



## **Save Our Sons Limited Constitution**

**ABN 30 852 969 402**

## 1 Definitions and interpretation

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### 1.1 Replaceable Rules

All of the replaceable rules set out in the Act which the Company is entitled to displace, are displaced by the rules set out in this constitution.

### 1.2 Definitions

The following definitions apply in this constitution:

**Act** means the *Corporations Act, 2001* (Cth);

**Annual Subscription** means \$10.00 or such other amount determined by the Board from time to time;

**Application Fee** means \$10.00 or such other amount determined by the Board from time to time which is payable by a Member upon his or her application to become a Member of the Company;

**Board** means the board of Directors of the Company;

**Charity Legislation** means legislation binding the Company that regulates the registration, reporting obligations or governance of the Company as a charity as amended or replaced from time to time.

**Company** means Save Our Sons Limited;

**Director** means a person appointed to that position by the Members;

**General Meeting** means a meeting of Members duly called and constituted in accordance with this Constitution and any adjourned holding of it;

**Insolvency Event** means an event by which a person or company (as the case may be):

- (a) is insolvent, insolvent under administration, or states that it is unable to pay its debts when they become due and payable;
- (b) is placed in or under any form of external administration including if a party or its property is subject to the appointment of an administrator, a controller, receiver or receiver and manager, a liquidator or an official manager;
- (c) is made subject to any compromise or arrangement with any of its creditors or members or scheme for its reconstruction or amalgamation, otherwise than as a result of voluntary corporate reconstruction;
- (d) is wound up or dissolved, or an order or resolution is made to wind up or dissolve the party;
- (e) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of the relevant person or his or her estate under any laws relating to insolvency;
- (f) is or applies to be protected from any of its creditors under any applicable legislation, or
- (g) has anything similar to any of the events in paragraphs (a) to (e) happen to it under the law of any applicable jurisdiction;

**Material Personal Interest** means a material personal interest for the purposes of the Act;

**Members** means the members of the Company from time to time;

**Objects of the Company** means the objects set out in rule 3.2;

**Secretary** means any person appointed to perform the duties of a Secretary of the Company; and

**Tax Act** means the *Income Tax Assessment Act 1997* (Cth).

### 1.3 Interpretation

The following rules apply in interpreting this document:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) words or expressions defined in the Act or the Charity Legislation, have those meanings;
- (d) except so far as the contrary intention appears in this constitution, an expression has, in a provision of these rules that deals with a matter dealt with by a particular provision of the Act, the same meaning as in that provision of the Act;
- (e) headings are for convenience only, and do not affect interpretation; and
- (f) a reference to:
  - (i) a party includes its administrators, successors, substitutes by novation and assigns;
  - (ii) any legislation includes legislation varying consolidating or replacing that legislation and includes all regulations or other instruments issued under that legislation;
  - (iii) a person includes a body incorporated or unincorporated, partnership or any legal entity, and
  - (iv) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated.

## 2 Name and structure

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### 2.1 Name of the Company

The name of the Company is Save Our Sons Limited.

### 2.2 Company limited by Guarantee

The Company is limited by guarantee and the liability of the Members is limited as provided in this document. The Company is bound to comply with its objects and character as a not-for-profit company limited by guarantee that is a registered entity under the Act and Charity Legislation.

### 2.3 Constitution of the Company

This is the constitution of the Company and comprises its governing document for the purposes of the Charity Legislation.

### **3 Objects**

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#### **3.1 Pursuance of objectives**

The Objects of the Company are to be pursued principally within Australia.

#### **3.2 Objects**

The objects for which the Company is established are to:

- (a) promote and facilitate medical education and research into the illness known as Duchenne Muscular Dystrophy; and
- (b) provide emotional and financial assistance to all persons in Australia who are in necessitous circumstances resulting from them either:
  - (i) suffering from Duchenne Muscular Dystrophy person; or
  - (ii) having the care and control of a person diagnosed as having Duchenne Muscular Dystrophy,

having regard to the following criteria:

- (c) the educational qualifications and level of experience of the researchers, medical practitioners and others involved in the proposed medical education and research into Duchenne Muscular Dystrophy;
- (d) the prior activities and results achieved by the researchers, medical practitioners and others involved in the proposed medical education and research into Duchenne Muscular Dystrophy;
- (e) production of a certificate from a medical practitioner certifying that the proposed beneficiary has Duchenne Muscular Dystrophy;
- (f) that the proposed beneficiary will require continued medical treatment, including rehabilitation or physiotherapy, and/or the use of mechanical - aids for assistance in mobility and/or the usual functions of living; and
- (g) that the proposed beneficiary will need the services of a personal carer in some form or capacity.

#### **3.3 Activities in pursuance of objectives**

For the attainment of its objects, the Company is permitted to:

- (a) to purchase, construct, acquire, alter, lease, license, produce, or otherwise provide, procure or receive facilities, amenities and assets (or any interest in them) as is reasonable to achieve the Objects of the Company or to ensure the continuance of the Company and its commitment to these Objects;
- (b) to sell, trade, lease, license, assign, novate, grant an interest in or over, or otherwise reasonably deal with any interest, facility, amenity or asset as is reasonable to further the Objects and to ensure the continuance of the Company and its commitment to these Objects;
- (c) to subscribe to or affiliate with any companies, institutions, societies or associations having objects altogether or in part similar to those of the Company and which shall prohibit the distribution of their income and property among their members to an extent at least as great as that imposed upon the Company under rule 4 of this Constitution;
- (d) to perform all such acts and things necessarily conducive to the benefit, advancement and promotion for the purposes of caring for and supporting elderly persons in all conditions of health; and

- (e) to cooperate with, encourage and provide assistance to any charitable institution, charitable body or charitable fund having objects similar to the Objects of the Company.

## **4 Income and property**

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- (a) The Company must apply its income and property solely towards promoting the Objects of the Company. No part of the Company's income or property may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise to any of the Members.
- (b) Nothing in this document prevents the payment in good faith of remuneration to any officers or employees of the Company or to any Member in return for:
  - (i) any services actually rendered to the Company;
  - (ii) goods supplied or hired to the Company in the ordinary course and usual way of business;
  - (iii) interest on money lent to the Company at reasonable rates; or
  - (iv) reasonable rent for premises leased to the Company.
- (c) No remuneration or other benefit may be paid or given by the Company to any Director except:
  - (i) for the reimbursement of out-of-pocket expenses incurred on reasonable commercial terms in carrying out the duties of a Director;
  - (ii) for any service rendered to the Company in a professional or technical capacity, where the terms of service are on reasonable commercial terms and have been previously approved by a resolution of the Directors; [or
  - (iii) for attending upon the functions and duties of a Director, or any committee established by the Board on reasonable commercial terms commensurate with similar not-for-profit organisations and which remuneration:
    - (A) has been approved by special resolution of the Directors; and
    - (B) does not exceed the total amount approved by the Members in a general meeting as the remuneration payable to all Directors for undertaking such functions and duties.

## **5 Deductible gift recipient status**

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### **5.1 General**

If at any time the Company has the status of a company to which gifts can be deducted under the Tax Act, any provisions which from time to time are required in order to maintain the status of the Company as a Company to which gifts can be deducted under the Tax Act are deemed to form part of this constitution.

### **5.2 Winding up or revocation of deductible gift recipient status**

On the earlier of the winding up of the Company or the revocation of the Company's deductible gift recipient endorsement under Sub-division 30-BA of the Tax Act, the Company must transfer the following to a fund, authority or institution to which gifts can be deducted under Division 30 of the Tax Act, as approved by the Members:

- (a) any surplus gifts of money or property for the principal purpose of the Company; and

- (b) any surplus contributions described in item 7 or 8 of the table in section 30-15 of the Tax Act in relation to a fund-raising event held for that purposes; and
- (c) any surplus money received by the Company because of such gifts or contributions.

## **6 Winding up**

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### **6.1 Limited liability of Members**

If the Company is wound up, each of the Members undertakes to contribute to the assets of the Company an amount not exceeding \$10.00 for payment of the debts and liabilities of the Company including the costs of the winding up. This undertaking continues for one year after each of the Members ceases to be a member of the Company.

### **6.2 Distribution of Property**

If the Company is wound up or dissolved, any property remaining after the satisfaction of the debts and liabilities of the Company will not be paid to or distributed among the Members but will be given or transferred to an organisation nominated by the Members which:

- (a) has similar objects to the Company;
- (b) meets the requirements of rule 5 if the Company has deductible gift recipient status at the time of winding up; and
- (c) is exempt from income tax under the Tax Act.

## **7 Fundraising authority**

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If the Company holds an authority to fundraise from NSW Fair Trading (or such other government entity responsible for fundraising in NSW from time to time), no addition, alteration or amendment may be made to rules 4 or 6 without the prior written approval of the Minister responsible for the administration of the *Charitable Fundraising Act 1991*.

## **8 Membership**

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### **8.1 Members**

The Members of the Company at the time of adoption of this Constitution are listed in Schedule 1.

- (a) The Directors may from time to time approve the admission of a substitute or additional number of Members.

### **8.2 Rights of Members**

Members are entitled to:

- (a) receive notices of meetings of Members;
- (b) be counted towards a quorum of Members present at a General Meeting;
- (c) appoint a proxy to vote at a General Meeting;
- (d) vote at a General Meeting;
- (e) attend all General Meetings; and
- (f) receive annual financial reports and statements of the Company.

### 8.3 Fees to be paid by Members

- (a) The Application Fee payable by Members is such amount as determined by the Board from time to time.
- (b) The Annual Subscription payable by a Members:
  - (i) is such amount as determined by the Board;
  - (ii) must be paid in advance for the period beginning on 1 July in every year or such other date determined by the Board; and
  - (iii) where the person is admitted as a Member after 1 July, may be reduced by the Board in such manner as the Board sees fit.
- (c) The Board may at any time suspend or waive, in whole or in part, payment of the Application Fee or Annual Subscription in favour of any Member.
- (d) If any Member fails to pay his or her Annual Subscription within two months after it becomes due and payable and a notice of default is given to the Member by the Board, that Member is not entitled to any of his or her rights under rule 8.2 while the subscription remains due and unpaid.

### 8.4 Application for Membership

An application of a person to become a Member:

- (a) must be in writing in the form approved by the Board from time to time, and such an application must:
  - (i) state the applicant's name and address and be signed by the applicant;
  - (ii) be accompanied by the Application Fee determined in accordance with rule 8.3(a); and
  - (iii) state that the applicant has reviewed this Constitution and agrees to be bound by its provisions; and
- (b) must be lodged with the Secretary, who will present the application to the Board.

### 8.5 Admitting Members

The Board must:

- (a) as soon as practicable after receiving an application for Membership, determine whether to approve or to reject the application;
- (b) where it determines to reject an application for Membership, refund any Application Fee and any Annual Subscription paid by the applicant; and
- (c) where it determines to approve an application for Membership, instruct the Secretary to, as soon as practicable after that determination, notify the applicant of admission in the form of a receipt for the Application Fee and:
  - (i) upon payment of the applicant's Annual Subscription, the Secretary must enter the applicant's name and details in the Company register and, upon the name being so entered, the applicant becomes a Member; or
  - (ii) if payment of the applicant's Annual Subscription is not made within two calendar months after receipt of this written notice, the Board may, in its discretion, cancel its approval of the application for Membership.

### 8.6 Discretion to admit

For the avoidance of doubt:

- (a) the Board may refuse to admit any person as a Member in its absolute discretion and is not obliged to give reasons for so refusing; and
- (b) no applicant may be admitted to Membership and have their name entered in the register of the Company unless the applicant agrees in writing to be bound by this Constitution.

## 8.7 Cessation of Membership

Any person will automatically cease to be a Member if they:

- (a) resign as a Member of the Company by notice in writing to the Company;
- (b) become the subject of an Insolvency Event or subject to any form of insolvent administration;
- (c) become of unsound mind or physically or mentally incapable of performing the functions of that office;
- (d) die; or
- (e) if the Member refuses or neglects to comply with this constitution, or acts in a manner prejudicial to the reputation or interests of the Company.

## 8.8 Resignation

A Member of the Company may resign their Membership by giving written notice to the Secretary (**Notice**). The resignation is deemed to take effect from the date of receipt of the Notice, or such later date as is provided in the Notice. A Member remains liable to the pay all amounts due to the Company up to the date of resignation.

## 8.9 Resolutions if the Company has one Member

- (a) If at any time there is only one Member, all resolutions and decisions required by the Act, the Charity Legislation or by this constitution to be made by the Member will be passed and made by the Member recording the resolution or decision and signing the record, without holding any annual general meeting or other general meetings.
- (b) An annual general meeting of the Company will be held in accordance with the Act provided however that where there is only one Member, the Member may elect not to hold an annual general meeting in accordance with section 250N(4) of the Act.

# 9 Meetings of Members

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## 9.1 Act to apply

A general meeting of the Company and an Annual General Meeting will be held in accordance with the provisions of the Act and the Charity Legislation as applicable.

## 9.2 Calling of meetings

- (a) Any three Directors may call a General Meeting.
- (b) General Meetings will be convened on such requisition by Members as provided by the Act.

## 9.3 Notice of meeting

- (a) Notice of a General Meeting may be given by post, facsimile or by electronic mail.
- (b) Every notice of a General Meeting must:
  - (i) set out the place, date and time of meeting;



- (ii) in the case of special business, state the general nature of the business;
- (iii) if a special resolution is to be proposed, set out an intention to propose the special resolution and state the resolution;
- (iv) in the case of an election of Directors, give the names of the candidates for election; and
- (v) contain a statement setting out the following in relation to proxy voting:
  - (A) that the Member has a right to appoint a proxy; and
  - (B) that a proxy need not be a Member.

#### 9.4 **Omission to give notice**

The accidental omission to give notice of a General Meeting to, or the non-receipt of any such notice by, a person entitled to receive it, or the accidental omission to advertise (if necessary) such General Meeting, does not invalidate the proceedings at, or any resolution passed at, any such General Meeting.

#### 9.5 **Notice of cancellation or postponement**

- (a) The Board may notify the Members of a cancellation or postponement of a General Meeting, but must provide notice of the cancellation or postponement at least two business days prior to the time of the meeting as specified in the notice of meeting.
- (b) If any General Meeting is postponed for 28 days or more, then no less than 5 days' notice must be sent to the Members of the postponed General Meeting. It is not necessary to specify in such notice the nature of the business to be transacted at the postponed General Meeting.

#### 9.6 **Venue**

Despite any other rule, the Company may hold a General Meeting at two or more venues using technology that gives each Member a reasonable opportunity to participate in the General Meeting.

#### 9.7 **Quorum**

No business may be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except as provided in rule 9.8, four Members entitled to vote at the meeting present in person or by representative, proxy or attorney are a quorum.

#### 9.8 **Failure of quorum**

- (a) If a quorum is not present within 30 minutes from the time appointed for a General Meeting:
  - (i) where the meeting was called by, or in response to, the requisition of Members made under the Act, the meeting is dissolved; or
  - (ii) in any other case, the meeting 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. If a meeting has been adjourned to another time and place determined by the Board, not less than five business days' notice must be given in the same manner as in the case of the original meeting.
- (b) If at the adjourned meeting a quorum is not present within 30 minutes from the time appointed for the meeting, the meeting is dissolved.

## 9.9 [Business of annual General Meeting]

The business of an annual General Meeting is:

- (a) to receive the Company's financial report, the Director's report and the auditor's report on the financial statements;
- (b) to elect Directors;
- (c) to transact any other business which under this Constitution, the Act or the Charity Legislation should be transacted at an annual General Meeting; and
- (d) consider any matters referred by Members at least 21 days before the meeting, to be included in the agenda.

## 9.10 Report on Company's activities

The Board must at each annual General Meeting in addition to the matters in rule 9.9, submit to the Members a report on the activities of the Company, including any payments made to Directors, in the period since the previous General Meeting.

## 9.11 Frequency of Annual General Meeting

The Company must hold an Annual General Meeting at least once every calendar year and within 5 months after the end of its financial year.]

# 10 Board of Directors

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## 10.1 Management

The management of the Company will be vested in the Board.

## 10.2 Qualifications of Directors

- (a) In addition to the circumstances in which the office of a Director becomes vacant by virtue of the Act, the office of a Director becomes vacant if the Director:
  - (i) is absent without the consent of the Board from 3 successive meetings of the Board and the Members resolve that his or her office be vacated;
  - (ii) resigns by notice in writing to the Members;
  - (iii) becomes of unsound mind or physically or mentally incapable of performing the duties of that office as resolved by the Board;
  - (iv) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the interest as required by the Act;
  - (v) is removed from office by the Members; or
  - (vi) ceases to meet the conditions under the Charity Legislation for being a responsible entity of the Company.
- (b) The Board may from time to time identify the skills requirements and the needs of the Directors to establish a skills-based Board in accordance with good governance structure to give effect to the Company's objects, subject at all times to rule 10.4 and the necessary Member approval at a General Meeting at which nominations and election of Directors are being voted upon.

## 10.3 Number of Directors

- (a) Subject to the Act, the Members may increase the number of Directors.

- (b) Subject to rule 10.3(a), there will be:
  - (i) a minimum of three Directors; and
  - (ii) a maximum of five Directors.

#### **10.4 Method of appointment and removal of Directors**

The Members will make appointments and re-appointments of Directors, and nominate their terms of office, and subject to the Act and Charity Legislation may remove Directors by notice in writing addressed to the Board.

- (a) The Directors will appoint the Chair of the Board and will nominate the term of office. The Board may appoint one of its number to be Deputy Chair and nominate the term of his or her office.
- (b) Wherever a casual vacancy occurs in the office of Chair or Director, the Directors will appoint a person to fill the vacancy and in the case of a casual vacancy in the office of Deputy Chair, the Board may appoint a person to fill the vacancy.

### **11 Operation of the Company**

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#### **11.1 Powers and duties of the Board**

Except as otherwise required by the Act, any other applicable law or this constitution, the Board:

- (a) has the power to manage the business of the Company;
- (b) may exercise every right, power or capacity of the Company as are not by the Act or by this constitution otherwise required to be exercised by the Company in a general meeting.

#### **11.2 Negotiable Instruments**

All negotiable instruments must be executed, accepted or endorsed by the Company by the signature of 2 Directors, or by one Director and one Secretary, or in any other manner as the Board determines.

### **12 Proceedings of the Board**

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#### **12.1 Board Meetings**

- (a) The Board may meet together for the dispatch of business and adjourn and otherwise regulate its meetings as the Board thinks fit.
- (b) The Chair or any 2 Directors may at any time and the Secretary must, on the requisition of 2 Directors, convene a meeting of the Board.
- (c) A Board meeting may be held with one or more of the Directors taking part by telephone, audiovisual link up or other instantaneous communication medium, if the meeting is conducted so that Directors are able to hear the proceedings of the entire meeting and to be heard by all others attending the meeting.
- (d) A Board meeting held solely or partly by technology is treated as held at the place at which the greatest number of the Directors present at the meeting is located or, if equal numbers of Directors are located in each of two or more places, at the place where the Chair of the meeting is located.

- (e) In the absence of the Chair, the Deputy Chair will chair Board meetings. In the absence of both the Chair and Deputy Chair, the Directors present must elect one of their number to chair the Board meeting.

## 12.2 Notice of Board Meeting

The convenor of each Board meeting:

- (a) must give as much notice as is reasonably possible of the meeting (and, if it is adjourned, of its resumption) individually to each Director;
- (b) must give that notice in writing directed to such address as the Director in question furnishes to the Secretary from time to time; and
- (c) must give that notice containing as much information as is reasonably possible concerning the business to be dealt with by the meeting to which it relates,

but failure to give notice to, or non receipt of notice by, a Director does not result in a Board meeting being invalid.

## 12.3 Voting

Subject to this constitution, questions arising at a meeting of the Board will be decided by a majority of votes of Directors present and voting and any such decision will be deemed a decision of the Board. In the case of an equality of votes the Chair of the meeting will not have a second or casting vote and if a majority decision cannot be reached a resolution will not be passed.

## 12.4 Quorum

- (a) For a quorum to be established at a meeting of the Board, three Directors must be present.
- (b) No business will be transacted at any such meeting unless a quorum is present at the time the meeting proceeds to business.

## 12.5 Continuing Directors

In the event of a vacancy or vacancies in the office of a Director or offices of Directors the remaining Directors may act but if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of the Board they may act only:

- (a) for the purpose of requesting the Members to appoint additional Directors;
- (b) to convene a meeting of Members; or
- (c) in emergencies.

## 12.6 Written Resolution

If all the Directors entitled to vote have signed a document containing a statement that they are in favour of a resolution of the Board in terms set out in the document, a resolution in those terms will be deemed to have been passed at a meeting of the Board held on the day on which the document (or collection of materially identical documents which when taken together express the same resolution and vote) was signed and at the time at which the document was last signed by a Director or if the Directors signed the document on different days on the day on which and at the time at which the document was last signed by a Director.

## 12.7 Attendance of Non-Directors

The Chair or a majority of the Directors may request the attendance at any meeting of the Board of any person who in their opinion may be able to assist the Board in any matter under consideration.

## 12.8 Procedure at Board Meetings

Subject to this constitution and the Act the procedure to be followed at a meeting of the Board will be as the Board decides.

## 12.9 Board Committees

The Board may constitute committees comprised of at least one Director and including other persons suitable to assist and advise the Board in the discharge of its functions. Board committees will be constituted and act in accordance with resolutions of the Board.

# 13 Director's duties and interests

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## 13.1 Holding Offices or entering into Agreements

A person is not disqualified by reason only of being a Director of the Company from:

- (a) holding any office or place of profit or employment with, or being a member of, any entity dealing with the Company, other than that of the Company's auditor; or
- (b) entering into any agreement with the Company.

## 13.2 Duty to disclose Material Personal Interests

- (a) For the purposes of this rule 13, a Director has a Material Personal Interest in a matter that relates to the affairs of the Company if that Director would be considered to have a Material Personal Interest under the Act.
- (b) Unless the Act says otherwise, a Director who has a Material Personal Interest in a matter that relates to the affairs of the Company must, at a Directors' meeting as soon as practicable after the Director's appointment or after the Director becomes aware of their interest in the matter (whichever is later), give the other Directors notice of the interest which must include details-of:
  - (i) the nature and extent of the interest;
  - (ii) the relation of the interest to the affairs of the Company; and
  - (iii) any other information the Director is required to disclose under the Act.
- (c) A Director does not need to give notice of an interest under rule 13.2(b) if he or she is not required to do so under the Act.
- (d) A Director who is required to disclose a Material Personal Interest to the Company under this Constitution or the Act must ensure that the nature and extent of the interest is tabled at a Directors' meeting and recorded in the minutes of that meeting.

## 13.3 Effect of Director having a Material Personal Interest

Each Director must comply with the Act in relation to being present, and voting, at a Board meeting that considers a matter in which the Director has a Material Personal Interest.

## 13.4 Duty to disclose a conflict of interest

- (a) Unless the Charity Legislation says otherwise, a Director who has a perceived or actual material conflict of interest in accordance with the Charity Legislation must, subject to rule 13.4(b) below, at a Directors' meeting as soon as practicable after the Director's appointment or after the Director becomes aware of their interest in the matter (whichever is later), give the other Directors notice of the interest which must include details of:
  - (i) the nature and extent of the interest;

- (ii) the relation of the interest to the affairs of the Company; and
  - (iii) any other information the Director is required to disclose under the Charity Legislation.
- (b) A Director may disclose a material conflict of interest (within the meaning of Charity Legislation) that is not a Material Personal Interest in the form of a standing notice to the other Directors with ongoing effect.

## **14 By-Laws**

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The Board has power to make vary and repeal by-laws from time to time for the proper conduct and management of the Company.

## **15 Company seals**

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### **15.1 Common Seal**

The Company will not have a common seal unless the Board resolves to adopt one.

### **15.2 Use of Seals**

Any common seal adopted by the Board may only be used with the authority of the Board.

### **15.3 Fixing Seals to documents**

The fixing of the common seal, or any duplicate seal, to a document must be witnessed:

- (a) by 2 directors;
- (b) by 1 director and 1 Secretary; or
- (c) by any other way resolved by the Board.

## **16 Accounts and audit**

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### **16.1 Keeping accounts**

The Board must cause the Company to keep written financial records that:

- (a) correctly record and explain its transactions and financial position and performance;
- (b) would enable true and fair financial statements to be prepared and audited.

### **16.2 Board responsibilities**

The Board must do all things reasonably open to it to:

- (a) ensure that all money payable to the Company is properly collected;
- (b) ensure that all money expended by the Company is properly expended and properly authorised;
- (c) ensure that adequate control is maintained over assets owned by or in the custody of the Company;
- (d) ensure that all liabilities incurred by the Company are properly authorised;
- (e) ensure efficiency and economy of operations and avoidance of waste and extravagance;

- (f) develop and maintain an adequate budgeting and accounting system;
- (g) develop and maintain an adequate internal audit system.

### 16.3 **Right of Access**

A Director has a right of access to financial records of the Company at all reasonable times and after providing reasonable notice.

### 16.4 **Financial Report**

If required by the Act, the Board must cause the Company to prepare a financial report and a Directors' report that comply with the Act and must report to Members in accordance with the Act.

### 16.5 **Audit**

If required by the Act, the Board must cause the Company's financial report for each financial year to be audited and obtain an auditor's report.

### 16.6 **Inspection of financial records and books**

The books of account of the Company must be kept at the registered office of the Company or at such other place as the Board thinks fit and will be open to inspection by the Members of the Company on such reasonable conditions as the Board determines.

## 17 **Indemnity**

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### 17.1 **Indemnity**

Subject to the Act, the Company must, to the extent the person is not otherwise indemnified, indemnify every officer (as defined in the Act) of the Company against a liability:

- (a) incurred to the Company, to a related body corporate or to a person other than the Company (including a liability incurred as a result of appointment or nomination of the Company or subsidiary as a trustee or as an officer of another corporation) unless the liability arises out of conduct involving a lack of good faith or is for a pecuniary penalty order or compensation under the Act; and
- (b) for costs and expenses incurred by the officer in defending civil or criminal proceedings in which judgment is given in favour of that person or in which that person is acquitted, or in connection with an application in relation to those proceedings in which the court grants relief to that person under the Act.

### 17.2 **Insurance**

Subject to the Act, the Company may enter into and pay premiums on a contract of insurance in respect of any person, to the fullest extent permitted by the Act.

### 17.3 **Former Officers**

The indemnity in favour of officers under rule 17.1 is a continuing indemnity. It applies in respect of all acts done by a person while an officer of the Company, even if the person is not an officer at the time the claim is made.

## 18 **Amendments to constitution**

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This constitution may be varied or amended from time to time in accordance with the Act and the Charity Legislation.