
CONSTITUTION

AUSTRALIAN WATER ASSOCIATION LIMITED A company limited by guarantee not having a share capital

1. CONSTITUTING THE COMPANY

1.1 The name of the Company is "**Australian Water Association Limited**"

1.2 The Replaceable Rules do not apply to this Company.

2. DEFINITIONS AND INTERPRETATIONS

2.1 Definitions

In this Constitution unless otherwise provided or unless there is something in the subject matter or context which is inconsistent, the following expressions shall have the definitions or meanings provided below:

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

"**Body**" means a firm, a body corporate, an unincorporated association or other such organisation or an authority;

"**Branch**" means an operational unit of the Company established in accordance with Rule 5;

"**Branch Committee**" means a committee of a branch established under Rule 5.

"**By-Laws**" means the administrative rules to be used in conjunction with this Constitution for managing the affairs of the Company made by the Board pursuant to Rule 29;

"**Casual Vacancy**" means a vacancy on the Board in accordance with Rule 14.8 (ii) and Rule 14.9.

"**Company**" means the company limited by guarantee called Australian Water Association Limited;

"Deputy President" – an office holder of the board as defined in 14.7

"**Director**" means a person elected or appointed to the Board of the Company;

"Immediate Past President" is the position held by the immediately retiring President, on retirement as President, in accordance with Rule 14.7.

"**Interim Board**" means the board of directors of the Company comprising those persons nominated and confirmed according to Rule 14.4

"**Law**" means the Corporations Law;

"**Member**" means any person or organisation admitted as a member of the Company in accordance with these Rules;

“On-line” means the secure web-based access to a member record in the Company’s Register of Members.

"Person" means a natural person;

“President” means the person appointed as President in accordance with Rule 14.7;

“President Elect” means the person appointed as President Elect in accordance with Rule 14.7;

"Public Officer" means any person appointed to public officer of the Company for the purposes of the *Income Tax Assessment Act 1997*;

"Register" means the register of members of the Company;

"Rules" mean these Rules and all amendments or additions to these Rules contained in this Constitution;

“Replaceable Rules” means the replaceable rules contained in the Law;

"Seal" means the common seal of the Company;

"Secretary" means any person appointed to perform the duties of a secretary of the Company;

“Strategic Advisory Council” means the persons appointed to represent the Branches and Sustaining Members in accordance with Rule 5

“Sustaining Member” means those organisations admitted to membership as a Sustaining Member in accordance with Rule 9.5

2.2 Interpretation

In these Rules:

(a) Words importing any gender include the other genders;

(b) The singular includes the plural and vice versa; and

(c) A reference to a statute, code or the Corporations Law (or to a provision of same) means the statute, code, Corporations Law (or provision of same) as modified or amended and in operation for the time being, or any statute, code or provision enacted (whether by the State of New South Wales or Commonwealth of Australia) in lieu thereof and includes any regulation or rule for the time being in force under the statute, code or Corporations Law.

(d) An expression used in a particular part or division of the Corporations Law that is given by that part or division a special meaning for the purposes of that part or division has, in any of these Rules that deals with the matter dealt with by that part or division, unless the contrary intention appears, the same meaning as in that part or division.

(e) Headings are inserted for convenience and do not affect the interpretation of these Rules.

3. OBJECTS

The objects for which the Company is established are:

- (a) to provide a forum for the interchange of ideas and knowledge among people involved in the management of water;
- (b) to improve the standard of debate on water issues so as to foster rational, open decision making;
- (c) to improve public, government and industry understanding of water and its contribution to economic development, quality of life and the environment;
- (d) to meet the evolving needs and demands of an expanding and sophisticated water industry in Australia;
- (e) to increase the knowledge and skills of people working within the water industry;
- (f) to foster basic and applied research which will advance the cause of better water management and conservation;
- (g) to serve as the principal Australian link in the international water industry network; and
- (h) to do all things necessary for and incidental to the advancement of those objects.

4. POWERS

Solely for the purpose of carrying out the objects stated in Rule 3 and not otherwise, the Company has all the powers of a natural person with all the consequential powers as conferred by the Law.

5. ORGANISATION

5.1 Branches

The Company is organised into Branches acting as operating units of the company. Branches nominally align with the States and Territories and such other member groups as determined by the Board from time to time.

5.2 Branch Committee

- (a) Each Branch shall have a Branch Committee elected, by the members entered in the Company Register for that Branch, in accordance with By-laws enacted by the Board from time to time.
- (b) Branch Committees shall elect members to the Strategic Advisory Council in accordance with Rule 5.4

5.3 Management of Branch Committee

The Board through By-laws shall determine:

- (a) number of members of the Branch Committee;
- (b) timing, manner and procedure for electing the Branch Committee; and
- (c) responsibilities, roles and accountability of the Branch Committee.

5.4 Strategic Advisory Council

The Strategic Advisory Council shall have two distinct functions, firstly to select new Directors to the Board of the Company in accordance with Rule 14 and secondly to assist in the Company's strategic planning processes.

- (a) The Strategic Advisory Council shall comprise the following appointees;
 - (i) Each of the Branch Presidents (or Branch Vice-President at the discretion of the Branch),
 - (ii) One other representative from each Branch Committee; and
 - (iii) One representative from each Sustaining Member.
- (b) A member of the Strategic Advisory Council will be unable to hold a concurrent position as a Director of the company. Membership of the Strategic Advisory Council will not preclude nomination for directorship, however if the nomination is approved by the Strategic Advisory Council, then the nominee must resign his/her position prior to the AGM when appointment as a director takes place.
- (c) All persons appointed to the Strategic Advisory Council must be members of the Company.
- (d) The length of service and eligibility for appointment and re-appointment to the Strategic Advisory Council shall be in accordance with By-laws as determined by the Board from time to time.

6. APPLICATION OF INCOME AND PROPERTY

6.1 Members

The income and property of the Company shall be applied solely towards the promotion of the objects and purposes of the Company and no portion shall be paid or transferred directly or indirectly by way of bonus, dividend or otherwise howsoever by way of profit to the members of the Company provided that nothing prevents the payment in good faith of:

- (a) reimbursement of out-of-pocket expenses to any of the Directors, officers or servants of the Company or to any member of the Company for expenses incurred in the conduct of services rendered to the Company where the payments do not exceed the amount previously approved by the Board. Receipts for expenses incurred above

a threshold stipulated by the Board or in the By-laws must be supplied to the Company for any entitlement to reimbursement to arise;

(b) reasonable and proper payments to any of the officers or servants of the Company or to any member of the Company in return for any services actually rendered to the Company or for goods supplied in the ordinary and usual way of business provided payments do not exceed amounts previously approved by the Board;

(c) interest on any money borrowed from any member of the Company at a rate not exceeding commercial market rates of interest for money lent by trading banks from time to time: and

(d) reasonable and proper rent for premises let to the Company by any member of the Company.

6.2 Directors

Directors shall not be remunerated in their capacity as officers of the Company but nothing prevents the payment in good faith of:

(a) out-of-pocket expenses incurred in carrying out the duties of a Director where the payments do not exceed an amount previously approved by the Board;

(b) a financial benefit to a Director to which subsection 212 of the Law refers or payment of an insurance premium in respect of a contract insuring a director to which subsection 212 of the Law refers;

(c) for any service rendered to the Company in a professional or technical capacity, where the provision of that service has the prior approval of the Board and is on reasonable commercial terms; and

(d) as an employee of the Company, where the terms of employment have been approved by a resolution of the Board.

7. AMALGAMATION

In furtherance of the objects and purposes of the Company, the Company may amalgamate with any one or more organisations having objects similar to those of this Company and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as that imposed upon this Company and which is a fund, authority or institution which is exempt from Income Tax under sub-division 50-5 of the *Income Tax Assessment Act 1997*.

8. WINDING UP OR DISSOLUTION

8.1 Members contribution on winding up

Every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while that person is a member or within one year afterwards for payment of the debts and liabilities of the Company contracted before that person ceases to be a member and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves

provided that such amount may be required from any individual member shall not exceed twenty dollars (\$20.00).

8.2 Distribution of surplus

If upon the winding up or dissolution of the Company there remains after the satisfaction of all debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of the Company but shall be given or transferred to some other organisation having objects similar to those of this Company and which shall prohibit the distribution of its or their income and property among its or their members, and also is a fund, authority or institution which is exempt from income tax under sub-division 50-5 of the *Income Tax Assessment Act 1997*.

8.3 Members liability limited

The liability of the members is limited.

9. MEMBERS

9.1 Number of members

The number of members of the Company shall be unlimited.

9.2 Classes of Members

(a) There shall be 3 classes of members, namely:

Individual members;

Corporate members; and

Sustaining Members.

(b) The Board may from time to time create By-laws to include specific membership categories within each of the classes of members referred to in Rule 9.2(a).

9.3 Individual Members

Any person who is active in the water industry or is supportive of the objectives of the Company shall be eligible for admission as an individual member and once admitted shall be entitled to:

(a) the use of member services at the cost specified from time to time by the Company;

(b) attend any general meeting of the Company; and

(c) vote at any general meeting of the Company.

9.4 Corporate Members

Organisations which are active in the water industry or are supporting of the objectives of the Company shall be eligible for admission as a Corporate member and once admitted shall be entitled to:

- (a) the use of member services for Corporate members at the cost specified from time to time by the Company;
- (b) attend by its nominee, any general meeting of the Company;
- (c) vote by its nominee, at any general meeting of the Company; and
- (d) change the nominee from the corporate contact listed in the Register of members.

9.5 Sustaining Members

(a) The Board may nominate or declare any significant water industry sector organisation to be eligible for admission as a Sustaining Member.

(b) Once admitted as a Sustaining Member and once admitted to membership the Sustaining Member shall be entitled to:

appoint a person to represent it on the Strategic Advisory Council; and

such other privileges as the Board may in its absolute discretion determine from time to time.

(c) There shall not be more than 4 Sustaining Members at any one time and the Board must not admit to membership a Sustaining Member if there are then 4 current Sustaining Members.

9.6 Admission to membership

(a) Such persons or bodies as may be admitted to any of the categories of membership in accordance with the Rules shall be entered in the Register and shall be members of the Company unless and until such membership is terminated by virtue of any of the powers contained in these Rules.

(b) All applicants for membership admitted as individual members or corporate members shall be allocated in the Register of the Company to the Branch in the State or Territory in which they are principally and ordinarily resident.

(c) Every applicant for any category of membership shall apply in such form and manner and to such person or committee as the Board may from time to time prescribe.

(d) The applicant shall agree that if admitted as a member it will be bound by the provisions of the Constitution of the Company and of the By-laws, policies, procedures and pronouncements of the Board then in force or which may from time to time be in force.

(e) The Board may in its absolute discretion and without being required to assign any reason reject any application for admission to membership of the Company.

(f) Upon acceptance or rejection of an application for membership, the Secretary shall forthwith give the applicant notice in writing of such acceptance or rejection. If an application is rejected, the Secretary will return the application fee to the applicant with the notice of rejection.

9.7 Appeal against rejection of membership

(a) An applicant whose application is rejected may, within 1 month of receiving written notice as provided for in Rule 9.6, lodge with the Secretary written notice of their intention to appeal against the decision of the Board.

(b) Upon receipt of a notification of intention to appeal against rejection of membership the Secretary shall put the appeal to the next regular meeting of the Board to determine the appeal.

(c) The appeal shall be determined by the vote of the Directors.

9.8 Membership fees

The Board may impose such annual membership fees as it may determine from time to time.

9.9 Cessation of membership

A member admitted to membership shall cease to be a member if:

(a) being an individual, the member:

dies;

becomes of unsound mind; or

is adjudicated bankrupt or enters into a deed of arrangement or assigns his or her estate for the benefit of his or her creditors;

(b) being a body, the member:

has a liquidator, provisional liquidator, receiver, receiver and manager or official manager appointed to it;

has an administrator appointed to it;

resolves to wind-up or is subject to an order to wind-up;

enters into a scheme or arrangement with its creditors or otherwise compromises or compounds with its creditors;

(c) the member resigns;

(d) the member ceases to be eligible for admission in the class of membership in which the member was admitted;

(e) the member is found by the Board to have failed to comply with these Rules and any rules, regulations or By-laws of the Company or for any other reason detrimental or potentially detrimental to the company, in its absolute discretion;

(f) the member is excluded by the members of the Company, whether or not on the recommendation of the Board, by the passing of a special resolution in general meeting that it be excluded from the Company;

(g) the member is in arrears of membership fees for more than 30 days although full reinstatement as a member will be immediate upon payment of all outstanding fees.

9.10 Notice of proposed exclusion

(a) Every member to be excluded from membership of the Company under Rule 9.9 (e) or (f) shall be given a statement outlining the reasons for proposing their exclusion within 14 days of the resolution being proposed by the Board or a general meeting being requisitioned for that purpose.

(b) A member who has received a statement of reasons may, within 28 days after the date of receiving the statement, lodge an appeal against exclusion by forwarding to the President in writing, a reply setting out the reasons why they should not be excluded from membership of the Company.

(c) The President must then consider the submission and provide details to the Board at its next meeting.

(d) The Board may either uphold the member's appeal or dismiss the appeal and the Board's decision shall be final.

(e) The Secretary must notify the member in writing of the Board's decision within 28 days of the Board meeting.

(f) The Secretary shall give every member to be excluded from membership under Rule 9.9(e) a statement outlining the reasons for their proposed exclusion at least 28 days prior to a general meeting being convened for that purpose.

9.11 Resignation of members

Any member may resign from the Company at any time by giving his or her written resignation to the Secretary. The resignation shall take effect at the time the written resignation is received unless a later date is specified in the notice when it shall take effect on that later date. A resigning member shall not be entitled to a refund of membership fees or any part thereof.

9.12 Register of members

A Register shall be kept in accordance with the Law.

9.13 Nominees of Members

(a) Each member which is a body must nominate, and notify to the Company in writing or by on-line updating of the Corporate record, the person who is authorised to attend meetings of the Company and be counted for the purposes of establishing a quorum, and to exercise the voting rights of that Member (if any). Unless otherwise advised in accordance with these rules, the nominee shall be the primary contact for that body as entered in the Register of members.

(b) Until it receives a written or on-line revocation of such authority, the Company shall be entitled to rely upon such written notification in counting, or accepting the vote of, that nominee.

10. GENERAL MEETINGS OF MEMBERS

10.1 Annual general meeting of members

Subject to the Law, annual general meetings of the Company shall be held in each year at such time and place or by such other lawful means or combination of means of communication as the Board may determine.

10.2 Business of annual general meeting of members

The business of the annual general meeting shall be:

(a) to read and confirm minutes of the previous annual general meeting and of any extraordinary general meeting held during the preceding year;

(b) to receive the annual reports;

(c) to receive the auditor's report;

(d) to receive the accounts;

(e) to appoint an auditor (except in the case of a continuing auditor) and to fix the remuneration of the auditor;

(f) to appoint Directors in accordance with Rule 14.4; and

(g) to consider any other business the general nature of which shall have been specified in the notice convening the meeting or which the Chairperson of the meeting permits to be brought before the meeting, based on a written submission, including declaring the results of any postal ballot.

10.3 Extraordinary general meetings of members

(a) All general meetings, other than the annual general meeting, shall be called extraordinary general meetings.

(b) The Secretary shall convene an extraordinary general meeting within 21 days of:

being given a requisition to do so in writing signed by the President or any 2 Directors;
or

being given requisitions in writing from at least 20 individual and/or corporate members;

(c) The requisition shall clearly state the reasons why such extraordinary general meeting is being convened and the nature of the business to be transacted at such meeting.

(d) The meeting must be held no later than 2 months after the requisition is given to the Company.

10.4 Business of extraordinary general meetings of members

The business of an extraordinary general meeting shall be to consider the business, the general nature of which shall have been specified in the notice convening the meeting or which the Chairperson of the meeting permits to be brought before the meeting.

10.5 Notice of general meetings of members

Subject to the provisions of the Law relating to special resolutions and agreements for shorter notice, at least 21 clear days' written notice specifying the place, the day and time of the meeting and, in the case of special business, the general nature of that business, shall be given to the members of the Company.

10.6 Ordinary business

All business that is transacted at an extraordinary general meeting or at an annual general meeting, except for those matters specified in paragraphs (a) to (f) (inclusive) of Rule 10.2 shall, subject to the Law, these Rules or a decision of the Board, be deemed ordinary business.

11. PROCEEDINGS OF GENERAL MEETINGS OF MEMBERS

11.1 Quorum

The number of members required to make a quorum at any general meeting shall be 20 and no business shall be transacted at any general meeting unless:

- (a) the President or the Vice President;
- (b) the Secretary; and
- (c) the balance of the quorum,

is present at the commencement of the business, whether in person, by attorney or proxy, or representative of a member, or by such other lawful means of communication as the Board has determined.

11.2 No quorum

(a) If within half an hour from the time appointed for the meeting a quorum is not present the general meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day (not being more than 14 days after such meeting) time and place as the Chairperson or the Secretary may then appoint; and

(b) If at such adjourned meeting a quorum of members is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.

11.3 Chairperson

(a) The President of the Company shall preside as Chairperson at every general meeting but, in the absence of the President, the Vice President or another member of the Board shall preside as Chairperson.

(b) If there is no Chairperson or the Chairperson is not present at any meeting within half an hour after the time appointed for the holding of such meeting or is unwilling to act, the members of the Company present in person may choose from their number a Chairperson of the meeting.

11.4 Adjournment of meeting

The Chairperson of a general meeting may, with the consent of the meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.5 Notice of adjournment

(a) When a general meeting at which a quorum was present is adjourned for 30 days or more written notice of such adjournment shall be given to the members and so far as practicable in the same manner as the original meeting.

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

11.6 Method of voting

Subject to Rule 11.1 every resolution submitted to a general meeting shall be decided by a show of hands (or in the case of a meeting held in accordance with clause 11.11 by orally identifying the member casting the vote and orally signifying whether the member is for or against the relevant resolution) unless before, or upon the declaration of the show of hands, a poll is demanded by:

(a) the Chairperson of the meeting; or

(b) not less than 5 members present in person or by proxy, by attorney or by representative, at the meeting.

11.7 Demand for a Poll

- (a) If a poll is duly demanded it shall be taken either at once or after an interval or adjournment or otherwise as the Chairperson directs.
- (b) The result of the poll shall be the resolution of the meeting at which the poll was demanded.
- (c) A poll demanded on the election of a Chairperson or on a question of adjournment shall be taken forthwith.

11.8 Evidence of vote

Unless a poll is demanded as provided by Rule 11.6, at a general meeting a declaration by the Chairperson of the meeting that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

11.9 Dispute as to vote

In the case of any dispute as to the admission or rejection of a vote, the Chairperson of the meeting shall determine the dispute and such determination made in good faith shall be final and conclusive.

11.10 Resolutions

- (a) A resolution of any business at any general meeting, other than special business, shall be decided by a majority of votes (an "**ordinary resolution**").
- (b) A resolution of any special business shall be decided by a majority of three quarters of votes (a "**special resolution**").

11.11 Electronic communication

For the purpose of these Rules, the contemporaneous linking together by telephone, radio, closed circuit television or other electronic means of audio or audio-visual communication or other means of communication of a number of members not less than the quorum together with the Secretary, whether or not any one or more of the members are present in person at a place designated for the meeting or is out of the Commonwealth of Australia, shall be deemed to constitute a meeting of the Company and all the provisions in these Rules as to meetings of the Directors shall apply to such meetings as long as the following conditions are met:

- (a) all the members for the time being entitled to receive notice of a meeting of the Company may receive notice of such a meeting in the manner specified by these Rules;
- (b) each of the members taking part in the meeting by telephone or other means of communication and the Secretary must be able to hear each of the other members taking part at the commencement of the meeting;

(c) at the commencement of the meeting each member taking part in the meeting by telephone or other means of communication must acknowledge his or her presence for the purpose of a meeting of the members of the Company to the Secretary and all the other members taking part in the meeting by telephone or other means of communication.

(d) A member may not leave the meeting by disconnecting his or her telephone or other means of communication unless he or she has previously obtained the express consent of the Chairperson of the meeting and a member shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting unless he or she has previously obtained the express consent of the Chairperson of the meeting to leave the meeting as aforesaid.

(e) A minute of the proceedings at such meeting by telephone or other means of communication shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the Chairperson of the meeting and by the Secretary.

12. VOTES OF MEMBERS

12.1 Giving of votes

(a) Each member entitled to vote at meetings may vote in person or by such other means as is provided for in these Rules;

(b) On a show of hands every member present and entitled to vote shall have 1 vote;

(c) On a poll every member present and entitled to vote shall have 1 vote; and

(d) Members who are indebted to the Company as at the time of the general meeting in respect of any annual membership fee, subscription or levy or other payment whatsoever are not entitled to vote or speak on a motion.

12.2 Casting vote

The Chairperson of any general meeting shall be entitled to vote and in case of an equality of votes he or she shall be entitled to a casting vote in addition to his or her deliberative vote.

12.3 Objections

No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.

12.4 Attorney

The instrument creating the power of attorney must be deposited at the registered office of the Company or at such other place as is specified for that purpose in the

notice convening the meeting before the commencement of the meeting in respect of which such power of attorney is intended to be used.

12.5 Proxy

The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his or her attorney duly authorised in writing. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

12.6 Form of Proxy

The instrument appointing a proxy may be in the following form or any other form which the Board may approve.

AUSTRALIAN WATER ASSOCIATION LIMITED		
I,	of	
being a member of Australian Water Association Limited hereby appoint		
	of	
or failing him/her the Chairman of the meeting as my proxy to vote for me on my behalf at the		
(annual) general meeting or general meeting as the case may be of the Company to be held on		
the	day of	and at any
adjournment thereof.		
My proxy is hereby authorised to vote *in favour of/* against the following resolutions:		
* Delete if not appropriate		
Signed this	day of	
(Note: In the event of the member desiring to vote for or against any resolution he/she shall instruct his/her proxy accordingly. Unless otherwise instructed, the proxy may vote as he/she thinks fit.)		

12.7 Deposit of Proxy

The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

12.8 Validity of Votes

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

13. POSTAL VOTING

13.1 Validity of resolution decided by way of postal vote

A resolution of the members decided by postal ballot shall be as valid and effective as if it had been passed at a meeting of the Company duly called and constituted.

13.2 Regulation of postal ballots

The Board must by special resolution, adopt By-laws consistent with these Rules regulating the method of conducting postal ballots and ensure that all postal ballots are secret ballots.

13.3 Holding a postal ballot

(a) A postal ballot must not be by fax or electronic means.

(b) A postal ballot must not be combined with any other method of voting provided for in these Rules.

(c) A postal ballot may be held in the following circumstances:

to appoint an auditor except in the case of a continuing auditor;

when the Board by special resolution approves an ordinary or a special resolution being decided by postal ballot;

when the members by ordinary resolution approve an ordinary or a special resolution being decided by postal ballot.

(d) The Board must cause the details of the proposal on which the ballot is to be held to be set out in a statement and fix the dates for the forwarding of ballots to members and the closing of the ballot.

13.4 The returning officer

(a) Every ballot must be conducted by the returning officer appointed by the Board.

(b) If a returning officer is not appointed in enough time to allow the postal ballot procedure to be followed, the Secretary is the returning officer.

(c) Any person, other than a Board member of the Company, may be appointed by the Board to act as returning officer.

(d) The returning officer may appoint any person to assist with the performance of functions or powers under this Rule by the persons provided that such person would also be eligible to be a returning officer.

13.5 Returning officer to prepare roll

(a) The returning officer must prepare a roll of the full names and addresses of the members of the Company as disclosed by the register of members together with particulars of the number of votes each member would be entitled to exercise on a poll.

(b) A person whose name is on the roll, may vote in a postal ballot, and no-one else is eligible or entitled to vote.

13.6 Form of Ballot Paper

The returning officer must cause ballot papers to be prepared in the following form or any other form, which the Board may approve:

AUSTRALIAN WATER ASSOCIATION LIMITED

Postal Ballot

Ballot of members to decide the following motion:

.....
.....
.....

The ballot closes at noon on

How to Vote

Read these directions and the ballot paper carefully.

Complete and sign the details on the reverse side of the middle envelope.

If you are in favour of the proposal insert 'YES' in the square in the ballot paper hereunder. If you are not in favour of the proposal insert 'NO'.

After marking the ballot paper fold it and place it in the small envelope provided and seal the envelope. Then place this envelope in the middle envelope and place the middle envelope in the envelope addressed to the returning officer. Forward this envelope either by post or personal delivery to reach the returning officer by noon on.....

Unless the ballot paper is marked as indicated in 3 above and the details mentioned in 2 above are completed in full and signed, your vote may be rejected as informal.

.....

Initials of Returning Officer

BALLOT PAPER

Resolution

Are you in favour of the proposal mentioned above?

13.7 Procedure

(a) Each ballot paper must be initialled by the returning officer. The returning officer must, at least 21 days before the day fixed for closing the ballot, send by post or

otherwise deliver to every member entitled to vote in a ballot, 1 set of the following material:

a ballot paper or papers;

an unsealed envelope (the “outer envelope”) addressed to the returning officer;

a smaller envelope (the “middle envelope”) in which the voter must enclose the envelope containing the ballot paper, the reverse side of which must be printed in or to the following effect:

.....

(full name)

.....

(address)

.....

(signature)

.....

(designation)

Please use capital letters.

a small envelope (the “inner envelope”);

a copy of the statement (prepared by the Board) giving the details of the proposal on which the decision of the members is to be sought.

(b) Every member desiring to vote by postal ballot must complete the details on the reverse side of the middle envelope and after marking their vote on the ballot paper according to the instructions on the ballot paper, seal the ballot paper in the inner envelope. The inner envelope containing the ballot paper must then be placed in the middle envelope and the middle envelope placed in the outer envelope addressed to the returning officer. The outer envelope must then be posted or personally delivered to the returning officer by noon on the day the ballot closes.

(c) The returning officer must provide a ballot box.

(d) The ballot box must be locked immediately before the ballot papers are delivered in accordance with this Rule 13.7 and remain locked until the close of the ballot.

(e) The returning officer must place the outer envelopes into the ballot box by noon on the day the ballot closes.

(f) If a member makes and sends to the returning officer a declaration that the member has not received the ballot paper, or the ballot papers received by the member have been lost, spoilt or destroyed, and the member has not already voted, the

returning officer may issue a duplicate set of the material required in accordance with this Rule 13.7, having written 'duplicate' on the duplicate outer envelope.

(g) A member must not make a declaration under Rule 13.7(f) that is false in a particular material.

(h) Ballot papers received after noon on the day the ballot closes must not be taken into account at the ballot.

(i) As soon as practicable after noon on that day, the returning officer in the presence of scrutineers appointed by the board must open the ballot box and deal with the contents in accordance with Rule 13.7(j) and (k).

(j) The returning officer must:

remove the middle envelope from the outer envelope;

if a duplicate outer envelope has been issued and the original outer envelope is received — reject the original envelope and mark it 'rejected'; and

according to the information on the middle envelope, mark for each set of voting papers returned, the voter's name on the roll by drawing a line through the name; and

if a member's name has already been crossed out on the roll — reject the postal vote and mark it 'rejected'; and

if the middle envelope has not been signed, or the details shown on the envelope are not enough to disclose by whom the vote is being exercised, reject the postal vote and mark the middle envelope 'rejected'; and

extract or cause to be extracted the inner envelope containing the ballot paper from all un-rejected middle envelopes, separating the contents from the middle envelopes in a way that no inner envelope could be later identified with a particular voter; and

when all the middle envelopes have been dealt with, cause all inner envelopes not rejected to be opened and the ballot papers to be taken from them;

(k) The ballot papers must be scrutinised by the returning officer who should supervise and reject as informal a ballot paper that:

is not initialled by the returning officer; or

is so imperfectly marked the intention of the voter can not be decided by the returning officer; or

has a mark or writing not authorised by this section that, in the opinion of the returning officer will enable someone to identify the voter; or

has not been marked as prescribed on the ballot paper itself.

(l) The decision of the returning officer as to the formality of a ballot paper is final and not open to appeal.

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- (m) The returning officer must count votes cast and make out and sign a statement of:
- the number of formal votes cast in favour of the proposal;
 - the number of formal votes cast against the proposal;
 - the number of informal votes cast;
 - the number of outer, middle and inner envelopes marked 'rejected';
 - the proportion of the formal votes polled which were in the affirmative; and
- on the declaration of the returning officer of the result of the postal ballot the Secretary is to make an entry in the minute book showing the particulars mentioned in sub-paragraphs (i), (ii) and (iii) above.
- (n) The returning officer must forward the statement to the Chairperson who must either announce the result of the ballot either at the next general meeting or by giving notice of the result in writing to each member within 60 days of the ballot closing, whichever is the earlier.
- (o) The proposal which received the required majority of votes must be declared won.
- (p) The returning officer must retain all ballot papers (whether formal or otherwise), rejected outer envelopes and rolls used for the conduct of the ballot, locked in the ballot box until the returning officer has been directed by the Board, in writing, to destroy them.
- (q) Notice of the result of the ballot (other than a ballot conducted to alter these rules) must be displayed on the notice board at the Company's registered office.
- (r) For a postal ballot altering the rules, the Company must cause the alteration to be notified in writing to its members as soon as practicable after the alteration takes effect but not later than the day notice is given to the members of the next annual general meeting of the Company after the alteration takes effect.

14. THE BOARD

14.1 Management by the Board

The Company shall be managed by the Board in accordance with the powers and duties set out in Rule 19.

14.2 Number of Directors on the Board

The number of Directors on the Board shall be no less than 6 and no more than 9, subject to the provision in rule 14.5, in which circumstances the Board would number a maximum of ten (10) for the period.

14.3 Nomination of Directors to the Board

- a) Every second year, the Strategic Advisory Council shall meet before the annual general meeting and select from the nominations, replacements for the Directors due to retire in the next twelve months, if any. The Directors holding the office of President

and President Elect, at this time will, subject to ratification at AGM, be automatically re-appointed to the Board.

- b) At Least four (4) re-nominating Directors, including the President and President Elect, must be re-appointed to the board, subject to ratification at annual general meeting,
- c) In accordance with the Directors' Terms of Office as established under Rule 14.5 and 14.6, the Secretary shall advise the members of the impending Board vacancies at least 60 days prior to the AGM
- d) Nominations for Directorships shall be submitted to the Secretary in a form prescribed in the By-laws. All nominees must be members of the Company at the time of nomination

14.4 Appointments

(a) All nominations selected pursuant to Rule 14.3 shall be declared and ratified at the annual general meeting held following selection in accordance with these Rules. Nominations ratified by the annual general meeting shall be declared as appointments as and from a Board meeting held in the first half of the next calendar year after that annual general meeting.

(b) Any person selected as a Director but rejected by the members in a general meeting shall be ineligible to fill a casual vacancy on the Board.

(c) All persons appointed as Directors pursuant to this Rule must be members of the Company at the time of their appointment and throughout their term of office.

14.5 Term of Appointments

(a) The term of appointment as Director of the Board, subject to the provision at 14.3, shall be nominally 2 years from Ozwater to Ozwater and directors shall automatically retire immediately before the equivalent Ozwater Board meeting held in the second year following the commencement of their term of office.

(b) All retiring Directors are eligible for re-nomination and appointment, but shall not be eligible for re-appointment if they have served 3 consecutive terms, immediately prior to the period for which they are seeking appointment

(c) The only exception to 14.5 (b) is where a Director who has less than 3 years to serve of the allowable 6 year tenure has been nominated by a majority vote of both the Strategic Advisory Council and the Board to fill the position of a new President-Elect. In these circumstances, such a Director shall be eligible to serve for an additional 3-year term to serve as a new President for 2 years and Immediate Past President for 1 year, subject to the ratification of their election at the annual general meeting.

(d) The President may serve one further year in office, in addition to the terms already served, to act as Deputy President until the election of the President Elect as detailed in clause 14.7, if they have already served consecutive terms at the end of their presidency.

14.6 Interim Board

Following adoption of this Constitution in November 2004, the Strategic Advisory Council will nominate 9 Directors to serve on a Board which will take office at the Board meeting in May 2005. Three of these Directors shall be ineligible for renomination at the end of their first two year term and a further three will be ineligible for re-nomination at the end of 4 consecutive years in office in order to initiate the part Board replacement cycle.

The Board in existence prior to the November 2004 AGM shall hold office in accordance with these rules until the Interim Board takes office in May 2005.

14.7 Appointment of Office Bearers

(a) Subject to Rule 14.5 the office bearers elected under this Rule shall hold office for nominally 2 years. The President shall hold office for a nominal maximum of 2 years, subject to the provision at 14.8, and shall retire from the office of President immediately before the meeting at which the new President takes office.

(b) In accordance with the two year cycle established in Rule 14.7 (a), the President Elect, at the commencement of the meeting when new directors begin their term, shall become the President

(c) The retiring President, at and from the commencement of the meeting at which the new President takes office, will hold the title of Immediate Past President.

(d) The office of Deputy President will be held by the Immediate Past President until the election of the President Elect takes place, at the commencement of the Board meeting held at the same time in the alternate year to the appointment of the President. The President Elect will then hold the office of Deputy President.

(e) The Immediate Past President will retire, as Deputy President, immediately before the meeting at which the President Elect is appointed.

(f) If the term of directorship for the Immediate Past President has been extended in accordance with clause 14.5. the retiring Immediate Past President will retire from the board immediately before the beginning of the meeting as per (d).

(g) The election of the President Elect as per (d) shall be carried out in accordance with the by laws, or if none, in such a manner as the Board thinks fit. The President Elect will take office effective immediately. Subject to 14.5(c) a Director nominating for the position of President Elect must have a minimum of three (3) years left of the allowable six year tenure.

(h) The Board shall elect a person to act as the Secretary. The Secretary so elected need not be a member or a director. The Secretary shall hold office until such time as he or she is removed from office by a resolution of the Board.

(i) In the event of any vacancy occurring in any of such officers, the Board shall as soon as practicable thereafter fill the vacancy in accordance with these Rules.

14.8 Casual and Office holder Vacancies

- a) The Strategic Advisory Council may nominate a person to fill any casual vacancy with the person so appointed taking the place, for the balance of the term, of the Director in respect of whom the vacancy occurred.
- (i) A Board vacancy created by a rejection of a Director nomination at a general meeting of members shall be declared a Casual Vacancy.
 - (ii) Any appointments to fill a casual vacancy, shall be nominated by the Strategic Advisory Council and confirmed at the next general meeting of members.
- b) Any person filling a casual vacancy must be a member of the Company.
- c) If the office of President becomes temporarily vacant the Deputy President will hold the office until the return of the President,
- d) If, in the view of the board, a vacancy in the office of President is not a temporary vacancy then:
- (i) If the vacancy is in the first year of office of the President, then the Immediate Past President, as Deputy President, will hold office of President. As soon as is practical a meeting of the Board will elect a President Elect who will hold the office of President Elect until the meeting established at 14.7 as which time they will become President. The President in these circumstances may hold office to a nominal maximum of three years
 - (ii) If the vacancy is in the second year of office of the President then the President Elect will hold the office of President to a nominal maximum of 3 years, until the appointment of the new President as per the cycle established at 14.7. The office of Deputy President will remain vacant until the appointment of the President Elect as per the cycle established under 14.7 or filled until that time as the Board thinks fit. A Director holding the office of Deputy President in these circumstance will not be precluded from nomination for President Elect per 14.7

14.9 Vacation of Office

A Director shall cease to be a Director and his or her position as Director shall become vacant accordingly if:

- (a) he or she dies;
- (b) he or she retires or resigns his or her position by notice in writing to the Company;
- (c) without permission of the Board, he or she fails to attend a meeting of the Board without providing a reason considered by the Board to be good and sufficient;
- (d) he or she is adjudicated bankrupt or enters into a deed of arrangement or assigns his or her estate for the benefit of his or her creditors;
- (e) is or becomes legally incapable of continuing to act as a Director due to physical or mental incapacity
- (f) he or she is convicted of an indictable offence;
- (g) he or she fails to comply with these Rules or any rules, regulations or By-laws of the Company;
- (h) he or she is expelled from the Board by the members of the Company, whether or not on the recommendation of the Board, by the passing of an ordinary resolution in general meeting that he or she be excluded from the Board;

14.10 Notice of proposed expulsion

Notwithstanding anything to the contrary:

- (a) the Directors shall not be required to give notice of any meeting convened for the purpose of recommending the expulsion of a Director under Rule 14.9(g) or (h) to the Director who is the subject of the meeting.
- (b) the Directors may meet for the purposes of making a recommendation to the members to expel a Director under Rule 14.9(g) or (h) without the Director who is sought to be expelled being present.
- (c) if the Directors determine that the Director should be expelled from the Board under Rule 14.9(g) or (h) then the Directors shall convene a Board meeting and give the Director 28 days notice in writing sent to him or her of the Board meeting and such notice shall contain a draft of the proposed resolution to be put to the members and a statement outlining the reasons for proposing such resolution and such Director may attend the Board meeting and shall be given the opportunity to place before the Board orally and in writing any explanation or defence he or she may think fit but shall not be entitled to vote on the resolution.
- (d) every Director to be expelled from the Board under Rule 14.9(g) or (h) shall have 14 clear days notice in writing sent to him or her of the general meeting and such notice shall contain a draft of the proposed resolution and a statement outlining the reasons proposing such resolution and such Director may attend the general meeting

and shall be given the opportunity to place before the meeting orally or in writing any explanation or defence he or she may think fit but shall not be entitled to vote on the resolution.

14.11 Compliance with Rules

Each Director shall be deemed to have agreed to be bound by these Rules, and by such rules, regulations and by-laws as may be made from time to time by the Board.

15. MEETINGS OF THE BOARD

15.1 Meeting times

The Directors shall meet at least six times each calendar year for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.

15.2 Quorum

A quorum shall consist of a majority of the Directors and no business shall be transacted at any meeting of the Board unless a quorum is present at the commencement of the meeting.

15.3 Notice of Board meetings

Subject to Rule 15.4, the Board shall be given at least 30 days notice of meetings.

15.4 Special meetings of the Board

(a) The President or any 2 Directors may requisition a special meeting of the Board at any time whereupon the Secretary shall convene a meeting of the Board.

(b) At least 14 days notice of the time and place of a special meeting of the Board shall be given in writing to every Director. The business of the meeting shall be specified in the notice and best endeavours must be made to give the notice to each Director, provided that, if best endeavours have been used, then the failure to give the notice, or the non-receipt of any such notice by any of the Directors, shall not invalidate any resolution passed at any such meeting.

15.5 Chairperson

(a) The President shall preside as Chairperson at every Board meeting unless by prior arrangement, the President will be absent and the Vice President or another Director has been appointed by the meeting to act as Chairperson.

(b) If the President is not present at any meeting within half an hour after the time appointed for the holding of such meeting or is unwilling to act, the Directors present in person may choose from their number a Chairperson of the meeting.

15.6 Voting at Board meetings

Subject to Rule 15.5, each Director present shall be entitled to 1 vote on any question arising at any meeting of the Board.

15.7 Casting vote

The Chairperson of the Board meeting shall be entitled to vote and, in the case of an equality of votes, the Chairperson shall have a casting vote in addition to his or her deliberative vote.

15.8 Resolution

A resolution on any matter arising at any meeting of the Board shall be decided by a majority of votes.

15.9 No vote in respect of interested contracts

A Director shall not be entitled to vote at any Board meeting or general meeting of the Company in respect of any contract or proposed contract with the Company in which he or she is in any way directly or indirectly interested or in respect of any matter arising out of such contract or proposed contract.

15.10 Resolution in writing

(a) A resolution in writing signed by all Directors shall be as valid and effective as if it had been passed at a meeting of the Board duly called and constituted.

(b) Any such resolution may consist of several documents in like form each signed by one or more Directors.

15.11 Electronic communication

For the purpose of these Rules, the contemporaneous linking together by telephone, radio, closed circuit television or other electronic means of audio or audio-visual communication or other means of communication of a number of Directors not less than the quorum together with the Secretary, whether or not any one or more of the Directors is out of the Commonwealth of Australia, shall be deemed to constitute a meeting of the Directors and all the provisions in these Rules as to meetings of the Directors shall apply to such meetings as long as the following conditions are met:

(a) all the Directors for the time being entitled to receive notice of a meeting of the Directors may receive notice of such a meeting by telephone or other means of communication and be linked by telephone or such other means for the purposes of such meeting;

(b) each of the Directors taking part in the meeting by telephone or other means of communication and the Secretary must be able to hear each of the other Directors taking part at the commencement of the meeting;

(c) at the commencement of the meeting each Director must acknowledge his or her presence for the purpose of a meeting of the Directors of the Company to all the other Directors taking part.

(d) A Director may not leave the meeting by disconnecting his or her telephone or other means of communication unless he or she has previously obtained the express consent of the Chairperson of the meeting and a Director shall be conclusively

presumed to have been present and to have formed part of the quorum at all times during the meeting by telephone or other means of communication unless he or she has previously obtained the express consent of the Chairperson of the meeting to leave the meeting as aforesaid.

(e) A minute of the proceedings at such meeting by telephone or other means of communication shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the Chairperson of the meeting and by the Secretary.

16. MINUTES

(a) The Secretary shall cause minutes to be duly entered in the books provided for the purpose of recording:

- all appointments and elections of Directors to the Board;
- the names of the persons present at each meeting of the Board and general meeting;
- all resolutions and proceedings of each meeting of the Board and general meeting; and
- all resolutions and recommendations of any Committees appointed by the Board.

(b) For the purposes of ensuring the accuracy of the recording of such minutes, the minutes of every meeting of the Board shall be signed by the Chairperson of that meeting. Such minutes may be subsequently amended or corrected at a Board meeting

(c) Similarly, the minutes of every annual and extraordinary general meeting shall be signed by the Chairperson of that meeting or the Chairperson of the next succeeding annual or extraordinary general meeting as the case may be.

(d) The minute book of meetings of the members shall be open to the inspection of any member of the Company who applies to the Secretary for such inspection.

(e) Minutes of Board meetings will remain confidential to Directors subject to the provision in clause 21.2

(f) Minutes of the resolutions and recommendations arising from meetings and proceedings of each committee or sub-committee shall be recorded *and signed within 30 days* and provided to the Board at its next meeting.

17. OFFICE BEARER ROLES AND RESPONSIBILITIES

17.1 The President

The duties of the President shall be:

- (a) leader, convenor and spokesperson;
- (b) identified contact person;

17.2 The Secretary

The duties of the Secretary shall be as follows:

- (a) to ensure all correspondence of the Company is received and conducted in accordance with Company By-laws and such other guidelines and that all documents belonging to the Company are stored and kept at the principal place of business;
- (b) to ensure full and correct minutes of meetings are kept;
- (c) to ensure a register of members comprising the names and addresses of all the current members of the Company is kept;
- (d) to do all such things as may be directed by the Board or prescribed by the By-laws and Corporation Law.

18. TRANSACTIONS WITH DIRECTORS

18.1 Compensation and Expenses

Directors shall not receive any salary or dividend for their services as Directors. By resolution of the Board, a reasonable sum for expenses (if any) may be allowed for attendance by a Director at each general meeting of the Company or meeting of Directors.

18.2 Directors May Contract with Company

Any Director shall notwithstanding his or her office, be at liberty to enter into any contract with the Company either as vendor, purchaser or otherwise or to perform any services for the Company for a reward or remuneration provided that where the nature and extent of his or her interest in any such contract does not appear on the face thereof, he or she shall disclose the same to the Board at or prior to the meeting of the Board at which the contract is considered and provided that he or she shall not unless invited by the Board so to do take part in any discussion or debate and shall not vote on any resolution relating to any such contract or to any services to be performed as aforesaid.

19. POWERS AND DUTIES OF THE BOARD

19.1 Control of management

Subject to the Law and to any other provision of these Rules, the Board:

- (a) shall have the general control and management of the administration of the affairs, property and funds of the Company;
- (b) may exercise all such powers of the Company as are not, by the Law or by these Rules, required to be exercised by the Company in general meeting.

19.2 General powers

Without limiting the generality of Rule 19.1, the Board may exercise all the powers of the Company to:

- (a) borrow or raise or secure the payment of money in such manner as the members of the Board may think fit and secure the same or the payment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the Company in any way;
- (b) charge any property or business of the Company;
- (c) issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person or body corporate;
- (d) invest in such manner as the Board may from time to time determine;
- (e) make, amend or repeal by-laws or regulations, not inconsistent with these Rules for the general conduct and management of the Company and the business of the Board provided that any by-law may be set aside by a general meeting of members;
- (f) appoint, employ, remove or suspend the CEO of the Company as may be necessary or convenient for the purposes of the Company on such terms and conditions as shall be determined by the Board and delegate to the CEO authority to manage the operations of the Company and any such other functions as it may deem fit from time to time.
- (g) enter into any trust arrangements with a trustee, corporate or otherwise, for the purpose of creating a trust fund or funds.

19.3 Committees

(a) Appointment of committees

The Board may from time to time appoint committees of members to undertake such business or matters as the Board may deem fit.

(b) Quorum

At every meeting of a committee a simple majority of a number equal to the number of members appointed to the committee shall constitute a quorum.

(c) Chairperson

The Chairperson of each committee shall be selected by the Board.

(d) Appointment

Any Director may be appointed to any committee and any Director may be appointed to more than one committee.

(e) Membership

Members of committees must be members of the Company.

(f) Committee can co-opt others

Each committee may co-opt any person to serve on that committee and may establish such sub-committees as it considers necessary or desirable.

(g) Meetings of committees

The meetings and proceedings of each committee or sub-committee shall be governed by such rules as may from time to time be made by the members of such committee or sub-committee or by the Board and, in default of such rules, by the provisions contained in these Rules, where applicable, for regulating the meetings and proceedings of the Board.

19.4 The Public Officer

The Secretary shall be the Public Officer ex officio.

20. SEAL

20.1 Execution without a Company Seal

The Company may execute a document without a company seal in accordance with the law.

20.2 Custody of Seal

The Directors may obtain and provide for the safe custody of the seal.

20.3 Use of Seal

The company seal shall only be used with the authority of the Board and every document to which the seal is affixed shall be signed by the President and shall be counter-signed by the Secretary or a Director appointed by the Board to countersign

that document or a class of documents in which that document is included. Any use of the company seal shall be recorded by the Secretary and reported to the Board.

21. INSPECTION OF RECORDS

21.1 Inspection by Directors

The accounting records and other documents of the Company will be open to the inspection of Directors during normal business hours.

21.2 Inspection by Members

The Directors shall determine whether and to what extent and at what time and places and under what conditions, the accounting records and other documents of the Company or any of them will be open for the inspection of members other than Directors, and a member, other than a Director does not have the right to inspect any document of the Company except as provided by law or authorised by the Directors or by the Company in general meeting.

22. MONEY RECEIVED BY THE COMPANY

22.1 Funds to be banked

All moneys when received on account of the Company shall be paid into the account or accounts of the Company at a financial institution decided by the Board.

22.2 Signing of cheques

All bills of exchange, promissory notes or other negotiable instruments shall be accepted, made, drawn or endorsed on behalf of the Company by any 2 Directors or any Director and the Secretary, or such other persons authorised to accept, make, draw or endorse bills of exchange, promissory notes or other negotiable instruments on behalf of the Company from time to time or in such other manner as the Board determines.

22.3 Imprest petty cash

The Board may authorise the operation of any imprest account with its financial institution which it considers necessary and it may authorise any Director or member of the Company to sign or endorse any negotiable instrument drawn on such imprest account under such conditions as it may prescribe from time to time or authorise the operation of such imprest account in such other manner as it may determine.

22.4 Endorsement of cheques

Cheques or other negotiable instruments paid to the financial institution of the Company for collection requiring the endorsement of the Company may be endorsed by any Director as may be appointed from time to time by the Board or in such other manner as the Board determines.

23. ACCOUNTS OF THE COMPANY

23.1 Books of Accounts

True accounts shall be kept of the sums of money received and expended by the Company and the matter in respect of which such receipt and expenditure takes place, and of the property, credits and liabilities of the Company and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the Constitution for the time being in force, shall be open to the inspection of the members.

23.2 Consideration of accounts

At each annual general meeting the accounts of the Company for the previous year ended 30 June shall be received and considered.

23.3 Audit of accounts

(a) The accounts of the Company for each year ended 30 June shall be examined and reported on by the auditors.

(b) The auditors of the Company shall be appointed by the members provided that no person may be appointed auditor unless the auditor is a member of the Institute of Chartered Accountants in Australia or the Australian Society of Certified Practising Accountants and provided that no person who is a Director of the Company may be appointed auditor of the Company.

(c) The auditors shall hold office until their successors are appointed and they shall be eligible for reappointment.

(d) The Board shall fill any casual vacancy in the office of auditor but while any such vacancy continues the surviving or continuing auditor or auditors (if any) may act.

(e) The Board shall approve the remuneration of auditors.

24. NOTICE

24.1 Notice Requirements

(a) A notice may be given by the Company to any member or Director personally or by sending it either:

- i. by post to the member or Director at the member's or Director's registered address; or
- ii. by facsimile to the member's or Director's registered facsimile number; or
- iii. by Email to the member's Email address.
- iv. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter

containing the notice, whether the notice forms part of or is accompanied by other material, and to have been effected in the case of a notice of a meeting, on the day after the date of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

(b) Where a notice is sent by facsimile service of the notice shall be deemed to be effected on the date of its transmission.

(c) Where a notice is sent by Email service of the notice shall be deemed to be effected when notification that the Email has been delivered is received from the member's Email server.

24.2 Notice of general meetings

Notice of every general meeting shall be given in any manner authorised in these Rules to:

- (a) every member whose name and address are recorded in the Register; and
- (b) every Director of the Board.

25. FINANCIAL YEAR

The financial year of the Company shall end on **30 June** in each year.

26. INDEMNITY AND INSURANCE

(a) The Directors may on behalf of the Company and, subject to the terms of this Rule and to the maximum extent permitted by law, grant an indemnity to any person who is or has been an officer or employee of the Company or a subsidiary of the Company or a permitted person against liabilities incurred by that person in such capacity.

(b) The indemnity granted by Rule 26(a) may only be relied on by the person in whose favour it has been granted if that person:

- i. upon becoming aware of a claim or potential claim immediately notifies the Company and provides to the Company all information, records, statements and assistance that the Company may reasonably require in relation to the claim or potential claim;
- ii. does not admit liability for or settle or attempt to settle any such claim or incur any costs or expenses in connection with such claim without the prior written consent of the Company; and
- iii. co-operates with the Company in the defence of the claim and in respect of any action taken to recover contribution or an indemnity in respect of the claim.

(c) The Company at its expense shall be entitled to conduct the defence or settlement of any such claim except in circumstances where an insurer insures the person or the Company in respect of the claim and has exercised its rights under a policy of insurance to conduct the defence or settlement of the claim.

(d) The Company may enter into a contract of insurance, or pay the premium in respect of a contract of insurance, which insures a person referred to in Rule 26(f) against any liability incurred by the person in such capacity.

(e) The benefits of each indemnity given by or pursuant to this Rule continue, notwithstanding that:

- i. a person who is conferred a benefit by this Rule ceases to hold office with the Company for any reason whatsoever; or
- ii. the terms of this Rule are modified or deleted,
- iii. but only in respect of any liability arising from any act or omission occurring prior to the cessation, modification or deletion as the case may be.

(f) In this Rule "officer", in relation to a Company means:

- i. a Director, Secretary or employee;
- ii. a receiver, or receiver and manager, of property of the Company;
- iii. an administrator of the Company;
- iv. an administrator of a deed of company arrangement executed by the Company;
- v. a liquidator of the Company; and
- vi. a trustee or other person administering a compromise or arrangement made between the Company and another person or other persons.

(g) In this Rule "permitted person" means:

- i. an agent or auditor of the Company or an agent or auditor of a subsidiary of this Company;
- ii. a person appointed as trustee by the Company or a subsidiary of this Company; or
- iii. a person acting as trustee at the express request of the Company or a subsidiary of the Company.

27. INTERPRETATION OF RULES

If any doubt shall arise as to the proper construction or meaning of any of these Rules or of any expression used therein the decision of the Board thereon shall be final and conclusive provided such decision be reduced to writing and recorded in the minute book of the proceedings of the Board.

28. ALTERATION OF RULES

These Rules, or any other Rules for the time being in force, may be altered, rescinded or repealed and new Rules may be made by a special resolution of the Company in a general meeting in the manner prescribed by the Law. Nothing whether contained in

the Rules for the time being in force or otherwise howsoever shall be construed as implying or creating any privilege, priority or right in favour of any member so as to limit the power of the Company at any time to alter rescind or repeal the same to make new Rules in their place.

29. BY-LAWS

The Board may from time to time make, amend or repeal by-laws not consistent with these Rules, for the internal management of the Company and any by-law may be set aside by a resolution of the Board.

CONSTITUTION

AUSTRALIAN WATER ASSOCIATION LIMITED ACN 096 035 773
(Company)