

SWIMMING POOL & SPA ASSOCIATION OF AUSTRALIA LTD

Explanatory Memoranda — Proposed Constitutional Amendments

Document	Explanatory Memoranda
Purpose	Provided to Members pursuant to Article 34.2 of the Constitution
AGM	28 May 2026 — Special Resolution
Prepared by	Company Secretary
Date	6 May 2026

1. Purpose of this Document

This Explanatory Memoranda is provided to all Members of Swimming Pool & Spa Association of Australia Ltd in accordance with Article 34.2 of the Constitution. It sets out the proposed amendments to the Constitution that Members are asked to approve by Special Resolution at the Annual General Meeting on 28 May 2026.

A copy of the full proposed amended Constitution is also provided.

This document summarises each substantive change, why it has been made, and its effect. Minor typographical corrections, plain-English improvements and cross-reference fixes are not individually itemised.

2. Background

The SPASA Constitution was last amended in May 2022.

The scope of amendments put to Members at the 2026 AGM is limited to changes that:

- correct clear drafting errors, typographical errors and internal inconsistencies;
- reflect how the Company currently operates in practice, including the role of the CEO, electronic communications, and hybrid meetings; and
- address specific governance gaps that present risk or ambiguity if left unresolved.

3. Nature of Changes

The changes fall into four categories:

- Corrections — fixing drafting errors, typographical errors and outdated language. These do not alter any right or obligation.
- Defined terms — adding formal definitions for instruments already referenced in the Constitution but not previously defined (Board Charter, Code of Conduct & Ethics, CEO).
- Modernisation — updating provisions to reflect changes to the Corporations Act 2001 since 2022, including hybrid and virtual meetings and electronic notices.
- Governance improvements — targeted additions to address gaps, including the casting vote, Chair eligibility, a sustainability object, and clearer committee and delegation frameworks.

4. Schedule of Changes

The following table sets out each substantive change by article.

Article 4 — Objects

Article	Nature	Summary of Change and Rationale
Art 4(b)	Amendment	Object (b) amended from 'Pursue issues of state, territory, national and international concerns relating to the industry' to 'Advocate on behalf of Members on issues of state, territory, national and international concerns relating to the Industry.' The word 'Industry' is now capitalised consistently with the defined term. Rationale: 'Advocate on behalf of Members' more precisely describes the Company's function than 'Pursue'.
Art 4(c)–(e)	Amendment	Minor grammatical corrections to remove redundant opening words. Each object now begins consistently with an active verb. No change to substance.
Art 4(f)	Addition	New object added: 'Promote sustainability, environmental responsibility and leading practice in the design, construction, operation and maintenance of swimming pools, spas and associated infrastructure.' Rationale: Sustainability and environmental stewardship are increasingly recognised as core responsibilities for industry associations. This object positions SPASA to advocate for and support sustainable practices across the industry.

Article 7 — Definitions

Article	Nature	Summary of Change and Rationale
Art 7 — Board Charter	Addition	New defined term added: 'Board Charter means the board charter adopted by the Board from time to time setting out the Board's role, responsibilities, composition and meeting procedures.' Rationale: The Board Charter is referenced in the Constitution (Art 16.1 and Art 19.3) but was not previously defined.
Art 7 — Code of Conduct & Ethics	Addition	New defined term added: 'Code of Conduct & Ethics means the code of conduct and ethics adopted by the Board from time to time governing the behaviour and obligations of Directors, Officers, Members and staff.' Rationale: The Code is referenced in the Constitution but was not previously defined.
Art 7 — CEO	Addition	New defined term added: 'CEO means the Company's Chief Executive Officer, if any, appointed under Article 19.5.' Rationale: The CEO is referenced throughout the Constitution and in operational practice. The definition provides a clear constitutional basis for the role.
Art 7 — various	Amendment	Minor typographical corrections: 'board' corrected to 'Board' in the Category definition; duplicate quotation mark removed from the Chair definition; Individual and Member definitions formatted consistently with other entries.

Article 11 — Annual General Meetings

Article	Nature	Summary of Change and Rationale
Art 11.3	Addition	New provision listing the business of an Annual General Meeting: receiving financial statements and reports; electing Directors; appointing or removing the auditor; and any other business properly brought before the meeting. Rationale: Reflects the standard statutory AGM business under the Corporations Act and provides clarity for Members on what to expect at each AGM.

Article 12 — General Meetings

Article	Nature	Summary of Change and Rationale
Art 12 — Hybrid and virtual meetings	Addition	A new provision expressly permits the Board to hold General Meetings in hybrid format (combining physical attendance and electronic participation) or as wholly virtual meetings, provided Members have a reasonable opportunity to participate, ask questions and vote. Rationale: The Corporations Amendment (Meetings and Documents) Act 2022 permanently permits hybrid meetings but requires an express constitutional provision before a company can hold a wholly virtual meeting. Adding this provision gives the Board flexibility to choose the most appropriate meeting format. It does not require meetings to be held virtually.

Article 13 — Proceedings at General Meetings

Article	Nature	Summary of Change and Rationale
Art 13.7	Amendment	The words 'on a show of hands' removed from the declaration provision. The provision now refers to the Chair's declaration that a resolution has been carried or lost, without specifying the voting method. Rationale: SPASA General Meetings are not conducted by show of hands. The removal reflects actual meeting practice.
Art 13.8	Addition	New provision: 'The chair of a General Meeting does not have a casting vote. In the event of an equality of votes, the resolution is taken to be lost.' Rationale: reduces ambiguity in the event of a tied vote.
Art 13.9	Addition	New provision: 'The accidental omission to give notice of a General Meeting to, or the non-receipt of a notice by, any Member entitled to receive notice does not invalidate any resolution passed at the meeting.' Rationale: Standard protection provision. Particularly important where electronic notices may not be delivered due to outdated contact details in the Register.

Article 15 — Notice of General Meetings

Article	Nature	Summary of Change and Rationale
Art 15.2	Amendment	Fax removed as a permitted method of giving notice. Permitted methods are now: personal service, post, and email. Rationale: Fax is not used in practice. Removing it eliminates an obsolete provision without affecting any Member's practical ability to receive notices.
Art 15.4	Addition	New provision: 'Where a Notice is sent by email or other electronic means, service is taken to have been effected on the next Business Day after it is sent.' Rationale: Aligns the Constitution with the Corporations Amendment (Meetings and Documents) Act 2022.

Article 16 — Board of Directors

Article	Nature	Summary of Change and Rationale
Art 16.1	Amendment	Directors must now comply with 'this Constitution, the By-laws and the Board Charter'. Previously the provision referred to 'the Constitution, Bylaws and the Board policy'. 'Board policy' replaced with 'Board Charter' to use the correct defined term.
Art 16.2	Deletion	Transitional provision deleted. This was a one-time provision allowing existing Directors to hold positions for 1–2 years after the 2022 Constitution was adopted to facilitate succession planning. It has no ongoing legal effect and its removal is a drafting clean-up only.
Art 16.2 — Minimum composition	Addition	The Constitution now specifies both a minimum and maximum board size. Minimum: five Directors, with at least three elected and one appointed. Maximum: nine Directors, with not more than five elected and not more than four appointed. Rationale: The minimum composition was implied but not explicit in the 2022 Constitution.
Art 16.3 — Unified tenure maximum	Amendment	The tenure maximum is now stated as a single unified rule: 'Directors shall hold office for two years and shall be eligible for re-election or re-appointment for a maximum number of four consecutive terms (eight years). To avoid doubt, the maximum term applies regardless of whether a Director is appointed or elected or a mixture of both during their tenure.' Rationale: The 2022 Constitution stated a four-term maximum for elected Directors but contained no stated maximum for appointed Directors. The new provision applies a consistent eight-year maximum across both pathways, preventing indefinite service through pathway changes.
Art 16.4	Amendment	In order to be eligible for election as a Director, a person must now have to have been a member or their member Organisation must have been a SPASA member for more than 12 months, Rationale: A person who has been a Member, or whose Organisation has been a Member, for at least 12 months is more likely to have meaningful knowledge of SPASA's operations, member needs and industry context before seeking election to the Board. The 12-month threshold is a minimum baseline, not a measure of suitability — candidate biographies and the election process itself remain the primary accountability mechanism.
Art 16.8	Amendment	Appointed Directors are now described as appointed 'by all Directors eligible to vote prior to the Annual General Meeting or otherwise as required to fill a casual vacancy under Article 18.1.' Rationale: Clarifies the appointment process and the casual vacancy connection.
Art 16.9	Amendment	'Appointed Directors may not be a Member' changed to 'Appointed Directors need not be a Member.' Rationale: The original provision was read by some as prohibiting appointed Directors from being Members. The amendment makes clear this is permissive — appointed Directors are not required to be Members, but may be Members if the Board considers it appropriate.

Article 17 — Election of the Chair

Article	Nature	Summary of Change and Rationale
Art 17.2	Addition	New eligibility requirement: a person is not eligible to be elected as Chair unless they have served at least one complete two-year term as a Director prior to their election as Chair. Rationale: Ensures the Chair has sufficient Board experience before assuming the role.
Art 17.3	Addition	New provision: the Directors may elect a Deputy Chair from among their number. The Deputy Chair acts in the Chair's absence or incapacity. Rationale: Provides a clear succession mechanism within the Board without requiring the Chair to convene a special meeting if they are temporarily unavailable.

Article 18 — Casual Vacancy

Article	Nature	Summary of Change and Rationale
Art 18.3(l)	Amendment	Casual vacancy ground corrected from a grammatical fragment to: 'the elected Director ceases, or their nominating Organisation ceases, to be a Member of the Company for any reason.' No substantive change to operation.

Article 19 — Powers and Duties of the Board

Article	Nature	Summary of Change and Rationale
Art 19.3	Addition	New provision: 'The Board must adopt and maintain a Board Charter setting out the Board's role, responsibilities, composition and meeting procedures.' Rationale: Creates a formal constitutional obligation to maintain a current Board Charter at all times.
Art 19.5	Addition	New provision: 'The Board may appoint a Chief Executive Officer on such terms and conditions as the Board determines.' Rationale: The CEO role is already recognised in practice and referenced elsewhere in the Constitution. This provision creates an express constitutional basis for the appointment.

Article 20 — Proceedings of the Board

Article	Nature	Summary of Change and Rationale
Art 20.3	Amendment	Director assent to circular resolutions may now be given by email. Previous provisions for verbal assent removed. Rationale: Email is the standard modern method of signifying assent to circular resolutions. Removing verbal assent eliminates associated recording and evidentiary issues.
Art 20.5	Amendment	Technology consent for Board meetings: 'consented to by all the Directors' changed to 'consented to by the Chair.' Rationale: Operational flexibility — requiring unanimous Director consent to meeting technology was impractical.
Art 20.10–20.11	Amendment	Quorum provision rewritten: 'A quorum for a Board meeting is a majority of the Directors then in office. A quorum must be present at the time the meeting proceeds to business and must be maintained throughout the meeting for any resolution to be validly passed.' A companion provision confirms that Directors participating by telephone, video link or electronic means are taken to be present. Rationale: The previous provision ('minimum five Directors') was numerically fixed and did not adjust as Board composition changed. 'Majority of Directors then in office' is unambiguous regardless of board size. The ongoing quorum requirement closes a gap in the previous provision.

Article 21 — Resolutions of the Board

Article	Nature	Summary of Change and Rationale
Art 21.2	Addition	New provision: 'The Chair of the Board does not have a casting vote. In the event of an equality of votes, the resolution is taken to be lost.' Rationale: See the Casting Vote section below.

Article 24 — Delegation

Article	Nature	Summary of Change and Rationale
Art 24.3	Amendment	The CEO added as an express recipient of delegated Board powers alongside the Secretary. Rationale: The CEO is the primary operational delegate in practice. This addition provides constitutional clarity.
Art 24.4	Addition	New provision: all delegations must be in writing, specify their scope (including any financial limits), and be recorded in a delegations register maintained by the Secretary. Rationale: Formalises delegation governance and supports compliance.

Article 25 — Committees

Article	Nature	Summary of Change and Rationale
Art 25	Amendment	Committees article substantially rewritten. The previous ad hoc portfolio committee framework is replaced with a governance-focused framework: the Board may form Committees as it considers appropriate; each Committee must have a Board-approved Charter or Terms of Reference; Committee minutes are tabled at the next Board meeting. Rationale: The previous article described a member-input working committee model that no longer reflects how the Board operates. The new framework provides a clean constitutional basis for any Board committee. The Finance, Audit and Risk Committee and Nominations Committee operate under this article.

Article 26 — Member Groups (formerly Audit & Compliance Committee)

Article	Nature	Summary of Change and Rationale
Art 26	Amendment	The former 'Audit & Compliance Committee' article has been replaced with a 'Member Groups' article. The Company may establish Groups — advisory, special interest, working or sector-based — as it considers appropriate. Groups are member-driven consultative bodies, distinct from Board Committees. Each Group must have Terms of Reference approved by the Company. Rationale: The Finance, Audit and Risk Committee's constitution, membership and responsibilities are now governed through the Board Charter and By-laws, where the Board can update them without a Special Resolution of Members.

Articles 30–35 — Various

Article	Nature	Summary of Change and Rationale
Art 30 — By-laws	Amendment	By-laws notification updated: the requirement to provide each Member with a physical copy of the By-laws replaced with a requirement to publish the current By-laws on the Company's website. Rationale: Website publication is more efficient and accessible.
Art 31 — Indemnity	Amendment	'notification' corrected to 'modification' in the survival clause. No substantive change.
Art 33 — Notice	Amendment	Postal notice deemed delivery period changed from three days to five days, and 'next day' for electronic notices corrected to 'next Business Day'. Rationale: Five days is a more realistic postal delivery expectation. 'Business Day' uses the defined term consistently.
Art 34 — Constitution availability	Amendment	Requirement to provide a physical copy of the Constitution to a Member within seven days of request replaced with: 'The Company must at all times make a digital copy of the current Constitution available to Members.'
Art 35 — Confidentiality	Amendment	Minor typographical corrections: 'theiris' corrected to 'their'; gender-neutral language applied ('pledging himself' corrected to 'pledging themselves').

This Explanatory Memoranda is a summary document. In the event of any inconsistency between this Memoranda and the proposed Constitution, the proposed Constitution prevails.