

Special Resolution: Extending existing restrictions in relation to ex-employees holding Board or other positions

This proposal is also unanimously recommended by the current Board. It is similar to a previous proposal but the current Board are strongly of the view that this proposal needs further consideration.

The proposal involves no changes in relation to current employees or Employee members.

The proposed resolution would continue the existing prohibition against any former employee of the Club holding any position on the Board.

The proposal would however remove the current time limit and also would extend the prohibition to any position within the Club.

It is important to note though that the possibility for an individual to be exempted from the prohibition where there are special circumstances, would continue – see below.

The legislation already prohibits any employee of any registered club from being a director of that club. The government policy behind that provision reflects that employees may have different interests and concerns to members.

In addition, currently under the existing Constitution the soonest that a former employee of the Club can hold any position on the Board is eight years after the termination of their employment.

Under the current Constitution there is the possibility of that being reduced to a minimum of five years if a Board resolution supported by not less than six directors (or five if the other proposed special resolution is passed) waives the prohibition to allow a particular ex-employee to become a member within three years of the termination of their employment.

Different clubs take different approaches to this issue. Part of the context here is that what is appropriate for this Club as a metropolitan club with a huge membership and one of the most financially successful clubs, would possibly not be appropriate or workable for a small club in a country town.

The view of the current Board is that in many cases it is likely to be inherently inappropriate for a former employee to be on the Board because of the potential for at least the perception of conflicts of interest or the perception of the advancement of improper motives.

The current Board stresses that the concern here is about perception and also about recognising that in many cases it would be awkward for all concerned for a former employee to sit on the Board.

The Board recognises that the Club has a body of loyal and hard-working employees on whose shoulders rests the continuing success of the Club.

The Board certainly does not intend that this proposal should cast any aspersion on any current or former employee. The Board fully acknowledges that in any particular case it is unlikely that a former employee would in fact bring any actual conflict of interest or improper motive to a Board position.

And it is recognised that a former loyal employee may be identified as a potential significant contributor to the Club in circumstances where there is less likely to be any perception of a conflict of interest or improper motive. That opportunity will still be available through the mechanism of an exemption as referred to above.

The proposal is put as an absolute prohibition but with the possibility of an exemption, rather than a proposal for a Board to have the power to prohibit a former employee from taking a Board position. That is because it would be odious and divisive for a future Board to pass a resolution prohibiting a particular former employee and also that might expose the Club to litigation.

No current director would be affected by the proposed changes.



CABRA-VALE DIGGERS

CABRA-VALE EX-ACTIVE SERVICEMEN'S CLUB LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting of members of Cabra-Vale Ex-Active Servicemen's Club Limited will be held on Sunday 15 May 2022 commencing at 10:00am in the Club Auditorium (and overflow rooms if needed and also using technology, if and to the extent reasonably necessary such as to ensure appropriate social distancing), at 1 Bartley Street Canley Vale NSW 2166.

BUSINESS

1. **Opening.**
2. **Attendance and quorum.**
3. **Apologies.**
4. **Special Resolution: Reduction in the size of the Board.**

To consider and if thought fit, pass the following resolution as a special resolution:

That the Club's Constitution is amended to reduce the size of the Board from the current nine directors to seven directors and to make consequential and related changes, by amending the following Rules as indicated.

5.12(d) Amendment to read:

(d) The Board by a resolution in respect of which at least six directors vote in favour, may reduce the period of continuous membership necessary for a particular named Service or Social member to qualify to be elected to the Board, as specified in (c) above.

19(a) Amendment to read: :

The Club's Board consists of seven directors including the President and the Vice President.

19(c) Amendment by replacing the existing first sentence with the following:

A minimum of six directors at any one time must be members whose principal place of residence is located not more than ten (10) kilometres (measured point to point from nearest boundary to nearest boundary, and not by distance by road) from the main premises of the Club at 1 Bartley Street, Canley Vale.

19(f) Amendment to read:

Despite anything to the contrary elsewhere in these Rules, if at any time there are fewer candidates or directors (as the case may be) with the qualifications set out in (d) above than the minimum number required by (d) and (e) above, then any remaining vacancy is to be filled (at an election) by the candidate or candidates who receive the next highest votes and who are otherwise eligible and qualified; or (in the case of a casual vacancy) where there is no candidate who has expressed interest in being appointed to fill the vacancy who has the requisite qualification, then the vacancy is to be filled by an appointee who is otherwise eligible and qualified to be a director.



CABRA-VALE DIGGERS

24(c) Amendment by replacing the existing first sentence with the following:
The Board may grant exemption to the member if the Board sees fit, by resolution of the Board at a duly convened meeting of the Board supported by at least five directors.

28(a) Amendment to read:

There is a separate ballot for each of the positions of President and Vice President, and for the other five directors.

29(e) Amendment by replacing the existing preamble with the following:

is the subject of a resolution by the Board supported by at least five directors, that determines that in the reasonable opinion of the Board he or she:

36.3(a) Amendment to read:

Subject to Rules 36.3(b) and (c) below, the quorum for a Board meeting is four directors.

36.3(c) Amendment to read:

Despite Rule 36.3(a) above, the quorum for a Board meeting whilst considering or voting:

- (i) on any motion for a resolution that business of a particular type is "special business";
- (ii) on any motion for a resolution to rescind a resolution that business of a particular type is "special business"; or
- (iii) in respect of any matter concerning special business, is five directors.

[Please see later in this notice for explanatory notes in relation to this and the other proposed special resolution on the agenda]

5. Special Resolution: Extending existing restrictions in relation to ex-employees holding Board and other positions. To consider and if thought fit, pass the following resolution as a special resolution:

That the Club's Constitution is amended to exclude ex-employees from Board and other positions, unless granted exemption, by replacing the existing Rule 11 with the following:

11 Employees, former employees and Employee members

- (a) The membership of an Employee member is automatically terminated when they cease to be an employee of the Club.
- (b) Despite anything elsewhere in this Constitution, a former employee of the Club may not be admitted as a Full member of the Club within three years of ceasing to be an employee.
- (c) Despite anything elsewhere in this Constitution a member who is an employee or former employee (whether or not they are or have been an Employee member) may not:
 - (i) vote at any meeting of the members of the Club or at any meeting of a section of the Club;
 - (ii) be elected or appointed as a director, or nominate a candidate for election as a director, or
 - (iii) be elected or appointed as a member of any committee of the Club or of the governing body of any section within the Club, or nominate a candidate for election to any such position.
- (d) For the purposes of this Rule 11, "employee" includes any employee of the Club in any capacity and includes any part-time or casual employee; and "former employee" has a corresponding meaning.
- (e) A contractor or supplier who provides goods or services to the Club is not an employee or deemed to be an employee merely because of that relationship.

- (f) The Board by a resolution supported by not less than five directors, may partially or completely waive any of the restrictions in this Rule 11, in the case of a particular former employee where in the opinion of the Board the circumstances warrant.

By authority of the Board



Boris Belevski | Chief Executive Officer
4 March 2022

PLEASE READ THE FOLLOWING IMPORTANT NOTES

ALTERNATIVE ARRANGEMENTS

If it necessary or appropriate due the pandemic or otherwise, to

- (a) use overflow rooms (due to possible numbers attending or social distancing requirements), then that will be done, and directions given at the time of the meeting, with connections and participation facilitated by technology if necessary; or
- (b) hold the meeting as a virtual meeting using technology, then members will be notified as early as possible and instructions provided.

OTHER CONSEQUENCES OF THE PANDEMIC

Members are encouraged to allow extra time to gain access to the meeting room. Also please be patient regarding any delays due to social distancing or other hygiene or health measures that may be in place. Please observe all health and safety directions and cooperate with Club staff in accepting re-direction to overflow rooms if that becomes necessary.

Or if it becomes necessary to hold the meeting using technology:

- (a) please test the technology and your connection for yourself in advance to minimise problems, and also follow all instructions;
- (b) your contribution to the discussion of, and questions regarding a proposed resolution may have to be provided through a moderator in accordance with the instructions provided; and
- (c) you must not allow anyone else to use your access right or to vote for you.

NOTICE OF QUESTIONS OR REQUESTS FOR DETAILS

Members who wish to raise any queries or seek any information, including questions in relation to the accounts or reports or specific legislative or financial matters, are asked to provide written notice of the question to the office of the Chief Executive Officer at least 14 days prior to the meeting, so that answers may be researched, if required.

ELIGIBILITY

The following members are entitled to attend and vote at the general meeting: Life members; financial 40 Year members; financial Service members who have continuously been a member for at least the previous 12 months; financial Social members who have continuously been a member for at least the previous 12 months; and financial Campbelltown RSL members who have continuously been a member for at least the previous 12 months.

NB However, only those who have been members for at least five years (counting membership in any membership class) and who did not become a member as a consequence of being a member of Campbelltown RSL Club at the time of the amalgamation with that club, are entitled to vote on the proposed resolutions in relation to amendment to the Constitution.

EMPLOYEES AND PROXIES

Employee members are not entitled to vote at the meeting. Under the registered clubs legislation, proxies are also not permitted.

AUDITOR

Notice of the meeting is being given to the Club's Auditor, who is entitled to attend.

VOTING

A special resolution must receive votes in favour from not less than three quarters of eligible members who cast a valid vote in person at the meeting.

Whether the meeting is a physical meeting or a virtual meeting, your vote on any resolution will not be counted or effective unless you vote only at the time that the proposed resolution is put to the vote and not before, and get your vote lodged before that voting closes.

RESOLUTIONS

It is a requirement under corporations law that any special resolution must be considered as a whole and cannot be altered by any motion at the meeting (except to correct grammatical or clerical errors).

NO OTHER BUSINESS

It is also a legal requirement that no resolution may be proposed at the meeting that is not already listed in the notice of meeting.

PLEASE READ THE FOLLOWING IMPORTANT NOTES

Special Resolution: Reduction in the size of the Board and consequential and related changes

This proposal is unanimously recommended by the current Board.

The Board of directors is made up of Club members who are elected as directors. The Board is responsible for the management of the business and affairs of the Club. Full elections for all director positions are held every two years.

Currently the Constitution provides for a Board comprising nine directors including the President and the Vice President.

Modern best practice is to focus on smaller but more active boards.

In line with that sentiment, the proposed resolution would reduce the total number of directors to seven.

It is a convenient time to make the change because due to resignations currently there are two casual vacancies on the Board and only seven continuing directors. That means that nothing has to be done to transition to this change.

In line with that change, the proposed resolution would also make the following additional changes.

The number of directors required to support a resolution to allow a Service or Social member to be a director without having continuously been a member for at least the previous five years, would be reduced from eight to six.

Presently only one of the Board positions is open to someone who resides outside 10 km of the main Club premises. This would not change.

The current requirements in relation to the number of directors who have to have the specified "service" background would be clarified as follows.

The required minimum number of directors with the specified "service" background would continue to be two and also the existing transitional provision would continue, requiring a higher minimum number while directors from 2018 with a "service" background continue to be on the Board – but making it clear that if there are not sufficient qualified candidates in the first place then others can be appointed to those positions.

The number of directors required to support a resolution to exempt someone from the limit on directors from any Single Interest Group, would be reduced from six to five.

The number of directors required to support a resolution finding that a fellow director has become disqualified on certain grounds, from continuing as a director, would be reduced from seven to five.

The minimum number of directors required to hold a Board meeting (the quorum) would be reduced from five to four.

The minimum number of directors required to decide that particular Board business should be treated as "special business" or required to deal with any special business, would be reduced from seven to five.