Compass Housing Services Co Ltd
ACN 002 862 213

Constitution

Suite 1, 44 Beaumont Street
HAMILTON NSW 2303

Version 19, approved at the 2018 Annual General Meeting
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1. Overview & Objects

Overview

1.1 This is the Constitution for Compass Housing Services Co Ltd (‘Compass’), which was established in 1985 and previously known as Newmacq Community Housing Company Ltd (‘Newmacq’) until September 2007, a company Limited by Guarantee and not having share capital.

1.2 The Constitution sets out the following:

1.2.1 the basis on which Compass was formed
1.2.2 how Compass operates; and
1.2.3 how Compass is governed and managed.

1.3 Schedule 1 applies to and forms part of the Constitution.

1.4 The Constitution can only be changed or amended by a Special Resolution at a GM or AGM.

History & Objects

1.5 When Compass was initially incorporated as Newmacq, it was founded on the following objects:

1.5.1 To take over the funds and other assets and liabilities of the previously unincorporated association known as the Newcastle Lake Macquarie Community Housing Trust.
1.5.2 To relieve poverty, sickness, destitution, helplessness and distress of persons regardless of race, creed, colour, or gender.
1.5.3 To obtain secure, affordable and sensitively managed housing for poor, needy, and underprivileged people.
1.5.4 To encourage the self-management of properties by involving the tenants in the management functions of the Company.
1.5.5 To purchase real estate.
1.5.6 To liaise with and complement existing housing provision and housing support services.
1.5.7 To compile, print and publish newspapers, periodicals, books, leaflets, or other materials.
1.5.8 To arrange, provide, or assist in holding conferences, exhibitions, or other meetings as necessary.

1.6 Under this Constitution, the objects of Compass no longer include the objects set out under clause 1.5, but instead comprise the following:
(1) To relieve poverty, sickness, destitution, homelessness and distress of persons in need regardless of the person’s status including race, gender, sex, sexuality, sexual orientation, disability, health and age.

(2) To obtain secure, affordable and sensitively managed housing for poor, needy and underprivileged people and those with a disability.

(3) To conduct for-profit activities that further (or are ancillary to) Compass’ objects provided that any profits generated are solely used in the pursuit of Compass’ objects.

(4) To operate in its own right and through subsidiaries and joint ventures in Australia and abroad.

1.7 Compass may do anything that is incidental or conducive to attaining the objects set out in clause 1.56, in any jurisdiction in Australia and abroad.

Initial officers

1.8 Compass acknowledges the initial officers of Newmacq, who were as follows:

(1) Hilary Margaret Bradbury of Merewether, Social Worker;
(2) Tracey O'Shea of Hamilton, Community Worker;
(3) Therese Ann McLean of Merewether, Property Manager;
(4) Coralie Kelly of Merewether, Town Planner; and,
(5) Kathryn Patricia Larkey of Hamilton, Clerk.

Powers

1.9 Subject to clause 1.10, Compass has the following powers which may only be used in the pursuit of its objects set out in clause 1.6:

(1) the powers of an individual; and
(2) all the powers of a CLG under the Corporations Act.

Not-for-Profit

1.10 Compass must not distribute any income or assets directly or indirectly to its members except as provided in clauses 1.11, 8.5 and 19.

1.11 Clause 1.10 does not stop Compass from doing the following things provided they are done in good faith:

(1) paying a member for goods and/or services they have provided, or expenses they have properly incurred, at fair and reasonable rates more favourable to Compass; or
(2) making a payment to a member in the pursuit of Compass’ objectives.
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1.12 No member of Compass may receive any prize, award, or money, except as a successful competitor at any competition held by Compass or as otherwise allowed by the Constitution.

2. How does a person become a member of Compass?

Classes of membership

2.1 The membership of Compass comprises two classes of members:

   (1) General Members; and
   (2) Life Members.

Membership procedure for General Members

2.2 Any person who wants to be a General Member of Compass must complete a written application and send it to the Secretary at Compass’ Office.

2.3 An application for membership as a General Member must contain:

   (1) the name of the person who wants to be a General Member; and
   (2) the endorsement of two (2) current members who personally know the applicant.

2.4 The Board decides the form of any application for membership as a General Member.

2.5 The Board must decide whether to accept or reject any application for membership as a General Member at the first Board Meeting after the Secretary receives an application.

2.6 The Board is not required to provide a reason for rejecting an application for membership as a General Member.

2.7 If the Board accepts an application for membership as a General Member, the Secretary must:

   (1) notify the applicant in writing as soon as practicable; and
   (2) request from the applicant their first annual membership fee.

2.8 A person will only become a General Member of Compass when the following occur:

   (1) the person’s application to be a General Member is accepted by the Board; and
   (2) the person pays the first annual membership fee.

2.9 The Board determines the amount of the annual membership fee.

2.10 The annual membership fee is $5.00, unless the Board determines otherwise.

2.11 Annual membership fees are payable by no later than the last day of the financial year.
**Membership procedure for Life Members**

2.12 A person only becomes a Life Member if:

1. they are nominated by the Board as such; and
2. the members, following the nomination by the Board under clause 2.12(1), resolve at an AGM to appoint that person as a Life Member.

2.13 In nominating a person for appointment as a Life Member under clause 2.12, the Board must have regard for the following criteria:

1. each financial year, the Board may only nominate a maximum of two (2) persons to be Life Members; and
2. the person must either be, at the time of the nomination by the Board:
   
   a. a current General Member and have been a current member for not less than ten (10) consecutive years; or
   
   b. a current or former director who has served as a director for not less than six (6) consecutive years.

2.14 Subject to the criteria under clause 2.13, the Board will, from time to time, determine the policy and procedure by which the Board will nominate a person to become a Life Member.

2.15 The members will not be required to provide a reason for failing to resolve to appoint a person as a Life Member.

2.16 A Life Member is not required to pay an annual membership fee for any financial year after they are appointed as a Life Member under clause 2.12.

3. **Liability of members to pay debts and liabilities of Compass**

3.1 The liability of every member is limited by the terms of the Constitution.

3.2 When a person becomes a member, that person agrees to contribute to the property of Compass in the event Compass is wound up while that person is a member.

3.3 Every member agrees to make payments towards the debts and liabilities of Compass, including any costs, charges or expenses, if Compass is wound up.

3.4 The liability of every member to make a payment under this clause 3 is limited to $5.00.

4. **When a person’s membership may end**

4.1 The Board may, at its discretion, cancel the membership of any General Member who has not paid the annual membership fee within two (2) months of the fee becoming payable.
4.2 The Board must provide seven (7) calendar days’ written notice of its intention to cancel a person’s membership under this clause 4 before it cancels that membership.

4.3 A person’s membership will automatically end:

1. except for a Life Member, twelve (12) months after the annual membership fee becomes payable if the member does not pay that fee by the date on which payment is due;

2. if the member dies; or

3. except where the Board have excused a bankrupt member, if the member is a person to whom Part IX of the Bankruptcy Act 1966 (Cth) applies.

4.4 The Board may, in its discretion, reappoint a director whose membership has ceased as a result of this clause.

4.5 If the Board reappoints a director under this clause, that director may serve out the remainder of their term as if their membership had never ended.

4.6 A member may resign their membership by doing so in writing and sending that resignation to the Secretary at Compass’ Office.

4.7 A member who resigns under clause 4.6 is still liable for any annual membership fee and any arrears unpaid at the date of their resignation.

4.8 If a member wilfully refuses or otherwise fails to comply with the Constitution, the Board may censure, suspend, or expel the member from Compass by a resolution of two-thirds of the directors present at a meeting.

4.9 Clause 4.8 also applies if a member is found guilty of any conduct that the Board, acting reasonably, considers unbecoming of a member, or that in the reasonable opinion of the Board may be prejudicial to the interests of Compass.

4.10 The Board must provide any member alleged to have acted in breach of clause 4.8 with a written notice about the alleged breach at least seven (7) calendar days before a meeting dealing with the alleged breach.

4.11 A notice issued under clause 4.10 must set out all of the following:

1. all of the actions the member is alleged to have made;

2. all actions the Board proposes to take;

3. the time and location of any meeting during which the Board will consider the alleged actions; and

4. the member’s right to provide an oral (either by themselves or by a representative chosen by the member) or written explanation in relation to the alleged actions at the meeting held by the Board under clause 4.10.
5. Meetings of Compass and the Board

Who can call a GM of Compass?

5.1 Subject to, and in accordance with, the procedures set out in the Corporations Act relating to a CLG, the Board in its discretion can call a GM at any time.

5.2 The Board must call and arrange to hold a GM on the written request of members with at least five percent (5%) of the votes that may be made at a GM and the Board must:

(1) within 21 calendar days of the members’ request, give all members notice of the GM, and

(2) hold the GM within 2 months of the members’ request.

For the purpose of a request by members under this clause 5.2:

(3) The percentage of votes that members have is to be worked out as at 11:59pm the day before the members request the GM.

(4) The members who make the request for a GM must:

(a) state in the request any resolution to be proposed at the GM;
(b) sign the request, and
(c) give the request to the Secretary.

Separate copies of a document setting out the request may be signed by members if the wording of the request is the same in each copy.

5.3 If the Board does not call the GM within 21 calendar days of being requested under clause 5.2, fifty percent (50%) or more of the members who made the request may call and arrange to hold a GM provided that:

(1) To call and hold the GM, the members must:

(a) as far as possible, follow the procedures for GMs set out in this Constitution;
(b) call the GM using the list of members on Compass’s member register, which Compass must provide to the members making the request at no cost, and
(c) hold the GM within three months after the request was first given to the Secretary.

(2) Compass must pay the members who request the GM any reasonable expenses they incur because the Board did not call and hold the GM.

5.4 No action or business conducted at any meeting is valid unless that meeting is conducted in compliance with the Constitution, the Corporations Act and the ACNC Act.
Attendances at meetings

5.5 A member may attend or be present at any meeting by any means possible, including in person, by proxy, by power of attorney, by telephone, by video link, or by other means the Board sees fit to accept for that meeting.

Quorum for a meeting

5.6 Business can only be transacted, conducted, or discussed at a GM if:
(1) a quorum of four (4) members is present for the meeting; or
(2) the Constitution otherwise allows.

5.7 A GM, other than an AGM, must be dissolved if a quorum of four (4) members is not present within half (½) an hour (or thirty (30) minutes) of the meeting’s scheduled start time.

5.8 If a meeting is dissolved under clause 5.7, that meeting must be adjourned for seven (7) calendar days to a time and place the Board determines.

5.9 If a quorum of four (4) members is not present within ½ hour of the scheduled start time of a meeting rescheduled under clause 5.8, a quorum for that rescheduled meeting is three (3) members.

How meetings will be run

5.10 The Chair must preside over every meeting, unless the Constitution, the Corporations Act or the ACNC Act requires otherwise.

5.11 The Chair has the discretion to delegate any person to preside over a meeting.

5.12 The Deputy Chair must preside over a meeting held under this clause if the Chair is not:
(1) present at a meeting within ten (10) minutes of the scheduled start time; or
(2) able or is unwilling to preside over the meeting.

5.13 If the Deputy Chair is not able or is unwilling to preside over a meeting, the directors present must elect a NED to preside over the meeting.

5.14 At any meeting, the Chair or person presiding over the meeting must:
(1) cause minutes to be made of the meeting;
(2) cause a record to be made of the names of all present at the meeting;
(3) sign the minutes of the previous meeting once those minutes have been approved by the Board, unless otherwise approved in accordance with this Constitution; and
(4) cause the signed minutes to be circulated to the relevant members.

5.15 Subject to the Constitution or the Corporations Act, the Chair or person presiding over a meeting must adjourn a motion, business, question, debate, or resolution at a meeting if at
least seventy-five percent (75%) of the members present at that meeting vote in favour of an adjournment.

5.16 An adjournment under clause 5.15 does not affect the conduct of other business at a meeting, or prevent a motion, business, question, debate, or resolution at a meeting from being dealt with later in that meeting or at a subsequent meeting.

**AGM**

5.17 An AGM must take place by 30 November each year in accordance with the procedure set out in the Corporations Act relating to a CLG.

5.18 All AGMs are open to the public, except where the Chair determines otherwise.

5.19 The Secretary must cause a notice of an AGM to be made to all interested parties in accordance with the notice of meeting procedures contained in the Corporations Act relating to a CLG.

**Board Meetings**

5.20 The Board may hold, and determine the time and location of, a Board Meeting as it sees fit.

5.21 At least six (6) Board Meetings must be held in each financial year of Compass. At least one (1) Board Meeting must be held in every period of three (3) consecutive months.

5.22 The Chair may at any time call a Board Meeting to be held at such time and place as the Chair chooses.

5.23 The Chair, upon the request of any director, must call a Board Meeting to be held at such time and place as is convenient to the directors. If the Chair does not within seven (7) calendar days of a request by a director to convene a Board Meeting, make a determination as to the place and time of the Board Meeting then the relevant director may call such Board Meeting and the Board Meeting will be held not less than seven (7) calendar days after the expiry of the first seven (7) calendar day period at the registered office of Compass.

5.24 The Chair must cause the Secretary to send the following to all directors by any means within a reasonable time before a Board Meeting:

   (1) a written notice of the time and place of Board Meeting; and
   
   (2) the agenda for the Board Meeting.

5.25 A quorum of the Board comprises fifty percent (50%) of the total number of directors in office at any time (rounded down if that is an odd number) or such greater number fixed by the Board, but in any event, not less than three (3) directors.

   For example, if there are seven (7) directors in office at a given time, the quorum will be three (3) directors (arrived at by rounding seven (7) down to six (6) and then taking fifty percent (50%) of that rounded down number.

5.26 Subject to clause 9.10 (appointment of Chair) if:

   (1) no Chair is elected; or

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(2) at any Board Meeting the Chair, or in the Chair’s absence the Deputy Chair, is not present within fifteen (15) minutes of the time appointed for holding the meeting, then the directors present must choose one (1) of their number to be Chair of such meeting.

5.27 The Board may hold meetings at one or more venues using any technology the Board considers appropriate including by way of teleconference, Skype or webcasts as long as the relevant technology gives all directors a reasonable opportunity to participate in the meeting. Where a meeting is arranged to be held via technology the Chair should notify directors accordingly. Participation in these meetings is equivalent to attendance at a regular meeting.

6. Subsidiaries, joint ventures, committees, advisory boards, and advisory groups

Creation and acquisition

6.1 The Board may:

(1) create entities, subsidiaries, committees, advisory boards, or advisory groups; or

(2) cause Compass to acquire any interest in any existing entity or subsidiary, or enter into any joint venture,

in any jurisdiction, as it sees fit.

Subsidiaries, joint ventures and related entities

6.2 The power in clause 6.1 does not extend to Compass becoming the subsidiary of, or otherwise controlled by, another organisation.

6.3 Unless otherwise provided in the subsidiary, joint venture or other Related Bodies Corporate’s constitution, the Board will determine the composition and tenure of directors and delegations and powers that the subsidiary, joint venture or other Related Bodies Corporate may have.

6.4 The Board and its delegates will represent Compass (and exercise its rights) as a ‘member’ of any subsidiary, joint venture, or other Related Body Corporate.

6.5 The Board may delegate any of its powers or functions to any subsidiary, joint venture or Related Body Corporate, to the extent that delegation is permitted under the Corporations Act, the ACNC Act or common law.

Advisory boards or advisory groups

6.6 For clarity, an advisory board or advisory group is not a committee for the purposes of the Constitution, the Corporations Act, or the ACNC Act.

6.7 An advisory board or advisory group can only act in an advisory capacity and its resolutions and motions are not binding on the Board or Compass.
Committees

6.8 The Board may, from time to time, create committees by establishing (and amending) terms of reference for those committees containing objectives, rules and procedures to which those committees must strictly comply.

6.9 Any committee created by the Board under clause 6.8 must be presided over by a NED (who is appointed as the chair of that committee by the Board) and must comply with the Constitution and any applicable law but otherwise may be comprised of such persons as the Board sees fit. At any committee meeting, if a committee’s chair is absent, the committee members present must choose one (1) of their number to preside over such committee meeting.

6.10 Each member of a committee created by the Board under clause 6.8 has only one (1) vote, unless a proxy is in effect, in relation to matters at a meeting of that committee.

6.11 The Board may delegate any of its powers or functions to any committee to the extent that delegation is permitted under the Corporations Act, the ACNC Act or common law.

6.12 A committee may meet or adjourn its meetings as it sees fit.

6.13 Any matter required to be dealt with at a meeting of a committee is decided by a vote of the majority of the members of the committee present at that meeting.

6.14 Subject to clauses 6.12 and 6.13, in all other respects, the meetings and proceedings of any committee, consisting of two (2) or more persons are governed by the provisions in this Constitution for regulating the Board Meetings so far as those provisions are applicable and not affected by any resolution, direction or regulation made by the Board under the following clause 6.15.

6.15 Any committee formed, or person or persons appointed to a committee under or in connection with clause 6.8 must, in the exercise of the powers so delegated, or functions entrusted, conform to any resolution, direction or regulations that may at any time be imposed by the Board.

6.16 Each person appointed to a committee, if not otherwise an officer of Compass, is, when exercising the powers so delegated or functions entrusted, an officer of Compass.

Remuneration and expenses

6.17 The Board may provide reasonable remuneration (and reimbursements of reasonable expenses) of any person appointed under this clause 6 (including, without limitation, members of committees, advisory boards, advisory groups and subsidiary boards) at the Board’s discretion.

7. How a person votes on a motion or resolution

7.1 Each member present at a meeting who is entitled to vote has one (1) vote, unless one (1) member has a proxy for another.
7.2 No member may vote at a meeting or in relation to a motion or resolution if their annual membership fee is more than one (1) calendar month in arrears as of the date of that meeting.

**Resolutions of the Board at a Board Meeting**

7.3 A resolution of the Board at a Board Meeting can only be made if a majority of directors at the Board Meeting (who are entitled to vote at that meeting) pass a motion in favour of that proposed resolution, unless otherwise allowed by the Corporations Act or the ACNC Act. If there is an equality of votes at a Board Meeting, the Chair (or other person presiding over a meeting) has a casting vote.

7.4 The Board can only make and pass a motion and resolution outside of a Board Meeting by a circulating resolution of the Board.

7.5 A circulating resolution of the Boards will be valid and be passed (or be carried) once a majority of directors have sent to the Secretary, by any means possible - whether electronic or otherwise, written confirmation that such directors are in favour of that resolution. Any irregularity in the service of the circulating resolution on directors will not invalidate the resolution if such irregularity would not change the outcome of the resolution.

**How a motion or resolution will pass or fail at a GM or AGM**

7.6 Subject to clause 1.4 and where other Special Resolutions are required, an ordinary motion or resolution at a GM or AGM will:

1. pass (or be carried) if the majority of the members present (who are entitled to vote) vote in favour of the motion; and
2. fail if it is not passed (or carried) in accordance with clause 7.6(1).

7.7 If there is an equality of votes at a GM or AGM, the Chair (or other person presiding over a meeting) has a casting vote.

**Proxy, power of attorney, etc.**

7.8 If a member wants to appoint a proxy for a meeting, the proposed appointment will only be valid if it is:

1. made in writing and signed by the member proposing the appointment; and
2. in the approved form.

7.9 The Board may determine the approved form for the appointment of a proxy as it sees fit.

7.10 If a member appoints a proxy or a power of attorney, the member must cause a copy of the signed appointment of a proxy or power of attorney to be received at Compass’ Office by any means (electronic or otherwise) no later than 48 hours before a meeting at which the proxy or power of attorney is to be used.
8. Some things that Compass can and cannot do

8.1 Compass cannot pay, or in any way transfer or cause to be transferred or paid either directly or indirectly, any money, income or property of Compass to a director or member except as expressly allowed by the Constitution.

8.2 Compass can only use any funds it receives (whether in cash or otherwise) in the pursuit of the objects set out under clause 1.6 unless the Constitution otherwise allows.

8.3 Compass may pay any member, director or employee of Compass for services actually rendered to Compass for goods and/or services supplied in the ordinary course of business.

8.4 Compass has the power to do anything not expressly prohibited by the Constitution or by law.

8.5 The remuneration of the directors must be approved by the members.

9. What is the Board and what does the Board do?

Governance of Compass by the Board

9.1 The Board governs the business, affairs, and operations of Compass, and must do so in accordance with the Corporations Act, the ACNC Act, common law and any lawful resolutions of Compass.

9.2 The business, affairs, and operations of Compass are managed under the directions of the Board. The Board will be entitled to make its own charter from time to time which will be binding on the Board until revoked by resolution of the Board, the terms of which will be at all times subject to the provisions of this Constitution, the Corporations Act and the ACNC Act.

Who can be a member of the Board?

9.3 A director must be:
   (1) a current member of Compass; and
   (2) eligible to be a director under the Corporations Act and the ACNC Act.

9.4 A current employee of Compass cannot, unless the Constitution otherwise allows:
   (1) nominate for a position on the Board; or
   (2) be appointed or elected to the Board.

Composition of the Board

9.5 The maximum number of directors at any one time is nine (9).

9.6 The Board will consist of:
(1) the GMD, who may be appointed as a director by the Board under clause 9.16; and
(2) up to eight (8) NEDs, who are each elected for a term subject to the nomination and election procedure in clause 12 and the retirement, resignation and removal provisions of clause 13.

9.7 Commencing from the 2014 EGM, no NED may be elected or appointed to the Board after the 2014 EGM for a period of more than four (4) consecutive terms or twelve (12) consecutive years (whichever is the longer period), without a period of three (3) consecutive years during which they are not a director.

9.8 The Board may act despite any vacancy in its body. If the number falls below five (5), the Board may act only:
   (1) in accordance with clause 13.8, to appoint directors up to that minimum number; or
   (2) to call a GM.

**Officers of Compass**

9.9 The officers of Compass consist of the Chair, the Deputy Chair, a Secretary and any other officers elected under clause 9.11.

9.10 The Board must, at the first Board Meeting after an AGM or otherwise as the Board determines, elect NEDs from among its number to serve as:
   (1) the Chair; and
   (2) the Deputy Chair,
   and will determine the period for which each person is to hold office.

9.11 Notwithstanding clause 9.10, a NED must not be elected as Chair or Deputy Chair for more than seven (7) consecutive years.

9.12 The Board may, by resolution at any time, remove the Chair or Deputy Chair from those offices.

9.13 The Boards may elect from among their number such other officers as determined by the Board from time to time and may determine the period for which each is to hold office.

**Management of Compass**

9.14 The Board must appoint a person to be the CEO of Compass. The CEO will have day to day responsibility for the management of Compass under the direction of the Board. At the Board’s discretion, this person may also be appointed a director under clause 9.6(1). Where this occurs, the position CEO will be known as the GMD.

9.15 Subject to this Constitution, the Corporations Act and the ACNC Act, the Board may at any time confer upon the CEO (or GMD if appointed to the Board under clause 9.16) such powers (for such time) as it thinks fit and impose any conditions or limitations on such powers. The Board may at any time revoke, withdraw, alter or vary all or any of such powers.
10. Powers, duties, and obligations of directors and the Board

10.1 Directors have the power and duty to govern and control the business, affairs, and operations of Compass as allowed by the Corporations Act and the ACNC Act.

10.2 Except as limited by the Corporations Act, the ACNC Act or the Constitution, directors may exercise all of the powers of Compass.

10.3 All cheques, promissory notes, drafts, bills of exchange, electronic payments and transactions and other negotiable instruments, and all receipts for money paid to Compass (whether electronically or otherwise), may be signed, drawn, accepted, endorsed, authorised or otherwise executed as the case may be, in such manner as the Board at any time determine, by way of schedule of delegations or other resolution of the Board.

10.4 The Board may confer on any person (including a director) the power to do specified things on behalf of Compass, subject to the Corporations Act and the ACNC Act, whether by power of attorney or not.

10.5 The Board may confer on a person referred to in clause 10.4 a power of sub-delegation.

10.6 If the Board entrusts a power to a person, the Board, or any director, is not excluded from exercising that power as well.

10.7 The directors must comply with their duties as directors under legislation and common law and with the duties described in governance standard 5 of the regulations made under the ACNC Act which are:

1. to exercise their powers and discharge their duties with the degree of care and diligence that a reasonable individual would exercise if they were a director of Compass;

2. to act in good faith in the best interests of Compass and to further the objects of Compass set out in clause 1.6;

3. not to misuse their position as a director;

4. not to misuse information they gain in their role as a director;

5. to disclose any perceived or actual material conflicts of interest in the manner set out in clause 21;

6. to ensure that the financial affairs of Compass are managed responsibly; and

7. not to allow Compass to operate while it is insolvent.

10.8 Directors have other duties, powers, and obligations under the Corporations Act, the ACNC Act and common law that are not set out in the Constitution.
11. Indemnity for directors

11.1 To the extent permitted by law, Compass must indemnify a director, including a previous director, against both of the following:

(1) any civil or criminal liability that person has in relation to any act or omission by that person in connection with their role as a director when the act or omission was done in good faith; and

(2) the legal costs of that person in relation to clause 11.1(1).

11.2 To the extent permitted by law, Compass may pay or agree to pay a premium for a contract insuring a director against any act or omission under this clause 11.

12. How are members elected to the Board?

Election and removal of future NEDs

12.1 The Board will nominate a person or persons to stand for election as a NED at a GM in accordance with this clause 12.

12.2 In nominating candidates for election under clause 12.1 the Board shall have regard for the nomination of persons who have the necessary skills, experience and competencies to complement the skills, experience and competencies of existing directors.

12.3 To undertake the requirements of clauses 12.1 and 12.2 the Board will after each AGM appoint a nominations committee of three (3) or more persons comprising at least one (1) NED (“Nominations Committee”). No NED whose term of service on the Board finishes at the following AGM may vote with respect to their possible re-appointment or re-election during a meeting of the Nominations Committee during which their re-appointment or re-election is being considered by the Nominations Committee.

12.4 The Nominations Committee will:

(1) Develop a list of competencies required for the Board to meet the requirements of clause 12.2. This list is to be provided to the members along with the candidates for election as set out in clause 12.1

(2) Review the collective competencies of those directors who are continuing following the next AGM.

(3) Identify the number of vacancies which will occur at the following AGM and the most important competencies to be filled.

(4) Should a retiring NED be eligible and wish to be nominated for re-election, assess the person against both their fit with the required competencies and their performance on the Board.

(5) Following compliance with clause 12.5, determine if any new candidates for election need to be found and, if so, organise a process for sourcing such candidates.
12.5 No less than twenty-one (21) calendar days before the next AGM is to be held, the members will be notified of the names of all candidates who have been nominated in accordance with this clause 12 and who have provided a consent to act as a NED if elected.

12.6 At an AGM, the members may by ordinary resolution elect a candidate nominated by the Board in accordance with clause 12.1.

12.7 Where a candidate nominated by the Board is not elected as a NED pursuant to clause 12.6, the Board may appoint a different person as a NED to hold office until the next AGM. Where that different person is elected by members at that next AGM their term will be for a two (2) year continuous period from the date of that AGM (to harmonise such appointment with the ordinary term of directors).

Note: See the example in clause 13.3(1) regarding this process.

12.8 Notwithstanding any provision of this Constitution, the members may appoint NEDs by an ordinary resolution of the members at a GM.

13. How directors resign, retire, are removed, or cease to be directors

Resignation of directors

13.1 A director may resign from the Board before their term has expired by giving written notice to the Secretary at Compass’ Office.

13.2 A director’s resignation is effective from the time and date stated in the notice, provided the time and date is after the time the notice was given. If the notice does not have a date or time, the notice is effective from date the Secretary receives the notice.

Retirement of directors

13.3 A NED who is elected by the members will retire in accordance with the following Triennial Rotation Rule:

(1) At the close of each AGM, all NEDs who have come to the end of their term (including the end of their term if appointed under clauses 12.6 or 12.7) must retire.

For example:

1. All NEDs nominated by the Board and then elected by the members at the 2018 AGM must retire at the close of the 2021 AGM (being three (3) years, or one (1) term, after their election).

2. If a person is appointed by the Board as a NED at a Board Meeting held after the 2018 AGM, that person will retire at the end of the 2019 AGM. If that person is nominated by the Board and then elected by the members at the 2019AGM, that person must retire at the close of the 2022 AGM.

3. Suppose the Board nominates a person to be a NED and that person is not elected by the members at the 2019 AGM. If the Board appoint a different person to be a NED under clause Error! Reference source not found., that person must retire at the end of the 2020 AGM. If the members, at the 2020 AGM then elect that person as a NED, that person must
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retire at the end of the 2022 AGM (being two (2) years from their election by the member, but three (3) years in total since they first became a NED.

(2) The NEDs to retire by rotation are those NEDs who have been longest in office. NEDs who were appointed on the same day may agree among themselves or, failing agreement, the Chair will determine by lot which of them must retire.

(3) Without limiting this clause 13.3, a NED must retire from office at the conclusion of the third AGM after the NED was last appointed, even if their retirement results in more than three (3) NEDs retiring from office.

(4) A retiring NED remains in office until the conclusion of the AGM but, subject to clause 9.7, will be eligible for re-election at that AGM if nominated by the other NEDs pursuant to clause 12.

13.4 Each NED who is appointed by the Board is automatically retired from the Board at the first AGM that occurs after their appointment to the Board, regardless of the number of vacancies created on the Board through each retirement under this clause 13.4.

Removal of directors from the Board

13.5 In connection with clauses 4.8 to 4.11, upon a member ceasing to be a member, any such member elected or appointed to the Board will immediately cease to be a director.

13.6 The members may by resolution passed in GM in accordance with section 203D of the Corporations Act remove any director and appoint a replacement to serve out the remainder of the replaced director’s term.

13.7 If the members by resolution passed in a GM in accordance with section 203D of the Corporations Act removes a director so that there are two (2) or fewer remaining directors, the members must nominate and elect at that GM NEDs such that the number of directors will be at least the minimum number under clause 9.

Casual and other vacancies

13.8 Should a NED who is elected to the Board under clause 12 resign or retire, the remaining directors may appoint any eligible person as a director to fill the casual vacancy.

13.9 Should the number of NEDs be less than that set out in 9.6(2) the directors may appoint any eligible person as a director to fill the vacancy.

13.10 A director appointed under clauses 13.8 or 13.9 will hold office to the end of the next AGM.

13.11 Subject to clause 9.7, a director appointed under clauses 13.8 or 13.9 is eligible for further appointment as a director as set out in clause 12.
When a person ceases to be a director

13.12 The GMD automatically and immediately ceases to be a director when they cease to be an employee of Compass.

13.13 A director automatically ceases to be a director if any of the following applies:

1. the director is prohibited from being a director, or ceases to be a director or is removed from being a director, pursuant to the Corporations Act, the ACNC Act or any law or order of a court;
2. the director is a person to whom Part IX or Part X of the Bankruptcy Act 1966 (Cth) applies;
3. the director becomes of unsound mind, or a person who is, or whose estate is, liable to be dealt with in any way under any law relating to mental health;
4. the director ceases to be a member of Compass;
5. the director gives written notice of resignation as a director of Compass;
6. the director dies;
7. the director is removed as a director by a resolution of the members; or
8. the director is absent for three (3) consecutive Board Meetings without approval from the Board.

Suspension of a director

13.14 If the conduct or position of any director is such that continuance in office appears to the majority of the directors to be prejudicial to the interests of Compass including, without limitation, a failure of a director to perform their duties as a director in accordance with the relevant Board charter or code of conduct, a majority of directors at a Board Meeting specifically called for that purpose may suspend that director.

13.15 Within fourteen (14) calendar days of the suspension, the directors must call a GM, at which the members may either confirm the suspension and remove the director from office or annul the suspension and reinstate the director.

14. Appointment of Secretary

14.1 The Board may appoint, or remove, at any time one (1) or more persons as company Secretary in accordance with the Corporations Act or the ACNC Act, on the conditions it determines.
15. Execution of documents

15.1 Compass may enter into contracts in accordance with any schedule of delegations for Compass approved by the Board.

15.2 With the authority of the Board, Compass may enter any contract or execute any document if the contract or document is signed (by hand or electronic means) by:

(1) two (2) directors;
(2) a director and the Secretary; or
(3) a delegate duly authorised by the Board.

16. Accounts

16.1 The Board must cause Compass to keep accounting records in accordance with appropriate professional standards of accounting.

16.2 The Board must provide to members, copies of the audited financial statements and accompanying notes, directors’ report and directors’ declaration for the year ended 30 June for Compass, together with a copy of the auditor’s report by 31 October each year, as required by the Corporations Act or the ACNC Act.

16.3 No member, unless that member is a director, has a right to inspect any account, book or paper of Compass unless authorised by a resolution of the Board or by law.

16.4 Subject to the Corporations Act and any relevant law and the Constitution, the Board must determine the times, places and under what conditions the accounting and other records of Compass will be available for inspection to members who are not directors.

16.5 Compass’ financial year is from 1 July to 30 June, unless the Board pass a resolution to change the financial year, provided that any change is permitted by the Corporations Act or ACNC Act.

17. Audit

17.1 The Board will appoint a properly qualified auditor in accordance with the Corporations Act or the ACNC Act (as applicable), whose duties and obligations are regulated by the appropriate law. For the avoidance of doubt, the auditor may only be removed by a members’ resolution at a GM.

18. How can notices or documents be given or received?

18.1 Subject to the Corporations Act and any relevant law, any notice or document that is required by the Constitution or by law to be given by a member, the Board, a director, or Compass may be given by any of the following ways:
(1) in the case of a notice or document to a member or a director:
(a) by giving that notice or document personally to them;
(b) by sending that notice or document to their business or residential address last known to Compass; or
(c) by sending that notice or document to them by any electronic means, including (but not limited to) that person’s email address or facsimile number last known to Compass.

(2) in the case of a notice to Compass, the Secretary, or the Board, by sending that notice or document to the CEO (or GMD if appointed), the Secretary or the Board by any means permitted under clause 18.1(1).

18.2 If a notice or document is sent by prepaid post, it is deemed to have been received on 4th business day after it is sent.

18.3 No person is authorised to receive a notice or document under this clause unless authorised by law or the Constitution.

19. What happens if Compass has to be wound up?

19.1 Compass must transfer any surplus asset of any gift fund it operates to another gift fund it operates, or another institution, when the earlier of any of the following occur:
(1) a gift fund Compass operates is wound up,
(2) Compass’ deductible gift recipient status is revoked, or
(3) Compass is wound up.

19.2 The gift fund and institution referred to in clause 19.1 must be endorsed by the Commonwealth Commissioner of Taxation as a deductible gift recipient before a transfer under clause 19.1 is made.

19.3 If it is necessary to wind up Compass, even after all of Compass’ liabilities have been satisfied, no property owned by Compass can be paid to or distributed to any member.

19.4 Subject to clause 19.4A, if Compass is wound up or deregistered, all property owned by Compass must be given or transferred to an organisation that is:
(1) recognised by the Commonwealth Commissioner of Taxation as a public benevolent institution; and
(2) registered as a “community housing provider” under the Community Housing Providers National Law (or its successor or replacement law).

19.4A All Compass’ remaining Community Housing Assets in a Participating Jurisdiction on its winding up are to be transferred to another Registered Community Housing Provider or to a Housing Agency in the jurisdiction in which the asset is located. For the purpose of this
clause 19.4A, the words “Community Housing Assets”, “Participating Jurisdiction”, “Registered Community Housing Provider” and “Housing Agency” have their definitions under the Community Housing Provider National Law or its amending or repealing statute or statutory instrument.

19.5 An organisation to which clause 19.4 applies must also be endorsed as a deductible gift recipient under the *Income Tax Assessment Act 1997* (Cth) or other taxation legislation.

19.6 Compass must only give or transfer its property under this clause to an organisation that has objects similar to those set out under clause 1.56.

19.7 The members must, by resolution at any meeting, choose the organisation to which Compass will give or transfer its property under clause 19.4, unless otherwise required by law.

**20. Severing invalid clauses**

20.1 If a clause or clause of the Constitution is or becomes illegal, invalid, void, or unenforceable that clause or clause is to be read down to the extent necessary so that it is not illegal, invalid, void, or unenforceable.

20.2 If a clause or clause of the Constitution cannot be read down as set out in clause 20.1, that clause or clause is to be severed without affecting the legality or enforceability of the rest of the Constitution.

**21. Conflicts of Interest**

21.1 A director must disclose the nature and extent of any actual or perceived material conflict of interest in a matter that is being considered at a Board Meeting (or that is proposed in a circular resolution):

(1) to the other directors; or

(2) if all of the directors have the same conflict of interest, to the members at the next GM, or at an earlier time if reasonable to do so.

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

21.3 Each director who has a material personal interest in a matter that is being considered at a Board Meeting (or that is proposed in a circular resolution) must not, except as provided under clause 21.4:

(1) be present at the meeting while the matter is being discussed; or

(2) vote on the matter.

21.4 A director may still be present and vote if:

(1) their interest arises because they are a member of Compass, and the other members have the same interest;
(2) their interest relates to an insurance contract that insures, or would insure, the director against liabilities that the director incurs as a director of Compass (see clause 11.2);

(3) their interest relates to a payment by Compass under clause 11.1 (indemnity), or any contract relating to an indemnity that is allowed under the Corporations Act;

(4) the Australian Securities and Investments Commission (ASIC) makes an order allowing the director to vote on the matter; or

(5) the directors who do not have a material personal interest in the matter pass a resolution that:

   (a) identifies the director, the nature and extent of the director's interest in the matter and how it relates to the affairs of Compass; and

   (b) says that those directors are satisfied that the interest should not stop the director from voting or being present.
Schedule 1 - Interpretation

1. Definitions

The following words and expressions have these meanings in the Constitution:

**ACNC Act** means the *Australian Charities and Not-for-Profits Commission Act 2015* (Cth).

**AGM** means an Annual General Meeting of *Compass* held in accordance with the *Corporations Act*.

**Board** means the current directors of *Compass*.

**Board Meeting** means a meeting of the Board held in accordance with the *Corporations Act*.

**business day** means a day other than:

(a) A Saturday, Sunday or public holiday in New South Wales; or

(b) 27, 28, 29 30 or 31 December.

**CEO** means the Chief Executive Officer of *Compass*.

**Chair** means a director elected as such under clause 9.10(1).

**CLG** means Company Limited by Guarantee

**Compass’ Office** means the ASIC registered office of *Compass*.

**Constitution** means this document, as amended from time to time.

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

**Deputy Chair** means a director elected as such under clause 9.10(2).

**director** means a current member of *Compass* who is appointed or elected as either the GMD or a NED in accordance with the Constitution.

**General Member** means a member who is not a Life Member.

**GM** means a general meeting of *Compass* as defined, and held in accordance with, the *Corporations Act*.

**GMD** means the Group Managing Director of *Compass* (if appointed), who will be the CEO and whose role includes both management and governance of Compass.
Life Member means a person who is recognised as providing substantial service to Compass and is appointed as a Life Member under clause 2.12.

majority means a number which is equal to or more than fifty-one percent (51%).

meeting means an AGM, a Board Meeting, or a GM.

member means:
(a) a current General Member of Compass who is a person and has paid their annual membership fee by the time required under clause 2.11; or
(b) a Life Member appointed as such under clause 2.12.

Nominations Committee means the committee created under clause 12.3.

NED means a non-executive director of Compass who is not an employee of Compass and whose position is concerned with the governance of Compass and, to the extent permissible at law, is not concerned with the day to day management of Compass.

person means a natural person.

Related Body Corporate has the same meaning given to it in the Corporations Act.

Secretary means a natural person appointed as company secretary of Compass and specified as company secretary in the ASIC register.

Special Resolution means a resolution of members, of which notice has been sent in accordance with the Corporations Act, that can only be passed when at least seventy-five percent (75%) of the votes cast by members entitled to vote on the resolution vote in favour of the resolution.

Term means a period of three (3) continuous years.
2. **Interpretation**

In interpreting the *Constitution*, the following apply unless it is inappropriate in the context or otherwise stated in the *Constitution*:

1. The *Constitution* must be interpreted in accordance with the *Acts Interpretation Act 1901 (Cth)*.

2. Nothing in the *Constitution* is intended to derogate from the *Corporations Act* or the *ACNC Act*. These Acts impose numerous obligations on Compass, which are not all reproduced in the *Constitution*.

3. The *Corporations Act* and the *ACNC Act* prevail over anything in the *Constitution* to the extent the *Constitution* is inconsistent with the *Corporations Act* or the *ACNC Act*.

4. The *Constitution* replaces the replaceable rules in the *Corporations Act*.

5. Words used in the *Constitution* have the same meaning as those same words used in the *Corporations Act* or the *ACNC Act*.

6. Words importing the singular include the plural and vice versa.

7. A reference to a person includes that party’s executors, administrators, substitutes, successors, and permitted assigns and vice versa.

8. Circumstances, conditions and stipulations expressed apply whenever the circumstance arises or the condition or stipulation has to be, or has been, satisfied or performed.

9. A reference to any legislation, whether to the whole or part of that legislation, includes any modification, consolidation or amendment to that legislation as well as replacement or subordinate legislation issued under it.

10. The meaning of general words is not limited by specific examples introduced by ‘including’, ‘such as’, ‘for example’, or ‘even if’ or similar expressions.

11. Headings are included for convenience and do not affect interpretation.

12. Anything required to be written or in writing includes anything that is printed, typed, emailed, sent by facsimile or reproduced in any other mode of reproducing words in a visible form.