

# **RULES OF THE TE KAUWHATA WATER ASSOCIATION (INCORPORATED)**

The adoption of these Rules at the Annual General Meeting held at Te Kauwhata on the 24<sup>th</sup> November 2011 and the subsequent notification the Registrar of Incorporated Societies and the Charities Commission replaces all existing Rules of the Association.

1. The name of the Association is **TE KAUWHATA WATER ASSOCIATION (INCORPORATED)** (the "Association")

## **2. Definitions:**

- 2.1. "Act" Means the Incorporated Society Act 1908 as amended.
- 2.2. "Associate Member" Any Associate Member as defined in Clause 4.3.
- 2.3. "Association Assets" All current and future operating assets (including the intake, head works, pumps, buildings, filters, rising main reservoir, irrigation network and meters, monitoring and telemetry systems, etc), administration equipment, water rights and licences, legal assets, financial assets, etc.
- 2.4. "Capital Charge" This is the charge for acquiring Supply Entitlements.
- 2.5. "Committee" As defined in Clause 6.
- 2.6. "District" The area in the vicinity of Te Kauwhata, Meremere, and Rangiriri that can be serviced by the Association Assets and any future extensions thereto.
- 2.7. "Donations" Includes, but not necessarily limited to, donations, grants, contributions, loans, advances, taking securities and providing guarantees including such conditions, contributions and contingencies as may be appropriate.
- 2.8. "Donees" Any individual, charity, welfare organisation, educational institution, sporting club or similar organisation operating either in whole or in part within the District.
- 2.9. "Excess Use Premium" The surcharge that may be imposed on any User whose quarterly usage exceeds their Supply Entitlement.
- 2.10. "Executive Officer" The Officer of the Association appointed by the Committee in terms of Clause 6.5.
- 2.11. "Financial Year" 30 June unless altered by the Committee.
- 2.12. "Member" Any Member as defined in Clause 4.1.
- 2.13. "Network" The Association's irrigation current and future network including all valves, turnouts and meters.
- 2.14. "Organisation" Any institution, authority, board, association, club, committee, company or person.
- 2.15. "Penalties" Penalty payments including interest due arising from breaches of the payment conditions of the Terms of Supply.
- 2.16. "Property" A title that has a Supply Entitlement.
- 2.17. "Property Owner" Any person, body corporate, trust or other entity owning Property.
- 2.18. "Registrar" The Registrar of Incorporated Societies or such other person authorised by statute.
- 2.19. "Supply Entitlement" This is the daily water supply entitlement attached to every Property expressed in cubic meters. A Property may only have one Supply Entitlement.
- 2.20. "Terms of Supply" The current terms and conditions relating to the supply of non potable water to Users by the Association in terms of Clause 6.15.
- 2.21. "User" As defined in Clause 4.2.

**3. The Objects for which the Association is established include:**

- 3.1. To operate, investigate, analyse, develop and administer schemes for the distribution of non-potable water, including extending the current Network, and promote in any way whatsoever the interests of users and potential users of bulk water in the District for the benefit of the District.
- 3.2. To collect, verify and publish information relating to the use of non-potable water, to cooperate and make arrangements and agreements with any other organisation having similar objects, and to procure from and communicate to such organisation such information as may seem likely to promote the objects of the Association.
- 3.3. To act in cooperation with and make arrangements and agreements with Government and any other organisations for the promotion of the objects of the Association.
- 3.4. To purchase, take on lease or in exchange, hire or otherwise acquire and real of personal property and any rights or privileges, which the Association shall think necessary or expedient for the purposes of attaining the objects of the Association or any of them, or promoting the interests of the Association or its members and to sell, exchange, let on bail or lease, with or without option to purchase or in any manner dispose of such property rights and privileges aforesaid.
- 3.5. To collect subscriptions, water charges, capital contributions and other payments for the general purposes of the Association.
- 3.6. To maintain such financial reserves as is deemed prudent.
- 3.7. To make any regulations and Terms of Supply for the government of the Association and generally to do all such other acts, deeds and other things as well may be incidental to the above objects or any of them and may be calculated to protect and further the interest of the Association and its Members and Users.
- 3.8. To apply surplus funds for the benefit of the District as defined in Clause 12.

**4. Membership:**

**4.1 Members:**

- 4.1.1 Every Property Owner with an existing Supply Entitlement is deemed to be a Member of the Association.
- 4.1.2 A Member is entitled to become a User upon paying the current annual subscription, the costs of providing a connection (if required) and agreeing to the current Terms of Supply.
- 4.1.3 Until paying the current annual subscription and agreeing to the current Terms of Supply, a Member is not entitled to:
  - Receive any notices of the Association,
  - Vote on any matter,
  - Be an officer of the Association, or
  - Take supply.
- 4.1.4 No Member is required to pay any additional Capital Charge in order to have access to their existing Supply Entitlement and take supply by connecting to the Network.

**4.2 User:**

- 4.2.1 A Member taking supply is deemed to be a User and has agreed to the current Terms of Supply.
- 4.2.2 Any Member with an existing connection to the Network who pays the annual subscription and has agreed to the current Terms of Supply including the payment for reconnection and a meter, shall become a User of the Association.
- 4.2.3 A User who is not an individual shall nominate an individual to receive the notices of the Association and act as its representative in all matters.

#### **4.3 Associate Member:**

**4.3.1** The Committee may at any time accept a person as an Associate Member of the Association on such terms as the Committee deems appropriate.

**4.3.2** An Associate Member is entitled to receive notices of meeting and be appointed to office but shall not be entitled to vote at any general meeting of members.

#### **4.4 Subscriptions:**

**4.4.1** Every User shall pay to the Association the annual subscription as fixed by the Committee from time to time.

**4.4.2** Every new User shall pay the current year's subscription at the same time as the Capital Charge (if required) and any connection fees are paid to the Association.

**4.4.3** Any User in arrears with the payment of the subscription shall not be entitled to vote at any general meeting of the Association or stand for any office.

#### **4.5 Multiple and Corporate Ownership:**

**4.5.1** Where any property is owned jointly by more than one person, one of those person(s) must be nominated in writing as the representative in all matters relating to the Association including receipt of notices.

**4.5.2** In the event a nomination is not received by the Association, the first person named on the title of the Property shall be deemed to be the representative. Notices shall be sent to the Property address unless the Property Owner (or their nominated representative) advises otherwise.

**4.5.3** Where any Property is owned by an incorporated body, trust or public entity, that body or entity shall nominate in writing a representative in all matters relating to the Association including receipt of notices.

**4.5.4** Only the representative as determined pursuant to Clauses 4.5.1 – 4.5.3 above shall be entitled to vote as a User.

**4.5.5** Where a User owns more than one Property in the same ownership or has more than one meter, then:

- Only one subscription shall be payable, and
- There shall only be one vote attached to that subscription.

#### **4.6 Resignation of Users:**

Any User may at any time elect to revert to Member status by notifying the Association in writing they will be ceasing to take supply and has paid all amounts due.

**Note:** This will result in the meter being removed. The Member may reapply to become a User as per Clause 4.2.2.

#### **4.7 Cancellation of User Status:**

**4.7.1** The Association may at any time cancel the User status of a User and cease to supply water where:

- The User interferes or tampers, or permits any other party to interfere or tamper, in any way with the Network or any part of the Network, as defined in the Terms of Supply.
- The User is in arrears with payments, including Penalties, due to the Association.
- Any breach of these Rules or the Terms of supply.

**4.7.2** The Association shall give 14 days written notice to the User to rectify the matter. Failure to do so shall result in the termination of supply without further notice.

**4.7.3** The cancellation of User status does not relieve the User of any liability to pay all monies, including Penalties, due to the Association.

**4.7.4** The User may, with the consent of the Committee, be reinstated as a User upon rectifying the matter, paying reconnection costs and meeting such conditions the Association determines.

#### **4.8 Privacy Act:**

- 4.8.1** The Association shall keep a register of Members. The Association acknowledges it collects and holds personal information about and relating to its Members and Users who are identifiable individuals.
- 4.8.2** Members and Users are entitled to inspect this information at any time.
- 4.8.3** Other than meeting statutory obligations and the requirements of the Waikato District Council, the Association shall not disclose this information to any other party, or permit any other party to have access to this information.

#### **5. Meetings of the Association:**

##### **5.1 Annual General Meeting:**

The Annual General Meeting shall be held within five months of the balance date in every year on such a date and at such a time as fixed by the Committee. The Annual General Meeting shall:

- Receive from the Committee the Chairman's annual report and financial statements for the preceding financial year.
- Receive the schedule of Donations made by the Association during the preceding year (if any).
- Fill any vacancies in the Committee.
- Appoint the Chairman of the Association.
- Set the annual honoraria payable to the Committee.
- Decide upon any resolution that may be duly submitted to the meeting.

##### **5.2 Other General Meetings:**

**5.2.1 Ordinary General Meetings:** These meetings shall be held from time to time at such times and place as the Committee shall direct for the purpose of transacting the business of the Association and deciding upon such resolutions as shall be duly submitted to the meetings.

**5.2.2 Special General Meetings:** The Committee may at any time for any special purpose call such a meeting and shall do so forthwith upon the requisition in writing of any ten Users stating the purposes for which the meeting is required.

##### **5.3 Notice of General Meetings:**

**5.3.1** Ten clear days' notice shall be given of all meetings.

**5.3.2** The notice shall clearly state the business to be transacted.

**5.3.3** The notice of the Annual General Meeting shall be accompanied by a copy of the annual report, financial statements and the schedule of Donations (if any).

**5.3.4** Should any User wish to submit a motion for consideration at a general meeting, the motion must be in writing, and seconded by another User. This must be received by the Executive Officer 3 working days prior to the notice of the general meeting being sent, and may be accompanied by up to 3 pages of material to support the motion.

**5.3.5** Every notice shall be deemed to have been duly delivered if:

- Posted to the home or place of business last provided by the User with the Association, or
- Faxed, emailed or couriered to the User where these contact details have been provided by the User, with no indication of incomplete transmission or delivery to the User.

**5.3.6** Should the notice of meeting be defective in any way, a unanimous resolution of those present at the meeting shall be sufficient to remedy the breach.

#### **5.4 Procedure at General Meetings:**

- 5.4.1 Quorum:** At all general meetings a quorum shall consist of five Users.
- 5.4.2 Chairman:** At all general meetings the Chairman or in their absence another duly elected chairman shall preside for that meeting.
- 5.4.3 Voting:** Every User (Other than any User subject to Clause 4.4.3) shall be entitled to have one vote on every motion exercised in person or by proxy or in writing. In the case of an equality of votes, the Chairman shall also have a casting vote.
- 5.4.4 Majority:** In all circumstances, a simple majority of votes cast shall suffice.

#### **6. The Committee:**

- 6.1** The Committee of the Association shall consist of a Chairman and at least four Users of the Association.
- 6.2** No member of the Committee shall be an undischarged bankrupt or a banned director.
- 6.3 Payments to Committee Members:** With the prior approval of the Committee, Committee Members may be paid for work undertaken on behalf of the Association, provide that all such work is accompanied by a detailed invoice and is calculated at rates not exceeding the amount which would have been paid to a third party for providing that assistance.
- 6.4 Honoraria:** Committee Members are entitled to receive an honorarium with such amounts to be approved at the Annual General Meeting.
- 6.5 Appointments:** The Committee shall appoint an Executive Officer and any other professional advisor required to assist the Association, and shall determine from time to time the terms and conditions of the engagement together with the amounts to be paid by way of remuneration to these officers.
- 6.6 Secondment:** At any time, the Committee may second to the Committee any person with particular expertise notwithstanding that person may not be a User.
- 6.7 Sub-Committees:** The Committee may form, and disestablish, such sub-committees with such membership, powers and authorities it deems fit, provided that at all times the Committee remains responsible for all actions and decisions made by those sub-committees.
- 6.8 Casual Vacancy:** In the event of a casual vacancy on the Committee where the number of Users is less than four, the Committee shall appoint a replacement to serve until the next Annual General Meeting.
- 6.9 Meetings:** Meetings of the Committee shall be convened at such times and places as the Committee itself shall determine.
- 6.10 Quorum:** Three members of the Committee shall constitute a Quorum.
- 6.11 Voting in Committee:** Each member, including any seconded members, of the Committee shall have a deliberative vote. In the case of an equality of votes, the Chairman shall also have a casting vote.
- No officer shall have a vote, excepting when they are also a member of the Committee.
  - The method of voting shall be by show of hands, unless the Chairman calls for a ballot.
- 6.12 General Duties:** It shall be the duty of the Committee generally to:
- Prudently conduct and manage the affairs of the Association,
  - Ensure all the Association Assets are well maintained and safeguarded,
  - Seek a fair return on the Assets of the Association,
  - Keep usual and proper books of account, including a fixed asset register, that properly record the financial health of the Association at all times,
  - Safeguard the other records of the business of the Association,

- Keep confidential at all times all matters of commercial sensitivity and negotiations conducted by the Association,
- Notify Members of intended meetings and the business to be transacted there at,
- Exercise all the powers and perform all the duties for which the Association has been established and shall have the power to do such things as may be incidental or conducive to the attainment of the objects of the Association mentioned in these rules.

### 6.13 Financial Management and Stewardship:

- 6.13.1** The Committee is entrusted with the financial management and stewardship of the Association notwithstanding certain functions and authorities may from time to time be delegated.
- 6.13.2 Risk Assessment:** From time to time the Committee shall engage appropriate professional assistance to conduct a risk assessment of the Association's affairs.
- 6.13.3 Receipts:** The Committee shall ensure all monies received on or on behalf of the Association are forthwith paid to the credit of the Association in accounts at a trading bank.
- 6.13.4 Payments:** The Committee shall ensure all payments of amounts due by the Association are properly made in a timely manner in accordance with agreed authorities.
- 6.13.5 Authorities:** From time to time the Committee shall determine such authorities as are necessary to operate the bank accounts, make payments, sign contracts, etc.
- 6.13.6 Reporting:** The Committee shall not be bound to report to the Users in any manner, that in so doing, it reveals information of a confidential and commercially sensitive nature.
- 6.13.7 Surplus Funds:** The Committee shall ensure all surplus funds are invested in such deposits and securities as it thinks fit, ensuring all such investments meet the "prudent person" test.
- 6.13.8 Records:** The Committee shall ensure the records of the Association are kept in a secure manner and in the case of all computer records, backed up on a regular basis.
- 6.13.9 Contracts Register:** The Committee shall maintain a confidential register of all contracts entered into by the Association.
- 6.13.10 Reserves:** The Committee shall ensure the Association creates and maintains the following financial reserves:
- **Adverse Event Reserve:** This reserve should contain sufficient funds to enable the Association, following an major adverse event, pay any insurance excesses due, meet all uninsured costs and to fully reinstate those assets not covered by its insurance policies.
  - **Asset Replacement Reserve:** This reserve should be an accumulation of funds arising from the annual value of the amortised estimated replacement cost of the Association's depreciating assets.
  - **General Reserves:** These reserves should be sufficient to enable the Association to meet the costs of investigating and constructing future extensions to the operating Association Assets.
- 6.13.11 Borrowing Powers:** The Committee shall, in addition to the other powers vested in it, have a power to borrow or raise money on such terms and conditions as the Committee deems fit.
- The funds raised may be by the issue of debenture, bonds, mortgages, or any other security founded or based on all or any of the property and or rights of the Association or without any such security and upon such terms as to priority and otherwise as the Committee thinks fit.

- These powers of borrowing shall not be exercised except pursuant to a resolution of the Users passed at a general meeting of the Association.
  - Notwithstanding the above provision, the Committee is specifically empowered, in the case of an emergency that threatens the continuity of supply, to borrow. Any such action shall be endorsed by the Users at a general meeting of the Association as soon as possible.
- 6.13.12 Annual Financial Review:** Upon the completion of the annual financial statements, the Committee shall require those financial statements, together with the Schedule of Donations (if any) to be reviewed by a person holding a Public Practice certificate issued the Institute of Chartered Accountants in New Zealand. That person's report shall be presented to the Annual General Meeting.
- 6.13.13 Financial Review:** The Committee may at any time, engage a person holding a Public Practice certificate issued the Institute of Chartered Accountants in New Zealand to conduct a review of the affairs of the Association on such terms as deemed expedient.
- 6.14 Capital Charge:** The Committee shall from time to time set the Capital Charge for the acquisition of new or additional Supply Entitlements. When setting the Capital Charge, the Committee shall consider:
- The current replacement value of the existing operating assets and infrastructure, and
  - The estimated costs of any planned extensions and capital works to the Network, and
  - The net financial assets of the Association.
- 6.14.1 New Connections:** Except where temporary supply is permitted, any person seeking to become a Member shall pay a Capital Charge to obtain an agreed Supply Entitlement.
- 6.14.2 Subdivisions:** Where any Member's Property is subdivided,
- The Supply Entitlement will be re-allocated on a pro-rata basis across the new titles.
  - The existing turnout and connection will remain with the title contiguous to the existing amenities.
  - Notwithstanding the above, should the sub-divider agree to provide, at their cost, approved connections to the new titles, the Association will negotiate the allocation of the existing Supply Entitlement between each title before determining whether additional Capital Charges should be paid to increase the available Supply Entitlements.
- 6.14.3 Supply Entitlement:** The payment of a Capital Charge provides the Member with a permanent Supply Entitlement that belongs to that Property.
- The level of Supply Entitlement may be determined in relation to the Member's average daily water supply or peak requirements or both.
  - Where water usage exceeds the Supply Entitlement in any quarter, the Association may require the User to negotiate an additional Supply Entitlement and pay further Capital Charges.
  - Alternatively, if the excess is of a minor or irregular nature, the User may elect to pay an Excess Use Premium (As defined in the Terms of Supply) for all water supplied that quarter in excess of the Supply Entitlement.
  - Excess water usage in one quarter cannot be offset against under use in another quarter.
- 6.14.4 Leasing Supply Entitlements:** Where the amount of Supply Entitlement sought exceeds 1m<sup>3</sup> per ha, the Association may negotiate a lease agreement with the User for the required entitlement.

**6.14.5 Refunds:** No Member shall, upon ceasing to be a User of the Association, for any reason whatsoever, receive a refund of the Supply Entitlement or any portion of it. The Supply Entitlement is attached to the Property, not the owner.

**6.14.6 Buy Back Of Supply Entitlements:** At the sole discretion of the Committee, the Association may offer to buy back Supply Entitlements from a Member where either the amount attached to that Property is excessive or there is no prospect of supply being economically viable. The amount paid to the Member shall not exceed the current Capital Charge.

**6.15 Regulations and Terms of Supply:**

**6.15.1** The Committee may, from time to time, in its absolute discretion make such Regulations and conditions of Terms of Supply for the management, administration of the Association and supply of water.

**6.15.2 Notice:** The Association shall provide in writing to every User 30 days notice of any changes to the Terms of Supply.

**6.15.3 Acceptance:** Any User continuing to take supply after the date the amended Terms of Supply become effective, is deemed to have accepted those Terms of Supply.

**6.15.4** Such Regulations and Terms of Supply must be consistent with, and not in excess of, the powers conferred under these Rules.

**6.16 Registered Office:**

The Registered Office of the Association shall be at such a place as the Committee shall from time to time determine. Notice of any change to the situation of the Registered Office shall be duly sent to the Registrar.

**6.17 Easements and Access:**

**6.17.1** The Member Property Owner shall allow the Association to record on their Property titles such easements and amendments to existing easements as may be necessary to protect the Association Assets.

**6.17.2** In the case of existing supply, the cost shall be borne by the Association.

**6.17.3** For sub-divisions and extensions to the Network, the costs shall be borne by the Member Property Owner(s) except where the project is being undertaken by the Association.

**6.17.4** At all times, Members Property Owner's with easements shall grant unfettered access to the Association (and its agents) for purposes of inspection, maintenance or other works to the Network.

**6.18 Compliance:**

The Committee, at all times, shall ensure the Association meets its statutory obligations in all respects. In particular, the Association must:

- Retain it's Incorporated Society status, and
- Meet all criteria to retain its charitable entity status with the Charities Commission.
- Meet all obligations and take whatever steps are necessary to protect the water rights issued by the Waikato Regional Council.

**6.19 Common seal:**

The Association shall have a common seal. A document which is a deed shall be executed on behalf of the Association if the common seal is attached to the document and the document is signed by a Committee member and witnessed by any other member of the Committee.

## **7. Alteration to Rules:**

- 7.1** These Rules may be altered, added to, replaced, rescinded or otherwise amended by a resolution passed by two-thirds majority of those present at a general meeting.
- 7.2** The notice for such a meeting shall set forth the purport of the proposed alteration, addition, replacement, rescission or other amendment provided nothing in these Rules shall prohibit minor amendments to any proposal which has been specified by notice.
- 7.3** Any addition or alteration to these Rules shall be submitted to the Charities Commission and registered with the Registrar and shall have effect only when accepted by the Commission and the Registrar. Any minor amendment requested by the Commission may be incorporated without further reference to the Members or Users.
- 7.4** Any Member or User may at any time request without charge a copy of the current Rules, Regulations or Terms of Supply.

## **8. Resettlement:**

- 8.1** At any time, the Committee may recommend to Members and Users that a special general meeting be called to resettle the Association Assets into a charitable trust with the powers contained in these Rules to continue the business activities of the Association.
- 8.2** The new trust deed will generally contain the same provisions and objectives as this Association (including Clause 12) with the intention that the trust assumes the same role as the Association.
- 8.3** The trustees of the new trust will, in the first instance, shall be the members of the Committee prepared to act as trustees at the time of the meeting.
- 8.4** The resolution approving the resettlement shall be carried by a two-thirds majority of those Members present.
- 8.5** In all respects, the resettlement shall not constitute a sale of the Association Assets or a winding up (Clause 9).

## **9. Winding Up:**

- 9.1** The Association may be wound up in accordance with the provisions of Section 24 of the Incorporated Societies Act, 1908.
- 9.2** Upon the winding up or dissolution of the Association, the surplus assets (if any) shall be disposed of to local charitable organisations (including a new charitable trust established for the specific purpose of receiving those surplus assets) in such a manner as the Association shall determine by resolution in general meeting.
- 9.3** Under no circumstances shall any Member, User, Associate Member or Committee member, or person associated with any Member, User, Associate Member or Committee member, receive any benefit whatsoever from the assets or proceeds of dissolution.

## **10. Payments to Members for Pecuniary Profit:**

- 10.1** No Member, User or person associated with a Member or User (including any Associate Member and/or Committee member) shall derive any income, benefit or advantage from the Association where they can materially influence the payment of the income, benefit or advantage.
- 10.2** Except where that income, benefit or advantage is derived from:
  - Professional services to the Association rendered in the course of business and charged at no greater rate than current market rates, or
  - Interest on money lent to the Association at no greater than current market rates.

## **11. Indemnities and Warranties:**

- 11.1** The Association makes no warranty or representation whatsoever that the water supplied through its Network is of a potable standard or fit for human consumption.
- 11.2** All Users agree to indemnify the Association from any damages, losses or actions arising from the water supplied by the Association being used by that User or any third party for potable or domestic purposes.
- 11.3** The Association is dependant on the Waikato Regional Council maintaining the present water consents and approving future water consents. The Association can give no warranty whatsoever that these consents will not be amended in the future. Accordingly, the Association shall not be liable to any Member and/or User in any manner whatsoever should these water consents be amended or cancelled.
- 11.4** As part of its supply contract with the Waikato District Council, and for long as there is such a contract, in the event of any restriction to supply, the Waikato District Council has first call on the supply for the purposes of reticulating potable water.

## **12. Charitable Activities:**

- 12.1** The Association is a charitable body and the Committee shall at all times ensure this status is maintained.
- 12.2** Donations shall only be made when:
- The Association has met all of its current financial obligations, and
  - The Association has no borrowings, and
  - The Reserves as defined in Clause 6.13.10 are, in the opinion of the Committee, fully funded, and
  - The Association has no litigation, contingent liability or dispute outstanding.
- 12.3** From time to time, the Committee may make charitable Donations to Donees on such terms and conditions, including contingencies, it deems fit.
- 12.4** If the Committee wishes to make charitable donations, it shall advertise by way of a public notice in a newspaper circulating in the District, inviting qualifying organisations to submit applications.
- 12.5** All applications for Donations from potential Donees shall be in writing, accompanied by such supporting information the Committee requests and considered at a meeting of the Committee where notice of the application(s) has been given.
- 12.6** The Committee shall not consider any application for Donations from a local authority, government department, commercial entity, political party, individual, or organisations that breach the Human Rights Act or are not freely open to members from the whole community or where the donation is wholly or in part for personal gain.
- 12.7** The Committee may from time to time make such rules it deems fit relating to the administration of the Association's charitable activities.
- 12.8** A schedule of Donations made during the previous financial year (if any) shall be tabled at each Annual General Meeting and following that meeting advertised as a public notice in a newspaper circulating in the District.
- 12.9** No Member, User or person associated with a Member or User shall be a direct beneficial recipient of any Donation made by the Association.
- 12.10** The annual financial review shall include the Donations made by the Association each year.