

YAMBA GOLF & COUNTRY CLUB

NOTES ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Dear Member

Following the General Meeting held last November, the Board and Management of Yamba Golf & Country Club have made changes to the Third Special Resolution to the Club's Articles of Association that it proposed. This Third Special Resolution has now been split and the Special Resolutions we are now proposing to members at this General Meeting are:

1. To introduce the Triennial Rule for Board elections and to have the President nominated and voted for each year at the Annual General Meeting.
2. To have the Captain not mandatorily a Board member and to have the Captain voted on by members each year at the Annual General Meeting.
3. To amend the Club's Financial Year to end in June (currently January).

Note part of the Third Special Resolution proposed at November's General Meeting, to have the Board elect its President and two Vice Presidents at its first meeting each year, has been amended based on members' feedback and the discussion that ensued.

The *Notice of Special Resolutions for General Meeting* below details the proposed changes to the Club's Articles, with the first two proposed amendments endeavouring to increase the pool of potential and willing members wishing to nominate as a Director and/or Captain. In addition to this, Triennial elections are increasingly seen as 'best practice' for Clubs such as ours and will increase our capacity to maintain continuity and stability at Board and Management level. Management, with the support of the Board, also believe that changing the financial year to end in June will allow for smoother operations and coordination between the membership year and financial year. While the Articles allow the Board to change the financial year within limits set by the Registered Clubs Act, for good order we seek to have this change formalised and inserted into the Articles by way of Special Resolution.

I ask members to read through these proposed amendments to the Club's Articles of Association by way of the Special Resolutions below. Please do not hesitate to contact me for any further information or clarification.

Yours faithfully

Luke Stephenson
General Manager

YAMBA GOLF & COUNTRY CLUB LIMITED
ABN 55 000 829 489

NOTICE OF SPECIAL RESOLUTIONS FOR ANNUAL GENERAL MEETING

Members will be asked to consider and if thought fit pass the Special Resolutions set out below:

PROCEDURAL MATTERS

1. To be passed a Special Resolution must receive votes in its favour from not less than three quarters (75%) of those members who being eligible to do so vote in person on the Special Resolution at the meeting.
2. Each Special Resolution should be read in conjunction with the notes to members which follow each Special Resolution.
3. Only Life members and financial Playing members are eligible to vote on the Special Resolutions.
4. Under the Registered Clubs Act:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.
5. Amendments to a Special Resolution (other than minor typographical corrections which do not change the substance or effect of the Special Resolution) will not be permitted from the floor of the meeting.
6. The Board of the Club recommends all three Special Resolutions to members.

FIRST SPECIAL RESOLUTION

[The First Special Resolution is to be read in conjunction with the justification and notes to members set out below.]

That with effect from and for the purposes of the Annual General Meeting of the Club to be held in 2017 and all Annual General Meetings thereafter until otherwise amended, the Memorandum and Articles of Association of Yamba Golf & Country Club Limited be amended by:

- (a) **deleting** Article 35(a) and in lieu thereof **inserting** the following new Article 35(a):

"35(a) The Board shall be elected triennially in accordance with Article 36 and Schedule 4 of the Registered Clubs Act (which is set out below) and the first meeting under the triennial rule will be the Annual General Meeting held in 2017.

SCHEDULE 4 (of the Registered Clubs Act)

Definitions

1. *In this Schedule -*

"general meeting" means a meeting of the members of the club at which members of the governing body are to be elected;

"triennial rule" means the Rule of the club that provides for the election of members of the governing body in accordance with this Schedule;

"year" means the period between successive general meetings.

2. *Repealed.*

First general meeting under triennial rule

3. (1) *The members elected to the governing body at the first general meeting at which the triennial rule applies shall be divided into 3 groups.*

(2) *The groups -*

(a) *shall be determined by drawing lots; and*

(b) *shall be as nearly as practicable equal in number; and*

(c) *shall be designated as group 1, group 2 and group 3.*

(3) *Unless otherwise disqualified, the members of the governing body -*

(a) *in group 1 shall hold office for 1 year; and*

(b) *in group 2 shall hold office for 2 years; and*

(c) *in group 3 shall hold office for 3 years.*

Subsequent general meetings

4. *At each general meeting held while the triennial rule is in force (other than the first such meeting) the number of the members required to fill vacancies on the governing body shall be elected and shall, unless otherwise disqualified, hold office for 3 years.*

Casual vacancies

5. (1) *A person who fills a casual vacancy in the office of a member of the governing body elected in accordance with this Schedule shall, unless otherwise disqualified, hold office until the next succeeding general meeting.*

(2) *The vacancy caused at a general meeting by a person ceasing to hold office under subclause (1) shall be filled by election at the general meeting and the person elected shall, unless otherwise disqualified, hold office for the residue of the term of office of the person who caused the casual vacancy initially filled by the person who ceased to hold office at the general meeting.*

Re-election

6. *A person whose term of office as a member of the governing body under the triennial Rule expires is not for that reason ineligible for election for a further term.*

Revocation of triennial rule

7. *If the triennial rule is revoked -*

(a) *at a general meeting - all the members of the governing body cease to hold office; or*

(b) *at a meeting other than a general meeting - all the members of the governing body cease to hold office at the next succeeding general meeting,*

and an election shall be held at the meeting to elect the members of the governing body.”

(b) **deleting** Article 35(b) and in lieu thereof inserting a new Article 35(b):

“(b) *Deleted.*”

- (c) **deleting** Article 35(e) and in lieu thereof inserting a new Article 35(e):
- “(e) Deleted.”
- (d) **inserting** at the beginning of Article 36 the words “References to the election of the Board in this Article 36 refer to positions on the Board to be elected in any one (1) year in accordance with the triennial Article set out in Article 35(a)”.
- (e) **deleting** Rule 36(d) and in lieu thereof **inserting** the following new Article 36(d):
- “(d) A Returning Officer and three (3) assistants shall be appointed by the Board of Directors to conduct the election in the Clubhouse which shall be carried out over a period of seven (7) days before the Annual General Meeting with voting to cease at the close of business of the Club on the Friday immediately before the Annual General Meeting. The result of the election shall be announced at the Annual General Meeting by the Chairman.”
- (f) **inserting** the following new Article 36(g):
- “(g) Once the election of the Board of Directors has been announced at the Annual General Meeting, nominations and voting for the office of President shall be conducted, with voting, if required, to be conducted by way of secret ballot.”
- (g) **inserting** the following new Article 36(h):
- “(h) The offices of Senior Vice President and Junior Vice President shall be decided by the Board from its numbers at its first meeting each year following the Annual General Meeting.”
- (h) **inserting** the words “in accordance with the Triennial Rule set out in Article 35(a).” at the end of Article 50.
- (i) **deleting** Article 54(c) and in lieu thereof **inserting** the following new Article 54(c):
- “(c) To declare the results of the election of Directors to the vacancies on the Board caused by the operation of the Triennial Rule referred to in Article 35 (a).”
- (j) **inserting** the following new Article 54(h):
- “(h) To elect the President from the Board of Directors.”

Justification for the First Special Resolution

1. The First Special Resolution seeks to amend the provisions of the Memorandum and Articles of Association relating to the election of directors.
2. At present, Directors are elected annually. If the First Special Resolution is passed, Directors will be elected in accordance with the “Triennial Rule” contained in Schedule 4 of the *Registered Clubs Act* (which is set out in the shaded box in the Special Resolution).
3. If the First Special Resolution is passed, the Triennial Rule will take effect from the Annual General Meeting in 2017 and the directors elected to office at the Annual General Meeting in 2017 will be the first Directors elected under the Triennial Rule.
4. If the First Special Resolution is not passed, the Board will continue to be elected annually and the current one (1) year term for Directors will continue to apply.
5. The Triennial Rule provides for three (3) year terms of office for Directors, with one third of the Board to be elected each year.

6. For this purpose, the directors are divided into three (3) groups. As the Board consists of nine (9) Directors when the triennial rule is adopted, there will be three (3) groups of three (3) Directors.
7. In each year, a different group retires. Group 1 retires in the first year, Group 2 retires in the second year, Group 3 retires in the third year, and Group 1 retires in the fourth year, Group 2 in the fifth year and so on.
8. In the first year of the triennial rule's operation, lots are drawn to determine which group a Director falls into. Those Directors allotted to Group 1 will only hold office for one year. Directors allotted to Group 2 will only hold office for two years. Directors allotted to Group 3 will be the only Directors who, in the first year, are elected to office for three years.
9. Directors whose term of office has come to an end are, subject to the Memorandum and Articles of Association, eligible for re-election for a further three year term.
10. The laws relating to registered clubs are becoming far more complex. The Club operates under the provisions of the *Corporations Act*, *Registered Clubs Act*, *Liquor Act*, *Gaming Machines Act* and their associated regulations as well as many other laws. It is becoming increasingly difficult for a Director to acquire the requisite knowledge without guidance from more experienced directors and from educational programs.
11. The Triennial Rule provides for continuity and greater stability on the Board while still allowing for a third of the Board to change each year.
12. The Triennial Rule also provides the opportunity to pass valuable knowledge between Directors.
13. Nominations (and voting if required) for the office of President will be done at the Annual General Meeting each year once the results of the Board election has been announced.

Notes on the First Special Resolution

1. **Paragraph (a)** sets out that the triennial system of electing Directors (as per Schedule 4 of the Registered Clubs Act) will be used from the Annual General Meeting of 2017.
2. **Paragraph (b)** removes Article 35(b) which required Directors to only hold office for one year.
3. **Paragraph (c)** removes the procedure for electing the Senior Vice President and Junior Vice President. This is replaced by new Article 36(h).
4. **Paragraph (d)** adds the use of the triennial system to Article 36.
Paragraph (e) removes the order of seniority for election of offices.
5. **Paragraph (f)** sets out the system of nominating and electing the President. The election of President at the Annual General Meeting is practical as it will allow members to first know the makeup of the Board of Directors before nominating one or more of them to be President.
6. **Paragraph (g)** states that the elected Board will decide on the other two office bearers, namely the Senior Vice President and Junior Vice President, at its first meeting after the AGM.
7. **Paragraph (h)** adds the use of the triennial system to Article 50.
8. **Paragraph (i)** inserts declaring the result of the election of Directors as an item of business at the Annual General Meeting, and replacing the previous (redundant) item of business "To elect the Board"
9. **Paragraph (j)** adds as an item of business at the Annual General Meeting the election of the President from the elected Board.

SECOND SPECIAL RESOLUTION

[The Second Special Resolution is to be read in conjunction with the justification and notes set out below.]

That with effect from and for the purposes of the Annual General Meeting of the Club to be held in 2017 and all Annual General Meetings thereafter until otherwise amended, the Memorandum and Articles of Association of Yamba Golf & Country Club Limited be amended by:

- (a) **deleting** from the definition of "Officers" in Article 1(a) the word "*Captain*".
- (b) **inserting** at the beginning of Article 34 the words "*Until the Annual General Meeting in 2017,*"
- (c) **inserting** the following new Article 34A:
 - "34A. As and from the Annual General Meeting in 2017, the Board shall consist of a President, a Senior Vice President, a Junior Vice President, and six (6) other Board members.*
- (d) **inserting** the following new Article 34B:
 - "34B. As and from the Annual General Meeting in 2017:*
 - (a) *the position of Captain will no longer be a position of the Board; and*
 - (b) *Financial Playing members and Life members will elect the golf Captain for the following year at each Annual General Meeting.*
- (e) **deleting** from Article 49 the words "*2 Vice Presidents, Captain*" and in lieu thereof **inserting** the words "*Senior Vice President, Junior Vice President*".
- (f) **inserting** the following new Articles 54(i):
 - "(h) To elect the golf Captain from the members."*
- (g) **deleting** Article 57 and in lieu thereof **inserting** the following new Article 57:
 - "57. The President shall be entitled to take the Chair at every General Meeting. If the President is not present within fifteen minutes after the time appointed for holding such meeting or is unwilling or unable to act then the Senior Vice President shall act as Chairman. If the Senior Vice President is not present or is unwilling or unable to act then the Junior Vice President shall act as Chairman. If the Junior Vice President is not present or is unwilling to act then the members of the Club present shall elect a member of the Board or one of their number to be Chairman of the meeting."*

Justification for the Second Special Resolution

1. The Second Special Resolution seeks to amend the provisions of the Memorandum and Articles of Association relating to the responsibilities and election of the Captain.
2. At present the Captain is an office of the Board. If the Second Special Resolution is passed, from the Annual General Meeting in 2017 the Captain will no longer be an office of the Board of Directors and an additional Ordinary Director will replace the office of Captain. That is, the Board will comprise a President, a Senior Vice President, a Junior Vice President, and six (6) Ordinary Directors.
3. If the Second Special Resolution is passed, the Captain will be elected by the Financial Playing members and Life members at each Annual General Meeting. A Director of the Club may choose to nominate, and be elected, as Captain however it would no longer be mandatory that the Captain is a Director.

4. The Board believes allowing the separation of the duties of Captain and Director will increase the potential for more interested (and qualified) members willing to nominate as Captain, and conversely may also increase the number of candidates to nominate or stay as a Director.
5. If the Second Special Resolution is not passed the Captain will remain an office of the Board and will continue to be elected by all members eligible to vote in an election of the Board being Life members, Financial Playing members, Social members and Social Pensioner members.

Notes on the Second Special Resolution

1. **Paragraph (a)** removes the Captain from the definition of Officers.
2. **Paragraph (b)** confirms the status quo (Captain as a Director) remains until the 2017 Annual General Meeting.
3. **Paragraph (c)** sets out the new composition of the Board of Directors, removing the Captain as an officer.
4. **Paragraph (d)** restates that the position of Captain is no longer a Board position and sets out that Financial Playing Members and Life Members will elect the Captain at each Annual General Meeting. Note, that the position of Captain is no longer a Board position does not mean that the Captain cannot be a Director if he/she so nominates and is duly elected.
5. **Paragraph (e)** removes the Captain from the listed offices.
6. **Paragraph (f)** adds as an item of business at the Annual General Meeting the election of the Captain from the members. Note in electing a golf Captain the 'members' include the Directors, and so allows a Director to also fill the office of Captain.
7. **Paragraph (g)** removes the Captain from the list of possible Chairpersons for meetings when the President is unavailable.

THIRD SPECIAL RESOLUTION

[The Third Special Resolution is to be read in conjunction with the justification and notes to members set out below.]

That with effect from and for the purposes of the Annual General Meeting of the Club to be held in 2017 and all Annual General Meetings thereafter until otherwise amended, the Memorandum and Articles of Association of Yamba Golf & Country Club Limited be amended by:

(a) **Deleting** Article 66 and in lieu thereof **inserting** the following new Article 66:

“66. The financial year of the Club shall commence on the first day of July and end on the last day of June in each year or such other period as having regard to the Act, the Board may determine”.

Justification for the Third Special Resolution

1. The Third Special Resolution seeks to amend the financial year of the club from a year-end January to a year-end June to allow for smoother operations including strategic and financial planning and to coordinate the financial year with the membership year. The amendment also aligns YGCC financial quarters with the actual financial quarters (eg BAS/GST), allowing for smoother reporting.
2. While the Article itself allows for the financial year to be changed at the Board's discretion, within limits set by the Act, for good order we seek to have this amendment made to our Articles of Association.
3. Our current Auditor supports this change to our financial year.

Note on the Third Special Resolution

1. **Paragraph (a)** amends the financial year of the club to year-end June.

Dated: 21st April 2016

By direction of the Board

Luke Stephenson
General Manager.