CONSTITUTION

FAIRACTION INTERNATIONAL

Registered Australian Charity
Charity Subtype:
1. Advancing Social or Public Welfare
2. Public Benevolent Institution

ACN: 615 498 381
ABN: 47 615 498 381

Document History

Version	Date	Description	Next Review
1	01/11/2016	Created as per ACNC requirement	
2	09/06/2020	Updated for improved governance & compliance	
3	11/06/2024	Updated as per ACFID requirements	During annual board meeting

Article 1: NATURE AND DENOMINATION

LEGAL NAME: FAIRACTION INTERNATIONAL PTY LTD
Other Names: FAIRACTION or FA

FAIRACTION is registered as a charity with the Australian Charity and Not-For-Profits Commission.

Article 2: VISION, MISSION AND PURPOSE

Vision: FAIRACTION's driving vision – in line with the Target 6.1 of the UN Sustainable Development Goals (SDGs) – is of a world in which everyone has access to clean drinking water. The achievement of the Target 6.1 of the UN SDGs will generate massive gains in human well-being, in national and global economic growth and in global environmental sustainability.

Mission: To provide access to clean drinking water for everyone, everywhere, starting with the most needy communities.

Purpose: To contribute to the achievement of Target 6.1 of the United Nations Sustainable Development Goals – to achieve universal and equitable access to safe and affordable drinking water for all. FAIRACTION's dedicated support for the provision of water will create social, economic, financial and other benefits that would extend to poverty alleviation, health, education, food, energy production, environmental sustainability and a stable society on a global scale.

Article 3: ORGANISATIONAL OBJECTIVES AND STRATEGY:

1) To deliver services and test models: FAIRACTION will construct water infrastructures such as borehole to provide access to clean drinking water for needy communities. FAIRACTION shall monitor and maintain the constructed water infrastructures to ensure their sustainability and 100% functionality. FAIRACTION will build on its successful track record of working in partnership with Water service providers (Including utilities, Municipals authorities and private operators) to deliver improved water services for needy communities across the world.

2) To develop capacity in the public and private sectors: FAIRACTION will develop the technical, business and operational capacity to continue to deliver improved water services for needy communities across the world.

3) To Influence and provide technical assistance: FAIRACTION will influence and substantially strengthen the enabling environment for Water, Sanitation and Hygiene (WASH), working with government and regulators to improve policy and practice in order to overcome barriers and enhance incentives for improve water and sanitation service for

suffering communities. FAIRACTION will seek to strengthen system incentives (e.g. enhancing access to finance, promoting greater enforcement of existing directives, developing new regulation to encourage service extension, improving municipal-wide policy frameworks) and to trigger institutional reforms to overcome existing barriers in the water sector.

4) To mobilise resources for FAIRACTION's projects and the WASH sector: FAIRACTION will mobilise public and private investment in WASH and improve the targeting and effectiveness of large-scale investment by bilateral and multilateral financial institutions. FAIRACTION will use the demonstration of scalable models to promote domestic and international resource mobilisation and to improve the pro-poor targeting of large-scale water infrastructure investment.

5) To Carry out research and produce evidence:
FAIRACTION will become a global thought-leader in innovation and effective solutions to the global WASH challenge through analysis and dissemination of experience and through cutting-edge operational research.

Article 4: HEAD OFFICE

Its head office shall be situated at Sydney, Australia.

Current Address: Level 13, 333 George St, Sydney NSW 2000 Australia

Article 5: MEMBERSHIP AND WITHDRAWAL

A-MEMBERSHIP

Membership of FAIRACTION shall be open to all persons of good standing without discrimination of creed, sex, political leaning and ethnicity. Admission into membership shall be upon payment of a membership fee whose amount shall be determined annually by the Board of Directors and approved by the general assembly. Membership shall be divided into three categories:

1) Individual, Honorary and corporate members.
2) Other Civil Society Organisations or institutions in support of FAIRACTION's Mission can be admitted as affiliate or associate members.

3) Any neutral person may become a member of FAIRACTION on fulfilling the following obligations:

a) Signing of an application for membership form and payment of the annual contribution. This application would eventually be endorsed by the general assembly of FAIRACTION.

b) Participating in activities of FAIRACTION.

c) Promotion of FAIRACTION's mission

Honorary members may be exempted from annual contributions if they provide a significant donation, landed property etc or a legacy for the proper functioning of the organisation.

B-WITHDRAWAL

1) Any Person may withdraw from the organisation by sending FAIRACTION a resignation letter stating his/her reasons, six months prior to the resignation date. Such a notification shall be examined by the Board and a response provided either attempting reconciliation or accepting the resignation.

a) A member who behaves in such a manner as to tarnish the image of FAIRACTION may be expelled after a recommendation of the Board of Directors.

b) A member may also be recommended for expulsion if she/he becomes an obstacle to the progress of the FAIRACTION or violates its regulations.

2) Any member who withdraws or has been expelled shall remain liable in the same terms for debts contracted from the organisation or by him/her on behalf of FAIRACTION during his/her term of office.

Article 6: RIGHTS AND OBLIGATIONS OF MEMBERS

Any duly registered member shall have the right to:

a) Vote and be voted for any eligible function within FAIRACTION or its affiliates.
b) Participate in the activities of the organisation.

Article 7: FINANCIAL RESOURCES

a) FAIRACTION financial resources shall come from member's contributions, donations, subsidies, grants for realisation of projects, loans and fundraising.
b) FAIRACTION funds shall be solely used for the promotion of its mission and objectives. However, all financial transactions shall be based on

the principles of Good Governance for the Non-Governmental sector.
A good accounting and auditing system shall be instituted for accountability, transparency and efficiency. In this light, FAIRACTION will be liable to post-online, project budget, project documents and activity and financial reports for all development programmes.
In the case where FAIRACTION receives external aid, it will require that project's objectives, budgets and results be publicised and that there are clear channels for whistleblowing through independent intermediaries, to include email, phone and mailing contacts.

An audited financial report of FAIRACTION shall be prepared at the end of each financial year and shall be presented to the General Assembly by the Board of Directors or CEO.

Article 8: ORGANISATION AND FUNCTIONING

The various organs of FAIRACTION shall be the General Assembly, the Board of directors and the Executive Committee. Other organs may be established eventually upon decision of the general assembly.

A-THE GENERAL ASSEMBLY

1) The General Assembly is the supreme organ of FAIRACTION INTERNATIONAL PTY LTD. It consists of all the registered members, including representatives of affiliated members. It provides the general decision on the functioning of FAIRACTION. It shall meet yearly and may have extra-ordinary sessions to examine any urgent issues. Such meetings shall be preceded by invitation letters addressed to members, stating the venue and agenda of the meeting.
2) It may propose modifications on the statutes of FAIRACTION if it becomes imperative that some of the adopted articles have outlived their usefulness, in which case the modifications must be endorsed by 2/3 of the general assembly members.
3) The Secretary General shall present to the general assembly a report of activities for the year or since the last session of the General Assembly.
4) On every session of the General Assembly, decisions shall be arrived at by vote of members present through a simple majority. Voting by mandated members shall be allowed.

B-THE BOARD OF DIRECTORS shall:

1) Define development strategies and policy;
2) Approve programmes of action submitted by the Executive committee;

3) Identify sources of finance sourcing of funding and new venues of forging partnerships and signing of partnership conventions,
4) Monitor, evaluate all technical and financial reports presented by the Executive Committee;
5) Establish benchmarks for accountability.
6) It is recommended that the Board comprises of a very lean administration of committed professionals.

B (I): Numbers of Directors

FAIRACTION must have at least three and no more than nine directors.

B (2): Election and Appointment of Directors

1) The initial directors are the people who have agreed to act as directors and who are named as proposed directors in the application for registration of FAIRACTION.
2) A person is eligible for election as a director of FAIRACTION if they :
   (a) Are a member of FAIRACTION, or a representative of a member of FAIRACTION.
   (b) Are nominated by two members or representatives of members entitled to vote.
   (c) Give FAIRACTION their signed consent to act as a director of FAIRACTION, and
   (d) Are not ineligible to be a director under the **Corporations Act** or the **ACNC Act**.
3) If the number of directors is reduced to fewer than three, the continuing directors may act for the purpose of increasing the number of directors to three.

C-THE EXECUTIVE COMMITTEE

The Executive Committee shall be composed of elected members of FAIRACTION charged with the daily implementation of the Policies. It shall be comprised of a: Director, Secretary General, Financial Director and Program Officers. The Chief Executive officer may from time to time perform all the duties of the Director, Secretary General, Financial Director and Program Officer.

The Director: In charge of the strategic direction of the organisation, working to meet clear strategic objectives.

The Secretary General: The Secretary shall conduct the correspondence and shall have the custody of other documents belonging to the society. The Secretary shall keep minutes of all council and general meetings and shall produce them at relevant meetings. The Secretary shall also keep a list of members with their addresses and shall notify them of all general meetings.

The Financial Director is responsible for all financial transactions of FAIRACTION and keeps financial records up to date with the banking institution which holds the account. The Fancial Director shall also open a bank account for FAIRACTION and all operations on such account shall be signed by two Board members.

The projects officers shall be responsible for initial conception and on-the-field execution of projects as required by FAIRACTION programs. They shall report to the secretary general on the evolution of projects.

Other functions of the Executive Committee include:

1) Elaboration of the Annual Plan of Action and holding of assessment meetings.
2) Initiation of projects translating the programmes of FAIRACTION into activities.
3) Presentation of financial documents and reporting.
4) Representation of FAIRACTION in court and acting towards protecting its brand image.
5) Protecting assets of FAIRACTION through appropriate Management procedures.

The Executive Committee shall directly report to the Board of Directors.

A good Social Media and Communication mechanism shall be set up by the Executive Committee to ensure access to information, internal and external communication and make full use of the opportunities offered by Information Technologies and Communication.

Article 9: The non-profit clause

The assets and income of the organisation shall be applied solely in furtherance of the above-mentioned objects and no portion shall be distributed directly or indirectly, paid or transferred as a profit, by way of a dividend or bonus or otherwise, to the members of the organisation except as bona fide compensation for services rendered or expenses incurred on behalf of the organisation.

Article 9(I): DISSOLUTION

In the event of the organisation being dissolved, the amount that remains after such dissolution and the satisfaction of all debts and liabilities shall be transferred to another organisation with similar purposes which is not carried on for the profit or gain of its individual members.

Article 9(2): DGR revocation clause

If the organisation is wound up or its endorsement as a deductible gift recipient is revoked (whichever occurs first), any surplus of the following assets shall be transferred to another organisation with similar objects, which is charitable at law, to which income tax deductible gifts can be made:

a) gifts of money or property for the principal purpose of the organization.
b) contributions made in relation to an eligible fundraising event held for the principal purpose of the organization.
c) money received by the organisation because of such gifts and contributions.

Article 10: INTERNAL REGULATIONS AND RULES (IRRs)
IRRs of FAIRACTION shall be initiated by the constituted Executive Committee, approved by the Board of Directors and updated constantly to ensure the proper functioning of FAIRACTION:

The IRRs shall set new regulations and rules or update the existing regulations and rules related to the following within the organisation:

1) Governance Structure
2) Rules of Procedure
3) Financial Regulations
4) Staff Regulations, Rules and Instructions
5) Code of Conduct

Article 11: The present Articles of Association can be amended through a General Assembly Resolution adopted by a simple majority vote.

Amendment to the Constitution of FAIRACTION International

Amendment Date:
The amendments were adopted on ***Tuesday, 11 June 2024.***

Purpose:
The amendments to the constitution of FAIRACTION International PTY LTD are implemented to enhance governance structures and ensure adherence to best practices in organizational management. These amendments bring crucial updates and add new provisions regarding the governance structure, including the rules for meetings, delegation of authority, processes for selection and induction of responsible persons, term limits, the requirement for a non-executive majority, and the approach to remuneration and expenses.

Table of Amendments:

Article	Subject	Amendment Details
12	Rules for Meetings of the Governing Body	Addition of rules for the frequency of meetings (at least two a year), and quorum requirements for the governing body meetings.
13	Delegation of Authority by the Governing Body	Details the scope of the governing body's power to delegate authority to officers, staff, and others to ensure efficient management and operational execution.
14	Selection, Appointment, and Induction of Responsible Persons	Introduction of processes for the selection, appointment, and induction of responsible persons, including provisions for their termination.
15	Term Limits	Establishment of clear term limits and the number of consecutive terms a responsible person may

		serve.
16	Non-executive Majority	Requirement for the majority of the responsible persons to be non-executive to provide unbiased oversight.
17	Remuneration and Expenses - Board Members	Guidelines on the approach to the remuneration of board members and the reimbursement of expenses.

These organized amendments ensure that FAIRACTION International's governance practices are transparent, accountable, and aligned with the organization's strategic objectives, supporting effective management and the integrity of operations. Each article of amendment is designed to address specific aspects of governance to enhance the overall governance structure and the effectiveness of the organization.

Article 12 - Rules for Meetings of the Governing Body

Section 12.1 - Frequency of Meetings

Regular Meetings: The governing body of FAIRACTION International shall convene for regular meetings at least twice each year. These meetings are essential for reviewing the organization's progress, setting strategic directions, and making decisions critical to the mission of providing sustainable access to clean drinking water.

Special Meetings: Special meetings may be called as necessary to address urgent and significant matters that arise between scheduled regular meetings. The protocol for calling, conducting, and documenting these meetings will be consistent with the standards set for regular meetings unless specified otherwise.

Section 12.2 - Notice of Meetings

Advance Notice: All board members must receive notice of regular and special meetings no less than two weeks in advance, except in emergencies. The notice should include the meeting agenda, location, time, and relevant documents necessary for informed discussion and decision-making.

Section 12.3 – Quorum

Requirement for Quorum: A quorum for any meeting of the governing body shall consist of more than half of the total number of board members. This requirement ensures that decisions made have considerable backing and are not determined by a small, unrepresentative group of the board.

Proxies: If a board member cannot attend, they may appoint a proxy from among the remaining board members in accordance with the organization's bylaws. Details of proxy representation should be submitted in writing to the chair prior to the meeting.

Section 12.4 - Conduct of Meetings

Chairing Meetings: The Chair of the Board will preside over meetings. In the absence of the Chair, another appointed board member may preside.

Voting and Decisions: Decisions at meetings shall be made by a majority vote of the members present and voting. Each member, including the Chair, has one vote. In the case of a tie, the Chair may cast an additional deciding vote.

Minutes and Record Keeping: Minutes of all meetings will be recorded by the Secretary or an appointed person. These minutes will include a summary of the discussions, decisions made, and actions agreed upon.

Article 13 - Delegation of Authority by the Governing Body

Section 13.1 - Scope of Delegation

Authority to Delegate: The governing body of FAIRACTION International retains the authority to delegate specific responsibilities and powers to officers, staff, and committees as necessary to effectively manage the organization's operations. This delegation is intended to optimize operational efficiency without compromising the governance and strategic oversight roles of the governing body.

Limitations on Delegation: While the governing body may delegate responsibilities, it cannot abdicate its ultimate accountability for the organization's governance. Certain powers, such as amending the constitution, approving the annual budget, and changing the organizational structure, must remain with the governing body.

Section 13.2 - Delegation to Officers and Staff

Operational Delegations: Officers and senior staff may be delegated responsibilities such as managing day-to-day operations, overseeing personnel, executing contracts within approved limits, and managing financial operations under the guidelines provided by the governing body.

Specific Delegations: Specific tasks or areas of responsibility, such as fundraising initiatives, project management, or public relations efforts, may also be delegated to qualified staff members, ensuring they are equipped with the necessary authority to execute their duties effectively.

Section 13.3 - Delegation to Committees

Committee Formation and Authority: The governing body may establish committees to address particular areas such as finance, audit, human resources, or ethics. These committees are empowered to make preliminary decisions or carry out detailed reviews and recommendations in their respective areas, subject to final approval by the governing body.

Committee Oversight: Each committee operates under a charter approved by the governing body, which outlines its roles, responsibilities, and limits of authority. Committees report regularly to the governing body on their activities and decisions.

Section 13.4 - Documentation and Review of Delegations

Documenting Delegations: All delegations of authority must be formally documented, specifying the nature of the delegated powers, the duration of the delegation, and any specific conditions attached to the delegation.

Regular Review: Delegations of authority are subject to regular review by the governing body to ensure they remain appropriate and effective. This review also ensures that delegations continue to align with FAIRACTION's strategic goals and governance standards.

Section 13.5 - Revocation of Delegated Authority

Conditions for Revocation: Delegated authority may be revoked or amended at any time by a majority vote of the governing body. Revocation may occur if the delegation is no longer needed, if the delegated tasks have been completed, or if the delegation is not achieving its intended outcomes.

Article 14 - Selection, Appointment, and Induction of Responsible Persons

Section 14.1 - Selection and Appointment Process

Criteria for Selection: The selection of responsible persons, including board members and key executives of FAIRACTION International, shall be based on a set of transparent criteria that align with the organization's mission and needs. These criteria will include, but are not limited to, expertise in relevant fields, commitment to the organization's principles, and the ability to contribute to strategic decision-making.

Appointment Process: Candidates for responsible positions will be identified through an open and rigorous process involving multiple stages, including initial screening, interviews, and reference checks. The governing body will make appointments based on a majority vote to ensure that selections are made impartially and, in the organization's, best interests.

Section 14.2 - Induction of New Members

Information Provision: Upon appointment, new members of FAIRACTION International's governing body will receive comprehensive documentation detailing the organization's strategic plan, operational policies, and ongoing activities. This documentation is designed to provide an in-depth understanding of FAIRACTION's objectives and functions, enabling new members to effectively contribute to the organization's goals.

The Chief Executive Officer (CEO) will facilitate the induction process by ensuring that new members are provided with all necessary information about the organization. This includes insights into FAIRACTION's mission, key projects, and operational strategies, as well as details about their specific roles and responsibilities within the governance structure.

Support and Integration: New members will also have opportunities to engage directly with senior management and existing board members. This interaction allows new members to clarify any questions they may have and to receive guidance on how they can best contribute to board activities and decision-making processes.

Section 14.3 - Termination of Roles

Grounds for Termination: The roles of responsible persons may be terminated due to reasons such as failure to perform duties, breach of fiduciary responsibilities, or conduct detrimental to the interests of FAIRACTION International. The process for termination will be conducted fairly and transparently, adhering to the established legal and organizational procedures.

Procedure for Termination: The process for termination will include a formal review, the opportunity for the individual to respond to any allegations or findings, and a decision made by the governing body based on a majority vote. The rights of the individual under FAIRACTION's policies and applicable laws will be fully respected throughout the process.

Article 15 - Term Limits

Section 15.1 - Establishment of Term Limits

Length of Terms: Responsible persons serving on the governing body of FAIRACTION International, including board members, will have a standard term length of five years. This term length is designed to balance continuity with the infusion of new perspectives, supporting effective governance and strategic oversight.

Maximum Number of Consecutive Terms: To promote governance freshness and diversity, a responsible person may serve a maximum of three consecutive terms. After serving three consecutive terms, individuals must step down from their role for at least one term before they are eligible for reappointment, ensuring opportunities for new leadership and ideas.

Section 15.2 – Re-Election

Automatic Re-Election Option for Board Members: Board members of FAIRACTION International may be automatically re-elected for subsequent terms, contingent upon a formal performance review and majority approval from the board. This provision is designed to maintain continuity and leverage the ongoing expertise of existing board members, recognizing their roles in steering the organization towards achieving its long-term strategic goals.

Performance Review: The performance review will be conducted prior to the expiration of each term, assessing each board member's contributions, leadership qualities, and alignment with FAIRACTION's mission and values. The results of these reviews will inform the board's decision on re-election, ensuring that only those who continue to meet the organization's high standards and requirements are re-appointed.

Article 16 - Non-executive Majority

Section 16.1 - Composition of the Board

Majority Requirement: FAIRACTION International mandates that the majority of the members of its governing body, specifically more than half, must be non-executive members. This structure is designed to ensure that the board benefits from diverse external perspectives and that its decision-making remains unbiased and focused solely on the best interests of the organization.

Definition of Non-executive Members: Non-executive members are individuals who are not part of the organization's day-to-day management team. They do not hold any executive or managerial positions within the organization. Their primary role on the board is to provide independent oversight, strategic guidance, and objective judgement.

Section 16.2 - Role of Non-executive Members

Strategic Oversight: Non-executive members play a crucial role in overseeing the strategic direction of FAIRACTION International. They ensure that the organization's strategies align with its mission of providing sustainable access to clean drinking water and that these strategies are implemented effectively.

Risk Management: By bringing a range of external experiences and perspectives, non-executive members enhance the organization's ability to identify and manage potential risks. Their oversight helps safeguard the organization against possible governance and operational pitfalls.

Enhancing Accountability: Non-executive members help ensure that FAIRACTION's executive team is held accountable for their actions and decisions. This accountability is crucial for maintaining trust among stakeholders and ensuring the integrity of the organization's operations.

Article 17 - Remuneration and Expenses

Section 17.1 - Remuneration of Board Members

Policy on Remuneration: FAIRACTION International adheres to a strict policy of non-remuneration for board members to uphold the principle of voluntary service, which is central to the ethos of our non-profit organization. Board members shall not receive any form of monetary compensation for their services to ensure that their decisions and actions are guided solely by the best interests of FAIRACTION and its mission.

Exceptions: Any exceptions to this policy, such as stipends or honorariums for specific duties or projects, must be approved by the board itself, excluding any members who might benefit. Such exceptions will be rare, clearly justified in writing, and disclosed in the organization's annual report to maintain transparency.

Section 17.2 - Reimbursement of Expenses

Scope of Reimbursable Expenses: Board members may be reimbursed for direct expenses incurred in the course of performing their duties for FAIRACTION International. Eligible expenses include travel, accommodation, and meals directly related to attending board meetings, conferences, or other activities that further the organization's objectives.

Procedures for Expense Claims:

- Submission of Claims: Board members must submit detailed expense claims, accompanied by receipts or other documentation, within a specified time frame following the incurrence of the expense.

- Review and Approval: All claims will be reviewed and approved by a designated committee or officer not directly involved in incurring the expenses to ensure objectivity and compliance with established guidelines.

- Transparency and Reporting: Details of all reimbursements will be included in the organization's financial reports to ensure transparency and accountability to stakeholders.

Section 17.3 - Transparency and Oversight

Annual Disclosure: FAIRACTION International will disclose all remuneration or reimbursements made to board members in its annual financial statements and reports. This disclosure will include a breakdown of expenses by type and by recipient to ensure stakeholders have a clear understanding of how funds are being utilized.

Independent Audit: An independent external auditor will review all remuneration and reimbursement records as part of the annual audit to verify that all payments are proper and in accordance with the policy set forth in this article.