



TEEN RESCUE  
FOUNDATION

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A CAPITAL DIVIDED INTO SHARES

# CONSTITUTION OF TEEN RESCUE FOUNDATION LIMITED

*The Teen Rescue Foundation is a charitable institution to actively discourage and reduce harmful alcohol use and its consequences among teens. The Foundation provides financial support for Australian organisations which offer front-line initiative in situations in which teens consume alcohol, as well as those which provide education for teens and their families regarding the dangers of teen alcohol consumption.*

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## I Introduction

- I.1 The name of the Company is “Teen Rescue Foundation Limited” (hereinafter called “Foundation”). The name of the Trust is “Teen Rescue Foundation” (hereinafter called “Trust”).
- I.2 In this Constitution:
- I.2.1 “Act” means the Corporations Act, 2001;
  - I.2.2 “Board” means the Board of Directors of the Foundation;
  - I.2.3 “Director” means a Member for the time being of the Board of Directors;
  - I.2.4 “Donation” means a gift made unconditionally;
  - I.2.5 “Members” of the Foundation are as defined in Clause 7;
  - I.2.6 “Office” means the registered office for the time being of the Foundation;
  - I.2.7 “Register” means the register of Members to be kept in accordance with this Constitution;
  - I.2.8 “Responsible person” is as defined by the Australian Taxation Office, as set out in the Public Ancillary Fund Guidelines 2011;
  - I.2.9 “Secretary” means any person appointed to perform the duties of Secretary of the Foundation;
  - I.2.10 “State” means the State of Queensland;
  - I.2.11 “Teen” is loosely defined to mean a young person under the legal drinking age;
  - I.2.12 “TRF” means Teen Rescue Foundation;
- I.3 Words or expressions contained in these regulations shall be interpreted in accordance with the provisions of the Interpretation Act of 1897 and of the Act.
- I.4 The Foundation and the Trust are to operate on a not-for-profit basis.
- I.5 The Foundation is established as a charitable institution whose objects are to:
- I.5.1 principally provide financial support of Australian organisations which provide front-line initiative in situations in which teens do or could consume alcohol, with an objective to actively discourage and reduce harmful alcohol use and its consequences among teens; and
  - I.5.2 financially support Australian organisations in providing education for teens and their families relating to the dangers of teen alcohol consumption;
  - I.5.3 subject to the Board’s sole discretion, financially support any other body whose specific task is to provide training, support and services related to front-line initiatives in addressing teen alcohol consumption in Australia;

- I.5.4 encourage organisations and individuals to become supporters of the Foundation and as such to actively support and further its aims and objectives;
  - I.5.5 encourage the public to make gifts to or for the benefit of the Foundation and furthering its objectives;
  - I.5.6 establish and maintain a philanthropic Trust as a Public Ancillary Fund to be called the Teen Rescue Foundation for the specific purpose of fulfilling the above objectives of the Foundation. The Trust is established to receive all gifts of money or property for this purpose, and any money received because of such gifts will be credited to its bank account. The Trust must not receive any other money or property into its account.
- I.6 The Foundation and its Directors agree to ensure that gifts made to the Trust are only used for its principal activity.
- I.7 Contributions will be received by the Foundation from sources deemed by the Board to have been generated in a responsible manner that does not contravene the objectives for which the Foundation is established, as specified under Clause I.5.
- I.7.1 The Foundation will actively seek donations of money or property from the community.
  - I.7.2 The Board reserves the sole right to accept or reject any contribution offered to the Foundation, financial or otherwise, and may withhold acceptance of such offer in its absolute discretion without ascribing any reason therefore.
  - I.7.3 Offers of contribution to the Foundation from organisations will be considered by Directors and put to the vote. In instances in which General Meetings are not scheduled in a timely manner to consider such an offer, Directors will be called upon to consider the offer and communicate their acceptance or rejection to the Secretary. A resolution to accept or reject a contribution will be determined by a majority vote.
  - I.7.4 Directors shall be entitled to one vote.
  - I.7.5 The quorum necessary for the acceptance of a contribution shall be not less than three Directors.
  - I.7.6 In the case of equality of votes, the Chairman shall be entitled to a second or casting vote.
  - I.7.7 In an instance in which a contribution is rejected, the Board may, at its discretion, advise the individual or organisation offering the contribution the reasons for its rejection and conditions under which it might be accepted.
  - I.7.8 If a vote is duly required, it shall be taken in such manner as the Chairman directs and the result of the vote shall be deemed to be the resolution of the contribution.
  - I.7.9 The Board reserves the right to accept contributions from individuals without putting the decision to the vote.

- I.7.10 The Board reserves the right to accept or reject repeat contributions from an organisation or individual, generated in the same or suitably similar manner as contributions previously accepted or rejected by the Foundation, without putting the decision to the vote.
- I.7.11 The value of deductible gifts or contributions must be \$2 or more.
- I.8 Donor preference of beneficiary
- I.8.1 The Board retains the sole and exclusive right to determine the purpose or purposes for which a donation will be used, within the confines of the objectives for which the foundation is established, as specified under Clause 1.5. The beneficiary or beneficiaries of a donation will be determined subject to the discretion of the Board and the stipulations of Clause 1.10. A donor may express a preference for a beneficiary or beneficiaries, which the Board will take into consideration, in the light of its objectives and stipulations, but the Board is under no obligation to comply with any requests from a donor. The Foundation may establish sub-funds in relation to contributions from particular donors, but the Board retains the right to override a donor's preference for reasons consistent with Clauses 1.5 and 1.10.
- I.9 A donor may not receive any pecuniary or other material benefit in return for the gift.
- I.10 Beneficiaries of the Foundation will be assessed by the Board against the objectives for which the Foundation is established, as specified under Clause 1.5.
- I.10.1 The Board reserves the sole right to accept or reject the application of any potential beneficiary, and may withhold acceptance of such an application in its absolute discretion without ascribing any reason therefore.
- I.10.2 Applications from potential beneficiaries will be considered according to the objectives, as specified in Clause 1.5.
- I.10.3 In so far as Clause 1.10.2 is upheld and it is able to do so, the Board will endeavour to grant funding to a diverse variety of beneficiaries.
- I.10.4 Applications received from potential beneficiaries will be considered by Directors and put to the vote. In instances in which General Meetings are not scheduled in a timely manner to consider such an application, Directors will be called upon to consider the offer and communicate their acceptance or rejection to the Secretary. A resolution to accept or reject an application will be determined by a majority vote.
- I.10.5 Directors shall be entitled to one vote.
- I.10.6 The quorum necessary for the acceptance of an application shall be not less than three Directors.
- I.10.7 In the case of equality of votes, the Chairman shall be entitled to a second or casting vote.
- I.10.8 In an instance in which an application is rejected, the Board may, at its discretion, advise the individual or organisation making the application the reasons for its rejection and conditions under which it might be accepted.

- I.10.9 If a vote is duly required, it shall be taken in such manner as the Chairman directs and the result of the vote shall be deemed to be the resolution of the application.
- I.10.10 In instances in which repeat applications are received from an organisation or individual, related to initiatives of the same or suitably similar nature as applications previously accepted or rejected by the Foundation, such repeat applications will be put to the vote of the Board.
- I.11 The Foundation will pursue charitable purposes only and will apply its income promoting those purposes. The income and property of the institution shall be used and applied solely in promotion of its objects and no portion shall be distributed, paid or transferred directly or indirectly by way of dividend, bonus or by way of profit to Members, Directors, or trustees of the Foundation.
- I.12 If any doubt arises as to the construction or interpretation of any clause of the Constitution, or of any of the regulations for the time being of the Board, the decision of the Board shall be conclusive and binding on all Members of the Foundation provided that such decision is reduced into writing and duly minuted.

## 2 Application of Income and Property

- 2.1 The income and property of the Foundation shall be applied solely towards the promotion of the objects of the Foundation as set forth in this constitution;
- 2.2 No portion of the income and property of the Foundation shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to a Member, Director, employee, agent, donor, founder or associate of the Foundation;
- 2.3 Nothing in this Clause 2 prevents the payment, in good faith, of reasonable and proper remuneration to any officer or employee of the Foundation or to any Member or Director of the Foundation, in return for any services actually rendered to the Foundation or reasonable expenses incurred on behalf of the Foundation, nor prevent the payment of interest at a rate not exceeding interest at the rate for the time being charged by NAB for overdrawn accounts on money lent, or reasonable and proper rent for premises demised or let by any Member or Director to the Foundation;
- 2.4 Subject always to the prior compliance with any act governing charitable fund raising bodies, the Foundation may pay to a Director:
- 2.4.1 out of pocket expenses reasonably incurred by a Director in the performance of any duty as Director of the Foundation where the amount payable does not exceed an amount previously approved by the Directors of the Foundation;
  - 2.4.2 for any service rendered to the Foundation by the Director in a professional or technical capacity, other than in the capacity as Director, where the provision of the service has the prior approval of the Directors of the Foundation and where the amount payable is approved by the Directors of the Foundation and is not more than an amount which commercially would be reasonable payment for the service.

2.5 The Foundation is not prohibited from contracting with and/or paying fees to a company of which a Director is a Member and in such case the Director is not obliged to account for any share of profit in respect thereto.

2.6 The trustee may invest money that the ancillary fund receives in a way that Australian law allows trustees to invest trust money.

### **3 Amendments**

3.1 Subject to the Act and this Constitution, the Foundation may by Special Resolution alter or add to this Constitution. All additions, alterations or amendments made shall be submitted to the Ministers of the Crown for the time being respectively administering the Act on such occasions and in such terms as the relevant Act or regulations thereunder require.

### **4 Limited Liability**

4.1 The liability of Members is limited.

### **5 Contribution**

5.1 At the discretion of the Board, a regular financial or other contribution to the Foundation may be requested as a mandatory requirement of support of the Foundation. The Foundation reserves the right to invite and encourage its supporters to make contributions above and beyond this requirement.

### **6 Winding Up**

6.1 On the fund winding up or ceasing to be a public ancillary fund, its net assets must be declared as specified in section 30-15 of the Income Tax Assessment Act 1997.

6.2 If upon the winding up or dissolution of the Foundation there remains after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the Members or Directors of the Foundation but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Foundation, and which shall prohibit the distribution of its or their income and property amongst its or their Members to an extent at least as great as is imposed on the Foundation under or by virtue of Clause 2 hereof such institution or institutions to be determined by the Board of the Foundation at or before the time of dissolution and in default thereof by the Chief Judge in Equity of the Supreme Court of Queensland, or any Judge of that Court as may have or acquire jurisdiction in the matter, and if and so far as effect cannot be given to the aforesaid provision then to some charitable object.

### **7 Membership**

7.1 Members of the Foundation may be individual persons or organisations.

7.2 All applications for Membership shall be subject to the approval of the Board, which may withhold such Membership in its absolute discretion without ascribing any reason therefore. The application for Membership shall be in such form as the Board may from time to time prescribe. The Board's decision is final. Such persons or organisations as the Board shall admit to Membership and be enrolled on the Register shall be Members of the Foundation.

- 7.3 A Patron or Patrons of the Foundation may be elected by the Members in General Meeting if the Board has first nominated a person or persons the Board considers appropriate for consideration by the Members in General Meeting. A Patron need not be a Member of the Foundation and shall hold office at the discretion of the Board.
- 7.4 The Secretary shall keep a register of Members. A Member's details shall not be entered into such register except on authority of the Board.
- 7.5 At the discretion of the Board, Members may be required to pay an annual subscription as determined by the Board. The Board reserves the right to waive such payment for any or all Members.

## 8 Cessation of Membership

- 8.1 Any Member may resign his or her Membership by sending his or her resignation in writing to the Secretary and upon such resignation being accepted by the Board and such Member paying up any arrears of subscription due by him or her, he or she shall cease to be a Member.
- 8.2 Any person who shall by any means cease to be a Member, shall nevertheless remain liable for and shall pay to the Foundation, all monies which at the time of his or her ceasing to be a Member were due from him or her to the Foundation.
- 8.3 The Board may declare a Member to have forfeited Membership and may direct his or her name to be removed from the appropriate register:
- 8.3.1 if he or she is in arrears with their annual subscription for a period of one month after the same becomes due and after that period neglects for one month after notice is given to him or her in writing by the Secretary or Treasurer to pay such arrears.
  - 8.3.2 if he or she is convicted of felony or is declared by any court of competent jurisdiction to have committed any fraud or misconduct.
  - 8.3.3 if he or she is or becomes of unsound mind, or a person whose estate is liable to be dealt with in any way under the law relating to mental health.
- 8.4 Subject to Clause 8.5 if any Member shall wilfully refuse or neglect to comply with the provisions of the Constitution of the Foundation or shall be guilty of any conduct which in the opinion of the Board is unbecoming of a Member or prejudicial to the interest of the Foundation, the Board shall have power by resolution to censure, fine, suspend or expel the Member from the Foundation or otherwise discipline the Member.
- 8.5 Not less than one week before the meeting of the Board, at which a resolution referred to in Clause 8.4 is considered, the Member must be notified
- 8.5.1 of the time and place of the proposed meeting;
  - 8.5.2 of what is alleged against him or her;
  - 8.5.3 of the intended resolution; and
  - 8.5.4 that he or she has the right to give an oral or written explanation or defence he or she may think fit; and



- 8.5.5 that subject to Clause 8.6 he or she may elect to have the question dealt with by the Foundation in general meeting.
- 8.6 A Member may elect to have an allegation described in Clause 8.4 dealt with by the Members in general meeting by giving notice of his or her intention to this effect to the Secretary not less than twenty-four hours prior to the appointed time for holding the meeting referred to in Clause 8.5.
- 8.7 If the Member validly elects to have the question dealt by the Members, a General Meeting of the Foundation shall be called for the purpose and if at the meeting such a resolution is passed by a majority of two-thirds of those present and voting (such vote to be taken by ballot) and in the case of a resolution for his or her expulsion, the Member concerned shall be expelled.
- 8.8 Whenever any person ceases to be a Member of the Foundation, the Board shall direct that his or her name shall be removed from the Register and he or she shall not nor his or her representatives have any claim or interest in any funds or properties of the Foundation.

## 9 General Meetings

- 9.1 There shall be at least one General Meeting held during each calendar year and within five months of the end of the financial year.
- 9.2 The lastly mentioned General Meeting shall be called the Annual General Meeting. All other General Meetings shall be called General Meetings.
- 9.3 Three Members of the Board may whenever they think fit, convene a General Meeting, and General Meetings shall be convened on such requisition or in default may be convened by such requisitions as provided by the Act.
- 9.4 Subject to the provisions of the Act relating to special resolutions, not less than twenty-one days notice of the holding of a General Meeting (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and in case of special business, the general nature of that business shall be given in the manner described in Clause 23 or in such other manner as may be prescribed by the Foundation in General Meeting, to the Members and Directors but with the consent of all Members entitled to receive notice of some particular meeting that meeting may be convened by such shorter notice and in such a manner as those Directors may think fit.
- 9.5 The accidental omission to give notice of a meeting to or the non recipient of notice of a meeting by any Director shall not invalidate the proceedings of any meeting.

## 10 Proceedings at General Meetings

- 10.1.1 The business of an Annual General Meeting shall be to receive and consider the Statement of Financial Performance and Financial Position and reports of the Board and of the Auditor, to elect the Directors for the ensuing year and to transact any other business which under this Constitution ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting and all business transacted at a General Meeting shall be deemed special.
- 10.1.2 The Board's report referred to in of this clause 10.1.2, in addition to any other particulars which the Board shall deem desirable, shall contain a resume of the activities of the Foundation for the period since the preceding report.

- 10.2 A Director wishing to bring before a General Meeting any motion or business shall give notice thereof to the Secretary prior to the meeting and no motion or business shall be transacted or entertained at such meeting unless notice thereof has been given.
- 10.3 No business shall be transacted at any General Meeting unless a quorum of Directors is present at the time when the meeting proceeds to business. Save as herein otherwise provided, three voting Directors personally present or connected via real-time media shall constitute a quorum for a General Meeting. For the purpose of this clause, "Director" includes a person acting as a proxy.
- 10.4 If within thirty minutes from the time appointed for the meeting, a quorum is not present, the meeting if convened upon the requisition of Directors shall be dissolved; in any other case, it shall stand adjourned to a future date to be determined at the discretion of the Directors.
- 10.5 The Chairman shall preside at every General Meeting of the Foundation unless resolved by the majority of Directors present that he or she vacate the chair.
- 10.6 If the Chairman is not present within thirty minutes after the time appointed for the holding of the meeting or if being present he or she shall be unwilling to act as Chairman, the Directors present shall choose one of their number to be Chairman.
- 10.7 The Chairman may adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 10.8 When a General Meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of the original General Meeting.
- 10.9 Subject to Clause 10.8 it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## II Voting at General Meetings

- 11.1 At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the results of a show of hands) demanded by at least two Directors present in person or by proxy entitled to vote and unless a poll is demanded a declaration by the Chairman that a resolution has on a show of hands been carried out unanimously or by a particular majority or lost and an entry to that effect in the Minute Book of the Foundation shall be conclusive evidence of the fact without proof of the numbers or proportion of the votes recorded in favour of or against such resolution.
- 11.2 If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and unless the meeting is adjourned, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 11.3 In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which a poll is demanded shall be entitled to a second or casting vote.
- 11.4 A poll demanded on the election of a Chairman, or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.

- 11.5 Directors shall be entitled to one vote on both a poll and a show of hands at a General Meeting.
- 11.6 A Director who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental health may vote, whether on a show of hands or on a poll, by his or her Committee or by his or her trustee or by such other person as properly has the management of his or her estate, and any such Committee, trustee or other person may vote by proxy or attorney.

## 12 Proxies

- 12.1 The instrument appointing a proxy shall be in writing (in the common or usual form or by any electronic media) under the hand of the appointer or of his or her attorney duly authorised. Only Directors who have voting rights can be proxies. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. No Director may hold more than three proxies.
- 12.2 Where it is desired to afford Directors an opportunity of voting for or against a resolution, the instrument appointing a proxy shall be in a form prescribed by the Board from time to time or in a form substantially similar thereto.
- 12.3 The instrument appointing a proxy and the Power of Attorney or other authority, if any, under which it is signed or a copy certified as a true copy by a person qualified to witness statutory declarations of that power or authority shall be deposited at the registered office of the Foundation, or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- 12.4 A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, if no intimation in writing of such death, unsoundness of mind or revocation as foresaid has been received by the Foundation at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.

## 13 The Board of Directors

- 13.1 The business and affairs of the Foundation shall be under the management of and conducted by the Board.
- 13.2 The Board shall consist of no less than three and no more than seven Members. All Directors must be Members of the Foundation. No paid employee of the Foundation may be a Director.
- 13.3 At all times, a majority of the Members of the Board must be deemed to be a 'responsible person'. These persons must demonstrate a commitment to the community outside of their role in the Board.
- 13.4 The Board shall elect from its Members annually a Chairman, a Deputy Chairman, a Secretary and a Treasurer of the Foundation and such other office bearers as it considers necessary.

- 13.5 Candidates for election to the Board shall be proposed and seconded by Directors entitled to vote at a General Meeting. The candidate must consent to be a Director prior to the General Meeting on which his or her candidacy is to be voted.
- 13.6 The election of the Directors shall take place at each Annual General Meeting and a ballot, if necessary, shall be held in such manner as the Chairman of the meeting may decide.
- 13.7 Except as otherwise provided in this Constitution, all Directors shall retire from the Board at the end of the meeting at which their successors are appointed and a retiring Director shall be deemed to be nominated for re-election unless he or she has given notice that he or she does not desire to be re-elected.
- 13.8 Subject to Clause 13.2, if an extraordinary vacancy in the Board occurs, it may be filled by the appointment by the Board of a person considered by it to be suitable and the Director so appointed shall retire at the next succeeding Annual General Meeting and is eligible for re-election.
- 13.9 The office of Director shall in so far be vacated if he or she:
- 13.9.1 is removed from office by a Special Resolution of the Directors of the Foundation provided in Clause 15.1.
  - 13.9.2 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.
  - 13.9.3 sends to the Board his or her written resignation of office.
  - 13.9.4 if a Member of the Foundation, is suspended for any period of Membership.
  - 13.9.5 ceases to be a Member of the Board by virtue of the Act.
  - 13.9.6 becomes prohibited from being a Director of a Company by reason of any order made under the Act.
  - 13.9.7 is convicted of felony or is declared by any Court of competent jurisdiction to have committed any fraud or misconduct.
  - 13.9.8 is or becomes a part employee of the Foundation.

#### **14 Meetings of the Board**

- 14.1 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit and at least one meeting shall be held each calendar year.
- 14.2 The Chairman shall preside at all meetings of the Board. In the absence or inability for any cause of the Chairman to act, the Deputy Chairman may exercise any of the functions exercisable by the Chairman. In the absence or like inability of both the Chairman and Deputy Chairman, the Directors present shall appoint one of their Members to exercise such functions.
- 14.3 Questions arising at any meeting shall be decided by a majority of votes.
- 14.4 In the case of equality of votes, the Chairman shall have a second or casting vote.

- 14.5 Three Members of the Board may at any time, and the Chairman on the requisition of three Members of the Board shall, summon a meeting of the Board.
- 14.6 The quorum necessary for the transaction of the business of the Board shall be not less than three Directors.
- 14.7 The Members of the Board may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the number fixed as the minimum quorum under Clause 14.6, the continuing Members of the Board may act for the purpose of increasing the number to that number or for summoning a General Meeting of the Foundation but for no other purpose.

## **15 Removal of Director**

- 15.1 The Foundation may by Special Resolution remove any Director before the expiration of his or her period of office and may by an ordinary resolution appoint another person in his or her stead.
- 15.2 An individual may not be a Director if he or she has been convicted of a taxable offence that is an indictable offence. If an existing Director is convicted of such an offence, he or she must cease to be a Director within one month of the conviction.

## **16 Powers and Duties of the Board**

- 16.1 The management of the business and affairs and custody and control of the funds and property of the Foundation shall be vested in the Board who in addition to the powers and authorities by this Constitution expressly conferred upon them may exercise all such powers and do all such acts and things as may be exercised or done by the Foundation and are not by this Constitution or by Statute expressly directed or required to be exercised or done by the Foundation in General Meeting.
- 16.2 The Board shall cause minutes to be made in documents for the purpose:
  - 16.2.1 of all appointments of officers made by the Board.
  - 16.2.2 the name of the Directors present at each meeting of the Board and of any committee of the Board.
  - 16.2.3 of all resolutions and proceedings at all meetings of the Foundation and of the Board and of committees of the Board.
- 16.3 The Board may from time to time, at its discretion, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Foundation.
- 16.4 The Board may raise or secure the payment or repayment of such moneys in such manner and upon such terms and conditions in all respects as it shall think fit and in particular by any mortgage charge or other security on the whole or any part of the property of the Foundation both present and in future.
- 16.5 The Board shall cause a proper register to be kept in accordance with any statute relating thereto of all mortgages and charges, specifically affecting the property of the Foundation.

## 17 Committees

- 17.1 The Board may delegate any of its powers to such committees as it deems fit, and any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 17.2 The Board Chairman may nominate a Committee Chairman and if no such Chairman is nominated or if at any meeting the Chairman is not present within thirty minutes after the time appointed for the holding of the same, the Members present may choose one of their number to be Chairman of the meeting.
- 17.3 A Committee may meet and adjourn as it deems proper. Questions arising at any meeting shall be determined by a majority of votes for the Members present and in case of an equality of votes, the Chairman shall have a second or casting vote.
- 17.4 Each Committee shall furnish to the appropriate meeting of the Board a report of its activities and shall tender to the Board such advice concerning the subject matter of its activities as a Board deems desirable.

## 18 Validity of Acts

- 18.1 All acts done by any meeting of the Board or a Committee of the Board or by any person acting as a Member of the Board shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified.

## 19 Trust

- 19.1 The Teen Rescue Foundation Limited will establish and maintain a philanthropic Trust as a Public Ancillary Fund for the sole purpose of furthering the objectives for which the Foundation is established, as specified under Clause 1.5. The Trust will be established and maintained as an entity distinct to the Foundation and the Foundation will act as corporate trustee of the Trust.
- 19.2 The name of the Trust will be the Teen Rescue Foundation.
- 19.3 The Public Ancillary Fund will be established, maintained and wound up in accordance with the Teen Rescue Foundation Trust Deed and with the following principles:
- 19.3.1 It is an ancillary fund, it is philanthropic in character and it is a vehicle for philanthropy; and
- 19.3.2 It is a trust that:
- 19.3.2.1 Seeks to comply with all relevant laws and obligations; and
- 19.3.2.2 Is open, transparent and accountable to the public (through the Commissioner).
- 19.4 The Public Ancillary Fund will be established and maintained solely as described in item 2 in the table in section 30-15 of the Income Tax Assessment Act 1997.
- 19.5 The Public Ancillary Fund will be established and operated only in Australia.

- 19.6 A separate bank account is to be operated to deposit money donated to the Trust, including income derived from donated property, money from the realisation of such property and any interest accruing.
- 19.7 Receipts are to be issued upon request for each gift received. Receipts are to be made out in the name of the Trust and proper accounting records and procedures are to be kept and used for the Trust. Receipts are to contain the following elements:
- 19.7.1 the number of the receipt;
  - 19.7.2 the date the donation was received;
  - 19.7.3 name of the Teen Rescue Foundation;
  - 19.7.4 the Australian Business Number (ABN) of the Teen Rescue Foundation Limited;
  - 19.7.5 signature of a person authorised to act on behalf of the fund as defined in 19.8;
  - 19.7.6 name of the donor;
  - 19.7.7 the amount of the gift;
  - 19.7.8 a statement that the receipt is for a gift received by the fund.
- 19.8 A management committee to manage the Trust will be appointed by the Foundation from within the Membership of its Board. The minimum requirement for the number of Members appointed to the committee to manage the Trust is three. A majority of the Members of the committee to manage the Trust are required to be a 'responsible person'. Members of the Trust management committee permanently located in Australia must be the only signatories to the Trust account. The releases of monies from the Trust account and the management of, and sale of, Trust assets must be authorised by the Trust's management committee.
- 19.9 True accounts shall be kept of the sums of money received and expended by the Foundation and the matters in respect of which such receipts and expenditures take place and of the property credits and liabilities of the Foundation and all financial dealings connected with the Foundation. Such accounts must be retained for a period of at least 5 years after the completion of the transactions or acts to which they relate.
- 19.10 Financial statements will be prepared showing the financial position of the fund at the end of each financial year. All transactions (except for gifts) between the fund and a founder of the fund, a donor to the fund, the trustee, a Director, officer, agent, Member or employee of the Foundation or an associate of any of these entities must be disclosed in the financial statements.
- 19.11 For the purposes of Clause 19.10, the Board shall cause proper accounting and other records to be kept and shall distribute copies of every Statement of Financial Performance and Statement of Financial Position (including every document required by law to be attached thereto) accompanied by a copy of the Auditors Report thereon as required by the Act.
- 19.12 The Board shall cause to be made out and laid before each Annual General Meeting a Statement of Financial Performance and Statement of Financial Position made up to a date not more than five months before the date of the meeting.

- 19.13 Once at least in every year the accounts of the Foundation shall be examined and the correctness of the statements described in Clause 19.12 ascertained by one or more properly qualified auditor or auditors.
- 19.14 The Board shall from time to time determine at what times and places and under what conditions and regulations the accounting records of the Foundation shall be open to the inspection of supporters not being Members of the Board.
- 19.15 Except at the discretion of the Board no Member other than a Director has any right to inspect any books or records of the Foundation other than as allowed by Clause 19.14 or by the Members in General Meeting or by the Act or other legislation.
- 19.16 The Trust is prohibited from indemnifying the trustee or an employee, officer or agent of the trustee, for a loss or liability attributable to:
- 19.16.1 Dishonesty of the trustee, employee, officer or agent; or
  - 19.16.2 Gross negligence or recklessness of the trustee, employee, officer or agent; or
  - 19.16.3 A deliberate act or omission known by the trustee, employee, officer or agent to be a breach of trust.
- 19.17 The Commissioner for Taxation must be notified within 21 days of any change to the governing rules of the Public Ancillary Fund.
- 19.18 The Foundation must comply with all relevant Australian laws and ensure that the fund's distributions to deductible gift recipients do not put at risk the validity of the trust under state or territory law.

## **20 Operation of the Public Ancillary Fund**

- 20.1 During each financial year, the Public Ancillary Fund must distribute at least 4 percent of the market value of the fund's net assets (as at the end of the previous financial year).
- 20.2 The Public Ancillary Fund must distribute at least the minimum value specified by the Public Ancillary Fund Guidelines (or the remainder of the fund if that is worth less than the minimum value specified) during that financial year if:
- 20.2.1 The 4 percent is less than the minimum value specified; and
  - 20.2.2 Any of the expenses of the fund in relation to that financial year are paid directly or indirectly from the fund's assets or income.
- That is, if the fund's expenses are met from outside the fund, its minimum annual distribution is 4 percent of the market value of the fund's net assets. If a fund's expenses are paid out of the fund's assets or income, its minimum distribution is equal to the minimum value specified by the Public Ancillary Fund Guidelines or 4 percent, whichever is greater.
- 20.3 No distribution is required during the financial year in which the fund is established or during the next 4 financial years.



- 20.4 A distribution includes the provision of money, property or benefits. If the fund provides property or benefits, the market value of the property or benefit provided is to be used in determining whether the fund has complied with this guideline.
- 20.5 The market value of the fund's assets (other than land) must be estimated at least annually, within 2 months before or after 30 June.

## **21 Investment Strategy**

- 21.1 The Teen Rescue Foundation will invest all financial contributions received in its bank account until such time as a beneficiary is determined.
- 21.2 Any interest earned through such investment will be forwarded to beneficiaries of the Foundation or allocated toward the operating expenses of the Foundation.
- 21.3 The Foundation may not borrow money or maintain an existing borrowing of money.
- 21.4 The Foundation must not make a loan or provide any other kind of financial assistance to a founder of the fund, a donor to the fund, a Member, Director, officer, agent or employee of the Foundation, or an associate of any of these entities except:
  - 21.4.1 By way of an arm's length commercial transaction;
  - 21.4.2 On terms more favourable to the fund than would otherwise be expected under an arm's length transaction.
- 21.5 The Foundation must keep the assets of the fund separate from all other assets.

## **22 Audit**

- 22.1 A properly qualified Auditor or Auditors shall be appointed and his or her or their remuneration fixed and duties regulated in accordance with the Act or other legislation.
- 22.2 Each financial year, the financial statements of the fund are to be audited for compliance of the fund and the Foundation with the Public Ancillary Fund Guidelines 2011.
- 22.3 The auditor must be a registered company auditor (within the meaning of the Corporations Act 2001).
- 22.4 If revenue and assets are less than \$1 million in relation to a particular financial year, the financial statements and compliance with the Public Ancillary Fund Guidelines 2011 may be reviewed rather than audited. A reviewer must be a registered company auditor.
- 22.5 The auditor or reviewer must undertake the review or audit and provide the fund with a report in accordance with the auditing standards.
- 22.6 The audit or review must be finalised before the fund is required to file its income tax return for the relevant financial year.

## **23 Notices**

- 23.1 Any notice required to be given by any clause of this Constitution or by any Regulation of the Board or Foundation may be served upon any Member or person either personally or by sending

the same through the post or electronically addressed to such Member or person. The non-receipt of such notice shall not invalidate the proceedings of any meeting held in pursuance of such notice.

## 24 Indemnity

24.1 Every Member of the Board, Auditor or other staff Member for the time being of the Foundation shall be indemnified out of the assets of this Foundation against:

24.1.1 any liability to a person or corporation other than the Foundation or a related body corporate of the Foundation where that liability does not arise out of conduct involving lack of good faith; and

24.1.2 any liability incurred by him or her in defending any proceedings, whether civil or criminal, in which judgement is given in his or her favour or in which he or she is acquitted or in relation to which he or she obtains relief by way of any application under the Act and which relief is granted to him or her by the Court in respect of any negligence, default, breach of duty or breach of trust.

24.2 The Foundation may take out and pay the premiums in respect of policies of insurance insuring persons who are or have been officers of the Foundation against such liabilities as the Directors think fit provided that any such insurances do not contravene the Act. Notwithstanding any other provisions of this Constitution, a Director shall not be disqualified from voting in favour of effecting such insurance by virtue of his or her office.