

# Murray PHN Limited

# CONSTITUTION



Leadership



Collaboration



Respect



Accountability



Innovation

## 1. Nature of Company and liability

### *Nature of Company*

- 1.1 The Company name is “Murray PHN Limited” ABN 92 156 423 755.
- 1.2 The Company is established to be a charity and its Purpose is charitable.
- 1.3 The Company is a company limited by guarantee.

### *Liability of Members and guarantee on winding up*

- 1.4 The liability of the Members is limited. Every Member undertakes to contribute \$10.00 to the assets of the Company if it is wound up while that person is a Member, or within one year afterwards, for:
  - 1.4.1 payment of the Company’s debts and liabilities contracted before they ceased to be a Member; and
  - 1.4.2 costs and expenses of winding up.

## 2. Purpose, Objects and Powers of the Company

### *Charitable purpose*

- 2.1 The Charitable Purpose for which the Company is established is to operate as a health promotion charity under item 13 of the table in division 25-5 of the ACNC Act.

### *Objects*

- 2.2 Consistent with its Charitable Purpose, the objects of the Company are to promote and operate, on a not for profit basis, a Primary Health Network, to promote the prevention and control of disease in human beings and to achieve measurable outcomes in the community through, amongst other things:
  - 2.2.1 encouraging and supporting improvements in the delivery of primary health care services to health consumers including initiatives aimed toward improving disease prevention and management, raising health consumer awareness and improving access to appropriate services;
  - 2.2.2 improving the planning of primary health care services to identify health needs of the community, develop locally focused and responsive health services and address service delivery gaps;
  - 2.2.3 facilitating and undertaking population health planning considering the social determinants of health to address disadvantage with the aim of supporting health equity;
  - 2.2.4 promoting primary health care and the role of general practice for the delivery of effective integrated health management for the local community;
  - 2.2.5 facilitating improved communication and information sharing between general practitioners, other primary health providers and Local Hospital Networks;

- 2.2.6 ensuring appropriate support, training and education to general practitioners, other primary health service providers and practice staff across the spectrum of primary health care to improve their patient care;
  - 2.2.7 establishing effective collaborations to deliver more coordinated, integrated, flexible and locally responsive health services;
  - 2.2.8 promoting a culture of efficiency, accountability and continuous improvement in the delivery of primary health care services;
  - 2.2.9 raising money to further the aims of the Company and to secure sufficient funds for the objects of the Company;
  - 2.2.10 receiving any funds and distributing these funds in a manner that best attains the objects of the Company; and
  - 2.2.11 doing all such other things as are incidental or conducive to the operation of the Company and otherwise for the attainment of all or any of the above objects of the Company.
- 2.3 In pursuing these objects, the Company will be efficient and accountable with strong governance and effective management.

#### ***Powers***

- 2.4 Subject to the ACNC Act and to this constitution, the Company has the powers given by the Act.

### **3. Membership**

#### ***Membership***

- 3.1 The Members of the Company are the Directors.
- 3.2 For the avoidance of doubt the Members are:
- 3.2.1 The persons named as such in the application for incorporation of the Company to the Australian Securities and Investments Commission; and
  - 3.2.2 Such persons as the Company appoints as a Director pursuant to rule 11 from time to time.

#### ***Cessation of membership***

- 3.3 If a Member ceases to be a Director, membership of the Company ceases immediately.
- 3.4 The Secretary must record a Director's cessation of membership in the Register referred to in rule 3.7

#### ***Membership not transferable***

- 3.5 A Member's rights, privileges and benefits of membership are personal to the Member and membership of the Company is not transferable by operation of law.

#### ***Members must comply with constitution***

- 3.6 Members must comply with this Constitution.

#### ***Register of members***

- 3.7 A register of Members must be kept in accordance with the Act.
- 3.8 The Register of Members must contain:
- 3.8.1 The full name of the Member;
  - 3.8.2 The address of the Member; and

- 3.8.3 The date on which the entry of the Member's name in the Register is made.
- 3.9 The Register must also show the following information, which may be kept separately from the rest of the Register:
- 3.9.1 The names and details of each person who stopped being a member within the last seven years; and
- 3.9.2 The date on which that person stopped being a Member.
- 3.10 The Company may also keep further registers recording other information about Members that is not required to be kept under the Act, including:
- 3.10.1 The telephone number and email of the Member; and
- 3.10.2 Such other information as the Board may require.
- 3.11 Each Member must notify the Secretary in writing of any change in that person's name, address, telephone or email address within one month after the change.

## **4. Application fee and annual subscription**

- 4.1 There is no application fee or any annual subscription fee.

## **5. Removal and cessation of membership**

### ***Resignation***

- 5.1 A Member may resign from membership of the Company by giving written notice to the Secretary.
- 5.2 The resignation of a Member takes effect on the date of receipt of the notice of resignation or any later date provided in the notice.

### ***Other cessation of membership***

- 5.3 A Member ceases to be a Member immediately upon any Termination Event occurring in respect of a member.

## **6. No profits for members**

### ***Transfer of income or property***

- 6.1 The income and property of the Company must be applied solely towards the Purpose.
- 6.2 The Company may not pay or transfer any income or property, directly or indirectly to any Member.
- 6.3 The Company must not pay a dividend to any Member.

### ***Payments, services and information***

- 6.4 Nothing in this rule 6 prevents the Company making a payment in good faith of any of the following:
- 6.4.1 Remuneration to any officers or employees of the Company for services actually rendered to the Company, including payment of Directors fees in accordance with rule 12.1.
- 6.4.2 An amount to any Member in return for any services actually rendered to the Company or for goods supplied in the ordinary and usual course of business;
- 6.4.3 Reasonable and proper interest on money borrowed from any Member;
- 6.4.4 Reasonable and proper rent for premises let by any Member to the Company; and

6.4.5 Reimbursement of expenses reasonably and properly incurred by any Member on the Company's behalf with the consent of the Board.

6.5 Nothing in this rule 6 prevents the Company from providing services or information to the Members on terms which are the same as the terms on which those services or information are provided to persons who are not Members.

#### ***Distribution of assets on revocation of endorsement***

6.6 Where the endorsement of the Company as a deductible gift recipient is revoked by the Commissioner of Taxation, the following assets remaining after satisfying the Company's liabilities and expenses must be transferred to such other charitable institution or institutions in Australia to which income tax deductible gifts may be made:

6.6.1 Gifts of money or property for the Purpose;

6.6.2 Deductible Contributions made to an eligible fundraising event for the Purpose; and

6.6.3 Money received by the Company as a consequence of those Gifts or Contributions.

6.7 The identity of the charitable institution or institutions will be decided by the Members by ordinary resolution as near as practicable following receipt of a notice of revocation from the Commissioner of Taxation. If the Members fail to decide, the charitable institution shall be determined by application to the Supreme Court in the State of incorporation.

#### ***Distribution of assets on winding up***

6.8 Where on the winding up or dissolution of the Company, there is a surplus of assets after satisfying all the Company's liabilities and expenses, the surplus:

6.8.1 must not be paid or distributed to Members; and

6.8.2 will be given or transferred to such other charitable institution in Australia to which income tax deductible gifts may be made which:

6.8.3 has a similar purpose to the Purpose; and

6.8.4 prohibits the distribution of income, profit or assets to its Members.

6.9 The identity of the charitable institution or institutions must be decided by the Members by ordinary resolution on or before the time of such winding up or dissolution. If the Members fail to decide, the charitable institution shall be determined by application to the Supreme Court in the State of incorporation.

## **7. General meetings**

### ***Convening of meetings by Directors***

7.1 Any Director may convene a general meeting, with at least 21 days notice.

7.2 Subject to rule 7.3, notice of a meeting may be provided less than 21 days before the meeting if:

7.2.1 for an Annual General Meeting, all the Members entitled to attend and vote at the Annual General Meeting agree beforehand; or

7.2.2 for any other general meeting, Members with at least 95 per cent of the votes that may be cast at the meeting agree beforehand.

7.3 Notice of a meeting cannot be provided less than 21 days before the meeting if a special resolution will be moved to:

7.3.1 remove a Director;

7.3.2 appoint a Director in order to replace a Director who was removed; or

7.3.3 remove an Auditor.

### ***Convening of meetings by Members***

7.4 The Board must call and arrange to hold a general meeting if required to do so under the Act.

### ***Notice of general meeting***

7.5 The notice of the General Meeting may be sent to Members by any means as specified in rule 22.3.

7.6 The notice of a general meeting must specify the place, the day and the hour of meeting and if the meeting is to be held in two or more places, the technology that will be used to facilitate the meeting, the general nature of the business to be transacted and any other matters as are required by the Act.

7.7 The accidental omission to give notice of any general meeting to, or the non-receipt of a notice by, a person entitled to receive notice does not invalidate a resolution passed at the general meeting.

### ***Cancellation of general meetings***

7.8 The Board may cancel a general meeting, other than a general meeting which the Board is required to convene and hold under the Act.

7.9 The Board may cancel a general meeting if notice of the cancellation is given to all persons entitled to receive notice of the meeting at least two business days prior to the time of the meeting as specified in notice of meeting.

### ***Quorum at general meetings***

7.10 The Members in general meeting may not transact any business unless a quorum of Members is present at the time when the meeting proceeds to business.

7.11 Except as otherwise set out in this constitution, a quorum for the purposes of a general meeting is 50 per cent of Members plus one additional Member all of whom are entitled to vote at the meeting at the time.

7.12 If a quorum is not present within half an hour from the time appointed for the meeting or a longer period allowed by the Chair:

7.12.1 If the meeting was convened by or on the requisition of Members, it must be dissolved; and

7.12.2 Otherwise, it must stand adjourned to the same day in the next week at the same time and place or to another day and at another time and place determined by the Board.

7.13 If a meeting has been adjourned to another time and place determined by the Board, not less than seven days' notice of the adjourned meeting must be given in the same manner as in the case of the original meeting.

### ***Quorum at adjourned general meetings***

7.14 At the adjourned meeting a quorum is as set out in rule 7.11.

### ***Appointment of Chair***

7.15 Every general meeting must be chaired by a Chair. The Chair will be determined as follows:

7.15.1 If the Board has elected a Director as Chair, that person is entitled to chair every general meeting; and

7.15.2 The Directors present at a general meeting must elect one of their number to chair that meeting if either of the following applies:

(a) No Chair has been elected in accordance with rule 14.8; and



- (b) The Chair is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act.

### ***Chair's powers***

- 7.16 The Chair may temporarily vacate the chair at a general meeting in favour of another person present at any time and for any reason they see fit and must do so if the Members are voting on the Chair's election.

### ***Adjournment of meetings***

- 7.17 The Chair may, with the consent of any meeting at which a quorum is present, and must if so directed by the meeting, adjourn the meeting to another time and to another place.

7.17.1 The only business that may be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.

7.17.2 When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting.

7.17.3 Except when a meeting is adjourned for 30 days or more, it is not necessary to give a notice of an adjournment or of the business to be transacted at an adjourned meeting.

### ***Voting on show of hands***

- 7.18 At a general meeting a resolution put to the vote of the meeting must be decided on a show of hands, unless a poll is demanded before that vote is taken or before the result is declared or immediately after the result is declared.

- 7.19 If a poll is not duly demanded, a declaration by the Chair that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

### ***Demand for a poll***

- 7.20 A poll may be demanded by either:

7.20.1 The Chair; or

7.20.2 At least two Members entitled to vote on the resolution.

- 7.21 The demand for a poll may be withdrawn.

- 7.22 The demand for a poll does not prevent the continuance of a meeting for the transaction of business other than the question on which a poll is demanded.

- 7.23 If a poll is duly demanded, it must be taken in the manner and, except as to the election of a Chair or on a question of adjournment, either at once or after an interval or adjournment or otherwise as the Chair directs. The result of the poll is the resolution of the meeting at which the poll is demanded.

- 7.24 A poll demanded on the election of a Chair or on a question of adjournment must be taken immediately.

### ***Voting rights of Members***

- 7.25 On a show of hands every person present who is a Member has one vote.

- 7.26 On a poll every Member present in person has one vote.

### ***Vote of the Chair at general meetings***

- 7.27 The Chair of a general meeting is entitled to a second or casting vote in the event of a tied vote.

### ***Objections to voter qualification***

- 7.28 No objection may be raised to the qualification of a voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered.
- 7.29 An objection to the qualification of a voter must be referred to the Chair, whose decision is final.
- 7.30 A vote not disallowed according to an objection as provided in this constitution is valid for all purposes.

### ***Mode of meeting for Members***

- 7.31 A general meeting may be called or held using any technology consented to by all the Members. The consent may be a standing one. A Member may only withdraw their consent within a reasonable period before the meeting. The Members may otherwise regulate their meetings as they think fit.

### ***Resolution in writing***

- 7.32 A resolution in writing signed by all Members entitled to vote on the resolution is to be treated as a determination of the Members passed at a meeting of the Members duly convened and held.

### ***Form of resolution in writing***

- 7.33 A resolution in writing may consist of several documents in like form, each signed by one or more Members and if so signed it takes effect on the latest date on which a Member signs one of the documents.

## **8. Voting in person**

### ***Voting in person***

- 8.1 At meetings of Members each Member entitled to vote must vote in person.
- 8.2 For the avoidance of doubt, a member may vote by electronic communication where the general meeting has been called under rule 7.31.
- 8.3 A member must not vote by proxy or by attorney.

## **9. Annual General Meeting**

- 9.1 The Company must hold an annual general meeting within 18 months of incorporation.
- 9.2 Thereafter the Company shall once in each calendar year convene an annual general meeting of its Members on a date determined by the Board.
- 9.3 The ordinary business of the annual general meeting is to:
- 9.3.1 confirm the minutes of the previous Annual General Meeting and any special general meetings held during the previous financial year;
  - 9.3.2 consider the Annual Information Statements and Financial Statements of the Company, the report of the Directors and the report of the auditor in relation to the last financial year ended before the Annual General Meeting in accordance with section 250R of the Act and the ACNC Act;
  - 9.3.3 arrange for the appointment of Directors;
  - 9.3.4 consider any resolution of which at least 21 days written notice has been given;
  - 9.3.5 appoint and fix the remuneration of the auditor where required by the Act; and



- 9.3.6 consider any matter which it is required to consider as a condition of the funding of the Company or by law.

## **10. Non-Member Stakeholders**

### ***Register of Non-Member Stakeholders***

10.1 The Board may create a register of Non-Member Stakeholders.

### ***Eligibility to apply to become a Non-Member Stakeholder***

10.2 A person or body corporate or organisation, practising or operating within the Murray Primary Health Network Region and surrounds and which meets the criteria as set out in rules 10.2.1 to 10.2.3 is eligible to apply to become a Non-Member Stakeholder:

- 10.2.1 A natural person if that person is:
- (a) a registered Australian health practitioner within the meaning of the Health Practitioner Regulation National Law (Victoria) Act 2009 or the Health Practitioner Regulation (Adoption of National Law) Act 2009 (New South Wales); or
  - (b) is engaged in, or has an interest in, the delivery of primary health care outside of a hospital setting and has a demonstrated commitment to the Objects of the Company; or
- 10.2.2 A body corporate which operates
- (a) a hospital, within the meaning of the Health Services Act 1988 (Victoria) the Health Services Act 1997 (New South Wales), or the Private Health Facilities Act 2007 (New South Wales) which provides inpatient (including same day only) treatment; or
  - (c) a registered community health centre within the meaning of the Health Services Act 1988 (Victoria); or
  - (d) a bush nursing centre; or
  - (e) a residential aged care facility or provides flexible or community aged care within the meaning of the Aged Care Act; or
- 10.2.3 An organisation which has a demonstrated commitment to the Objects of the Company and is engaged in, or has an interest in, the delivery, organisation and coordination of primary health care outside the hospital setting.

### ***Admission as a Non-Member Stakeholder***

- 10.3 The Board must consider an application for admission as a Non-Member Stakeholder as soon as practicable after its receipt and determine, in its absolute discretion, the admission or rejection of the applicant as a Non-Member Stakeholder.
- 10.4 The Board does not have to give reasons for accepting or rejecting an application for admission as a Non-Member Stakeholder but must inform the applicant of the outcome.
- 10.5 If an applicant is admitted as a Non-Member Stakeholder, the Secretary must enter the applicant's name and details in a register of Non-Member Stakeholders. It is the obligation of Non-Member Stakeholders to ensure that the Secretary is provided with up to date details.

### ***Removal of Non-Member Stakeholder from register***

- 10.6 The Board may in its absolute discretion determine that a person, body corporate or organisation ceases to be a Non-Member Stakeholder and does not need to provide reasons for doing so.

## ***Rights of Non-Member Stakeholders***

- 10.7 A Non-Member Stakeholder is a person who has applied for and been admitted as a NonMember Stakeholder:
- 10.7.1 is not a Member of the Company and has none of the rights enjoyed by a Member under this Constitution and the Act;
  - 10.7.2 has the right to attend and speak but not vote at any general meeting of the Company;
  - 10.7.3 may be granted access to certain sections of any website maintained by or on behalf of the Company that are not accessible to the general public but will at a minimum have access to the Company's Business Rules;
  - 10.7.4 may be invited to attend certain events hosted by the Company which are not open to the general public; and
  - 10.7.5 has such other rights not inconsistent with this rule 10 as the Board may determine from time to time.
- 10.8 The Board may determine from time to time that Non-Member Stakeholders will be referred to by some other name or names, provided that such name could not reasonably be misconstrued as representing that Non-Member Stakeholders are Members of otherwise enjoy the same rights as Members of the Company.

## **11. Appointment, Rotation and Retirement of Directors**

### ***Initial Directors***

- 11.1 The Initial Directors of the Company are those individuals named in the application to register the Company who have consented to act as Directors.

### ***Term of Initial Directors***

- 11.2 Two Directors must retire immediately after the first annual general meeting, two Directors retire immediately after the second annual general meeting and three Directors immediately after the third annual general meeting.
- 11.3 The terms of Directors shall be decided at the first meeting of the Board after incorporation. If agreement cannot be reached, the question shall be determined by lot.
- 11.4 Subject to rules 11.15 and 11.16, Directors are eligible for re-appointment.

### ***Number of Directors***

- 11.5 The number of Directors must not be less than seven (7) and no more than eleven (11).

### ***Appointment of Directors to take office at the end of the first and subsequent annual general meetings***

- 11.6 Not less than three months prior to the first annual general meeting and subsequent annual general meetings, the Board shall advertise, by an appropriate means, the impending vacancies and call for nominations for the office of Director from suitably qualified and experienced persons. After consideration of the mix of skills offered by the candidates, the Board must appoint those persons who bring appropriate skills as Directors to take office immediately after the first annual general meeting and after subsequent annual general meetings.
- 11.7 Except as provided by rule 11.8, 11.9, 11.16 and 11.18 the term of office for Directors appointed pursuant to rule 11.6 will be for three years ending after the relevant annual general meeting in their third year.

### ***Casual vacancies in office of Director***

- 11.8 In the event of a casual vacancy prior to the first annual general meeting in the office of an initial Director, being a Director referred to in rule 11.1, but not a Director co-opted pursuant to rule 11.10, the Board must appoint the person selected as a Director for the remainder of the term of the Director who vacated the office.
- 11.9 In the event of a casual vacancy in the office of a Director after the first annual general meeting, the Board may follow the procedure set out in rule 11.6 and appoint an appropriate person as Director for the unexpired term of the Director who vacated the office. The Board may also choose to leave the casual vacancy unfilled until the next annual general meeting, provided that the minimum number of Directors stipulated in 11.5 is maintained.

### ***Co-opted Directors***

- 11.10 The Board may at any time determine whether it is necessary to co-opt up to three persons who have skills that will enhance the skill set of the Board as Directors. The term of any co-opted Director will be for a period as the Board determines. The Board may at its discretion extend the term of a co-opted Director or reappoint a co-opted Director, provided that the total of the term or terms does not exceed three years and that the total number of Directors and co-opted Directors does not exceed the maximum number stipulated at rule 11.5 at any time.
- 11.11 A vacancy in the office of a co-opted Director may be filled or not at the Board's discretion but if filled the term of office is only for the unexpired term of the Director who vacated the office.
- 11.12 A Director who is co-opted pursuant to rule 11.10 or rule 11.11 has all the powers of a Director.

### ***Removal from office***

- 11.13 The Company may by ordinary resolution remove a Director from office and that office may be filled as a casual vacancy as provided in rule 11.8 or rule 11.9 as the case may be.

### ***Vacation of office***

- 11.14 In addition to the circumstances in which the office of a Director becomes vacant by virtue of the Act or another provision of this Constitution, the office of Director immediately becomes vacant if any of the following occurs:
- 11.14.1 The Director becomes an insolvent under administration;
  - 11.14.2 The Director becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
  - 11.14.3 The Director is absent from at least three consecutive Board meetings or at least 60 per cent of Board meetings over a consecutive period of 12 months without the prior written consent of the Board; or
  - 11.14.4 The Director becomes prohibited from being a director by reason of an order made under the Act or ACNC Act.

### ***Directors not to remain in office for more than nine consecutive years***

- 11.15 Except as provided by rule 11.18, Directors may be appointed to a number of terms but may not hold office after the annual general meeting at the conclusion of their ninth consecutive year, retiring at the conclusion of the annual general meeting in that year.

### ***Arrangements to establish and maintain Board rotation***

- 11.16 Members may appoint a person to be a Director by resolution passed at a general meeting. The resolution may specify the period during which the Director is to hold office (either one, two or three years) and if it does so specify the Director will cease to hold office at the expiration of that period but will be eligible for reappointment. If the Members' resolution does not specify the term of the Director's appointment, the Director must hold office in accordance with rule 11.7.

- 11.17 A Director or Directors appointed under rule 11.16 may be appointed to a number of terms but must not continue in office beyond the Annual General Meeting at the conclusion of their ninth consecutive year, unless authorised under rule 11.18.
- 11.18 A Director or Directors appointed under rule 11.16 may by approval of a special resolution of Members for the specific purpose of establishing an orderly staggered rotation of Directors and minimising loss of corporate knowledge, be reappointed for a once-only, one-year continuation of their current term.

## **12. Directors' Remuneration**

### ***Determination of fees***

- 12.1 Subject to the requirements of this rule 12, Directors may be paid Directors fees for attendance at Board meetings and other duties of Directors as determined by the Board.
- 12.2 The Board may only determine a Directors fee after receiving recommendations from the Governance Committee.
- 12.3 The Governance Committee may comprise Company directors and may also include suitably qualified persons (as determined by the Board) who are not members of the Company.
- 12.4 The Governance Committee must consider and make recommendations (if any) to the Board regarding quantum of Directors fee remuneration and Directors performance measurement.
- 12.5 In order to make recommendations regarding Directors fees, the Governance Committee may consider:
- 12.5.1 publicly available benchmarks for remuneration of a charity board;
  - 12.5.2 ACNC advice regarding remuneration of a charity board; and
  - 12.5.3 Director remuneration disclosure requirements in accounting standards.

### ***Payment for expenses***

- 12.6 Each Director must be reimbursed for out-of-pocket expenses reasonably and properly incurred by the Director in connection with Company business (including travel and accommodation expenses). Alternatively, the Company may pay such amounts on the Director's behalf.

## **13. Powers of the Board**

- 13.1 The Board may exercise all those powers of the Company as are not, by the Act or by this constitution, required to be exercised by the Members in general meeting or otherwise.

## **14. Proceedings of directors**

### ***Convening of Board meetings***

- 14.1 A Director may at any time, and a Secretary must on the requisition of a Director, convene a Board meeting.

### ***Notice of Board meetings***

- 14.2 The person convening a Board meeting must ensure that notice of the Board meeting is given to each Director at least two Business Days before the meeting or at another time determined by Board resolution, except:
- 15.2.1 All Directors may waive in writing the required period of notice for a particular meeting; and
  - 15.2.2 It is not necessary to give a notice of a meeting of Directors to a Director who is out of Australia or who has been given leave of absence by the Board.

### ***Mode of meeting for Directors***

- 14.3 A Board meeting may be called or held using any technology consented to by all the Directors. The consent may be a standing one. A Director may only withdraw their consent within a reasonable period before the meeting. The Board may otherwise regulate its meetings as they think fit.
- 14.4 A minute of the proceedings at a meeting held using technology is sufficient evidence of such proceedings and of the observance of all necessary formality, if that minute is certified as correct by the Chair of the meeting.

### ***Quorum at Board meetings***

- 14.5 At a Board meeting, the number of Directors whose presence is necessary to constitute a quorum is 50 per cent of all Directors plus another Director.
- 14.6 If the number of Directors is reduced below the number necessary for a quorum of Directors, the continuing Director or Directors may act only to:
- 14.6.1 appoint additional Directors to the number necessary for a quorum; or
  - 14.6.2 convene a general meeting of the Company.

### ***Voting at Board meetings***

- 14.7 The Board must determine any questions arising at a Board meeting by a majority of votes of Directors present and voting.

### ***Appointment of Chair***

- 14.8 The Board may elect a Director as Chair to chair Board meetings and may determine the period for which the Chair will hold office.
- 14.9 If no Chair is elected, or if at any meeting the Chair is not present within 10 minutes after the time appointed for holding the meeting or is unwilling to act, the Directors present must choose one of their number to chair that meeting.

### ***Chair's vote at Board meetings***

- 14.10 The Chair (or other Director chairing the meeting in accordance with rule 14.9) has a second or casting vote at Board meetings in the event of a tied vote.

### ***Participation where Directors interested***

- 14.11 A Director is required to declare an interest prior to any discussion, and then absent themselves from that decision.
- 14.12 If there are not enough Directors to form a quorum as a result of a Director having an interest which disqualifies them from voting, then one or more of the Directors (including those who have the disqualifying interest in the matter) may call a general meeting of the Company and the general meeting may pass a resolution to deal with the matter.
- 14.13 A Director may execute or participate in the execution of a document by or on behalf of the Company.

### ***No disqualification***

- 14.14 Subject to compliance with ACNC Act, a Director or any entity in which the Director has a direct or indirect interest (as applicable) may:
- 14.14.1 Enter into a contract or arrangement with an Associated Party;
  - 14.14.2 Hold any office or place of profit (other than auditor) in an Associated Party; and
  - 14.14.3 Act in a professional capacity (or be a member of a firm that so acts) other than as auditor of an Associated Party.

- 14.15 Despite the fiduciary nature of a Director's office and the Director's fiduciary obligations:
- 14.15.1 Any contract or arrangement entered into in accordance with rule 14.14.1 by the Director or any entity in which the Director has a direct or indirect interest is not invalid or voidable; and
  - 14.15.2 A Director may do any of the things specified in rule 14.14 without any liability to account to the Company or any other person for any direct or indirect benefit accruing to the Director or any entity in which the Director has a direct or indirect interest.

#### ***Exercise of rights***

- 14.16 If the Company holds or owns membership, shares or other interests in another body corporate, trust or other entity, the Board may exercise any and all voting rights conferred by the membership, shares or interests in any manner they consider fit.

#### ***Delegation of powers***

- 14.17 Subject to rule 15.5, the Board may delegate any of its powers to any person, as the Board sees fit. This includes delegating any of the Board's powers to committees consisting of Directors or other persons (as the Board sees fit) to act in Australia or elsewhere.
- 14.18 A committee's exercise of a power in accordance with this constitution is to be treated as the exercise of that power by the Board.
- 14.19 A committee must conform to the directions of the Board in the exercise of any powers delegated to it.

## **15. Committees Generally and Advisory Committees**

### ***Committees for good governance***

- 15.1 The Board must establish those committees required to ensure good governance, including the areas of risk management, audit, financial management and directors' remuneration.

### ***Advisory committees***

- 15.2 The Board must establish Advisory Committees to provide advice and make recommendations to the Board on specified matters but must address the following areas:
- 15.2.1 General Practice;
  - 15.2.2 Clinical Governance;
  - 15.2.3 Consumer Engagement;
  - 15.2.4 Population Health Planning; and
  - 15.2.5 Planning.
- 15.3 The Board must, with respect to an Advisory Committee:
- 15.3.1 Specify in writing from time to time the terms of reference, functions, skills set and membership of an Advisory Committee which must provide for:
    - (a) appointment of a Director to the committee;
    - (b) appointment of a Chairperson (not being a Director);  
invite Advisory Council Chairs to attend two online Programs and Quality Committee meetings per year;
    - (c) representation that acknowledges the geography and demography of the region; and
    - (d) such other matters as the Board determines.



- 15.3.2 Seek applications from potential members for each standing advisory committee and select the members and appoint such persons as the Board considers appropriate and remove any such person from the Advisory Committee at any time by written notice;
  - 15.3.3 Specify the period and conditions (including as to remuneration, if any) of any such appointment to an Advisory Committee; and
  - 15.3.4 Provide sufficient resources to enable an Advisory Committee to undertake its work.
- 15.4 The Board may establish additional Advisory Committees.
- 15.5 The Board must not delegate any of its powers to an Advisory Committee, and an Advisory Committee must not exercise any powers of a Director or the Board.
- 15.5 The Board must have regard to recommendations from the Advisory Committees established pursuant to rule 15.

### ***Proceedings of committees***

- 15.6 Except as provided in a direction of the Board, the meetings and proceedings of a committee formed by the Directors or an Advisory Committee must be governed by the provisions of this Constitution, in so far as they are applicable, as if meetings and proceedings of the committee or Advisory Committee are meetings and proceedings of the Board.

## **16. Matters of a General Nature relating to Board Proceedings**

### ***Validity of acts of Directors***

- 16.1 All acts done by a Board meeting or of a committee of Directors or an Advisory Committee or by a person acting as a Director are valid even if it is later discovered that there is a defect in the appointment of a person to be a Director or a member of the committee or that they or any of them were disqualified or were not entitled to vote.

### ***Minutes***

- 16.2 The Board must cause minutes of all proceedings of general meetings, of Board meetings and of committees formed by the Directors, or by an Advisory Committee to be entered, within one month after the relevant meeting is held, in books kept for the purpose.
- 16.3 The Board must cause all minutes, including resolutions in writing treated as determinations of the Board, to be signed by the Chair of the meeting at which the proceedings took place or by the Chair of the next succeeding meeting.

### ***Resolution in writing***

- 16.4 A resolution in writing signed by all Directors entitled to vote on the resolution (excluding Directors who have requested and been given leave of absence by the Board) is to be treated as a determination of the Board passed at a Board meeting duly convened and held.
- 16.5 A resolution in writing may consist of several documents in like form, each signed by one or more Directors and if so signed it takes effect on the latest date on which a Director signs one of the documents; and

## **17. Secretary**

- 17.1 The Board may appoint one or more Secretaries and may at any time terminate the appointment or appointments.
- 17.2 The Board may determine the terms and conditions of appointment of a Secretary, including remuneration. Any one of the Secretaries may carry out any act or deed required by this constitution, the Act or by any other statute to be carried out by the secretary of the Company.

## 18. Indemnity and insurance

### *Indemnity*

- 18.1 Every officer and past officer of the Company may be indemnified by the Company, to the fullest extent permitted by law, against a liability incurred by that person as an officer of the Company or a subsidiary of the Company, including without limitation legal costs and expenses incurred in defending an action.

### *Insurance premiums*

- 18.2 The Company may pay the premium on a contract insuring a person who is or has been an officer of the Company to the fullest extent permitted by law.

## 19. Seals and execution of documents

- 19.1 If the Company has one, the Board must provide for the safe custody of the Seal.

### *Execution of documents*

- 19.2 The Company may execute a document by affixing the Seal to the document where the fixing of the Seal is witnessed by any of the following:
- 19.2.1 By two Directors;
  - 19.2.2 By a Director and the Secretary; or
  - 19.2.3 By a Director and some other person authorised by the Directors for that purpose.
- 19.3 The Company may execute a document without the use of a seal if the document is signed by either of the following:
- 19.3.1 By two Directors; or
  - 19.3.2 By a Director and the Secretary.

### *Official seals*

- 19.4 The Company may have for use in place of the Seal outside the jurisdiction where the Seal is kept one or more official seals to be used in accordance with procedures approved by the Board.

## 20. Surplus assets on winding up or dissolution

- 20.1 Subject always to rule 6.8, upon the winding up or dissolution of the Company, any remaining property after satisfaction of all debts and liabilities, will not be paid to or distributed among the Members, but will be given or transferred to some other institution or company which satisfies both of the following requirements:
- 20.1.1 It has objects similar to the objects of the Company;
  - 20.1.2 Its constituent documents prohibit the distribution of its income and property among its members on terms substantially to the effect of rule 6; and
- 20.2 This is to be determined by the Members at or before the time of winding up or dissolution of the Company and, in default of any determination, by the Supreme Court of the State or Territory in which the Office is located.

## 21. Accounts, records and audit

### *Accounts and records*

- 21.1 Directors must keep true and complete books of accounts of the transactions of the Company.
- 21.2 The accounts must be held at the registered office or any other place as Directors think fit.

- 21.3 The accounts must always be open to inspection by the Directors.
- 21.4 Directors must arrange for the financial report, the Directors' report and the Auditors or Reviewers' report (if required by the ACNC Act) to be made out and laid before the Annual General Meeting.
- 21.5 Directors must arrange for any information statement or financial statement as required by the ACNC Act to be made out.

#### ***Audit***

- 21.6 A registered company auditor must be appointed. The remuneration of the auditor must be fixed, and the auditor's duties regulated in accordance with the Act and the ACNC Act.

#### ***Rights of inspection***

- 21.7 Members shall have the right to inspect the accounting records and other documents of the Company to the extent permitted by the Act.

## **22. Notices**

#### ***Persons authorised to give notices***

- 22.1 A notice by either the Company or a Member in connection with this constitution may be given on behalf of the Company or Member by a solicitor, director or company secretary of the Company or Member.
- 22.2 The signature of a person on a notice given by the Company may be written, printed or stamped.

#### ***Method of giving notices***

- 22.3 In addition to the method for giving notices permitted by statute, a notice by the Company or a Member in connection with this constitution may be given to the addressee by any of the following means:
- 22.3.1 By delivering it to a street address of the addressee;
- 22.3.2 By sending it by prepaid ordinary post (airmail if outside Australia) to a street or postal address of the addressee; or
- 22.3.3 By sending it by email to the email address of the addressee.

#### ***Addresses for giving notices to Members***

- 22.4 The street address or postal address of a Member is the street or postal address of the Member shown in the Register.
- 22.5 The email address of a Member is the address which the Member may specify by written notice to the Company as the email address to which notices may be sent to the Member.

#### ***Address for giving notices to the Company***

- 22.6 The street and postal address of the Company is the Office.
- 22.7 The email address of the Company is the address which the Company may specify by written notice to the Members as the email address to which notices may be sent to the Company.

#### ***Time notice of meeting is given***

- 22.8 A notice of meeting given in accordance with this constitution is to be taken as given, served and received at the following times:
- 22.8.1 If delivered in writing to the street address of the addressee, at the time of delivery;
- 22.8.2 If it is sent by post to the street or postal address of the addressee, on the business day after posting; or

- 22.8.3 If sent by email to the email address of the addressee, at the time transmission is completed.

#### ***Time other notices are given***

- 22.9 A notice given in accordance with this constitution is to be taken as given, served and received at the following times:
- 22.9.1 If delivered in writing to the street address of the addressee, at the time of delivery;
- 22.9.2 If it is sent by post to the street or postal address of the addressee, on the 2nd (5th if outside Australia) business day after posting; or
- 22.9.3 If sent by email to the email address of the addressee, at the time transmission is completed.

#### ***Proof of giving notices***

- 22.10 The sending of a notice by email and the time of completion of transmission may be proved conclusively by production of a print out of an acknowledgment of receipt of the email or equivalent proof that the email was successfully transmitted.

#### ***Persons entitled to notice of meeting***

- 22.11 Notice of every general meeting must be given by a method authorised by this constitution to all of the following persons:
- 22.11.1 Every Member;
- 22.11.2 Every Director; and
- 22.11.3 The auditor for the time being of the Company, if any.
- 22.12 No other person is entitled to receive notices of general meetings.

## **23. Definitions and Interpretation**

### ***Definitions***

- 23.1 In this document the following definitions apply:
- 23.1.1 **Act** means the Corporations Act 2001 (Cth).
- 23.1.2 **ACNC Act** means the Australian Charities and Not-for-profits Commission Act 2012, and related legislative instruments for the time being in force.
- 23.1.3 **Advisory Committee** means the advisory committee established under rule 15.1.
- 23.1.4 **Associated Party** means each of the following:
- (a) The Company;
  - (b) Any Related Body Corporate of the Company; and
  - (c) Any other body corporate, trust or entity promoted by the Company or in which the Company has an interest of any kind.
- 23.1.5 **Board** means the Directors acting as the board of the Company.
- 23.1.6 **Business Days** means any day when the banks are open for business in Melbourne.
- 23.1.7 **Business Rules** means the key policies for engagement, contracting and procurement as well as the principal mechanisms for the organisational engagement with government, the community, consumers and Non-Member Stakeholders.
- 23.1.8 **Chair** means the Director elected under rule 14.8 to preside as chairperson at Board meetings for the time being.

- 23.1.9 **Company** means Murray PHN Limited ACN 156 423 755.
- 23.1.10 **Deductible Contribution** means a contribution of money or property as described in item 7 or item 8 of the table in section 30-15 of the Income Tax Assessment Act 1997 (Cth) in relation to a fundraising event held for the Principal Purpose.
- 23.1.11 **Director** means a person occupying the position of a director of the Company and includes the initial Directors.
- 23.1.12 **Gift** means a gift as described in item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997 (Cth) to the Company.
- 23.1.13 **General Meeting** means a general meeting of the company's Members and includes the Annual General Meeting.
- 23.1.14 **Initial Directors** means those individuals named in the application to register the Company who have consented to act as Directors.
- 23.1.15 **Murray Primary Health Network Region** means the area defined as such by the Department of Health.
- 23.1.16 **Member** means a person whose name is entered in the Register as a member of the Company.
- 23.1.17 **Non-Member Stakeholder** has the meaning given in rule 10.
- 23.1.18 **Office** means the registered office of the Company.
- 23.1.19 **Purpose** means the purpose set out in rule 2.
- 23.1.20 **Register** means the register of Members referred to in rule 3.7.
- 23.1.21 **Related Body Corporate** has the meaning given in the Corporations Act.
- 23.1.22 **Seal** means, if the Company has one, the common seal of the Company.
- 23.1.23 **Secretary** means a person appointed to perform the duties of the secretary of the Company.
- 23.1.24 **Termination Event** means (if a Member is an individual) the death or bankruptcy of that Member or that Member becoming of unsound mind or becoming a person whose property is liable to be dealt with under a law about mental health.

### **Interpretation**

23.2 In this constitution, unless the context otherwise requires:

- 23.2.1 A reference to any law or legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision, in either case whether before, on or after the date of this document;
- 23.2.2 A reference to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced from time to time;
- 23.2.3 A reference to a rule, part, schedule or attachment is a reference to a rule, part, schedule or attachment of or to this constitution;
- 23.2.4 Where a word or phrase is given a defined meaning another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;
- 23.2.5 A word which indicates the singular indicates the plural, a word which indicates the plural indicates the singular, and a reference to any gender indicates the other genders;
- 23.2.6 An expression importing a natural person includes any Company, trust, partnership, joint venture, association, body corporate or public authority;

- 23.2.7 A reference to dollars or \$ means Australian dollars;
- 23.2.8 References to the word 'include' or 'including' are to be construed without limitation;
- 23.2.9 A reference to a time of day means that time of day in the place where the Office is located;
- 23.2.10 A reference to a business day means a day other than a Saturday or Sunday on which banks are open for business generally in the place where the Company's office is located;
- 23.2.11 Where a period of time is specified and dates from a given day or the day of an act or event it must be calculated exclusive of that day; and
- 23.2.12 A term of this constitution which has the effect of requiring anything to be done on or by a date which is not a business day must be interpreted as if it required it to be done on or by the next business day.

#### ***References to the constitution***

- 23.3 A reference to the constitution, where amended, means this document as so amended.

#### ***Replaceable rules***

- 23.4 Each of the provisions of the Act which would but for this rule apply to the Company as a replaceable rule within the meaning of the Act are displaced and do not apply to the Company.

#### ***Application of ACNC Act***

- 23.5 To the extent there is an inconsistency between a rule in this constitution and the ACNC Act while the Company is a registered charity, the ACNC Act prevails.



# phn

MURRAY

An Australian Government Initiative



Leadership



Collaboration



Respect



Accountability



Innovation