



CAU & CI Connection Principles, with CAU Constitution

JUNE 2023


Releasing children from poverty
Compassion[®]
in Jesus' name



PRIVATE

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Balita-Balita

CAU & CI Connection Principles

MAY 2023

“Compassion Australia: Internationally owned, locally empowered.”

Preamble

This document has been prepared to articulate a collaborative approach to governance interaction as Compassion International (CI) transitions to become the sole member of Compassion Australia (CAU).

The single-member model (“Internationally owned, locally empowered”) is a new and unique model for the global Compassion family of charities. It differs from other fundraising partners in the Global Partner Alliance who, while subscribing to the Global Partner Covenant Charter, operate independently and have their primary connection to Compassion International through Compassion International’s marketing function. While there are similarities with Compassion International’s field office functional line integration, Compassion Australia will have greater local empowerment to set direction.

What follows is therefore a discursive, living, principles-based document. Rather than a comprehensive or legally binding document,¹ it approaches the transition from a position of humility. Accepting that even the best planned transition cannot cover every situation, it sets out examples which might be applied analogously. These examples are presented in a question-and-answer format to make them accessible and easy to update as learning occurs.

Contents

This document covers a range of overlapping areas as relevant to facilitating effective governance relationships between CAU and CI including:

- Role of CI as Member outline of control
- Communications between the CAU Board and the Member
- Annual reporting and meetings between the CAU Board and the Member
- Conflict resolution
- Approach to appointing or removing CAU Board Directors
- Approach to appointing the CEO
- Relational connectedness, engagement, education and induction
- Framework for managing and sharing risks
- Revising the CAU Constitution
- The role of CI’s General Counsel’s Office (GCO)
- CI and CAU staff connection
- Glossary/Terms Used

¹ For detail on the legal rights and duties of the parties, see Compassion Australia’s corporate Constitution, Australian legislation such as the Corporations Act (Cwlth), the Australian Charities and Not-for-profits Act(Cwlth), and related regulations.

Role of CI as Member and outline of control

When Compassion International becomes the sole Member of Compassion Australia, it will also assume control over Compassion Australia. This control includes the ability to change Compassion Australia's name, appoint and remove Compassion Australia's directors, and close Compassion Australia's operations. However, these abilities should not be exercised in the same way as they could in a for-profit company.

The Members of a charitable organisation like Compassion Australia are more than shareholders; they are custodians of the organisation's purpose. Members are responsible for holding the CAU Board accountable, ensuring it pursues the organisation's purpose and making the 'big picture' decisions. Members do not, however, actively manage the organisation as that responsibility falls to the CAU Board of Directors and their appointed management.

This is the understanding between Compassion International and Compassion Australia which has been summarised in the phrase "Internationally owned, locally empowered." Compassion Australia has invited Compassion International to become its sole Member to ensure alignment of vision and mission.

Importantly, Compassion Australia and Compassion International remain two separate entities, each with its own Board of Directors and bylaws/constitution, and the agreements previously signed between the two entities (i.e., Covenant Charter and Trademark License) remain in effect.

Communications between the CAU Board and CI as the Member

GENERAL

In general, the interaction between Compassion Australia and Compassion International will be at the staff level, and the CAU Board would only be involved in limited circumstances. The majority of these limited circumstances are procedural- or governance-related and would mostly involve electronic correspondence between CUA's Board officers, such as the Chair, Vice Chair or Secretary, and CI's General Counsel's Office (GCO), which the CI Board has designated to represent the entity's membership. Meetings or briefings may be called on an as-needed basis. Support may be provided by CAU staff, such as the CEO or an executive assistant.

CAU BOARD MEETINGS

As Compassion International will be a Member rather than a Director, it will not automatically participate in CAU Board meetings. However, the CAU Board may request that staff of the GCO, or other CI representatives, attend as guests depending on the requirements of the meeting. Compassion International may also initiate a request; however, the CAU Board retains discretion regarding meeting attendees. Guests do not have voting rights.

ISSUES THAT ARE SENSITIVE OR REQUIRE DISCRETION

In the case of sensitive matters, CAU Board Officers and the GCO representative may contact each other directly.

HOW WILL THE CAU BOARD MEET AND OPERATE?

The CAU Board will continue to operate in accordance with clause 11 of its constitution, including meeting formally four times a year. One of these meetings may form the Annual Reporting Meeting (ARM) described later in this document. The CAU Board may hold additional out-of-session meetings as required. This may include an annual spousal retreat. Every three years this retreat may include a visit to a country where program operates.

The CAU Board currently operates three committees: Finance, Risk, and CEO, each governed by their own terms of reference. Other committees may be established as needed. Processes are overseen by the Chair and the Company Secretary supported by an executive assistant who is a CAU staff member.

HOW WOULD THE MEMBER BE INVOLVED IN CAU BOARD MEETINGS AND EVENTS?

As previously mentioned, the CAU Board may, from time to time and at its own discretion, invite the Member's representative or other CI staff to attend CAU Board meetings and/or CAU events. In each case, the Member's representative or staff would attend as observers.

DOES THE MEMBER HAVE ACCESS TO CAU BOARD MINUTES?

CAU Board minutes would be made available to the Member following each CAU Board Meeting and may be redacted only to the extent necessary to comply with Australian privacy laws.

Annual reporting and meetings between CAU Board and the Member

ANNUAL MEETINGS

As a single-Member company, the Companies Act no longer requires an Annual General Meeting (AGM), rather it only requires the Member to make annual resolutions to approve the financials, reports and other procedural matters otherwise taken care of at an AGM. While this process could be largely pro-forma and does not require a meeting, Compassion Australia and Compassion International believe this would be a missed opportunity for genuine engagement and collaboration.

With this in mind, the CAU Board will designate one CAU Board meeting annually as the Annual Reporting Meeting (ARM), at which the annual financials will be discussed and finalised for the Member's approval. The Auditor, Chief Executive Officer and other management personnel may be requested by the CAU Board to attend to respond to questions from the CAU Board relating to the annual report. The CAU Board would then approve the final documents to be submitted to the Member. The CAU Board may also wish to discuss any questions that have been submitted by the Member with the Auditor and management personnel, determine any questions for the Member to resolve, and appoint or reappoint any office bearers or committees.

Following the ARM, the CAU Board will hold an Annual Member Briefing (AMB) to submit the financials, audit reports, and other documents for the Member's approval.

As the Member's office will have been provided a draft version of the Annual Report prior to the AMB, and given the opportunity for feedback and clarifications prior to its finalisation, the Member will generally resolve to accept the Annual Report at or immediately following the AMB. The Member may also take other actions such as reappointing Directors, which also requires consultation with the CAU Board.

WHO WOULD ATTEND THE ANNUAL MEMBER BRIEFING?

Attendees at the AMB would include the Member's Representative, the CAU Board, Auditor, CAU CEO, and other management personnel as relevant. Decisions would be made by the Member's representative by written resolution.

The AMB would primarily involve the Member in discussing the Annual Report, and the Member ordinarily resolving to adopt it. The Member could also use this forum to confirm and reconfirm any CAU Board appointments, accept any recommendations of the CAU Board regarding appointment of auditors (if required), and make any other decisions required to be made by the Member.

If a meeting is requested by the Auditor under section 6.3 (d), the Auditor would be entitled to be heard by the Member on any business that concerns the Auditor in its capacity as Auditor under section 17.2 (c).

WHAT WOULD BE THE STANDING AGENDA FOR THE ANNUAL MEMBER BRIEFING?

Standing agenda items at the AMB would include:

- Tabling of the Annual Report, including:
 - Annual Financial Statements, CAU Board Report and any Auditor's Report(s)
 - Any anticipated CAU Board vacancies and proposed Director appointments
 - The appointment and remuneration of any Auditor
 - Any questions for determination by the Sole Member
- Discussion, questions and resolutions, including:
 - Accepting the Annual Report
 - Approving any Director appointments
 - Approving any Auditor appointments and their remuneration
 - Any questions to the Sole Member
- Any items requested in advance, such as:
 - Discussion of any items or questions that were submitted by the Auditor
 - Discussion of any items or questions that were submitted by the Member
- Any other business as deemed necessary by the Member and/or the CAU Board

Conflict resolution

HOW CAN REGULAR FEEDBACK BE PROVIDED?

On an annual basis, the CAU Board will proactively ask the GCO to provide honest feedback regarding the CAU Board's performance and on the function of the governance relationship. Similarly, the CAU Board will provide honest feedback to the Member. This could occur as a standing agenda item at the CAU Board's first meeting of the year, typically in March.

In both cases, feedback would consist of a constructive appraisal of the relationship and how it can be continuously improved.

WHAT HAPPENS IF AN ISSUE NEEDS TO BE RAISED BY THE MEMBER WITH THE CAU BOARD?

If CI desires to raise an issue regarding CAU, this would typically be done in writing to the Chair, Vice Chair, Secretary and/or the whole CAU Board, with a view to meeting as soon as reasonably practicable to discuss and resolve the issue.

Operational issues would be discussed between CI and CAU management personnel, including, when applicable, the GCO, and the CAU Board would only be involved in exceptional circumstances.

WHAT HAPPENS IF AN ISSUE NEEDS TO BE RAISED BY THE CAU BOARD TO THE MEMBER?

If the CAU Board desires to raise an issue regarding CI, this would typically be done in writing to the GCO and more specifically to the General Counsel, Deputy General Counsel, and other staff of the GCO as appropriate, with a view to meeting as soon as reasonably practical to discuss and resolve the issue.

Operational issues would be discussed between CI and CAU management personnel, including, when applicable, the GCO, and the CAU Board would only be involved in exceptional circumstances.

WHAT HAPPENS IF THE CAU BOARD NEEDS TO ESCALATE AN ISSUE OR IF THE ISSUE INVOLVES THE GCO?

Only in exceptional circumstances where an issue cannot be resolved with the GCO, or if the issue involves the GCO, would the CAU Board Chair contact CI's President/CEO.

WHAT HAPPENS IF CI NEEDS TO ESCALATE AN ISSUE REGARDING THE CAU BOARD OR AN OFFICE BEARER?

If the issue needs to be escalated, or it involves an CAU office bearer or key management personnel, the GCO, through the General Counsel or Deputy General Counsel, may directly contact the other CAU Board Directors, CEO, or other CAU management personnel depending on the situation.

Approach to appointing or removing CAU Board Directors

HOW WILL NEW DIRECTORS BE APPOINTED?

Notwithstanding the Member's ability to appoint CAU Board Directors under the ACT, when a new Director is to be appointed, the CAU Board would usually identify candidates and manage the recruitment process. Whether a candidate is identified by CAU or CI, the candidate would typically complete an interview and assessment process with the CAU Board (or CAU Board Committee). This would include an assessment of the candidate against the Directors' eligibility requirements and assessment against relevant standards (i.e. psychometric testing).

Following successful completion of this process, the CAU Board would recommend the candidate to the Member for consideration/and or further interviews. The CAU Board's recommendation would satisfy the constitutional requirement to consult in good faith. Only in exceptional cases would the Member choose not to follow the CAU Board's recommendation, and it should only do so after substantial dialogue.

HOW ARE CAU BOARD DIRECTORS INDUCTED OR ONBOARDED?

The CEO and CAU Board would conduct an induction program into the responsibilities of CAU Board Directors under Australian law, CAU Board procedures and operations, and CAU organisational context. The GCO would assist in inducting and educating the new CAU Board Director in the global context.

WHAT MIGHT OCCUR IF THE CAU BOARD NEEDS TO REQUEST A DIRECTOR'S REMOVAL?

In the unlikely event that a two-thirds majority of the CAU Board resolved that one or more Directors should be removed, the Chair or Secretary would write to the GCO to notify them of that resolution and to discuss the process for the removal of the Director.

HOW WOULD A CASUAL VACANCY BE MANAGED?

If the CAU Board becomes aware that a casual vacancy has been created under Constitution clause 10.5 (such as through a director's resignation, death or absence from meetings), the CAU Board will write to inform the GCO as soon as possible.

WHAT MIGHT OCCUR IF THE MEMBER WANTS TO REMOVE ONE OR MORE DIRECTORS?

This scenario falls under section 5.9 of the CAU Constitution, and the Member must first consult with the CAU Board in good faith and discuss the need and process for removal of the Director. The general objective would be to reach a consensus between the Member and the CAU Board.

HOW MANY DIRECTORS WILL THE CAU BOARD HAVE?

The CAU Board would usually determine for itself the number of Directors to effectively conduct business according to the Constitution clause 10.1.

Approach to appointing the CEO

WHO WOULD MANAGE THE APPOINTMENT PROCESS?

It is the responsibility of the CAU Board to recruit, select, hire, and evaluate the performance of the CEO. While the Member has no responsibility or authority in the CEO recruitment process, the CAU Board has expressed a desire to seek the Member's input in the selection process, usually at the stage of considering finale candidates.

WHAT IF THERE ARE RECOMMENDED CANDIDATES FOR THE CEO POSITION?

The Member may suggest CEO candidates, and any suggested candidates would be required to apply via the same recruitment process for other candidates, as managed by the CAU Board.

Relational connectedness, engagement, education, and induction?

HOW ARE CAU BOARD DIRECTORS INDUCTED AND ENGAGED?

The CAU Board will take the lead in new Director's induction and orientation, and the GCO will play a key supporting role in assisting new CAU Board Directors to learn the global context of Compassion International. The GCO will also continue to engage CAU Board Directors, providing updates on relevant developments to help inform CAU Board decisions and facilitate effective governance. This could include developing an induction, education, and engagement plan to supplement local CAU Board member induction processes.

The GCO will ensure the CAU Board is kept abreast of CI's key vision, mission and strategic priorities, to empower and lead CAU to contribute effectively to global goals. Similar connections on a management level will ensure clarity and alignment between the respective management teams on these areas.

HOW DO WE BUILD RELATIONSHIPS BETWEEN THE GCO AND CAU BOARD DIRECTORS

To build effective relationships, we would anticipate that the GCO and CAU Board Directors would connect formally and informally at various opportunities throughout the year, like at Global Summit or through shared field experiences and other briefings and forums.

HOW MIGHT RELATIONSHIPS BE FURTHER BUILT BETWEEN OTHER GPA BOARD DIRECTORS?

The GCO would continue to play a key role in building engagement and connection between CAU Board Directors and the Directors of other GPA members.

Framework for managing and sharing risks

HOW WOULD RISKS BE MANAGED?

The CAU Board is responsible for ensuring CAU has an effective framework for the management of risk.

Information and advice about management of risks would generally be communicated directly between CI and CAU management staff. Currently, there is regular communication between CAU's Office of Risk and

Compliance and CI's Office of Risk Management. Similar connections will be fostered between, for example, CAU's Technology Office and CI's Office of IT Security and Operations. The CAU Board and GCO may be made aware of risk issues but would typically not be involved in risk management unless the risk has the potential to escalate into a significant event that could impact CI or CAU's ability to operate.

Information about risks and risk management identified or discussed by the CAU Board would typically be included in CAU Board meeting minutes, which will be shared with the Member's office. If a significant risk occurs, or may occur, the CAU Board Chair, Vice Chair or Secretary will communicate to the GCO as soon as reasonably practical and call a meeting if necessary. The full CAU Board would be involved as per normal CAU Board practices, and CAU staff such as the CEO or Head of Risk and Compliance may assist in coordinating communications, reporting and mitigation activities.

HOW WOULD RISKS RELATING TO KEY MANAGEMENT PERSONNEL BE COMMUNICATED?

If a risk or risk event involved the CEO or key management personnel, it would be expected that the CAU Board Chair, Vice Chair, or Secretary would contact the GCO. Similarly, the GCO would contact the CAU Board Chair, Vice Chair, or Secretary directly.

HOW WOULD RISKS BE COMMUNICATED FROM THE MEMBER TO CAU?

Governance risks for consideration of the CAU Board would generally be communicated by the GCO to the CAU Board Chair, Vice Chair, or Secretary. If the severity of the risk is high and or mitigation activities are urgent, the General Counsels would communicate to the CAU Board Chair, Vice Chair, or Secretary as soon as reasonably practical and call the meeting if necessary.

HOW WOULD RISKS GENERALLY BE MANAGED?

Generally, when a risk is disclosed or received, any relevant actions or mitigation plans would be developed for CI or CAU's management staff to follow up. A specific timeframe to follow up on the risk may be developed, otherwise the risk would be reviewed at the next meeting of the CAU Board or meeting between the CAU Board and the GCO. Depending on the risk, interim reporting may also be requested to be provided by management to the CAU Board or GCO.

Revising the CAU Constitution

WHEN WOULD THE CONSTITUTION NEED TO BE REVISED?

The constitution adopted in December 2021 was drafted to facilitate the membership change and allow for an interim period between the Constitution's adoption and the membership change. Accordingly, the CAU Board recommends that the Constitution be reviewed on a regular basis and revised as necessary to ensure it is facilitating effective governance standards and processes. The first review could take place in October 2023.

HOW WOULD CHANGES BE CONSIDERED?

Notwithstanding the Member's ability under the Australian Corporations Act to amend the Constitution by a meeting resolution, it would be expected that the CAU Board would review the constitution on a periodic basis. The CAU Board would write to the GCO with any requests to amend the Constitution which the Member could enact by minuting a resolution. The CAU Board Secretary or CAU staff may also assist with drafting a proposed new version of the Constitution for the Member to consider and resolve to adopt.

The role of CI's General Counsel Office (GCO)

WHAT WOULD BE THE KEY RESPONSIBILITIES OF CI'S GCO?

The General Counsel of CI has been designated by the CI CEO to represent the interest of CI's membership in CAU. As such, the General Counsel, or designated individuals in CI's GCO, would be responsible for discovering, implementing, and maintaining a best practice governance relationship between the Member and CAU Board, including:

- Acting as the key point of contact between the CAU Board and CI.
- Fostering and maintaining effective relationships with the CAU Board Chair, Vice Chair, and Secretary and key management personnel as necessary.
- Understanding and ensuring legal requirements of the Body Corporate Member are fulfilled.
- Receiving communications from the CAU Board and working with the CAU Board to respond to questions and ensure resolutions are made as and when necessary.
- Inducting and educating new CAU Board Directors into Compassion, including developing, maintaining, and conducting any relevant training. This would supplement training in the local context and induction processes managed by the CAU Board.
- Providing ongoing education to the CAU Board on relevant matters.
- Ensuring relevant news and information is shared between CAU and CI stakeholders as necessary.
- Being aware of relevant operational issues (as relevant to governance stakeholders).
- Liaising with and managing work between other CI and CAU staff to complete governance-related tasks as necessary (such as coordinating a legal opinion on a matter).
- Promoting inter-Board connectedness between Covenant Partners as appropriate.
- Collecting and managing feedback to provide on an annual basis and discussing with the CAU Board at the first CAU Board meeting each year.

IS THE GCO THE MEMBER'S REPRESENTATIVE?

The General Counsel is the designated Member's representative, and the General Counsel may, from time-to-time, delegate that role to the Deputy General Counsel. This would be in accordance with article 5.7 of CAU's Constitution.

WHO WOULD FUND ANY ROLES IN THE MEMBER'S OFFICE?

CAU and CI are still evaluating what, if any, positions will need to be created either in CI or in CAU to support the integrated governance work. The GCO does not anticipate additional headcount in the short run to fulfill its responsibilities. However, CAU may determine that some or all of a staff member's time will be dedicated to facilitating the governance integration from CAU. In such an instance, CI and CAU will discuss and determine how best to share the cost, particularly through this period where the new governance relationship is being established.

CI and CAU staff connection

CAU staff will continue to report and receive direction from CAU's CEO. CAU and CI staff connections will continue with existing norms similar to other GPA members, with the primary operational connection being with CI's marketing function. There will be an increased operational connection between CI and CAU's finance functions, given the need to consolidate financials. The relationship between CI and CAU functional leadership will not be a hard-line reporting relationship. However, as is the case for all GPA members regardless of the governance structure, group function leaders are expected to connect with their CI functional counterparts to maximise mission alignment to deliver increased effectiveness and efficiency.

Glossary/Terms used

TERM	MEANING
CAU Board (Director)	The Board of Directors of Compassion Australia
CAU	Compassion Australia
CEO	Compassion Australia's Chief Executive Officer
CI	Compassion International Incorporated
Corporations Act (The Act)	Corporations Act 2001
Director	A Board Director of Compassion Australia
Key Management Personnel	Compassion Australia's Executive Director and/or other management staff
GCO	Compassion International General Counsel's Office
Member	Compassion International Incorporated
Member's Office	The proposed role or function within Compassion International's General Counsel's Office, described in the last section of this document.
Member's Representative	The Person nominated by Compassion International to exercise its powers as a body corporate Member in accordance with Compassion Australia's Constitution clause 5.7



Compassion Australia Constitution



COMPASSION AUSTRALIA

ACN: 001 692 566

Adopted 3 December 2021

and amended 20 October 2022

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1. Name

The name of the Company is Compassion Australia (the **Company**).

2. Mission

Releasing children from poverty in Jesus' name.

3. Principal Purpose and Powers

- (a) The Company is a not-for-profit public company limited by guarantee which is established to be, and to continue as, a Charity.
- (b) The Principal Purpose for which the Company is established is to provide relief of sickness, poverty, misfortune, or helplessness to those in need in a manner consistent with being a Christian organisation, and in particular, consistent with the Company's Mission and Statement of Faith.
- (c) Solely to carry out the Principal Purpose, the Company may exercise all of the powers of an individual and a company under the Act.

4. Not-For-Profit

- (a) The income and property of the Company must be applied solely towards the Principal Purpose
- (b) No part of the income or property of the Company may be paid or transferred directly or indirectly to Members or Directors by way of dividend, bonus or other profit distribution in their capacity as Members or Directors.
- (c) Clause 4(b) does not stop the Company from making a payment:
 - i. to a Member for goods or services provided or expenses properly incurred at fair and reasonable rates or rates more favourable to the Company;
 - ii. to a Member in carrying out the Company's Principal Purpose;
 - iii. of premiums for insurance indemnifying Directors to the extent allowed for by law and this Constitution; or
 - iv. with the prior approval of the Board, to a Director:
 - A. for work they do for the Company, other than as a Director, if the amount is no more than a reasonable fee for the work done; or
 - B. as reimbursement for out-of-pocket expenses properly incurred in performing a duty as Director.

5. Membership

5.1 General

The minimum number of Members is one.

5.2 Eligibility

To be eligible for Membership a person must be:

- (a) committed to the Principal Purpose of the Company; and
- (b) in the case of a natural person, the person must also meet the eligibility criteria for a Director set out in clause 10.2.

5.3 Application and Admission

- (a) The Members may, following consultation in good faith with the Board, accept a person into membership by unanimous resolution at any time.
- (b) An applicant for membership must agree to be bound by this Constitution and to contribute the Guaranteed Amount in accordance with clause 18.1.
- (c) The Members do not have to give reasons for accepting or rejecting any application.
- (d) If the Members accept an application, the Secretary must, as soon as possible:
 - i. enter the applicant's details into the Register; and
 - ii. notify the Member in writing of the date their membership commenced.

5.4 Register

- (a) The Secretary must maintain the Register.
- (b) The Register must contain:
 - i. the name, address and date of admission to Membership – for each current Member; and
 - ii. the name, date of admission to Membership and date on which a person stopped being a Member – for each person who ceased to be Member in the past seven years.
- (c) The Secretary may keep former Member entries separately from current Member entries.
- (d) Notices may be served on a Member at their address in the Register.
- (e) The Company must give Members access to the Register in accordance with the Act.
- (f) Information that is accessed from the Register must only be used in a manner relevant to the interests or rights of Members.

5.5 Ceasing to be a Member

- (a) A person ceases to be a Member:
 - i. on resignation;
 - ii. on termination of Membership pursuant to clause 5.6;
 - iii. on becoming employed by the Company;
 - iv. in the case of a natural person, on:
 - A. if the person was a Director, ceasing to be a Director;
 - B. death;
 - C. becoming bankrupt or insolvent or making an arrangement or composition with creditors of the person's joint or separate estate generally; or
 - D. becoming of unsound mind or a person whose person or estate is liable to be dealt with in any way under a law related to mental health,
 - v. in the case of a body corporate, on:
 - A. being dissolved or otherwise ceasing to exist;
 - B. having a liquidator or provisional liquidator appointed to it; or
 - C. being insolvent.
- (b) A Member whose Membership is terminated will be liable for all moneys due by that Member to the Company in addition to any sum not exceeding the Guaranteed Amount for which the Member is liable under this Constitution, which is AUD\$20.
- (c) There will be no liability for any loss or injury suffered by a Member as a result of any decision made in good faith under this clause.
- (d) Any person who for any reason ceases to be a Member must not represent themselves in any manner as being a Member.

5.6 Discipline of Members

- (a) The Board may suspend or terminate the Membership of a Member if it decides it is not in the interests of the Company for the person to continue or remain as a Member.
- (b) The Board may not resolve to suspend or terminate the membership of a Member outside of a Board meeting.
- (c) If the Board intends to consider a resolution to suspend or terminate the membership of a Member, it must notify the Member in writing at least 7 days prior to the relevant Board meeting:
 - i. of the date, place and time of the meeting where the resolution will be considered;
 - ii. of the intended resolution and the grounds on which it is based; and
 - iii. that they may attend the meeting and give an oral or written explanation or submission before the resolution is voted on.
- (d) After considering any oral or written explanation or submission, the Board may resolve to:
 - i. take no further action;
 - ii. warn the Member;
 - iii. suspend the Member's rights for up to 12 months;
 - iv. terminate the Member's membership;
 - v. refer the decision to an unbiased, independent person on conditions that the Board consider appropriate (however, the person can only make a decision that the Board could have made under this clause); or
 - vi. require the matter to be determined at a general meeting.
- (e) Any Member whose membership is terminated may at any time apply to the Board to be readmitted as a Member.
- (f) No person may become a Director:
 - i. following termination of the individual's Membership pursuant to this clause 5.6; or
 - ii. while the individual's Membership is suspended pursuant to this clause 5.6;unless they are subsequently readmitted as a Member.

5.7 Body corporate Representative

- (a) A body corporate Member must appoint an individual as its Representative. The appointment may be a standing one.
- (b) A Representative must meet the eligibility criteria for a Director set out in clause 10.2(a)(i) to 10.2(a)(iv).
- (c) A Representative may exercise any and all powers of the Member unless the appointment specifies otherwise.
- (d) The appointment may be made by reference to a position held.
- (e) A body corporate Member may appoint more than one Representative but only one Representative:
 - i. may exercise the body's powers as Member at any one time; and
 - ii. may be counted for the purposes of determining a quorum at a general meeting.

5.8 Liability of Members

The liability of a Member is limited to the Guaranteed Amount, being AUD\$20.

5.9 Good faith

The Members must consult in good faith with the Board prior to resolving to:

- (a) admit a person into Membership (clause 5.3);
- (b) appoint a Director (clause 10.3);
- (c) remove a Director under the Act (clause 10.5(c)); and
- (d) alter this Constitution ((clause 18).

6. Provisions for sole Membership

If the Company has a sole Member, the provisions in this clause 6 will apply.

6.1 General provisions

- (a) Clauses 5.5, 5.6, 7 and 8 do not apply while the Company has a sole Member.
- (b) The sole Member must be a body corporate.
- (c) The Company will not be required to hold any general meetings.

6.2 Cessation of Membership (replaces clause 5.5 and 5.6)

- (a) The sole Member will cease to be the Member on:
 - i. resignation;
 - ii. being dissolved or otherwise ceasing to exist;
 - iii. having a liquidator or provisional liquidator appointed to it; or
 - iv. being insolvent.
- (b) If the sole Member ceases to be the sole Member pursuant to clause 6.2 without first admitting a new Member or Members to Membership, the Board may admit a new Member or Members.
- (c) The Member may not be suspended or expelled while it is the sole Member.

6.3 Annual report to sole Member (replaces clauses 7 and 8)

- (a) The Board must report to the sole Member annually in relation to the following matters:
 - i. provision of the annual financial statements, Board's report and any auditor's report;
 - ii. anticipated Board vacancies and any proposed Director appointments;
 - iii. the appointment of any auditor;
 - iv. fixing of the auditor's remuneration; and
 - v. any questions for determination by the sole Member.(the Annual Report).
- (b) Notice of the Annual Report and any questions for determination by the sole Member must be given:
 - i. to the sole Member's Representative; and
 - ii. to every Director and any auditor for the time being of the Company.
- (c) The Representative for the sole Member may pass a resolution in relation to any question for determination by the Member by signing a minute of the resolution.
- (d) Either:
 - i. the sole Member's Representative; or

- ii. any auditor appointed by the Company;
may ask the Secretary to convene a meeting between any of the sole Member, the Board and any auditor appointed by the Company, to discuss matters including the Annual Report and any questions for determination by the Member.
- (e) The Secretary must convene a meeting as soon as practicable and within 30 days after any request is made pursuant to clause 6.3(d).

7. Convening General Meetings

7.1 Convening general meetings

The Board may call a general meeting.

7.2 Changes to general meeting arrangements

- (a) The Board may change the venue for, postpone or cancel a general meeting called under clause 7.1.
- (b) If a change is made under clause 7.2(a):
 - i. notice of the change must be given to all persons entitled to receive notices of a general meeting under this Constitution;
 - ii. a notice of postponement must specify the date, time and place to which the general meeting has been postponed; and
 - iii. clause 7.5 does not apply to the notice.
- (c) The only business that may be transacted at a general meeting which is postponed is the business specified in the original notice convening the meeting.

7.3 Entitlement to receive notice

Notice of a general meeting:

- (a) must be given to every Member and every Director; and
- (b) may be given to any auditor appointed for the Company and in office at the time.

7.4 Notice of general meetings

A notice of general meeting must:

- (a) be in writing;
- (b) state the place, day and time of the meeting;
- (c) if virtual meeting technology is to be used, provide sufficient information to allow the Members to participate by means of the technology;
- (d) state the general nature of the business to be transacted at the meeting; and
- (e) state the wording of any Special Resolution to be considered (and state that it is proposed as a special resolution).

7.5 Timing of notice

At least 21 days' notice must be given of a General Meeting (other than a meeting to consider a resolution to remove a Director or auditor) unless:

- (a) in the case of an Annual General Meeting, all the Members entitled to attend and vote agree beforehand; and
- (b) in the case of any other General Meeting, Members with at least 95% of the votes that may be cast at the meeting agree beforehand.

7.6 Annual General Meeting

- (a) The Board must hold an Annual General Meeting at least once in every calendar year.
- (b) The business of an Annual General Meeting may include any of the following (even if not stated in the notice of meeting):
 - i. the annual financial statements and any auditor's report;
 - ii. the appointment of Directors; and
 - iii. the appointment and remuneration of any auditor.

7.7 Chairperson of General Meetings

- (a) The Chair will preside as chairperson at every General Meeting.
- (b) If there is no Chair, the Chair is not present within 15 minutes of the commencement time or the Chair is unwilling to act as chairperson for all or part of the meeting, the following may preside as chairperson (in order of precedence):
 - i. a Deputy Chair (if any);
 - ii. a Director chosen by a majority of the Directors present;
 - iii. the only Director present; or
 - iv. a Member chosen by a majority of the Members present.

7.8 Quorum for General Meetings

- (a) No business may be transacted at a General Meeting (other than electing a chairperson or adjourning the meeting), unless a quorum is present at the time the business is dealt with.
- (b) A quorum for a General Meeting is a majority of the Members.
- (c) If a quorum is not present within 15 minutes of the commencement time, then:
 - i. if the meeting was called by, or at the request of Members, the meeting will dissolve;
 - ii. otherwise:
 - A. the meeting stands adjourned to the day, time and place, determined by the Board or (if no determination is made by the Board), to the same day, time and place in the following week; and
 - B. if at the resumption of the meeting a quorum is not present within 15 minutes of the commencement time, the meeting will dissolve.
- (d) Each Representative present must be counted for the purpose of determining a quorum, provided that:
 - i. only one Representative may be counted for each Member; and
 - ii. no individual may be counted more than once.
- (e) A suspended Member is not counted for the purpose of determining a quorum.

7.9 Adjournment of General Meetings

- (a) The chairperson may (and must if directed by a majority of the Members present and entitled to vote) adjourn the meeting or any business, motion, or discussion being considered or remaining to be considered.
- (b) Only unfinished business may be transacted at a General Meeting resumed after an adjournment.
- (c) It is not necessary to give any notice of an adjournment, or of the business to be transacted at any adjourned meeting, unless a meeting is adjourned for one month or more.
- (d) A meeting adjourned under this clause is adjourned to the day, time and place determined by the Board or (if no determination is made by the Board), to the same day, time and place in the following week.

8. Voting at General Meetings

8.1 Voting rights

- (a) Each Member has one vote (provided they are not suspended).
- (b) On a vote conducted at a General Meeting:
 - i. on a show of hands or voices, each person present who is a Member or Representative has one vote; and
 - ii. by poll, each person present who is a Member has one vote and each person present as a Representative has one vote for each Member they represent.

8.2 Method of Voting

- (a) Voting will occur by show of hands or voices or such other method as the chairperson determines, unless:
 - i. a poll is demanded and not withdrawn; or
 - ii. virtual meeting technology is used, in which case voting must occur by poll.
- (b) A poll can be demanded by five Members (or their Representatives) at any time prior to a vote, or immediately after the declaration of a result of a vote conducted by means other than a poll.
- (c) A poll must be taken in the manner directed by the chairperson.
- (d) A poll demanded on the election of the chairperson or on a question of adjournment must be taken immediately.
- (e) A Member may vote in person or by technology.
- (f) A body corporate Member may vote by Representative.

8.3 Decisions of the Members

- (a) Questions arising for determination (other than a Special Resolution) will be decided by a majority of votes cast (unless otherwise provided in this Constitution).
- (b) The chairperson has a deliberative vote. If the votes cast on a motion are equal, the chairperson will also have a casting vote.
- (c) A declaration by the chairperson that a resolution has been carried or lost on a show of hands or voices is conclusive evidence of the fact (unless a poll is demanded).
- (d) An objection to the right of a person to vote may only be raised at the meeting at which the vote objected to is given or tendered. Any objection must be referred to the chairperson, whose decision is final. A vote not disallowed pursuant to such an objection is valid for all purposes.

8.4 Seconding

It is not necessary for a motion to be seconded in order to be put to a vote.

8.5 Proxies

Proxy voting is not permitted.

8.6 Use of virtual meeting technology in General Meetings

- (a) The Company may hold a General Meeting at any two or more locations using any virtual meeting technology that gives the Members as a whole a reasonable opportunity to participate including a reasonable opportunity to exercise a right to speak.
- (b) A person participating through the use of virtual meeting technology will be deemed to be present at the meeting in person.
- (c) A person participating through the use of virtual meeting technology:

- i. must be given the opportunity to participate in a vote in real time; and
 - ii. may, in the sole discretion of the Board, be given the opportunity to record a vote in advance of the meeting, in which case the voter may elect to vote in real time or in advance.
- (d) A document that is required or permitted to be tabled at a meeting using virtual meeting technology is taken to have been tabled if it is:
- i. given to the persons entitled to attend the meeting (whether physically or using virtual meeting technology) before the meeting; or
 - ii. made accessible to the persons entitled to attend the meeting (whether physically or using virtual meeting technology) during the meeting.

8.7 Circulating Member Resolutions

- (a) This clause does not apply to a special resolution, a resolution to remove a Director or a resolution to appoint or remove an auditor.
- (b) A resolution may be passed without a meeting if:
 - i. notice is given to all Members entitled to vote; and
 - ii. all Members entitled to vote approve the resolution in writing.
- (c) For the purpose of this clause:
 - i. the notice must include the wording of the resolution and may be distributed by any means, including electronic communication;
 - ii. approval in writing includes approval by email and any other means of electronic communication; and
 - iii. the resolution will fail if unanimous approval is not received within seven days after the notice is given.
- (d) The resolution is passed when approval is given to the Secretary by the last person necessary to constitute unanimous consent in favour of the resolution.

9. Dispute Resolution

- (a) The Company, a Member or a Director must not start a dispute resolution procedure in relation to a matter which is the subject of a disciplinary procedure under clause 5.6 until the procedure outlined in clause 5.6 is completed.
- (b) The parties to a dispute under this Constitution, being a Member or Director and:
 - i. one or more Members;
 - ii. one or more Directors; or
 - iii. the Company;
 must attempt to resolve the matter between themselves within 14 days of being made aware of the dispute.
- (c) If the parties cannot resolve the dispute within 14 days, they must:
 - i. notify the Company;
 - ii. agree or request that a mediator be appointed; and
 - iii. attempt in good faith to settle the dispute by mediation.
- (d) The mediator must:
 - i. be a person chosen by agreement between the parties or:

- ii. in the absence of agreement, a person chosen by the Australian Centre for International Commercial Arbitration (**ACICA**).
- (e) A mediator chosen by the Board pursuant to clause 9(d)(i):
 - i. must be a professionally accredited mediator;
 - ii. must not be a current or former Member ;
 - iii. must not have a personal interest in the dispute; and
 - iv. must not be biased towards or against anyone involved in the dispute.
- (f) When conducting the mediation, the mediator must allow those involved a reasonable chance to be heard and to review any written statements.
- (g) The mediator must not determine the dispute.
- (h) A Member or a Director must not commence a formal legal proceeding (except for interlocutory relief) in relation to a dispute under this Constitution unless and until they have complied with this dispute resolution procedure.

10. Appointment and Removal Of Directors

10.1 Number and composition of Directors

- (a) The Company must have at least three and no more than ten Directors.
- (b) The Board may increase the maximum number of Director specified in clause 10.1(a) by unanimous resolution.
- (c) A majority of Directors must ordinarily reside in Australia at all times.

10.2 Eligibility

- (a) Any natural person committed to the Principal Purpose is eligible to be a Director provided the person:
 - i. has made a personal commitment to Jesus Christ;
 - ii. is committed to a local church;
 - iii. is living a life consistent with the Christian faith;
 - iv. agrees with the Statement of Faith;
 - v. has consented in writing to be a Director;
 - vi. has suitable qualifications, skills and experience to discharge the functions of a Director, as determined by the Board from time to time; and
 - vii. is not ineligible to be a Director under:
 - A. the Act; or
 - B. the ACNC Legislation.
- (b) A Director is not required to be a Member.
- (c) Rule 10.2(a)(vii)(B) will not apply to disqualify a person if an exemption is obtained from the ACNC Commissioner.
- (d) Employees of the Company are ineligible to be Directors.

10.3 Appointment of Directors

The Members may, following consultation in good faith with the Board, appoint a person to be a Director by ordinary resolution.

10.4 Term of office

The term of office of a Director:

- (a) is three years (unless a different period is specified in the resolution);
- (b) commences at the end of the General Meeting at which they are appointed; and
- (c) expires at the end of the third Annual General Meeting following the appointment (or at the end of the period specified in the resolution).

10.5 Ceasing to be a Director

A person stops being a Director, and a casual vacancy is created, if they:

- (a) resign by written notice to the Company;
- (b) are a Representative and the Member notifies the Company that the Director is no longer a Representative;
- (c) are removed by the Members under the Act (provided that the Members have first conferred in good faith with the Board);
- (d) are absent without leave of the Board, from:
 - i. three consecutive Board meetings; or
 - ii. four Board meetings over 12 months;
- (e) become employed by the Company;
- (f) die, or become subject to a Court order to receive treatment or have their finances managed by another person due to being of unsound mind or having a mental illness;
- (g) are directly or indirectly interested in any contract or proposed contract with the Company and fail to declare the nature of the interest as required by the Act; or
- (h) become ineligible to be a Director under the Act or the ACNC Legislation.

10.6 Effect of casual vacancy

If the number of Directors is insufficient to constitute a quorum or less than the minimum number fixed under clause 10.1, the remaining Directors may, except in an emergency, act only to:

- (a) increase the number of Directors to a number sufficient to constitute a quorum or meet that minimum number; or
- (b) convene a General Meeting of the Company.

10.7 Defects in appointment of Directors

An act done by, or with the participation of, a person acting as a Director or member of a committee is valid even if it is later discovered that:

- (a) there was a defect in the appointment of the person; or
- (b) the person was disqualified from continuing in office, voting or taking the relevant step.

11. Board Decision Making

11.1 Minimum number of Board meetings

The Board must meet at least 4 times in each period of 12 months.

11.2 Convening Board meetings

A Director may convene or ask the Secretary to convene a Board meeting.

11.3 Notice of Board meetings

- (a) Written notice of Board meetings must be given to every Director at least 48 hours' prior to the meeting (unless the Board unanimously waives this requirement).
- (b) A notice of a Board meeting:
 - i. must specify the place, day and time of the meeting;
 - ii. if virtual meeting technology is used, provide sufficient information to allow Directors to participate by means of the technology; and
 - iii. does not need to specify the nature of the business to be transacted at the meeting.

11.4 Quorum for Board meetings

- (a) No business may be transacted at any Board meeting unless a quorum is present.
- (b) A quorum of Directors for Board meetings is a majority of the total number of Directors.
- (c) A Director on a leave of absence approved by the Board should not be included when calculating the total number of Directors for the purposes of this clause.

11.5 Use of virtual meeting technology in Board meetings

- (a) The Board may hold its meetings using any virtual meeting technology that is agreed to by the Board.
- (b) The use of any virtual meeting technology must give the Director a reasonable opportunity to participate including a reasonable opportunity to exercise a right to speak.
- (c) The Board's agreement may be a standing one.
- (d) A Director participating through the use of virtual meeting technology is deemed to be present at the meeting in person.

11.6 Chairperson of Board meetings

- (a) The Chair will preside as chairperson at Board meetings.
- (b) If there is no Chair, the Chair is not present within 15 minutes after the commencement time or the Chair is unwilling to act as chairperson for all or part of the meeting then:
 - i. if there is a Deputy Chair, the Deputy Chair will be the chairperson; and
 - ii. if the Deputy Chair is not present or is not willing and able to be the chairperson during all or part of the meeting, the Directors present may elect a Director to be chairperson of the meeting or part of it.

11.7 Voting at Board meetings

- (a) A question arising at a Board meeting is to be decided by a majority of votes of Directors present and entitled to vote.
- (b) The chairperson has a deliberative vote. If the votes cast on a motion are equal, the chairperson will also have a casting vote.

11.8 Resolutions without meetings

- (a) A Board resolution may be passed without a meeting if all the Directors entitled to vote on the resolution sign a notice or respond to a notice sent by email stating that they are in favour of the resolution.
- (b) The resolution is passed at the time when the last Director necessary to constitute unanimous consent in favour of the resolution signs or responds to a notice sent by email stating that they are in favour of the resolution.

- (c) For the purpose of this clause:
 - i. the notice must include the wording of the resolution;
 - ii. the notice may be distributed by any means;
 - iii. separate copies of the notice may be signed; and
 - iv. the resolution fails if it has not achieved unanimous consent within 48 hours after the notice was given.

12. Directors' Powers and Duties

12.1 Powers of the Board

- (a) The Directors are responsible for managing the business of the Company and furthering the Principal Purpose.
- (b) The Directors will cause the Company to be conducted in accordance with the Principles and Commitments and must use their best endeavours to ensure that the Statement of Faith is adhered to in the conduct of the Company.
- (c) The Directors may exercise all the powers of the Company that are not, by the Act or by this Constitution, required to be exercised by the Members.
- (d) The Board cannot remove a Director or auditor.
- (e) The Board may delegate any of its powers to one or more Directors, the Chief Executive Officer, a committee, an employee or any other person.
- (f) The Board may specify terms of the delegation (including the power to further delegate) and revoke a delegation.

12.2 Duties of Directors

Directors must comply with any duties imposed on them by the Act and with the duties described in governance standard 5 of the ACNC Legislation.

12.3 Establishment of committees

- (a) The Board may establish committees.
- (b) A committee may include, or be comprised of, non-Directors.
- (c) The meetings and proceedings of committees are:
 - i. subject to any terms of reference and/or delegation; and
 - ii. otherwise governed as far as possible by the provisions of this Constitution which regulate the proceedings of the Board.

12.4 By-laws

- (a) The Board may make regulations or by-laws for the general conduct and management of the Company and the business of the Board.
- (b) The Board may revoke and alter by-laws or regulations as it sees fit.

13. Directors' Interests

13.1 Conflicts of interest

- (a) A Director must disclose the nature and extent of any perceived or actual material conflict of interest to the other Directors (or the Members if the other Directors share that conflict).

- (b) A Director who has a material personal interest in a matter that is being considered by the Board must not:
 - i. be present while the matter is being considered at a Board meeting (except and solely as requested by a majority of the Directors who do not have a material personal interest in the matter for the purpose of providing specific information or expertise); or
 - ii. vote on the matter;
 - unless permitted by clause 13.1(c).
- (c) Provided the Board approves and it is permitted by law, a Director may be present or vote if:
 - i. the interest arises because the Director is a Member and the other Members have the same interest;
 - ii. the interest relates to an insurance contract that insures, or would insure, the Director against liabilities that the Director incurs as an officer of the Company;
 - iii. the interest relates to any payment by the Company under clause 15 in respect of an indemnity permitted under the Act or any contract relating to such an indemnity; or
 - iv. the Australian Securities and Investments Commission makes an order allowing the Director to vote on the matter;
 - v. the interest relates to a contract the Company is proposing to enter into that:
 - A. is subject to approval by the Members; and
 - B. will not impose any obligation on the Company if it is not approved by the Members; or
 - vi. the interest arises merely because the Director has a right of subrogation in relation to a guarantee or indemnity referred to in clause 15.

13.2 Permissible conduct

Provided a Director complies with clause 13.1 they may:

- (a) hold any office or place of profit in any other entity promoted by the Company or in which it has an interest of any kind;
- (b) where a majority of the Directors who do not have a material personal interest in the matter resolve that a proposed contract or arrangement is in the best interests of the Company:
 - i. enter into a contract or arrangement with the Company; or
 - ii. act in a professional capacity (or be a Member of a firm which acts in a professional capacity) for the Company, except as auditor;
- (c) sign or participate in the execution of a document by or on behalf of the Company; and
- (d) do any of the above despite the fiduciary relationship of the Director's office:
 - i. without any liability to account to the Company for any direct or indirect benefit accruing to the Director; and
 - ii. without affecting the validity of any contract or arrangement.

14. Office Bearers and Chief Executive Officer

14.1 Appointment of Office Bearers

- (a) From time to time as required, the Board must appoint a Chair, a Deputy Chair any other Office Bearers it deems fit from among the Board.

- (b) Office Bearers of the Company hold office for one year or until the end of the first Annual General Meeting following their appointment (whichever ends sooner).
- (c) An Office Bearer may be elected for more than one successive term.
- (d) The Board may remove or suspend a person from holding any Office Bearer position by resolution passed at a Board meeting provided:
 - i. the resolution is passed by not less than two-thirds of the Directors present; and
 - ii. at least 21 days' notice in writing of the resolution has been given to the Secretary and to the person who is the subject of the resolution.

14.2 Secretary

- (a) The Directors must appoint at least one Secretary, who may also be a Director.
- (b) The Secretary is to be appointed on such terms and conditions as the Board deems fit.
- (c) A person may not be appointed as Secretary unless the person:
 - i. consents in writing to being appointed as Secretary;
 - ii. is at least 18 years of age; and
 - iii. is resident in Australia.
- (d) The Secretary may attend and speak at all Board meetings and General Meetings, but may not vote unless they are also appointed as a Director.
- (e) The Board may suspend or remove a Secretary.
- (f) The position of Secretary must not remain vacant for more than 14 days.

14.3 Chief Executive Officer

- (a) The Board may appoint a Chief Executive Officer for a term, at the remuneration and on the conditions that it deems fit.
- (b) The Chief Executive Officer may not be a Director.
- (c) Subject to any contract between the Company and the Chief Executive Officer, the Board may remove the Chief Executive Officer at any time, with or without cause.
- (d) The Chief Executive Officer may attend and speak at all Board meetings and General Meetings except to the extent to which the Chief Executive Officer has a perceived or actual material conflict of interest in a matter.
- (e) The Chief Executive Officer may not vote at a Board meeting or General Meeting.
- (f) The Board may:
 - i. confer powers, discretions and duties on the Chief Executive Officer as it sees fit;
 - ii. withdraw, suspend or vary any powers, discretions and duties conferred; and
 - iii. authorise the Chief Executive Officer to delegate all or any of the powers, discretions and duties conferred.
- (g) An act done by a person acting as Chief Executive Officer is not invalidated merely because of:
 - i. a defect in their appointment as Chief Executive Officer; or
 - ii. the person being disqualified from being Chief Executive Officer;
 - if that circumstance was not known by the person when the act was done.

15. Indemnities and Insurance

- (a) The Company indemnifies every present and past Director and executive officer of the Company to the full extent permitted by law against all losses and liabilities incurred as a result of their position as an officer of the Company.
- (b) This indemnity:
 - i. is a continuing obligation and is enforceable even if the person has ceased to be an officer of the company;
 - ii. is not subject to any requirement to first incur an expense or make a payment; and
 - iii. operates only to the extent that the relevant loss or liability is not covered by insurance.
- (c) The Company may, to the extent permitted by law, pay or agree to pay, a premium in respect of a contract insuring its officers.
- (d) Nothing in this clause 15 limits the Company's ability to indemnify or pay for insurance for any person not expressly covered by this clause.

16. Administration

16.1 Minutes and records

- (a) The Board must ensure that:
 - i. minutes of all General Meetings, Board meetings and committee meetings; and
 - ii. records of resolutions passed by Members, Directors and committees without a meeting; are recorded and kept with the Company's records as soon as practicable (being no later than one month after the meeting or passing of the resolution).
- (b) The Company must ensure that minutes of a Board or General Meeting are signed within a reasonable time by the chairperson of the meeting or of the next meeting.

16.2 Members' access to Company records

The Company must give Members access to Company records as required by the Act.

16.3 Common seal

The Company does not have a common seal.

16.4 Execution of documents

The Company may execute documents by the signature of:

- (a) two Directors;
- (b) one Director and the Secretary; or
- (c) such other persons appointed by the Board for that purpose.

17. Records, Accounting and Audit

17.1 Accounts and other records of the Company

- (a) The Board must:
 - i. ensure that proper financial records are kept in accordance with all legal and regulatory requirements; and

- ii. ensure that records of its operations are kept; and
 - iii. take reasonable steps to ensure that the Company's records are kept safe.
- (b) The Company must retain its records for at least seven years.

17.2 Audit

- (a) If required by law, the Company must appoint and remunerate an auditor.
- (b) Any auditor is entitled to attend any General Meeting and to be heard by the Members on any business of the meeting that concerns the auditor in their capacity as auditor.
- (c) The Company may give any auditor all communications relating to the General Meeting that the Members of the Company are entitled to receive.

17.3 Financial year

The financial year will begin on 1 July and end on 30 June, unless the Board passes a resolution to change the financial year.

18. Altering This Constitution

- (a) Subject to clause 18(b) and 18(c), the Company may alter this Constitution by special resolution.
- (b) The Member must not pass a special resolution to alter this Constitution without first consulting in good faith with the Board.
- (c) The Members must not pass a special resolution that alters this Constitution if passing it causes the Company to no longer be a Charity.

19. Notices

- (a) Notices can be served on Members or Directors personally, by post, email or other electronic means.
- (b) Notices are taken to be served:
 - i. in the case of a properly addressed and posted notice, five Business Days after the date of posting; and
 - ii. in the case of a notice sent by email or other electronic means, at the time of sending.
- (c) The non-receipt of notice or a failure to give notice, does not invalidate any thing done or resolution passed at the meeting if:
 - i. the non-receipt or failure occurred by accident or error;
 - ii. the individual waives notice before or after the meeting (including by attending the meeting); or
 - iii. the individual notifies the Company of their agreement to that thing or resolution before or after the meeting.
- (d) In calculating a period of notice, both the days on which the notice is given or taken to be given and the day of the meeting must be disregarded.

20. Establishment of Relief Fund

20.1 Maintaining a Relief Fund

- (a) The Company has established and maintains The Compassion Overseas Aid and Development Fund ("the **Relief Fund**").
- (b) The purpose of the Relief Fund is to solicit and receive gifts in order to provide relief to people in declared developing countries in a manner that is consistent with the Company's Principal Purpose.
- (c) The Relief Fund must not receive any other money or property.

20.2 Not-for-profit

The assets and income of the Relief Fund must be used solely to further the purpose of the Relief Fund. No portion of the Relief Fund may be distributed directly or indirectly to any individual except as bona fide compensation for services rendered or expenses incurred on behalf of the Relief Fund.

20.3 Administration of Relief Fund

- (a) Gifts to the Relief Fund and any money received by the Company because of those gifts (including interest received on any monies in the account) must be deposited into a separate bank account to the other funds of the Company. These funds may only be used for the purpose of the Relief Fund.
- (b) The Relief Fund must be administered by a management committee. The management committee may be, but are not required to be, Directors. A majority of the management committee must have a degree of responsibility to the general community by reason of their occupation or standing in the community.
- (c) The public must be invited to contribute to the Relief Fund.
- (d) The Board must notify the Australian Taxation Office of any alterations made to the Relief Fund rules.
- (e) Receipts for gifts to the Relief Fund must state:
 - i. the name of the Relief Fund;
 - ii. the Australian Business Number of the Company;
 - iii. the fact that the receipt is for a gift made to the Relief Fund; and
 - iv. any other matter required to be included on the receipt pursuant to the requirements of the ITAA 1997.
- (f) The Company must comply with any rules that the Commissioner of Taxation makes to ensure that gifts made to the Relief Fund will only be used for the purpose of the Relief Fund.

20.4 Winding up, dissolution or revocation of Relief Fund

If the Relief Fund is wound up or if the endorsement of the organisation as a Deductible Gift Recipient for the operation of the Relief Fund is revoked, any surplus assets of the Relief Fund remaining after the payment of liabilities attributable to it must be transferred to some other fund, authority or institution which:

- (a) is a Deductible Gift Recipient;
- (b) has objects similar to the objects of the Relief Fund; and
- (c) is charitable at law.

21. Winding Up or Revocation of Endorsement

21.1 Contribution of a Member on winding up

If required, each Member must contribute an amount (not more than the Guaranteed Amount) to the assets of the Company if it is wound up while they are a Member, or within one year of the Member ceasing to be a Member, for the:

- (a) payment of the debts and liabilities of the Company incurred before they ceased to be a Member; and/or
- (b) costs, charges and expenses of winding up.

21.2 Distribution of assets on winding up or revocation of endorsement

- (a) For the avoidance of doubt, any winding up of the Relief Fund must be carried out according to the terms of clause 20.4.
- (b) If the Company is a Deductible Gift Recipient any DGR gifts must be deposited in a separate bank account or otherwise identified so that they can be distinguished from other assets of the Company.
- (c) If the Company is a Deductible Gift Recipient and is wound up, or it ceases to be endorsed as a Deductible Gift Recipient, any DGR gifts remaining after satisfying the Company's liabilities and expenses must be transferred to a Charity or Charities endorsed as a Deductible Gift Recipient.
- (d) On the winding up of the Company, any assets remaining after complying with clause 21.2(a) and 21.2(c):
 - i. must not be paid or distributed to the Members in their capacity as Members, and
 - ii. must be given or transferred to a Charity or Charities which:
 - A. has a similar purpose to the Principal Purpose, and
 - B. prohibits the distribution of income, profit or assets to its Members in their capacity as Members.
- (e) The recipient entity under clause 21.2(d) must:
 - i. be able to be registered as a Charitable Institution;
 - ii. have a principal object or pursuit that the Commissioner is satisfied is fulfilling a charitable object or promoting the public good; or
 - iii. be required to use the assets for a purpose the Commissioner is satisfied is charitable or for the promotion of the public good.
- (f) The Members must decide before any winding up or revocation which Charity or Charities will receive a distribution under clause 21.2(a), 21.2(c) or 21.2(d). If the Members fail to decide, the matter must be determined by application to the Supreme Court in the State of New South Wales.

22. Interpretation

22.1 Definitions

In this Constitution:

“ACNC” means the Australian Charities and Not-for-profits Commission.

“ACNC Legislation” means the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012 (Cth)*.

“Act” means the *Corporations Act 2001 (Cth)*.

“auditor” may mean a reviewer, if permitted by the Act or ACNC Legislation.

“chairperson” means the person chairing a meeting.

“Chair” means the person appointed to the position of Chair under clause 14.

“Charitable Institution” means an institution that is registered by the Commissioner under s 149C(1) of the *Taxation Administration Act 2001 (Qld)*.

“Charity” means a charity registered under the ACNC Legislation.

“Commissioner” means the Commissioner of State Revenue under s 7(2) of the *Taxation Administration Act 2001 (Qld)*.

“day” means calendar day except public holidays.

“Deductible Gift Recipient” means an entity to which tax deductible gifts may be made pursuant to Division 30 of the ITAA 97.

“DGR Gifts” means:

- (a) gifts of money or property for the Principal Purpose received during any time that the Company is endorsed as a Deductible Gift Recipient;
- (b) contributions described in item 7 or 8 of the table in section 30-15 of the ITAA 97 in relation to a fundraising event (as defined by section 995-1 of the ITAA 97) held for that purpose during any time that the Company is endorsed as a Deductible Gift Recipient; and
- (c) money received by the Company because of such gifts or contributions during any time that the Company is endorsed as a Deductible Gift Recipient.

“General Meeting” means a meeting of Members (including an Annual General Meeting).

“Guaranteed Amount” means the amount set out in clause 5.8.

“ITAA 97” means the *Income Tax Assessment Act 1997 (Cth)*.

“Member” means a person whose name is entered in the Register as a Member of the Company in accordance with clause 5.4.

“Office Bearer” means Chair and Deputy Chair.

“person” includes a natural person and a corporation within the meaning of s 57A of the Act.

“Principles and Commitments” means the matters set out in **Schedule 1** to this Constitution.

“Principal Purpose” means the purpose set out in clause 1.

“Register” means the register of Members under the Act.

“Representative” means a person appointed to represent a body corporate Member in accordance with clause 5.7.

“Special Resolution” means:

- (a) a resolution passed at a general meeting:
 - i. of which 21 days’ notice specifying the intention to propose the resolution as a Special Resolution has been given pursuant to this Constitution and the Act; and
 - ii. by not less than 75% of the votes cast; or
- (b) a sole Member resolution.

“Statement of Faith” means the document set out in **Schedule 2** to this Constitution.

22.2 Interpretation

In this Constitution:

- (a) If an expression in the Constitution has a meaning in the Act, the meaning from the Act will apply to the expression - except where a contrary intention appears in this Constitution.
- (b) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it, and all regulations and statutory instruments issued under it.
- (c) where, by a provision of this Constitution, a document including a notice is required to be signed, that requirement may be satisfied in relation to an electronic communication of the document in any manner permitted by law or by any State or Commonwealth law relating to electronic transmissions or in any other manner approved by the Directors.
- (d) ‘writing’ and ‘written’ includes printing, typing and other modes of reproducing words in a visible form including, without limitation, any representation of words in a physical document or in an electronic communication or form or otherwise.

22.3 Exclusion of replaceable rules

- (a) The replaceable rules contained in the Act do not apply to the Company.
- (b) If at any time, the company is not a Charity, the Act (unless it is a replaceable rule) overrides any part of this Constitution or policy of the Company to the extent of any inconsistency.

23. Transitional Provisions

The following clauses apply notwithstanding anything to the contrary in this Constitution.

23.1 Members

The Members immediately following the adoption of this Constitution will be those Members listed on the Register at the time of adoption.

23.2 Directors

- (a) The Directors immediately following the adoption of this Constitution will be those in office at the time of adoption.
- (b) Directors appointed prior to the adoption of this Constitution may complete their term of office under the previous Constitution.

SCHEDULE 1:

Principles and Commitments

PRINCIPLES AND COMMITMENTS

The following foundational principles reflect the Company's practice in fulfilling its mission of holistic, Christian child development.

CHRIST-CENTRED CULTURE

The Company is committed to a corporate culture, which depends on Christ for vision, wisdom and direction.

GLOBAL PERSPECTIVE

The Company believes that God is working around the world and has gifted believers everywhere to serve in child development. It will, therefore, be a global organisation in the Company's governance, funding, programs and staffing, behaving with sensitivity, in cross-cultural issues.

CHURCH PARTNERSHIP

The church is the vehicle God has ordained to carry out His ministry on earth. The Company is committed to work in partnership with the local Body of Christ in developing resources, equipping for ministry and mobilising for effective service.

CHALLENGING THE WORLDWIDE CHURCH

The Company acknowledges that there are many children whose needs are beyond the resources of the Company. As child advocates, therefore, the Company will encourage, educate and challenge others to increase and improve their ministry to children.

SUPPORT PARTNERS

The Company seeks to motivate support partners to become increasingly active on behalf of children. Recognising that their value extends far beyond their financial contributions, the Company will encourage support partners to prayerfully engage in an active developmental role with children. The Company treats all support partners with integrity and respect.

INTEGRITY

The Company sets high standards of integrity and excellence, in all they do, seeking to continually improve quality and service. The Company seeks to be open and transparent in all of their activities.

DIGNITY OF THE POOR

The Company believes in the dignity of all people, regardless of their socio-economic status. The Company expresses respect by learning from all, realising that the poor have significant value, knowledge and wisdom relevant to their ministry.

STAFF DEVELOPMENT

The Company places great value on its staff members worldwide as they diligently commit their gifts and lives to the ministry. The Company will work with them to develop their gifts and abilities, which will contribute to the effectiveness of the ministry now and in the future. The Company is committed to being a proactive, learning organisation.

ECONOMIC HEALTH

The Company is committed to consistent, controlled growth, resulting in greater long term impact on more children and a healthy corporate economic environment. The Company operates within the resources God provides.

ROLE OF THE FAMILY

The Company recognises and respects the great impact that the family has in the life of the child. The Company, therefore, encourages and supports the role of the family in each child's development.

SCHEDULE 2: Statement of Faith

STATEMENT OF FAITH

The Company currently adheres to the following:

- (a) The Bible is the inspired, the only infallible, authoritative Word of God.
- (b) There is one God, eternally existent in three persons: Father, Son and Holy Spirit.
- (c) The Company believes in the deity of our Lord Jesus Christ, in His Virgin birth, in His sinless life, in His miracles, in His shed blood for the remission of sins, in resurrection, in His ascension to the right hand of the Father and in His personal return in power and glory.
- (d) The Company believes salvation is found only through Jesus Christ and requires individuals to acknowledge their sin, accept His forgiveness and repent.
- (e) The Company believes that for the salvation of lost and sinful people regeneration by the Holy Spirit is absolutely essential.
- (f) The Company believes in the present ministry of the Holy Spirit by whose indwelling the Christian is enabled to live a godly life.
- (g) The Company believes in the resurrection of both the saved and the lost; they that are saved unto the resurrection of life and they that are lost unto eternal separation from God.
- (h) The Company believes in the spiritual unity of believers in the Lord Jesus Christ.
- (i) The Company believes Jesus established the church to carry out ministry on earth



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