

WARREN AND DISTRICT UNITED SERVICES CLUB LIMITED

ACN 001 036 666

EXPLANATORY MEMORANDUM FOR PROPOSED NEW CONSTITUTION

At the Annual General Meeting of the Club, members will be asked to consider a Special Resolution to adopt a new Constitution to replace the existing Constitution of the Club (**existing Constitution**).

The Club's lawyers have advised that the Club should adopt a new Constitution to replace the existing Constitution so that the Club's Constitution reflects and complies with the requirements of the Corporations Act, Registered Clubs Act, Liquor Act, Gaming Machines Act and their respective regulations.

This Explanatory Memorandum is to assist members to understand the proposed new Constitution and why it is appropriate to adopt it.

Copies of the proposed new Constitution and the existing Constitution are available for inspection on the Club's noticeboard and website and copies are also available upon request from the Club.

SUMMARY OF PROPOSED CONSTITUTION

A summary of the proposed new Constitution and its principal features is set out below. **Significant variations from the existing Constitution are set out in bold.** However, there are many additional new provisions which reflect the requirements of various pieces of legislation which impact on the Club. These have not been set out in bold.

NAME

1. Rule 1 states that the name of the company is Warren and District United Services Club Limited. This remains unchanged.

PRELIMINARY

2. Rule 2.1 states that the Club is a company limited by guarantee and a non-proprietary company.
3. Rule 2.2 provides that the company is established for the purposes set out in the Constitution.
4. Rule 2.3 provides that the replaceable rules referred to in the Corporations Act are displaced or modified as provided in the Constitution.
5. Rule 2.4 provides that every member must comply with the Constitution and any By-laws of the Club.
6. Rule 2.5 provides that the Constitution has the effect of a contract between the Club and each member.
7. Rule 2.6 provides that the Club must provide a copy of the Constitution to a member on receiving a request to do so.

DEFINITIONS AND INTERPRETATION

8. Rule 3 sets out the definitions used in the Constitution and it also deals with the interpretation of the Constitution.

OBJECTS AND POWERS

9. Rule 4 sets out the objects of the Club and the legal powers of the Club.

WINDING UP AND MEMBER'S LIABILITY

10. Rule 5 states that the liability of the members is limited. That limit is two dollars (\$2.00) as set out in Rule 6.
11. Rule 6 provides that each member of the Club undertakes to contribute an amount not exceeding two dollars (\$2.00) if the Club is wound up and the assets of the Club are insufficient to discharge the liabilities. This undertaking continues for a period of twelve (12) months after the person ceases to be a member.
12. Rules 7.1 and 7.2 provide that on the winding up of the Club, if there remains any assets (after the satisfaction of all debts and liabilities), then those assets shall not be distributed among the members but shall be given or transferred to an institution which has similar objects to the Club which is approved by members.

PROPERTY AND INCOME

13. Rule 8.1 provides that the property and income of the Club must be applied solely towards the promotion of the objects of the Club.
 14. Rules 8.2 and 8.3 set out specific requirements of the Registered Clubs Act in relation to benefits available to members.
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15. Rule 8.4 provides that a director of the Club cannot be appointed or elected to any office of the Club paid by salary or wages or any similar basis of remuneration.
16. Rule 8.5 provides that the payment in good faith of reasonable and proper remuneration to any officer, employee or to any member of the Club for services actually rendered, or for interest on money lent by the director to the Club or rent on property leased to the Club by the director, is not prohibited.
17. Rule 8.6 specifies that a director shall not receive from the Club remuneration or any other benefit in money or monies worth except by way of an honorarium and for any reasonable out of pocket expenses.

LIQUOR AND GAMING

18. Rules 9.1 and 9.2 provide that liquor shall not be sold, supplied or disposed of on the premises of the Club to any person under the age of 18 years in accordance with the Registered Clubs Act and the Liquor Act.
19. Rule 9.3 states that a person under the age of 18 years shall not use or operate the Club's gaming facilities.
20. Rules 9.4 to 9.6 inclusive prohibit a person associated with the Club from receiving any bonuses or remuneration related to the Club's sale or supply of liquor to patrons, or from the operation of the Club's gaming machines.
21. Rule 9.7 states that the Board can implement and enforce liquor, gaming and anti-money laundering policies.

MEMBERSHIP

22. Rule 10.1 states that a person under the age of eighteen (18) years cannot be admitted to membership.
23. Rule 10.2 provides that the categories of membership are Club membership and Honorary Life membership.
24. Rule 10.3 provides that persons who are not members of the Club may be admitted to the Club as Provisional members, Honorary members, or Temporary members.
25. Rule 10.4 provides that the number of Full members having the right to vote in the election of the Board shall not be less than the minimum number of Full members required by the Registered Clubs Act.
26. Rules 10.6 to 10.16 set out the eligibility requirements for membership of the Club (including Honorary Life membership) and the rights and entitlements of members. These provisions remain unchanged.
27. Subject to the restrictions contained in the Constitution, Club members and Honorary Life members are entitled to:
 - (a) playing and social privileges and advantages of the Club; and
 - (b) attend and vote at general meetings (including Annual General Meetings) of the Club;
 - (c) nominate for and be elected to hold office on the Board;
 - (d) vote in the election of the Board;
 - (e) vote on any Special Resolution (including a Special Resolution to amend the Constitution);
 - (f) propose, second, or nominate any eligible member for any office of the Club;
 - (g) propose, second or nominate any eligible member for Life membership; and
 - (h) introduce guests to the Club.

TRANSFER BETWEEN CLASSES OF MEMBERSHIP.

28. Rule 11 set out the procedure to be followed for the transfer of members from one category of membership to another category of membership.

HONORARY, TEMPORARY AND PROVISIONAL MEMBERSHIP

29. Rules 12 to 14 inclusive deal with Honorary, Temporary and Provisional membership and they are consistent with the Registered Clubs Act.

ELECTION OF MEMBERS

30. **Rule 15 deals applications for membership and it is consistent with best practice and the Registered Clubs Act.** These provisions have been amended to allow persons to apply for membership online or in person at the Club.

JOINING FEES, SUBSCRIPTIONS AND LEVIES

31. Rule 16 deals with joining fees, subscriptions, and levies and it is consistent with the Registered Clubs Act.

NON-FINANCIAL MEMBERS

32. Rule 17 states that Non-Financial members are not entitled to any rights and privileges of membership whilst they are not a financial member of the Club.

REGISTERS OF MEMBERS AND GUESTS

33. Rule 18 provides that the Club must keep registers of members and guests in accordance with the Corporations Act and Registered Clubs Act.

ADDRESSES OF MEMBERS

34. Rule 19 requires members to notify the Club of any changes to their contact details within seven (7) days.

DISCIPLINARY PROCEEDINGS

35. Rule 20 deals with powers of the Board to discipline members. The principles of the existing disciplinary proceedings process have been retained.
36. **The disciplinary proceedings process has been updated to allow for the outcome of disciplinary proceedings to be dealt with by the Board either in person or via letter sent to the member's address.**
37. **Rules 20.5 to 20.9 inclusive are new provisions which allow the Secretary to suspend a member for a period of up to twelve (12) months for engaging in unacceptable conduct provided that the member can appeal this decision to the Board.** This reflects best practice and it is becoming increasingly more common in the club industry.
38. **Rule 21 provides that the Board may delegate its disciplinary powers to a disciplinary committee comprising of three (3) directors. The Board retains the power to review a decision of a disciplinary committee provided the Board follows the procedure set out in Rule 20.**
39. Rule 22 states that a suspended member is not entitled to any rights and privileges of membership whilst they are under suspension.
40. Rule 23 deal with the removal of persons from the Club's premises and they are consistent with the Liquor Act
41. Rule 24 deals with the procedure for a member to resign from the Club.

GUESTS

42. Rule 25 deals with guests of members and reflects the provisions of the Registered Clubs Act.

PATRONS

43. Rule 26 deals with the appointment of patrons.

BOARD OF DIRECTORS

44. Rule 27.1 provides that the Board will continue to consist of seven (7) Directors comprising of a President, a Vice President, a Treasurer and four (4) other Directors.
45. Rule 27.2 clarifies that Board can appoint up to two (2) directors to the Board (**Board Appointed Directors**) in accordance with the Registered Clubs Act. Board Appointed Directors are in addition to those directors elected by members.
46. Rule 27.3 provides that the Board shall continue to be elected annually.
47. Rule 27.4 provides that only Honorary Life members and Club Members can be directors of the Club. This is consistent with the existing Constitution.
48. **Rule 27.5 provides that a member can not hold office on the Board if they:**
- (a) **are an employee; or**
 - (b) **are currently under suspension;**
 - (c) **are not a financial member;**
 - (d) **are disqualified from managing any company under the Corporations Act;**
 - (e) **are of unsound mind or whose person or estate is liable to be dealt with any way under the law relating to mental health;**
 - (f) **are prohibited from being a director by reason of any order or declaration made under the Act, Liquor Act, Registered Clubs Act or any other applicable legislation;**
 - (g) **have been convicted of an indictable offence (irrespective of whether or not a conviction was actually recorded) but it does not include a spent conviction (as defined in the Criminal Records Act 1991);**

- (h) are a current contactor of the Club, or a director, secretary, employee or business owner of a contractor;
- (i) were a contractor of the Club or a director, secretary, employee or business owner of a contractor immediately preceding the proposed date of election or appointment to the Board;
- (j) were an employee of the Club during the three (3) years immediately preceding the proposed date of election or appointment to the Board;
- (k) are a director of another registered club within the same Local Government Area.

49. Rule 27.6 provides that any person who is elected or appointed to the Board must complete the mandatory training for directors, as required by the Registered Clubs Act.
50. Rule 27.7 provides that a member is not entitled to be elected or appointed to the Board if he or she does not have a Director Identification Number (unless exempted from doing so) on the proposed date of his or her election or appointment to the Board, as is required by the Corporations Act.

ELECTION OF BOARD

51. Rule 28 deals with the election of the Board and it is more comprehensive than the provisions in the existing Constitution. This Rule 28 is consistent with best practice.

POWERS OF THE BOARD

52. Rule 29 deals with the Board's powers. The provisions reflect the existing Constitution and the established practice of the Club.

PROCEEDINGS OF THE BOARD

53. Rule 30 deals with proceedings of the Board (board meetings). The provisions reflect the existing Constitution and there is no broadening of the Board's powers, other than to allow for the powers contained in the Corporations Act and the Registered Clubs Act relating to the use of technology for Board meetings and requiring the Board to meet at least once per quarter, rather than once per month.
54. **Rule 30.3 provides that the quorum for a meeting of the Board shall be five (5) directors in office at the time of the meeting provided that the President or the Vice President is present at the meeting. This differs from the current Rule 22(g) which provides that the quorum for ordinary Board meetings shall be five (5) provided that the President or one Vice President is present but for Special Board meetings the quorum shall be six (6) including the President or one Vice President.**
55. Rule 30.4 allows the President at any time and the Secretary upon the request of not less than two (2) directors to convene a meeting of the Board.
56. Rule 30.5 provides that all decisions of the Board are determined by a majority vote. In the case of an equality of votes the chairperson of the meeting has a second or casting vote.
57. **Rule 30.7 allows a meeting of the Board to be called or held using technology consented to by all directors. This is consistent with the Corporations Act and the Registered Clubs Act.**
58. **Rules 30.8 and 30.9 allow the Board to pass board resolutions outside of a formal board meeting (for example, by email). This is consistent with the Corporations Act.**

MATERIAL PERSONAL INTERESTS AND REGISTERED CLUBS ACCOUNTABILITY CODE

59. Rules 31 and 32 introduce new provisions in relation to corporate governance and accountability for the Club which are consistent with the Corporations Act and the Registered Clubs Act.

REMOVAL FROM OFFICE OF DIRECTORS

60. Rule 33 provides that the members in a general meeting may by ordinary resolution remove any director, or the whole Board, before the expiration of his, her or their period of office and appoint another person or persons in his, her or their place. This Rule reflects the Corporations Act and the existing practice of the Club. **Rule 33 does however not include a provision in the existing constitution which provides that if more than half of the Board are removed from office by a vote of members at a properly convened general meeting of the club then the whole of the Board is deemed to be suspended and a fresh election is to be called and held within 2 months to elect a new Board. The solicitors for the Club are of the view that this provision is not legally correct as the remaining directors in office would still be directors of the Club as they have not been removed office and they could vote to appoint another eligible member to get to a quorum.**

VACANCIES ON THE BOARD

61. Rule 34.1 clarifies how a casual vacancy on the Board arises. Rule 35.3 states that the Board has the power to fill a casual vacancy. Any person appointed to fill a casual vacancy will hold office only until the next Annual General Meeting.

GENERAL MEETINGS

62. Rules 35.1 to 35.53 inclusive relate to the calling and holding of general meetings (and Annual General Meetings) of the Club. The Rules are consistent with the existing Constitution and the Corporations Act, however, they are more comprehensive than the existing Constitution.

ATTENDANCE AND VOTING AT GENERAL MEETINGS

63. Rules 35.31 to 36.44 inclusive relate to attendance and voting at general meetings.
64. Only Honorary Life members and financial Club members can attend and vote at a general meeting and Annual General Meeting of the Club.
65. Proxy voting is not permitted. This is a requirement of the Registered Clubs Act.
66. Every member eligible to vote, either by show of hands or a poll, is entitled to one vote.
67. A member, who is also an employee of the Club, is not permitted to vote. This is a requirement of the Registered Clubs Act.
68. All questions and resolutions (other than Special Resolutions) shall be decided by a simple majority of votes.
69. Voting shall be on a show of hands unless a poll is demanded.

QUORUM AT GENERAL MEETINGS

70. Rules 35.45 to 36.48 inclusive detail the quorum required for general meetings.
71. Rule 35.45 provides that no business may be transacted at a general meeting unless a quorum of members is present.
72. Rule 35.46 provides that, at any general meeting (including an Annual General Meeting) convened by the Board, thirty (30) members present and eligible to vote will constitute a quorum. This is consistent with the existing Constitution.
73. Rules 35.47 and 35.48 set out the procedure to be followed if a quorum is not present.

MEMBERS' RESOLUTIONS AND STATEMENTS

74. Rule 36 provides for members' resolutions and statements by members. This Rule also sets out the procedure for members to require the Board to include an item of business or notice of motion in the business of an Annual General Meeting.

MINUTES

75. Rule 37 provides that minutes of all resolutions and proceedings at general meetings must be entered in the Minute Book within one month of the meeting and signed by the chairperson of that meeting or the chairperson of the next succeeding meeting.

ACCOUNTS

76. Rule 38 deals with the accounts and reporting to members and it is consistent with the Corporations Act and Registered Clubs Act.

FINANCIAL YEAR

77. Rule 39 provides that the financial year of the Club shall commence on the first day of July in each year and will end on the last day of June in the following year. This remains unchanged.

AUDITOR

78. Rule 40 requires the Club to appoint an auditor. The auditor holds office until removed by the members in general meeting or resigns from office or dies. This is a requirement of the Corporations Act.

SECRETARY

79. Rule 41 requires the Board to appoint one Secretary who will be the Chief Executive Officer of the Club for the purposes of the Registered Clubs Act.

EXECUTION OF DOCUMENTS

80. Rule 42 deals with the execution of documents by the Club and it is consistent with the Corporations Act

NOTICES

81. Rule 43 deals with the provision of notices (including notices of meetings) to members and it is consistent with the Corporations Act

INDEMNIFICATION OF OFFICERS

82. Rule 44 deals with the insurance and indemnification of the officers and auditors of the Club and it is consistent with the Corporations Act.

INTERPRETATION

83. Rule 45 deals with the interpretation of the Club's Constitution and it is consistent the existing Constitution of the Club.

AMENDMENTS TO CONSTITUTION

84. Rule 46 provides for amendments to the Constitution. The Constitution can only be amended by way of Special Resolution passed at a general meeting of members. Only Honorary Life members and financial Club members can vote on any Special Resolution to amend the Constitution. This is consistent with the existing Constitution and the existing practice of the Club.

MEETINGS AND VOTING

85. **Rule 47 provides that the Club may (but is not required to) distribute notices electronically, hold meetings electronically and permit persons to attend meetings by electronic means. This is consistent with the Registered Clubs Act.**

HISTORICAL PROVIIONS

86. Rule 48 sets out the names and addresses of the subscribers to the Memorandum and Articles of Association when the Club became registered as a company.

It is hoped that this summary will provide members with sufficient background and information to enable them to make an informed decision in relation to the proposed special resolution to adopt the new Constitution. However, there may be matters about which members may have questions not covered by this Memorandum. In those circumstances, they are invited to raise their questions with the Secretary Manager who, if necessary, will obtain advice from the Club's lawyers to pass back to the member.

The Board considers the proposed new Constitution as being a significant improvement on the existing Constitution and it recommends that members vote in favour of the Special Resolution. To be passed, the Special Resolution will need votes from not less than three-quarters (75%) of those members who being eligible to do so vote in person at the meeting.

Dated: 21/10/2025



Tony Fitzimmons
Chief Executive Officer