

# Adoption of a new Constitution: Murray Irrigation Limited

## Member customer information sessions

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General Manager  
November 2009



# New Murray Irrigation Limited Constitution

- Special resolution will be presented at the 2009 Annual General Meeting of Murray Irrigation Limited proposing to repeal the existing Constitution and adopt a new Constitution.
- The new Constitution will facilitate compliance with new laws governing water.
- The company requires the support of 75% of the votes cast by members present, in person, by proxy, attorney or body corporate.

# Special resolution

## Item 1 Adoption of a new Constitution

“ That the existing Constitution of the company be repealed and the Constitution contained in the document submitted to the meeting and signed by the Chairman for the purposes of identification be approved and adopted as the Constitution of the Company effective from the conclusion of the meeting.”

# New laws governing water

- In recent years laws governing water have developed rapidly.
- 2007 - Federal Government introduced *Water Act 2007*.
- 2009 - Federal Government introduced *Water Market Rules 2009 and Water Charge (Termination Fee) Rules 2009*.
- New Constitution will facilitate compliance with these laws.
- More Rules to come - Water Trading Rules
  - Water Charge (Infrastructure) Rules.
- New Constitution will facilitate easy adaption to the Laws.

# Reasons to replace the existing Constitution

1. Facilitate compliance with laws
  - a. Doing business with non-members (including Transformation)

Following the commencement of the *Water Market Rules (2009)*, Murray Irrigation must now do business with customers whose arrangements differ from those covered under the existing Constitution.
  - b. Commercial terms confined to Entitlements Contract.

The Company's existing Constitution contains commercial terms dealing with water and delivery entitlements and related matters.

A Constitution should only deal with the rights and obligations of members of the Company.

Non-members are not bound by the Constitution.

# Reasons to replace the existing Constitution (cont'd)

2. Considerable number of other minor amendments required. Simpler and easier to introduce a new document rather than make changes individually.
3. Opportunity to update to a more modern and user-friendly document consistent with typical market practice for unlisted public companies.
4. Leaves company well-placed to adapt to future changes to the law, including *Murray-Darling Basin Plan*, *Water Trading Rules* and *Water Charge (Infrastructure) Rules*.



Murray  
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# Other key features of the new Constitution

- Maintains governance requirements eg members must own a landholding to be a member and must hold delivery entitlements; composition of Board (six member and up to three non-member); quorum and rules for proceedings at meetings; prohibition on dividends and distributions to members.
- Requires member Directors to be financial to be eligible to vote at the Annual General Meeting.
- Updated to comply with *Corporations Act 2001 (Cth)*.
- Updated to create certainty around co-ownership of shares.
- Your number of shares in the company will not change.
- Your voting rights will not change ie remains one vote, one landholding
- Simplified eg Chairman of Board of Directors whilst retaining rotation.

# Voting on the new Constitution

- Requires 75% of the votes cast by members, in person, by proxy, attorney or body corporate.
- Special resolution will be put at the 2009 Annual General Meeting Thursday 19 November at the Deniliquin RSL.
- Members can vote in person, by proxy, attorney or body corporate.

# Voting by proxy

- Proxy forms have been sent out to all members.
- Company members who wish to vote at the 2009 Annual General Meeting must appoint a proxy or an authorised representative.
- Ballot boxes for proxy forms are available at these meetings.
- For more details on Constitution or voting contact:  
Matthew Watts, Assistant Company Secretary, or  
Jenny McLeod, Executive Manager Policy & Stakeholders,  
at Murray Irrigation, Deniliquin, T. 5898 3300.



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