by way of dividend, bonus or otherwise to any person who is or has been a Member.

Remuneration and expenses for Members allowed

9 Regardless of clause 8, the Company may pay remuneration in good faith to any Member, officer or employee of the Company in return for any good or services they provide to the Company in the ordinary and usual course of business.

10 Regardless of clause 8, the Board may authorise

10.1 the repayment of any expenses a Member properly incurs for the Company, or in connection with performing their duties for the Company; or

10.2 a payment to a Member in carrying out the Company's objects as set out in clause 2.

Payments to directors: restrictions, remuneration, expenses

11 If the Company is to pay any remuneration to a Director for services rendered in the capacity as a Director, then the remuneration must be on reasonable commercial terms and the Board must first have:

11.1 consented to the Director providing those services; and

11.2 resolved to approve the amount of the payment.

12 If the Company is to pay any remuneration to a Director for services rendered in the capacity as an employee of the Company, then the Board must first have resolved to approve the terms of that employment.

- 13 The Board may authorise the repayment of any expenses a Director incurs for the Company, or in connection with performing their duties for the Company.

Loans and leases from Members

- 14 The Company may pay if approved by the Board on arm's length commercial terms:
- 14.1 interest on money borrowed from any Member; and
 - 14.2 reasonable and proper rent for premises a Member leases to the Company.
- 15 For the purposes of clause 14, if a Member pays the Company a deposit, bond or other security for the payment of fees and charges levied under the Constitution, then that payment is not a loan from the Member.

D Fees imposed by the Company

Setting fees

- 16 The Board may prescribe:
- 16.1 a cost payable by Members by way of Membership fees and any other fees the Board thinks fit; and
 - 16.2 when and in what circumstances these fees are payable.
- 17 The Board must give Members at least three months' notice of any increase in the fees, or of a change in the due date for fees payable under clause 16.

E Membership

Members

- 18 The Company's Members are as follows (unless the Member has resigned under clause 36 or clause 37, or been expelled under clause 38):
- 18.1 the persons who are registered members at the date of submission of this Constitution to the Australian Securities and Investment Commission (ASIC); and
 - 18.2 any other person the Board admits to Membership in accordance with this Constitution.

Register of Members

- 19 The Company must keep and maintain the Register in accordance with the Act and otherwise as the Board determines.
- 20 Any dispute that arises in relation to the Register must be referred to the Board. The Board's decision is final and binding on all Members (in the absence of manifest error).

Eligibility for membership

- 21 The following are eligible to be Members:
- 21.1 any person who has a demonstrated interest in the Company;
 - 21.2 any person that the Board considers would benefit the Company by becoming a member; and

21.3 any person in a category of persons that the Company has determined to be eligible to be Members.

22 A person will not be eligible for membership if that prospective member is subject to any prohibitions under applicable local or international laws, including but not limited to international sanctions.

Types of membership

23 At any time, the Board may (subject to the Act) create different types of membership with different rights, obligations and restrictions.

Membership is not transferable

24 A Member may not transfer their Membership to another person.

Voting rights

25 A Member is entitled to one vote at a General Meeting of the Company, unless varied by the Board in accordance with clause 23.

26 However, the Board may suspend a member's entitlement to vote if the Member owes the Company any amount that is more than 3 months overdue (or such other period as the Board determines).

A Member's representative

27 If a Member or an Applicant is not a natural person, then it must appoint (in writing) a natural person as its Representative. The Member may remove and replace its Representative by giving written notice to the Board in a form the Board approves.

28 The Representative may, on the Member's behalf, exercise all the powers that the Member could exercise at a meeting or in voting on a resolution — unless those powers are restricted in a way set out in clause 29.

29 The document appointing the Representative may set out either or both of:

29.1 what the Representative is appointed to do; and

29.2 any restrictions on what the Representative may do.

30 If the appointment is made by reference to a position held, then the appointment must identify the position.

31 The Company must arrange for:

31.1 the name and address of the Representative to be entered in the Register; and

31.2 all correspondence and notices from the Company to the Member to be served on that Representative.

Applying and being admitted to Membership

32 A person's Application to be a Member must be made in the form, and accompanied by any fee, the Board has set.

- 33 The Board will consider and, in its absolute discretion, accept or reject an Application. If the Board rejects an Application, then:
- 33.1 it must arrange for any money the Applicant tendered with the Application to be repaid to the Applicant, without interest; and
- 33.2 the Board does not have to give any reasons for the rejection.
- 34 An Applicant does not become a Member until the Company has:
- 34.1 received any fee that applies; and
- 34.2 the name and address of the Applicant (and its Representative if relevant) are entered in the Register.
- 35 Each Member is liable for all taxes, duty and charges payable in respect of their Application, their Membership and any related transaction or document. Each Member indemnifies the Company and will keep it indemnified in respect of any liability for all those amounts.

Resigning from Membership: and ongoing liability

- 36 A Member may resign from Membership by giving written notice to the Company. When the notice period expires, the Member stops being a Member but:
- 36.1 they remain liable for any money they owe the Company; and
- 36.2 under clause 6, they remain liable for another 12 months.
- 37 A Member also resigns if they owe the Company any amount that is more than three months overdue (the Board may change the length of that period). If a Member resigns under this clause, then the Board may reinstate their membership if they pay the outstanding amount.

Expelling and disciplining a Member

- 38 The Board may — in the way described in clause 39 — expel a Member or implement appropriate disciplinary action if the Member:
- 38.1 has committed a breach of any obligation or duty under this Constitution; or
- 38.2 has engaged in conduct detrimental to the interests of the Company.
- 39 For any expulsion or discipline to be valid:
- 39.1 at least 21 days before the Board meeting at which the resolution is considered, the Member must be given written notice of:
- the meeting;
 - the intended resolution; and
 - the particulars of the alleged act, omission or conduct complained of;
- 39.2 at the meeting (and before the resolution is passed), the Member must be given the opportunity to explain themselves in writing or orally (or both if they request it);
- 39.3 if the Member does give an explanation, then the Board must take it into account;
- 39.4 the relevant resolution must be passed by a minimum of two-thirds of the Directors present and voting;
- 39.5 the Board must arrange for the Member to be given written notice of any Board

resolution on the matter; and

- 39.6 if the Board resolves to expel the Member, then the Member ceases to be a Member when the Board serves them with the notice. The Member's name will be removed from the Register as set out in clause 40.

Removing an expelled Member's name from the Register

- 40 If a Member is expelled from the Company, then their name (and that of any Representative they have appointed) must be removed from the Register. The Company has no liability to the Member in respect of their removal from the Register.
- 41 When a Member's name is removed from the Register, the Member no longer has:
- 41.1 any rights or privileges attaching to Membership; or
 - 41.2 any rights which they had against the Company that arose out of their Membership.

F General Meetings: frequency and notice

Annual General Meeting required

- 42 The Company must hold an Annual General Meeting:
- 42.1 in every calendar year;
 - 42.2 within five months after the end of its financial year; and
 - 42.3 at the time and place the Board determines.

Convening Extraordinary Meetings

- 43 An Extraordinary Meeting may be convened:
- 43.1 by the Board at such time and place as the Board thinks fit, (as long as it complies with the Act); and
 - 43.2 by Members as allowed under the Act.

Notice of General Meetings

- 44 The Board must give at least 21 days' written notice of a General Meeting to the Members, the Directors and the Auditor (unless a change to that arrangement is made under clause 46). The notice must specify:
- 44.1 the place, the day and the hour of meeting (and if the meeting is to be held in two or more places, the technology that will be used to facilitate this);
 - 44.2 the general nature of the meeting's business;
 - 44.3 the details of any special resolutions to be proposed at the meeting; and
 - 44.4 that Members are entitled to appoint a proxy who must be a Member.
- 45 A Member that is a company is responsible for notifying its Representative of any General Meeting.

Changing the notice procedure for General Meetings

- 46 A meeting may be convened in a way other than, and on shorter notice than, clause 44

requires as long as:

- 46.1 all the Members entitled to vote at the meeting consent to the change beforehand;
and
- 46.2 the notice and the shorter notice period comply with the Act.

Failure to receive Notice

- 47 A meeting and its proceedings and resolutions are valid even if any one or more of the following is the case:
 - 47.1 the Company accidentally omitted to give notice of a meeting to any Member; or
 - 47.2 any Member did not receive notice of the meeting.

G General Meetings: proceedings

Use of technology to hold meetings

- 48 The Company may hold a general meeting at two or more venues using any virtual meeting platform or using a virtual meeting platform only, where the platform gives members a reasonable opportunity to participate, including to hear and be heard. Anyone using this platform is taken to be present in person at the meeting.
- 49 The provisions of this Constitution regulating the proceedings of the Members apply so far as they are capable to such meetings.

Business at the meeting

- 50 The ordinary business of an Annual General Meeting may include:
 - 50.1 considering any annual financial report, directors' report and Auditor's report;
 - 50.2 electing and appointing Directors; and
 - 50.3 appointing the Auditors and fixing the Auditor's remuneration (if necessary under the Act).
- 51 All other business at an Annual General Meeting, and all business at an Extraordinary Meeting, is regarded as special business.

Quorum required

- 52 For any business to be transacted at any General Meeting — except the adjournment of the meeting — a quorum must be present. The quorum for a General Meeting is the lesser of 10% of the eligible votes of members entitled to vote or fifteen members entitled to vote present in person or by Representative, proxy or attorney.

If no quorum present

- 53 If a quorum is not present within half an hour after the time appointed for a General Meeting then:
 - 53.1 if the meeting was convened on the requisition of Members, then it will be dissolved; or
 - 53.2 in any other case, the meeting will be adjourned to the same day in the next week

at the same time and place (or at such other place as the Chair decides). If at that adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, then the Members present are a valid quorum.

Chair of the meeting

- 54 The Chair or in the Chair's absence, the Deputy Chair is to preside as chair at every General Meeting.
- 55 If at any General Meeting neither the Chair nor the Deputy Chair is present within fifteen minutes after the time appointed for holding the meeting (or if neither is willing to preside), then the Members present are to choose a Director to preside. If no Director is present (or if all Directors present decline to preside), then those persons present will choose a Member who is present to preside as Chair.

Adjourning (and resuming) a meeting

- 56 The Chair of a General Meeting:
- 56.1 may, with the consent of the Members present and entitled to vote at any meeting, and at which a quorum is present, adjourn a meeting; and
 - 56.2 must adjourn a meeting if the meeting directs them to do so.
- 57 If the Chair adjourns a General Meeting, then they may do so to another time or place (or both).
- 58 If a General Meeting is adjourned for one month or more, then the Company must arrange for a new notice of the adjourned meeting to be given.
- 59 After an adjourned meeting is resumed, the only business that may be transacted at the meeting is business that was unfinished before the adjournment.

Auditor attending meeting

- 60 The Auditor, if appointed, is entitled:
- 60.1 to attend any General Meeting of the Company;
 - 60.2 to receive the same notices of, and other communications relating to, any General Meeting that a Member is entitled to receive; and
 - 60.3 to be heard at any General Meeting which the Auditor attends on any part of the business of the meeting which concerns the Auditor in that capacity. The Auditor's right to be heard exists even if the Auditor retires at that meeting or if a resolution to remove the Auditor from office is passed at that meeting.

H General Meetings: voting

Show of hands vote

- 61 Every item of business submitted to a General Meeting is to be decided in the first instance by a show of hands of the Members, or their Representatives, who are personally present and entitled to vote, in accordance with the voting rights under clauses 25 and 26 (or as may be varied by the Board in accordance with this Constitution). The Chair will not have a

casting vote.

Evidence of resolution

62 It is conclusive evidence that a resolution has been passed (regardless of whether there is any proof of the number or proportion of the votes recorded in favour of or against the resolution) if:

62.1 the Chair declares that a resolution has been passed or lost (having regard to the majority required); and

62.2 an entry to that effect has been made in the Company's books and signed by the Chair of that, or the next meeting.

Poll vote

63 The Chair or any Member present (personally or by Representative, proxy or attorney) may demand a poll before, or on the declaration of the result of, a show of hands. Any person who has demanded a poll may withdraw their demand.

64 A poll demanded on any question of adjournment must be taken before any adjournment.

65 The poll is to be taken:

65.1 in the manner and at the time and place as the Chair of the meeting directs;

65.2 either at once or after an interval or adjournment or otherwise; and

65.3 in accordance with the voting rights under clauses 25 and 26 (or as may be varied by the Board in accordance with this Constitution)

66 The result of the poll is to be the resolution of the meeting at which the poll was demanded.

67 If there is a dispute as to the admission or rejection of a vote, then the Chair will finally determine that dispute.

68 At a poll, the Chair will not have a casting vote.

Continuing with other business before a Poll

69 After a poll has been demanded, the meeting may continue with any business other than the issue on which poll has been demanded.

I General Meetings: appointing a proxy

Eligibility to be proxy

70 Any Member may:

70.1 appoint a natural person who is a Member, or a Representative, as a proxy to vote on the Member's behalf; and

70.2 may direct the proxy to vote either for or against each or any resolution.

Company receiving notice of proxy

71 For an appointment of a proxy to be valid, the Company must receive the document appointing the proxy (and an original, or certified copy, of the power of attorney, if any, under which it is signed):

- 71.1 at least 48 hours before the time for holding the relevant meeting or adjourned meeting or poll; and
- 71.2 at one of:
- the Registered Office; or
 - a place or electronic address specified for such purpose in the notice of meeting.
- 72 An instrument appointing a proxy is valid for any adjournment of the meeting to which it relates — unless it states something to the contrary.

Form of proxy

- 73 An instrument appointing a proxy must be signed by the appointor, or his or her attorney, and must contain the following information as appropriate:
- 73.1 the Company name;
- 73.2 the Member's name and address;
- 73.3 the Member's type of Membership;
- 73.4 the proxy's name or the name of the office held by the proxy; and
- 73.5 the meetings at which the appointment may be used.

Proxy's voting instructions

- 74 A document appointing a proxy may specify the way in which the proxy is to vote for a particular resolution. If it does so, then the proxy must vote on the resolution as specified.

Proxy's authority

- 75 A document appointing a proxy will be treated as giving the proxy:
- 75.1 authority to demand, or join in demanding, a poll; and
- 75.2 the power to act generally at the meeting for the person giving the proxy (except to the extent to which the proxy is specifically directed to vote for or against any proposal).

J General Meeting: appointing an attorney

Member appointing an attorney

- 76 Any Member may, by duly executed power of attorney, appoint an attorney to act on the Member's behalf at all, or certain specified, meetings of the Company. If the attorney wishes to appoint a proxy for the Member granting the power of attorney, then the attorney must at the Registered Office (or any other place the Board determines) produce:
- 76.1 the power of attorney for inspection; and
- 76.2 any evidence the Board requires that it has been properly executed.

Directors appointing an attorney of the Company

- 77 The Directors may, by power of attorney, appoint any person whether nominated directly or

indirectly by the Directors to be an attorney or attorneys of the Company. The appointment:

- 77.1 may be for any purposes and with powers, authorities and discretions (not exceeding those vested in, or exercisable by, the Directors under this Constitution);
- 77.2 may authorise any attorney to sub-delegate all or any of the powers, authorities and discretions vested in them;
- 77.3 may be for periods and on conditions as the Directors think fit; and
- 77.4 may contain provisions for the protection and convenience of persons dealing with any attorney as the Directors think fit.

K General Meeting: voting by attorney or proxy

Validity of vote after death or revocation

- 78 If a person who has appointed a proxy or attorney has either died or revoked the appointment but any notice in writing of the death or revocation has not been received at the Registered Office before the meeting, then a vote given in accordance within the terms of appointment will be valid.

Person who has appointed proxy or attorney may attend meetings

- 79 A person who has appointed a proxy or attorney may attend and take part in a meeting. Doing so does not revoke the appointment — unless the person votes on the resolution to which the appointment applies.

L Directors

Number of Directors

- 80 The number of Directors comprising the Board will be at least 3 and no more than 9 except as provided in clauses 87.3 and 92. At least 2 Directors must ordinarily reside in Australia.
- 81 If the number of Directors is below the minimum fixed by this Constitution, the Directors must not act except for appointing one or more additional casual Directors or to call, and arrange to hold, a meeting of Members.
- 82 The Board will be made up of five Directors elected by their respective Regions, to be known as Regional Directors and four Directors appointed by the Board, to be known as Appointed Directors.
- 83 At all times at least three-quarters (75%) of the Board members must be members or Representative members of the company.

Elected Directors

- 84 Each Region as defined in this clause 84 shall elect a Regional Director to represent the Region on the Board of the Company. Each Regional Director must be a member or a Representative of an eligible member of the Company and will represent one of the following Regions:

Region One – Queensland (QLD)

Region Two – New South Wales & Australian Capital Territory (NSW-ACT)
Region Three – Victoria and Tasmania (VIC-TAS)
Region Four – South Australia & Northern Territory (SA-NT)
Region Five – Western Australia (WA)

85 Regional Directors can only be elected to represent a Region by members entitled to vote in that Region at the time of the election in accordance with clause 87.2

Length of appointment

86 Each elected Regional Director will hold office for a term of three years but shall be eligible for re-election. No Director may serve for more than three consecutive three-year terms at which point they must take a minimum of one-year absence from the Board. After their year off they may stand for re-election.

Election of Regional Directors

87 Regional Directors will be elected in the following way:

87.1 Not less than two months (or 60 days) prior to the Annual General Meeting of the Company a notice will be circulated to all members in the Region where an election is to be held specifying the election or elections to be held and inviting nominations of candidates for the position of Regional Director for their respective Region.

87.2 The nomination of any Member or Representative as a candidate for election as a Regional Director must be:

- in the form prescribed by the Board in the notice in clause 87.1
- lodged at the Registered Office of the Company at least 45 days prior to the Annual General Meeting of the Company.

87.3 If the number of nominated candidates:

- *is no more than the number of vacancies*, then the Chair of the Annual General Meeting will declare those candidates elected as Regional Directors.
- *is more than the number of vacancies*, then the Company Secretary will arrange for balloting lists to be prepared containing the names of the candidates in an order determined by lot. The Board may determine the method of the ballot.
- *is not enough to meet the required minimum number of Directors*, then the Board must appoint a Member or Representative as Regional Director (as long as they consent) until there is at least the minimum number of Directors.

Appointed Directors

88 The Board may appoint up to four individuals independent of a Region to be known as Appointed Directors. Appointed Directors shall hold office for a period of three (3) years from the date of their election or for such shorter term as the Board may determine. Appointed Directors may be appointed for further three-year terms upon expiry of their appointment but may not be appointed for more than three consecutive three-year terms in accordance with Clause 86.

Officers on the Board

89 At the first meeting of the Board after each Annual General Meeting, the Directors will elect

from among their number a Chair, Deputy Chair and a Treasurer (one Director may fill more than one position). Each of them will hold office until the end of the next Annual General Meeting.

Casual vacancies

90 The Board (or such Directors as shall hold office at the relevant time) shall have the power at any time and from time to time to appoint any member as a Director either to fill a casual vacancy or as an addition to the existing office-bearers or other Directors but so that the total number of office bearers and other Directors shall not at any time exceed the number fixed in accordance with these rules. That replacement Director holds office until the end of the next Annual General Meeting. The resignation of an Appointed Director prior to the end of their appointed term does not cause a casual vacancy.

Alternate Directors

91 Subject to the Act and this Constitution, each Director may by writing appoint any person to act as an Alternate Director in the Director's place during any period the Director thinks fit and for whom the Director has obtained the prior consent of the Board. An Alternate Director has the same rights as the Director for whom they are the appointed Alternate but can only act in place of that Director during the period notified to the Board.

Disqualification of Directors

92 The office of a Director will be vacated if the Director:

- 92.1 is a Member, or a Representative of a Member, and they become bankrupt or make any arrangement or composition with their creditors;
- 92.2 is a Representative of a Member and that Member resigns or is expelled as a Member;
- 92.3 is a Representative of a Member which is not a natural person, and a winding up order is made in respect of that Member;
- 92.4 becomes of unsound mind;
- 92.5 is absent for three consecutive Board Meetings without leave of the Board (unless the Board resolves to the contrary);
- 92.6 resigns from their Directorship by giving written notice to the Company; or
- 92.7 ceases to hold office by reason of any order made under the Act.

M Powers of the Board

The board controls and directs the company

93 The control and direction of the Company and the management of its property and affairs are vested in the Board.

94 The Board may exercise all powers of the Company that are not required to be exercised or done by the Company in General Meeting.

Borrowing

95 The Board may raise money in any manner it thinks fit including by borrowing money

(whether on the security of the Company's assets or not) and the issuing of a security for any other purpose — so long as this is done to further the Company's objects set out in clause 2.

Investment

96 The Board may invest the Company's money in any manner, and for any period, it thinks fit.

Negotiable instruments

97 Two Directors, or one Director and some other officer authorised by the Board for the purpose, may sign, draw, accept, endorse or otherwise execute (as the case may be) the following documents for and on behalf of the Company: all cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company.

N Proceedings of the Board

General

98 The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

99 The Board must meet at least 4 times a year.

Use of technology in Board conferencing

100 The Board may, if it thinks fit, hold their meetings by using any virtual meeting platform that is agreed to by all the Directors. Any resolution passed using such a system is to be treated as having been passed at a meeting of the Board held on the day and at the time the meeting was held — even if the Directors were not present together in one place at the time. This clause does not limit the discretion of the Board to regulate its meetings.

101 The provisions of this Constitution regulating the proceedings of the Board apply so far as they are capable to such meetings.

Notice of meeting

102 At any time, the Board may convene a Board meeting by notice served on each Director. The Secretary is to arrange that notice at the request of the Chair or Deputy Chair.

103 The proceedings of a Board meeting are valid even if:

103.1 the Company accidentally omitted to give notice of a meeting to any Director; or

103.2 any Director did not receive notice of the meeting.

Quorum

104 A quorum for Board meetings is (unless the Board determines otherwise) if the number of Directors:

104.1 is an even number, half of the Board plus one other director; or

104.2 is an odd number, the odd number nearest to, and greater than, half of the number of Directors.

Chair

- 105 The Chair, or in the Chair's absence the Deputy Chair, is to chair every Board and General Meeting of the Company.
- 106 If at a Board meeting neither the Chair nor the Deputy Chair is present within fifteen minutes after the time appointed for holding that meeting (or if neither is willing to chair), then the Directors present will choose one of their number to chair the meeting.

Voting

- 107 Questions arising at any meeting will be decided by a majority of votes. Each Director present is entitled to one vote. The Chair will have a casting vote.
- 108 However, the Board may suspend a Director's entitlement to vote if the Director (or the Member for whom the Director is a Representative) owes the Company any amount that is more than 4 months overdue (or such other period as the Board determines).

Delegation by the Board

- 109 Subject to clause 110, the Board may, as it thinks fit, delegate any of its powers to individual Directors or Members or to committees or working groups. A committee or working group may consist of the Directors or Members (or both) that the Board thinks fit. Any individual, committee, or working group must comply with any Board direction about how to execute the delegated powers.
- 110 The Board may not delegate its power to delegate.
- 111 The meetings and proceedings of any committee or working group will be governed by the provisions of this Constitution that regulate the meetings and proceedings of the Board so far as they apply and so far as the Board has not replaced them.

Defects in appointment

- 112 An act done in good faith by any meeting of the Board, any meeting of any committee formed by the Board or by any person acting as a Director will not be invalidated merely because of:
- 112.1 any defect in the election, appointment or tenure of a Director or person acting on any such committee; or
- 112.2 the disqualification of any of them.

Duties of Directors

- 113 The Directors must comply with their duties:
- 113.1 to exercise their powers and discharge their duties with the degree of care and diligence that a reasonable individual would exercise if they were a Director of the company.
- 113.2 to act in good faith in the best interests of the company and to further the purposes of the company as set out in clause 2.
- 113.3 not to misuse their position as a Director.
- 113.4 not to misuse information they gain in their role as a Director.

- 113.5 to disclose any perceived or actual material conflicts of interest in the manner set out in clause 114.
- 113.6 to ensure that the financial affairs of the company are managed responsibly, and
- 113.7 not to allow the company to operate while it is insolvent.

Conflicts of interest

- 114 A Director must disclose the nature and extent of any actual or perceived material conflict of interest in a matter that is being considered at a meeting of Directors (or that is proposed in a circular resolution):
 - 114.1 to the other Directors, or
 - 114.2 if all of the Directors have the same conflict of interest, to the Members at the next general meeting, or at an earlier time if reasonable to do so.

The disclosure of a conflict of interest by a Director must be recorded in the minutes of the meeting.

Each Director who has a material personal interest in a matter that is being considered at a meeting of Directors (or that is proposed in a circular resolution) must not, except as provided under clause 114:

- 114.3 be present at the meeting while the matter is being discussed, or
- 114.4 vote on the matter.

A Director may still be present and vote if:

- 114.5 their interest arises because they are a Member of the Company, and the other Members have the same interest
- 114.6 their interest relates to an insurance contract that insures, or would insure, the Director against liabilities that the Director incurs as a Director of the Company
- 114.7 their interest relates to a payment by the Company or any contract relating to an indemnity that is allowed under the Corporations Act
- 114.8 the Australian Securities and Investments Commission (ASIC) makes an order allowing the Director to vote on the matter, or
- 114.9 the Directors who do not have a material personal interest in the matter pass a resolution that:
 - i) identifies the Director, the nature and extent of the Director's interest in the matter and how it relates to the Company, and
 - ii) says that those Directors are satisfied that the interest should not stop the Director from voting or being present.

O Board minutes and circulated resolutions

Making Board resolutions

- 115 The Board may make resolutions either:
 - 115.1 in a meeting, of which minutes must be kept as set out in clause 116; or

115.2 by circulated resolution which must be made and kept as set out in clause 117.

Minutes to be kept

- 116 The Board must arrange for:
- 116.1 proper minutes to be made of the proceedings and resolutions of all meetings of the Company, the Board and committees formed by the Board;
 - 116.2 the minutes to be entered in records kept for that purpose; and
 - 116.3 the minutes to be signed by the Chair of the meeting or by the Chair of the next meeting.

Circulated resolutions

- 117 If all the Directors have signed a document containing a statement that they are in favour of a resolution set out in the document, then that resolution is to be treated as having been passed as a circulated resolution at a meeting of the Board held at the time and date on which the resolution was last signed by a Director. (However, the reference to "all the Directors" in this clause does not include any Director who is not entitled to vote on the resolution.)
- 118 For the purposes of clause 117, any circulated resolution may consist of several documents in identical terms, each signed by one or more Directors and must be entered in the relevant book of minutes of the Company.

Evidence of proceedings and resolutions

- 119 A minute or circulated resolution that is recorded and signed in accordance with clause 116 or 117 (as the case may be) is evidence of the proceeding or resolution to which it relates (unless the contrary is proved).

P Accounts

Accounts to be kept

- 120 The Board must arrange for the Company to keep proper books of account that:
- 120.1 record true and complete accounts of the affairs and transactions of the Company; and
 - 120.2 give a true and fair view of the state of the Company's affairs and explain its transactions.

Location and inspection of accounts

- 121 The Board must arrange for the books of account:
- 121.1 to be kept at the Registered Office, or in a place or places it thinks fit; and
 - 121.2 to be open to the inspection of the Directors during usual business hours.

Auditor

- 122 The Company will comply with the Act in relation to the appointment, removal and resignation of an Auditor.

Q Indemnity

Indemnity of Officers

123 The Company must indemnify every Officer out of the assets of the Company against any Liability incurred by that Officer in their capacity as an Officer by reason of any act or thing done or omitted to be done by that person:

- 123.1 in that capacity; or
- 123.2 in any way in the discharge of that person's duties; or
- 123.3 by reason of or relating to the person's status as an Officer.

124 However, the indemnity in clause 123 does not extend to any Liability from, or against, which the Company is not permitted by the Act to exempt or indemnify the Officer.

Indemnity for Proceedings

125 Without limiting clause 123, the Company must indemnify every Officer out of the assets of the Company against any Liability incurred by that person in defending proceedings, whether civil or criminal, in respect of any act or thing done by the Officer in that person's capacity as such Officer.

126 However, the indemnity in clause 125 does not extend to any Liability from, or against, which the Company is not permitted by the Act to exempt or indemnify the Officer.

Insurance

127 The Board shall procure the Company to make payments by way of premium in respect of any contract effecting insurance on behalf or in respect of an Officer against any Liability referred to in clauses 123 and 124.

R Notices

128 The Company may serve notice on any Member in the ways shown in the left hand column of the table below. A notice will be taken to be served at the time shown in the right-hand column of that table on the relevant row. Any notice to be served on a Representative is served by serving it on the relevant Member.

Way of serving notice	Timing of notice taken to be
Personally	When served
By sending it through the ordinary post to the Member's Registered Address	3 days after the day it is posted. In proving service, it is sufficient to prove that the envelope containing the notice was properly addressed and deposited as a prepaid letter at the post office or in some postal receptacle.
By leaving it at their Registered Address in an envelope addressed to the Member.	Business Day: The same day it is left at the Registered Address. Non-Business Day: the Business Day after it is left at the Registered Address.

By sending it to the fax number or electronic address (if any) nominated by the Member.	On the Business Day after it is sent.
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129 A certificate in writing signed by the Secretary or any officer of the Company that the notice was properly delivered in accordance with Clause 8 will be conclusive evidence of the service of such notice.

S Distribution of property on winding-up

130 If on the winding-up or dissolution of the Company after all its debts and liabilities have been satisfied there remains any property, then that property must not be paid to or distributed among the Members.

131 Instead, this property must be given or transferred to some other institution or institutions that have:

- 131.1 objects similar to the objects of the Company (if there is one); and
- 131.2 a Constitution which prohibits the distribution of its income and property among its members to an extent at least as great as is imposed on the Company under clause 7 of this Constitution.

132 Choosing which institution or institutions the Company will transfer this property to must be done by:

- 132.1 a special resolution of the Members at or before the time of the Company's dissolution; or
- 132.2 if no such special resolution is passed, then by a Judge or Registrar of the Supreme Court or such other court of competent jurisdiction.

T Replaceable Rules displaced

133 Each of the provisions of the Act that would, but for this clause, apply to the Company as a replaceable rule is expressly displaced and does not apply to the Company.

U Financial Year

134 The financial year of the Company is:

- 134.1 the period of time commencing on the date of incorporation of the Company and ending on the following 30 June, and
- 134.2 each period of 12 months after the expiration of the previous financial year of the Company, commencing on 1 July and ending on the following 30 June.

V Definitions and Interpretation

135 In this Constitution:

- Act** means the *Corporations Act 2001* (Cth).
- Annual General Meeting** means the annual general meeting of Members.
- Applicant** means a person who lodges an Application under this Constitution.

Application means an application for Membership.

Auditor means the auditor or auditors of the Company, if the Company is required to have one. If the Company is not required to have an auditor, but has one, then it includes any such auditor.

Board means the board of directors of the Company.

Business Day means Monday to Friday excluding public holidays in the State or Territory the Company is registered in.

Company means Family Business Association Limited ACN 083076000

Constitution means this Constitution, as amended.

Directors means the members individually or collectively of the Board.

Extraordinary Meeting means a General Meeting of Members other than an Annual General Meeting.

General Meeting means an Annual General Meeting or an Extraordinary Meeting of the Company.

Liability means costs, losses, liabilities and expenses.

Member means a person admitted to Membership in accordance with this Constitution.

Membership means membership of the Company.

Officer means a Director, secretary or other officer of the Company and includes a former Officer, but does not include an auditor or agent of the Company

Chair means the Director who is elected to this office in accordance with clause 89.

Register means the register of Members kept in accordance with the Act.

Registered Address means the address of a Member shown in the Register.

Registered Office means the registered office of the Company.

Representative means a person as described in clause 27.

Special Resolution is defined as a resolution required under the Act. A special resolution will require a minimum of 21 days' notice to members and must be passed by a minimum of 75% of votes cast

Treasurer means the Director who is elected to this office in accordance with clause 89.

Deputy Chair means the Director who is elected to this office in accordance with clause 89.

136 In this Constitution, unless the context requires otherwise:

136.1 a person includes a corporate body, association, firm, partnership, or other unincorporated body;

136.2 a statute includes regulations under it and consolidations, amendments, re-enactments or replacements of any of them;

136.3 this or any other document includes the document as varied or replaced regardless of any change in the identity of the parties;

136.4 a clause, schedule or appendix is a reference to a clause, schedule or appendix in or to this Constitution;

- 136.5 a word or phrase that is defined has the corresponding meaning in its other grammatical forms
- 136.6 writing includes all modes of representing or reproducing words in a legible, permanent and visible form;
- 136.7 the singular includes the plural and vice versa;
- 136.8 a gender includes all other genders; and
- 136.9 headings and sub-headings are inserted for ease of reference only and do not affect the interpretation of this Constitution.

W Adoption and amendments of constitution

137 The Constitution may be amended as follows:

- 137.1 the members may amend or repeal this Constitution, or a provision of this Constitution, by special resolution passed at either an Annual General Meeting or at an Extraordinary General Meeting
- 137.2 a notice of the proposed alterations must be provided at least 21 days prior to the meeting to each member in accordance with provision of such notices;

137.3 a special resolution amending or adopting this Constitution takes effect on the date such resolution is passed unless a date is specified in the resolution

X Legal Compliance

138 It is acknowledged that the Company, Directors, Members and Officers of the Australian & New Zealand Water Heating Association Ltd shall when undertaking activities in relation to the Company act in accordance with all applicable State and Federal Laws.

