

CONSTITUTION

October 2021



WHEREVER YOU ARE,
WHEREVER YOU WANT TO BE.



Constitution Of

**Child and Youth Services Mutual Ltd
(trading as Kudos Services)**

ACN 624 308 783

Amended: 20 October 2021

Signature of Penny Gale, Chair of the Board

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WHO WE ARE

Kudos Services is Australia's first employee-controlled mutual enterprise to form out of the public sector. We are a mutual company limited by guarantee with charitable status. Our history, nature and vision set us apart from other service providers.

Kudos was established in South Australia in October 2018 out of the State Government's Child and Youth Services with the purpose of providing early childhood and therapy services to children and young people with developmental delay or disability.

The group of staff who started Kudos agreed to establish the new company as an employee mutual. We believe this organisational form gives us a strong basis for partnering with and supporting people living with disability.

Kudos is made up of Members who are our employees. We operate by democratic Member control. As Members, we share in key decision-making and shape the way in which we operate to create a positive, satisfying, and purposeful workplace, upholding the ethos of an employee mutual.

The Members appoint a skills-based Board, entrusted with the governance of the organisation. The Board in turn appoints a Chief Executive Officer to manage and lead, supported by a management team. The Members appoint and make up a Members Council to provide voice for the Members. All parts of our governance system work off a shared set of principles.

Our Vision, Purpose and Objects

1. We believe that every child, young person and adult, along with their families and caregivers, has the right to belong to a supportive community. We work in partnership with people living with disability to affect positive outcomes, so they are empowered to contribute, participate and belong to the wider society.
2. As a community of skilled and experienced therapists, early childhood practitioners, support staff and other professionals, our purpose is to work in creative and innovative ways to provide inclusive and accessible services and supports to people living with disability, enabling them to lead fulfilling lives.
3. Our object is to work in partnership with clients, families, caregivers and the community so people are empowered to reach their potential. We do this by:
 - 3.1 providing quality therapeutic, early childhood and support services to children, young people and adults with a disability, and their families and caregivers;
 - 3.2 co-designing our services to make them accessible, inclusive, and reflective of clinical best practice and service quality standards;
 - 3.3 promoting the inclusion and participation of people living with disability across the community in recognition of their human rights and in line with the principles of self-determination; and
 - 3.4 providing education and a range of support services.

Our Principles

4. As an employee-controlled mutual we are guided by the International Co-operative Principles and the Cooperative and Mutual Enterprise Governance Principles. And so, at Kudos:
 - 4.1 Our purpose, vision and values are set by our Members. We determine our future, consistent with public interest objectives and as an enterprising, for-purpose organisation. (International Co-operative Principle 4)
 - 4.2 We invest in the training and development of our Members, better equipping them to grow as professionals and to serve the community, and in doing so we advocate our purpose to the general public. (ICP 5)
 - 4.3 Members democratically control the capital of our mutual. We aim to generate sufficient income to ensure our ongoing viability as an organisation. As a for-purpose, non-distributing organisation with charitable status, the surpluses we generate are invested back into Kudos to further our objectives. (ICP 3)
 - 4.4 We operate on democratic principles (one Member, one vote) with all Members participating directly and indirectly in decisions on major policies, strategic directions and key organisational appointments. (ICP 2)
 - 4.5 We strive to demonstrate the impact we make in the communities we serve by measuring and reporting on outcomes in our endeavour to contribute towards a more just and inclusive civil society. (ICP 7)
 - 4.6 We value people for who they are, free from discrimination based on gender, social, racial, cultural, sexual orientation, age, political or religious considerations. (ICP 1)
 - 4.7 We affirm that an individual's ability to engage, contribute and participate in our community should not be impacted by their disability, gender, age, sexual orientation or their racial, cultural, political and religious background. (ICP 7)
 - 4.8 We reach out to the wider society by connecting and partnering with people with lived experiences of disability, as well as their families, caregivers and supporters. (ICP 7)
 - 4.9 We engage with the co-operative community, particularly those active in the disability area, to strengthen the movement and to gain from the knowledge and experience of other organisations. (ICP 6)
 - 4.10 When building relationships with suppliers or partners, we give preference to other co-operative and mutual enterprises, social enterprises and organisations that share our values. (ICP 6)

MUTUALITY AND MEMBERSHIP

5. Kudos is constituted and controlled by its Members, its employees.
6. To be an employee at Kudos is to be an active Member of Kudos. All employees become Members upon employment with Kudos, with the right to vote after the successful completion of any probationary period.
7. Prospective employees are educated about our values, culture and purpose as a mutual, and those happy to commit to the ethos of mutuality are eligible to be employed and welcomed as Members.
8. Members of Kudos are democratically involved and given a voice in how Kudos is governed. Members have influence and control over the strategic directions and priorities of the organisation and in creating and sustaining a positive culture aligned to our purpose, values and principles.
9. We strive for high levels of employee engagement. Stronger employee engagement means better quality services and support for clients.

Benefits of Membership

10. The main benefits of Membership are:
 - 10.1 being a part of an inclusive organisation that aims to build on and sustain a positive, can-do workplace culture designed to benefit Members and make Kudos a great place to work;
 - 10.2 having the opportunity to develop skills through active participation in the governance of Kudos and the shaping of our strategic direction and priorities;
and
 - 10.3 enjoying the chance to experience a high level of engagement and meaning in our everyday work roles, knowing that as Members we have a say in how the organisation goes about achieving its objects.

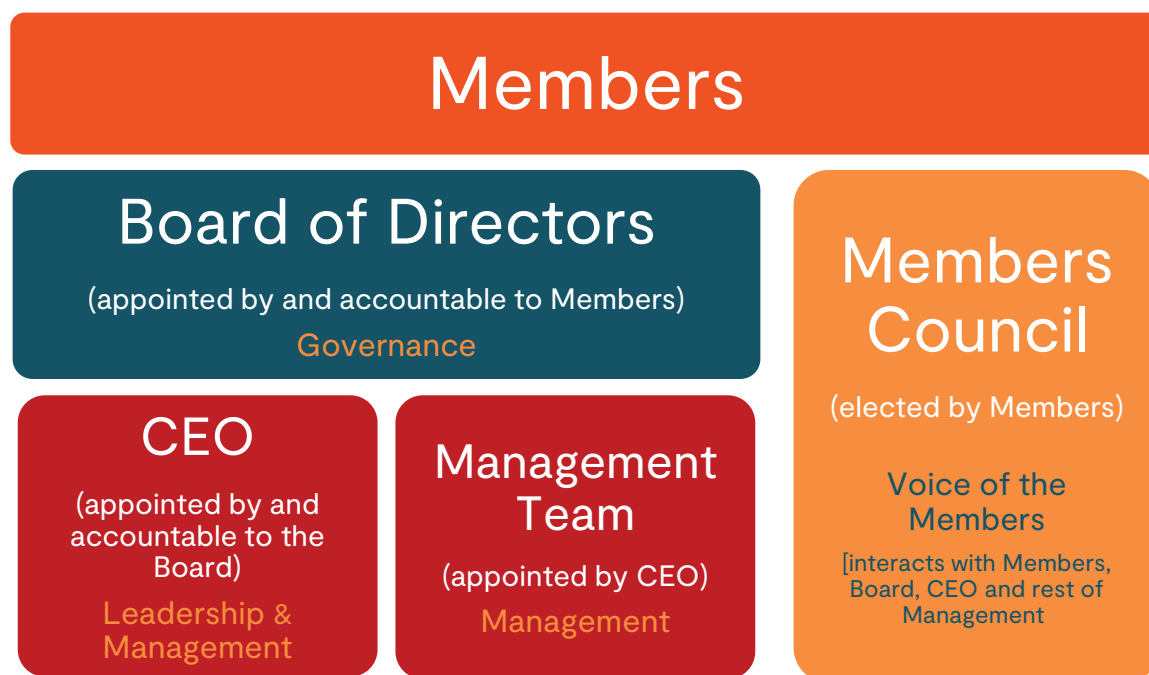
Active Membership

11. Every Member has a responsibility to actively promote our values, culture, vision and purpose and to contribute to the success of Kudos through our individual and combined:
 - 11.1 professionalism;
 - 11.2 diligent client service;
 - 11.3 ongoing education and training;
 - 11.4 teamwork;
 - 11.5 participation in organisational and operational decision-making;

- 11.6 participation in process improvement; and
 - 11.7 other forms of supportive engagement.
12. Active membership is expected by all and involves:
- 12.1 championing with pride Kudos' vision, values and purpose;
 - 12.2 keeping up to date with all organisational communications;
 - 12.3 providing feedback on projects, ideas and initiatives, especially when opportunities for engagement are provided through the Members Council;
 - 12.4 contributing as able to governance activities, projects or reform activities, especially when opportunities for Member consultation are provided;
 - 12.5 being prepared to consider nominating to serve on the Members Council, the representative body of the Membership; and
 - 12.6 responsibly exercising our democratic rights as Members in attending and participating in Member General Meetings and voting on resolutions put forward at Member General Meetings.
13. As Members we exercise our democratic control with diligence. We take seriously and value our right to vote, to contribute to governance activities and decisions, and to uphold the ethos and diversity of Kudos.
14. As Members we are involved and have a voice in how Kudos is governed. We have influence and control over the strategic directions and priorities of our organisation, the appointment of Directors, and in creating and sustaining a positive culture aligned to our purpose, values, and principles.
15. We work together to foster a happy, productive, and positive workplace, with a shared passion and commitment to delivering quality services and positive outcomes for our clients. All Members are responsible for contributing to this endeavour, whether we provide services directly or operate in supporting or leadership roles.
16. Membership ceases upon cessation of employment.

GOVERNANCE, MANAGEMENT AND MEMBER VOICE

17. The members of all governance bodies and the holders of all offices under this Constitution have a responsibility to promote the values, culture, purpose and objects of the organisation.
18. Governance, management and engagement within Kudos is distributed across four bodies and offices: the Members, the Board of Directors, the Members Council and the Chief Executive Officer.



The Members

19. The Members exercise the ultimate decision-making authority of Kudos through General Meetings of Members. Each Member has one vote of equal value. All Members have the right to participate in a General Meeting.
20. Members also engage in shaping our workplace through participation in team and other deliberations relating to quality and continuous improvement in practice, operations or service delivery, development of business plans, ideas for innovation, and contributing to strategic policy directions.
21. The Members may also engage individually or collectively with any governance body or office holder in relation to matters concerning them as Members to shape the workplace environment.

The Board of Directors

22. The primary responsibility for the governance of Kudos lies with the Board of Directors, who are appointed by the Members pursuant to resolutions of General Meetings of Members. Members are eligible to be appointed to the Board. The Board is accountable to the Members.

Composition of the Board

23. The Board consists of a minimum of three and a maximum of nine Directors.
24. The Board must include:
 - 24.1 at least one Director with appropriate experience in the delivery of health, disability or other allied health services.
 - 24.2 At least one Director who is a person with lived experience of disability.
25. Notwithstanding Rule 36 of the Rules, if a vacancy occurs in the office of Chair, Deputy Chair or Director, the remaining Director or Directors may appoint a person to fill the vacancy until the next Annual General Meeting.
26. A Member may serve as a Director, but non-Members must make up the majority of Board Directors at any time.
27. The Members must seek to appoint a Board comprised of Directors having a mix of allied health, human services, business, financial, governance, risk management, legal or other skills or experience valuable to Kudos.
28. The Chief Executive Officer attends and may participate in Board meetings but is not eligible to be a Director.

Roles and Responsibilities of Directors

29. All Directors must discharge their roles in the interests of the organisation as a whole and in line with the purpose and objects of Kudos as an employee-controlled mutual.
30. In carrying out its governance role, the Board engages as appropriate with the Members Council, the Chief Executive Officer and any other Members as required.
31. The Board decides, with the other governing bodies or officers, through a process of co-determination:
 - 31.1 the strategic direction of the organisation;
 - 31.2 matters of major policy, including business development; and
 - 31.3 general governance matters.
32. The Board also:
 - 32.1 sets the cultural tone by championing the principles and values of Kudos both externally and internally;

- 32.2 appoints and removes the Chair and Deputy Chair of the Board;
- 32.3 appoints, monitors the performance of, and removes the CEO;
- 32.4 appoints and removes the Company Secretary;
- 32.5 delegates responsibility for the management and development of Kudos' business operations to the CEO;
- 32.6 monitors the efficient management of the organisation and the implementation of its policies and strategic plans;
- 32.7 ensures that proper systems of audit, risk management and control are in place throughout Kudos;
- 32.8 approves and monitors Kudos's revenue, expenses and capital spending;
- 32.9 executes, accepts or endorses any negotiable instruments on behalf of Kudos;
- 32.10 ensures that Kudos is at all times solvent and pays its debts as and when they fall due;
- 32.11 ensures Kudos's compliance with all legislative and regulatory standards and rules, including those relating to preparing financial reports;
- 32.12 reports annually to the Members on its performance and outcomes and on the organisation's financial and audited financial reports;
- 32.13 engages with the Members Council and other key personnel to address issues raised by Members and to develop strategy and proposals and ideas for change, innovation or process;
- 32.14 deals, where appropriate, with individual Members' concerns as brought to them;
- 32.15 manages any direct or indirect conflicts of interest associated with the discharging of its responsibilities; and
- 32.16 approves policies or makes By-Laws as necessary for the proper conduct and management of Kudos.

The Members Council

- 33. The Members Council is the elected voice of the Members for governance and representation purposes. It is elected by and from the Members and is accountable to them. Members elect representatives whom they feel best represent them, covering the different service areas, roles, locations and diversity of the organisation.
- 34. The Members Council is responsible for engaging with Members to voice their interests, facilitating information sharing, co-designing organisational strategy and engaging generally with the Board and the CEO office.

Members Council Composition

35. The Members Council consists of a minimum of five and a maximum of nine representatives.
36. Any Member with voting rights other than the CEO may stand for election to the Members Council.
37. Members must seek to elect representatives drawn from the various groupings of employees across sites and different work groups. At least one representative should be drawn from each of the service areas, roles and locations of the organisation. Managerial employees may also have representatives on the Members Council.

Members Council Role and Responsibilities

38. The role of the Members Council is to:
 - 38.1 strengthen the cultural tone by championing the principles and values of Kudos both externally and internally;
 - 38.2 engage continuously with Members to ascertain and articulate their interests and aspirations;
 - 38.3 co-design with the Board, Members, other office holders, and other relevant stakeholders Kudos' organisational strategy;
 - 38.4 engage with the Board, the CEO and other key personnel over proposals and ideas for change, innovation, process, the organisation of work and the overall employee work experience;
 - 38.5 facilitate information-sharing and communication between the Members on the one hand and the Board, CEO and the management team on the other;
 - 38.6 engage with the CEO and the management team over education and training initiatives for representatives and Members;
 - 38.7 represent the interests of employees generally in dealings with the Board and the CEO;
 - 38.8 represent employees to the full extent permitted by law, with due regard to role separation and to principles of freedom of association, in negotiations over enterprise agreements and other instruments regulating terms and conditions of employment and associated matters of mutual interest; and
 - 38.9 manage and be accountable for any budget allocated to the Members Council in carrying out its role.
39. Matters not within the scope of the Members Council are:
 - 39.1 individual employee grievances;
 - 39.2 individual disciplinary matters; or

39.3 individual performance matters.

40. In carrying out the roles described above, the Members Council must pay due regard to potential conflicts of interest, role-separation and the possible need for recusal in any contexts involving managerial Representatives.
41. The Members Council has the right to be provided by the Board, the CEO and the management team with all relevant information to allow it to perform its constitutional role, subject to due considerations of privacy and confidentiality, commercial and otherwise.
42. The Members Council must be provided with a budget determined by the Board after consultation with the Members Council and the CEO.
43. Representatives are entitled to appropriate recognition and support as agreed with the CEO in relation to their normal employee duties pursuant to the work they perform on the Members Council.
44. To avoid any role conflicts, representatives serving on the Members Council may not serve simultaneously as Directors.

Chief Executive Officer (CEO)

45. The CEO is responsible for the management and development of Kudos's business operations and is appointed by and accountable to the Board and, ultimately, the Members. The CEO will assemble a supporting management team to assist with the operational management of the organisation.
46. In exercising the responsibilities set out above the Chief Executive Officer (CEO):
 - 46.1 supports the cultural tone by championing the principles and values of Kudos both externally and internally;
 - 46.2 appoints and leads a management team in the operational management of Kudos;
 - 46.3 executes the organisational strategy and business plans of Kudos;
 - 46.4 leads in the engagement of Members in the development of business plans for their operational areas;
 - 46.5 maintains financial and other reports on the health of the business;
 - 46.6 ensures Kudos complies with its legislative and contractual obligations;
 - 46.7 confers with and reports to the Board on Kudos's strategy, business plans, business performance and other organisational matters;
 - 46.8 ensures the organisation achieves an acceptable level of quality in all areas of work;
 - 46.9 ensures staff have the appropriate knowledge, skills, resourcing and tools needed to safely and effectively perform their duties; and

- 46.10 consults as appropriate with the Members Council, engaging at least twice a year over Kudos's strategy, business plans, business performance and other organisational matters.

Experts and Advisors

47. From time-to-time the Board or CEO may establish an Advisory Panel of people with lived experience of disability, drawn from the client base, to guide the organisation in better serving our clients.

Mutual Obligations and Understandings

48. The Members, Members Council, Board, CEO and supporting management team commit to the reciprocal obligations and understandings set out immediately below.
49. At Kudos, the general body of Members respect the constitutional roles of the Board, the CEO, the supporting management team and the Members Council, and give them appropriate independence and latitude in performing their distinctive roles.
50. The Board, the CEO, the supporting management team, and other operational leaders must exercise their judgment and skills in the best interests of Kudos as a whole and, in performing their roles, commit to fully engaging with the Members and the Members Council as provided for in this Constitution, to realise the ethos of our member-controlled organisation.
51. All governance and management members must approach matters of significance for employees and the organisation in a transparent and consultative manner, engaging with Members to effect collaborative decisions that are in line with our shared purpose, and collective skills and knowledge, to achieve the best outcomes.
52. The role of the Members Council as the voice of Members will be respected, acknowledged and actively supported by the Board, the CEO and the supporting management team as they discharge their respective duties.
53. In keeping with the mutual ethos, the holders of all offices will act ethically, and relate to one another professionally, respectively, collaboratively and in good faith.
54. To quantify and communicate consistently the value that our organisation and services create, we measure and report on the impact we make to our Members, the community, our clients, the co-operatives and mutuals sector, and the local economy.

Consensus-seeking and Issues Resolution

55. The Members, Members Council, Board and CEO and the management team commit to engaging with one another in ways that best promote the interests and objects of the organisation as a whole. They must relate to one another professionally, respectively, collaboratively and in good faith.
56. These parties must seek to reach consensus whenever they are entrusted with shared decision-shaping and decision-making

57. Should consensus not be reached on what any party may see as an important matter, the Members Council, Board or CEO may, individually or jointly, ask that an unresolved issue be referred to independent mediation or some other agreed form of dispute resolution.
58. In the event of a referral to mediation, the Members Council, Board or CEO must seek to agree who should conduct the mediation and the terms of mediation. In the event of no or only partial such agreement, any party may request the Chair of the Business Council of Co-operatives and Mutuals (or any successor body) to appoint the mediator and set the terms.

Amendments

59. This Constitution may be amended from time to time by a Special Resolution of the Members in General Meeting.

RULES

1. These Rules form part of the Constitution and can only be amended in accordance with clause 59.

Definitions

In this Constitution, the following terms have the following meanings:

‘Active Membership’: the benefits, responsibilities and roles outlined in clauses 11 and 12

‘Board’: the Board of Directors of the Company

‘By-law’: any rule, policy or procedure made by the Board to further regulate the affairs of Kudos in ways consistent with the Constitution and governing legislation.

‘CEO’: the Chief Executive Officer

‘Charity Legislation’: the Australian Charities and Not-for-profits Commission Act *2012* (Cth)

‘Chief Executive Officer’: the Chief Executive Officer of the Company from time to time appointed by the Board

‘DGR’: deductible gift recipient under the Tax Act

‘Director’: a person appointed to the Board

‘Guarantor Member’: means Denise Ann Picton, and other such person(s) that undertake to contribute to the property of the Company if it is wound up.

ICP: International Co-operative Principles

‘Kudos’: Kudos Services (Child and Youth Services Mutual Ltd ACN 624 308 783)

‘management team’: the management team appointed by CEO from time to time, making up with the CEO the office of the CEO

‘mediation’: a process by which an independent third party, the mediator, helps parties in dispute negotiate a mutually acceptable agreement. A mediator facilitates communication, promotes understanding, assists the parties to identify their needs and interests, and uses creative problem-solving techniques to enable the parties to reach their own agreement. A mediator has no powers to determine an outcome. If all the parties do not agree to an outcome, the matter remains unresolved.

‘Members’: employees and members of the Company

‘organisation’: Kudos Services (Child and Youth Services Mutual Ltd), unless the context indicates otherwise

‘Representative’: a Member elected to serve on the Members Council

‘Secretary’: any person appointed to perform the duties of a Secretary of Kudos

‘Special Resolution’: as defined in the *Corporations Act 2001* (Cth)

‘Tax Act’: the *Income Tax Assessment Act 1997* (Cth)

‘the Act’: the *Corporations Act, 2001* (Cth)

General

2. Kudos Services is a company limited by guarantee and the liability of each Guarantor Member to contribute to the property of the Company if it is wound up is limited to the amount of \$10.
3. Kudos is bound to comply with its objects and character as a for purpose not-for-profit company limited by guarantee that is a registered entity under the Act and Charity Legislation.

Powers

4. Kudos has the powers to all lawful things in pursuit of its purpose and objects, including powers to:
 - 4.1 raise funds by sponsorship, grant, donation or other method approved by the Board from time to time for the operation of the organisation;
 - 4.2 purchase, hire, lease or otherwise acquire for the purposes of the organisation any real or personal property and any rights and privileges which the organisation may think necessary or convenient for the carrying out of its objects;
 - 4.3 give, sell, mortgage, exchange, hire, lease or otherwise dispose of some or all of the property of the organisation;
 - 4.4 acquire shares, units or other interests in entities which have objects that are consistent with the organisation’s objects for the purpose of collaborating with those entities to achieve the objects of the organisation;
 - 4.5 enter into arrangements with other entities and organisations which have objects that are consistent with the organisation’s objects;
 - 4.6 invest and deal with any of the monies of the organisation as seen fit and realise any investments made; and
 - 4.7 make, draw, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

Income and Property

5. Kudos must apply its income and property solely towards promoting its objects.
6. No part of Kudos’s income or property may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise to any of the Members or to the Guarantor Members.

7. Nothing in this document prevents the payment in good faith of remuneration to any officers or Employees of Kudos, office bearers or officials as outlined in this Constitution, or to any Member in return for:
 - 7.1 any services actually rendered to Kudos;
 - 7.2 goods supplied in the ordinary course and usual way of business;
 - 7.3 interest on money lent to Kudos at reasonable rates; or
 - 7.4 reasonable rent for premises leased to the Kudos.

Deductible Gift Recipient Status

8. Kudos must comply with section 382-15 of Schedule 1 of the Taxation Administration Act 1953 (Cth).
9. At the first occurrence of one of the following events:
 - 9.1 the winding up of Kudos; and
 - 9.2 the revocation of the Kudos' endorsement under Subdivision 30-BA of the Tax Act,

Kudos must transfer any surplus referred to in section 30-125(6)(b) of the Tax Act to one or more charitable funds, authorities or institutions gifts to which can be deducted under Division 30 of the Tax Act (as selected by the Directors at or prior to the relevant event, or in default by the Supreme Court of South Australia).

Convening a General Meeting

10. The Directors may convene a General Meeting whenever they see fit. They must convene a General Meeting on request of the Members Council or on a requisition of 30% of Members in writing.
11. At least 21 days' notice must be given for the convening of a General Meeting unless Members agree to a shorter period.
12. The notice of the General Meeting must specify:
 - 12.1 the place, day and time of the meeting;
 - 12.2 in the case of special business, the general nature of that business or the specific resolution(s) being put to Members for decision;
 - 12.3 in the case of an appointment of Directors or the Members Council, the names of the candidates for election; and
 - 12.4 the day and time before the meeting where attendance and voting rights of the meeting will be fixed. This must be no more than two business days before the scheduled meeting.

13. The business of any specially convened General Meeting is to deal with matters that have been placed on the Meeting's agenda. The broad Membership must be consulted in the preparation of the agenda of any General Meeting and the final agenda is co-determined by the Board and the Members Council.
14. Items of special business may include but are not limited to amendments to the Constitution, setting Board remuneration and providing for recognition and support for Members Council representatives.
15. Subject to the Act, the accidental omission to give notice of a General Meeting, or the non-receipt of that notice by any Member, will not invalidate any resolution passed at that meeting. Where the meeting is adjourned for 21 days or more, the Company will give Members at least three days' notice of the time and place of the adjourned meeting.
16. Meetings of Members may be held at two or more venues using any technology that gives the Members as a whole a reasonable opportunity to participate. All Members and their proxies are entitled to attend General Meetings of the Company, as well as anyone else entitled under the Act.
17. A quorum for a General Meeting is 30% of Members.
18. The Chair of the Board of Directors chairs a General Meeting. In the absence of the Chair, the Deputy Chair may facilitate the meeting, or, in that person's absence, the Board may nominate another Director or a Member of Kudos Service to chair the meeting.
19. Resolutions at a General Meeting are passed by a simple majority of Members' votes.

Annual General Meetings

20. There is an Annual General Meeting of Members. The Annual General Meeting must be held within five months of the end of each financial year.
21. The Annual General Meeting has a fundamental place in our employee-controlled organisation.
22. The Members Council takes an active role in determining the agenda, format and items of business for the Annual General Meeting and does so with input from the broader Membership.
23. The business of the Annual General Meeting includes:
 - 23.1 appointing, re-appointing and removing Board Directors or members of the Members Council as provided for further in the Rules, with due regard to the Mutual Obligations and Understandings provisions (clauses 48-54);
 - 23.2 receive and consider the reports and financial statements of Kudos;
 - 23.3 appointing an auditor;
 - 23.4 providing guidance or feedback on major policy and strategic matters when requested by the Members, the Board or the Members Council to do so;

- 23.5 deciding major policy and strategic matters when called on by the Members, the Board or the Members Council to do so; and
- 23.6 transacting any other business which ought to be or may be transacted at an Annual General Meeting as provided for in the Rules.

Voting Process

- 24. All Members of Kudos are entitled and expected to vote, subject to the provisions outlined in clause 6 of the Constitution, except for the Guarantor Member.
- 25. The action of voting is typically determined by a show of hands unless a poll is demanded. The method for conducting a poll is determined by the Board Chair at a General Meeting and used to vote on the resolution from which it was demanded.
- 26. The Chair, in collaboration with the Members Council and the CEO, may determine if there are any items of special business to be considered by Members which ought to be voted on through a secret ballot and this will be indicated in the notice of General Meeting.
- 27. A resolution is carried provided:
 - 27.1 the required quorum is present at the meeting; and
 - 27.2 voting in favour exceeds 50% of the total number of eligible votes.
- 28. A declaration by the Chair that a resolution has on a show of hands (or ballot) been carried or not carried is recorded in the company's book of proceedings as conclusive evidence without proof of the number of votes in favour or against.

Circular Resolution

- 29. Members can vote outside of meetings by signing a written document containing a statement that they are in favour of the proposed resolution. A written resolution is carried once the last Member to achieve the required 50% of eligible voters in favour signs the document and this can be done via email, fax or on a copy of the original document.

Proxies

- 30. Each Member has the right to appoint a proxy to attend and vote for them on their behalf at a General Meeting if they cannot attend. The proxy nomination must be an employee of Kudos or the Chair of the Board of Directors and be done so in writing by the Member appointing the proxy. The Notice of General Meeting must specify the final date by which a proxy must be appointed and the method of doing so.

The Board of Directors

Appointment of Directors

- 31. Board Directors are appointed by Members at a General Meeting via a resolution carried by a simple majority.
- 32. Before a General Meeting, the Board and the Members Council must form a Nominations and Remuneration Committee to manage the nominations process and

to determine which candidates are to be put to Members for consideration for appointment.

33. The successful candidate(s) are determined through a ballot or other similar process before the General Meeting before being endorsed via resolution at the General Meeting.
34. The term of appointment for a Director must not exceed three years. A continuing Director may be reappointed for a maximum of six consecutive years.
35. Members may remove a Board Director by notice in writing addressed to the Board following a resolution carried by a simple majority at a General Meeting.
36. A Director ceases to be a Director in if they become an insolvent under administration, is absent from three consecutive meetings of the Board without the consent of the Board, resigns by notice in writing to the Members, becomes of unsound mind or is physically or mentally incapable of performing the duties of the office, is directly or indirectly interested in any contract or proposed contract with Kudos and fails to declare the interest as required by the Act, removed from office by the Members, or ceases to meet the conditions under the Charity Legislation or the Act.
37. Continuing Directors may act despite any vacancy as long as the minimum number of three Directors is in place. If there are fewer than three Directors, the remaining Director or Directors may only act for the purpose of requesting Members appoint additional Directors.

Further Roles and Responsibilities of the Board

38. The Board must do all things reasonably open to it to:
 - 38.1 ensure that all money payable to Kudos is properly collected;
 - 38.2 ensure that all money expended by Kudos is properly expended and properly authorised;
 - 38.3 ensure that adequate control is maintained over assets owned by or in the custody of Kudos;
 - 38.4 ensure that all liabilities incurred by Kudos are properly authorised;
 - 38.5 ensure efficiency and economy of operations and avoidance of waste and extravagance;
 - 38.6 develop and maintain an adequate budgeting and accounting system; and
 - 38.7 develop and maintain an adequate internal audit system.

Chair and Deputy Chair

39. The Chair of the Board and the Deputy Chair of the Board are appointed from the Board's own number at the first meeting after an Annual General Meeting. The Board sets out the terms of the Chair and Deputy Chair's office in the appointing resolution.

Company Secretary

40. The Board may appoint one or more individuals to be the Secretary of the Company.
41. The Secretary holds office on the terms (including as to remuneration) that the Board decides and, subject to any contract between the Company and the Secretary, the Board may remove a Secretary from that office at any time.

Meetings of the Board of Directors

42. Board meetings must be held at least every two months. The meetings may be convened by the Chair and any two Directors. The Company Secretary must convene a meeting on the request of at least two Directors.
43. The meeting may be held in any way that allows access to the meeting by all participants by a form of technology such as videoconferencing.
44. Quorum for the meeting is half the total number of Directors in office plus one. Quorum must be present for the whole meeting and attending via technology such as videoconferencing is treated as being present at the meeting.
45. The Chair facilitates each meeting and, if the Chair is absent, the Deputy Chair facilitates the meeting. If both the Chair and Deputy Chair are absent, then the other Directors can appoint one of their number to facilitate the meeting.
46. Reasonable notice must be given prior to convening a meeting and the notice should include as much information as possible about the matters to be discussed at the meeting. Failure to do this does not automatically mean a meeting is invalid.
47. Resolutions or questions at Board meetings are determined by a majority of votes. If the vote is tied, the Chair has a casting vote.
48. Directors can vote outside of meetings by signing a written document containing a statement that they are in favour of the proposed resolution. A written resolution is carried if signed by all of the Directors in office and will be considered carried once the last Director signs the document and this can be done via email, fax or on a copy of the original document.
49. The Board may in its discretion invite any person, including a Member, a Members Council representative, or an Advisory Panel member, to attend and, if appropriate, participate in a Board meeting.

Company must keep Accounts

50. The Board must cause the Company to keep written financial records that:
 - 50.1 correctly record and explain its transactions (including transactions undertaken as trustee) and financial position and performance; and
 - 50.2 would enable true and fair financial statements to be prepared and audited and must allow a Director and the auditor to inspect those records at all reasonable times.

Committees

51. The Board may delegate any task to a Committee consisting of at least one Director, which may also include people who are not Directors, or to an attorney.
52. The Committee must execute its tasks in accordance with the direction of the Board which may revoke its delegation at any time.
53. The tasks delegated to a Committee may be made for a specified period, or not, and the Board can specify any restrictions on the powers delegated, including on whether the Committee can further delegate its powers.

Financial Reporting

54. The Board must cause the organisation to prepare a financial report and a Directors' report that comply with the Act and must report to the Members in accordance with the Act and/or the Charity Legislation no later than any deadline set by the Act or Charity Legislation.

Audit

55. The Board must cause the organisation's financial report for each financial year to be audited and obtain an auditor's report. The eligibility, removal, remuneration, rights and duties of the auditor are regulated by the Act.

Conclusive Reports

56. Audited financial reports laid before the organisation's Members in General Meeting are conclusive except as regards errors notified to Kudos within three months after the relevant General Meeting. If the organisation receives notice of an error within that period, it must immediately correct the report, and the report as corrected is then conclusive.

Inspection of Financial Records and Books

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

Minutes

58. In accordance with the Act, the Board must ensure minutes are kept relating to the proceedings and resolutions of meetings of the organisation's Members, the proceedings and resolutions of Board meetings or Committee meetings, the names of Directors present at each Board or Committee meeting, and resolutions passed by Directors without a meeting. These minutes, recorded and signed in accordance with the Act, act as evidence of the resolution, proceeding or decision unless the contrary is proved.
59. The Company must allow the Members to inspect and provide copies of the minute books for the meetings of the Members, the Board, or its Committees.

Directors' Duties and Interests

Holding offices or entering into agreements

60. A person is not disqualified by reason only of being a Director of Kudos from holding any office or place of profit or employment, other than that of the organisation's auditor, or being a member or creditor, of any corporation (including Kudos) or partnership other than the auditor or entering into any agreement with the Company.

Duty to disclose Material Personal Interests

61. For the purposes of this rule, a Director has a Material Personal Interest in a matter that relates to the affairs of Kudos if that Director would be considered to have a Material Personal Interest under the Act.
62. Unless the Act says otherwise, a Director who has a Material Personal Interest in a matter that relates to the affairs of Kudos must, at a Directors' meeting as soon as practicable after the Director's appointment or after the Director becomes aware of their interest in the matter (whichever is later), give the other Directors notice of the interest which must include details of:
 - 62.1 the nature and extent of the interest;
 - 62.2 the relation of the interest to the affairs of Kudos; and
 - 62.3 any other information the Director is required to disclose under the Act.
63. A Director does not need to give notice of an interest under clause 62 if he or she is not required to do so under the Act.

Effect of a Director having a Material Personal Interest

64. A Director who is required to disclose a Material Personal Interest to the Company under this Constitution or the Act must ensure that the nature and extent of the interest is tabled at a Directors' meeting and recorded in the minutes of that meeting.
65. Each Director must comply with the Act in relation to being present, and voting, at a Board meeting that considers a matter in which the Director has a Material Personal Interest.

Duty to disclose a Conflict of Interest

66. Unless the Charity Legislation says otherwise, a Director who has a perceived or actual material Conflict of Interest in accordance with the Charity Legislation must, subject to clause 67 below, at a Directors' meeting as soon as practicable after the Director's appointment or after the Director becomes aware of their interest in the matter (whichever is later), give the other Directors notice of the interest which must include details of:
 - 66.1 the nature and extent of the interest;
 - 66.2 the relation of the interest to the affairs of the Company; and

- 66.3 any other information the Director is required to disclose under the Charity Legislation.
67. A Director may disclose a material conflict of interest that is not a Material Personal Interest in the form of a standing notice to the other Directors with ongoing effect.

Directors' remuneration

68. The Directors may be paid as remuneration for their services up to the aggregate maximum sum from time to time determined by the Members by ordinary resolution.
69. The remuneration will be divided between the Directors in such proportion and manner as the Board agrees and, in default of agreement, equally. The Board must have regard to the recommendations made by the organisation's Nomination and Remuneration Committee (if any) in determining the proportion and manner of division of remuneration.
70. Directors may be reimbursed for reasonable expenses (including travel) incurred in connection with performing their duties as a Director subject to approval by the Board.

Remuneration for other services rendered

71. Nothing in this document prevents the payment in good faith of remuneration to any officers or employees of Kudos or to any Member of Kudos in return for:
- 71.1 any services actually rendered to the organisation;
 - 71.2 goods supplied in the ordinary and usual way of business;
 - 71.3 interest on money lent to Kudos at reasonable rates; or
 - 71.4 reasonable rent for premises leased to Kudos.

Officers' indemnity and insurance

Indemnity

72. Subject to the Act, Kudos must, to the extent the person is not otherwise indemnified, indemnify every officer (as defined in the Act) of the organisation against a liability:
- 72.1 incurred in their respective capacities to Kudos to a person other than Kudos or a related body corporate (including a liability incurred as a result of appointment or nomination of the organisation or subsidiary as a trustee or as an officer of another corporation) unless the liability arises out of conduct involving a lack of good faith or is for a pecuniary penalty order or compensation under the Act; and
 - 72.2 for costs and expenses incurred by the officer in defending civil or criminal proceedings in which judgment is given in favour of that person or in which that person is acquitted, or in connection with an application in relation to those proceedings in which the court grants relief to that person under the Act.

Insurance

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

Former officers

74. The indemnity in favour of officers is a continuing indemnity, it applies in respect of all acts done by a person while an officer of Kudos even though the person is not an officer at the time the claim is made.
75. The indemnity in favour of officers is a continuing indemnity, it applies in respect of all acts done by a person while an officer of Kudos even though the person is not an officer at the time the claim is made.

Members Council

Appointment of the Members Council

76. Members Council representatives are appointed by the Members in General Meeting.
77. The number of vacancies for each election to the Member Council is determined by the continuing Members Council Representatives, in consultation with the Members, the Board and the office of the CEO.
78. Elections to the Members Council must occur at least every two years.
79. Members Council Representatives are appointed by a simple resolution of the Members in a General Meeting. The resolution shall specify the term of appointment which must not exceed three years.
80. Before a General Meeting, the CEO will ensure responsibility is assigned to manage the nominations process and to determine which candidates would be put to Members for consideration for appointment. The successful candidates would be determined through a ballot or other similar process prior to the General Meeting.
81. If a vacancy occurs, the Members Council may seek expressions of interest to fill the casual vacancy up until the scheduled Members General Meeting convened for the purpose of appointing Representatives to the Members Council, or the Members Council may determine to call by notice for suitable candidates for a by-election. Such notice must be published within 28 days of the vacancy occurring.

Chair and Co-Chair

82. At the start of each term of the Members Council following a General Meeting, the Members Council elects its Chair for a twelve-month term.

The Members Council also elects a Co-Chair to support the Chair.

83. The Chair presides at all meetings of the Members Council. In the absence of the Chair, the Co-Chair presides. Should the Chair or Co-Chair not be present at a Members Council meeting within fifteen minutes after the time appointed to hold the meeting, the Members Council representatives present may choose one of their number to be the Chair for that meeting.

84. The Chair and Co-Chair have lead roles on behalf of the Members Council when engaging with the Board, CEO and the management team. Other representatives may also participate in such exchanges as appropriate.

Financial and other support for the Members Council and its Representatives

85. The Board, after consultation with the Members Council, sets each year a budget for Members Council-related activities, which may include but are not limited to the production of membership materials, Members Council members' education, general Member education, and other initiatives to support Member engagement.
86. The Members Council must spend funds as allocated in ways it considers beneficial for Members and the organisation, and within any determined levels of financial delegation. The Members Council may not spend any of its funds for the personal benefit of Representatives.
87. All Members Council Representatives must be supported by their direct managers in performing their Members Council roles through the provision of time and other measures as appropriate, with due regard to their individual Members Council responsibilities.
88. The organisation will provide facilities and administrative support as is reasonably and cost-effectively necessary for the Members Council to perform its work properly. The CEO and the Chair of the Members Council will confer with one another from time to time to agree on appropriate support measures in this regard.
89. Members Council Representatives may be remunerated for their services up to a maximum sum as determined by the Board from time to time.

Members Council Procedures

90. Upon joining the Members Council, every Representative undertakes to carry out the duties of office and serve the Membership to the best of their ability and in ways that they judge best further the interests and purpose of the organisation
91. The Members Council determines its own procedure on how best it may fulfil its purpose and responsibilities, within the following prescribed rules for formal Members Council meetings:
92. The Chair of the Members Council must give as much notice as possible to Members Council Representatives of a meeting and the business to be considered at that meeting.
93. Any three Representatives may at any time convene a meeting of the Members Council.
94. The Members Council meets whenever it wishes but must meet at least twelve times a year.
95. Members Council meetings may be held in any way that allows access to the meeting by all participants by a form of technology such as videoconferencing

96. A quorum for the meeting is half the total number of Members Council Representatives in office plus one. A quorum must be present for the whole meeting and attending via technology such as videoconferencing is treated as being present at the meeting.
97. Questions or decisions arising at a Members Council meeting will be decided by a majority of votes of Representatives present and voting, and any such decision will be deemed a decision of the Members Council.
98. Members Council Representatives can vote outside of meetings by signing a written document containing a statement that they are in favour of the proposed resolution. A written resolution is carried if signed by all of the Members Council Representatives and will be considered carried once the last Members Council Representative signs the document and this can be done via email, other electronic communication or on a copy of the original document.
99. The Members Council must maintain written records of its meeting by way of minutes and make these minutes available to Members.

Members Council Interaction

100. The Members Council will engage with the Membership, the Board, CEO and the management team on a regular basis.
101. Within a month after the end of each trading half year, the CEO will attend a meeting of the Members Council and present on the progress and business performance of Kudos and on the CEO's accountabilities to Members through the Board, and field questions accordingly.

Winding up

Limited Liability of Guarantor Member

102. Should Kudos be wound up, the Guarantor Member undertakes to contribute to the assets of Kudos an amount not exceeding \$10 for payment of the debts and liabilities of Kudos, including the costs of the winding up. This undertaking continues for one year after the Guarantor Member ceases to be a member of the Company.

Distribution of Property

103. If Kudos is wound up or dissolved, any property remaining after the satisfaction of its debts and liabilities (apart from any assets dealt with under Rule 8) will not be paid to or distributed among the Members but will be given or transferred to an organisation nominated by the Members which:
 - 103.1 has similar objects to Kudos;
 - 103.2 is not carried on for the profit or gain of their members;
 - 103.3 is charitable at law; and
 - 103.4 gifts to which can be deducted under Division 30 of the Tax Act.

Other Rules

104. All of the replaceable rules set out in the Act which Kudos is entitled to displace, are displaced by the rules set out in this Constitution.
105. Kudos may engage in as wide a variety of enterprises as deemed necessary and appropriate, provided that the enterprises are consistent with and supportive of Kudos's purpose.
106. If at any time there is only one Member, all resolutions and decisions required by the Act, the Charity legislation or by the Constitution may be made and passed by the Member recording the resolution or decision and signing the minutes, without holding any Annual General Meeting or other General Meeting.

BY LAWS AND CHARTERS

107. By-Laws consistent with this Constitution to facilitate the proper functioning and regulation of the organisation may be issued, amended and withdrawn at any time by resolution of the Board in consultation with the Members Council.
108. Charters to guide Members, the Council, the Board, the office of the CEO, and client services in furtherance of the organisation's purpose and objects may be drawn up, issued, amended and withdrawn from time to time by the Board in consultation with the CEO and the Members Council.