

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 48th Annual General Meeting of the Forestville RSL Club Limited (ACN 000 970 132) will be held in the Club premises, 22 Melwood Avenue, Forestville at 7.00pm on Monday 3rd August 2020.

The business of the Annual General Meeting will be as follows:

AGENDA

- A) To confirm the minutes of the 47th Annual General Meeting of the Club, held Monday 6th May 2019.
- B) To receive and consider the Reports of the Board.
- C) To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 31 December 2019.
- D) In accordance with the Constitution of the Forestville RSL Club Limited elections for the Board will take place for the positions of President, Vice President and five (5) Directors.

The declaration of the results of the Ballot by the Returning Officer, provided that in the event of it being necessary to have an election at the Annual General Meeting pursuant to Rule 57(d) of the Club's Constitution, the results may be declared either at the Annual General Meeting or by posting the results on the Notice Board of the Club within seven (7) days of the Annual General Meeting.

- E) To elect Patrons for the ensuing year.
- F) To consider and if thought fit pass the four (4) Ordinary Resolutions.
- G) To consider and if thought fit pass the Special resolution to amend the Club's Constitution.
- H) General Business.

Members Please Note: Consistent with Rule 97 of the Club's Constitution and section 314 of the Corporations Act 2001 the financial report, the director's report and the auditor's report are available for inspection on the Club's website at: www.forestvillersl.com.au.

FIRST ORDINARY RESOLUTION

"That pursuant to section 10(6A) of the Registered Clubs Act:

- (a) *The members hereby approve expenditure by the Club during the period preceding the 2021 Annual General Meeting for the following expenses subject to approval by the Board of Directors.*
 - (i) *Expenses involved in sponsorship of Intra-Clubs Annual President's Appreciation Dinner and the presentation to members or other persons, acknowledging service deemed by the Directors as being of benefit to the Club and/or the Community.*
 - (ii) *Reasonable expenses incurred by Directors in travelling in either private or public transport to and from Directors' and other duly constituted Committee meetings, either within the Club or elsewhere – as approved by the Board, on production of documentary evidence of such expenditure.*
 - (iii) *The reasonable cost of meal and beverage for each Director at a reasonable time before or after the Board or Committee meeting, on the day of that meeting.*
 - (iv) *Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to other such duties including entertainment or special guests of the Club or other promotional activities approved by the Board, on production of documentary evidence of such expenditure.*
- (b) *The members acknowledge that the benefits in paragraph (a) above are not available to members generally, but only for those members who are Directors of the Club and those members directly involved in the above activities."*

SECOND ORDINARY RESOLUTION

"That pursuant to section 10(6A) of the Registered Clubs Act:

- (a) *The members hereby approve expenditure by the Club for the professional development and education of Directors during the period preceding the 2021 Annual General Meeting, including:*
 - (i) *The reasonable cost of Directors attending the Annual General Meetings of ClubsNSW. The RSL & Services Clubs Association, Club Managers Association of Australia and any other Associations of which the Club is a member.*
 - (ii) *The reasonable cost of Directors attending Seminars, Lectures, Trade Displays, Organised Study Tours, Fact Finding Tours and other similar events as may be determined by the Board from time to time.*
 - (iii) *The reasonable cost of Directors attending other Clubs for the purpose of observing their facilities and methods of operation.*
 - (iv) *The reasonable cost of attendance at functions with spouses where appropriate.*
- (b) *The members acknowledge that the benefits in paragraph (a) above are not available to members generally, but only for those members who are Directors of the Club and those members directly involved in the above activities."*

THIRD ORDINARY RESOLUTION

"That pursuant to section 10(6A) of the Registered Clubs Act:

- (a) *The members hereby approve the allocation of reserved car spaces for the exclusive use of the Directors of the Club.*
- (b) *The members acknowledge that the benefits in paragraph (a) above are not available to members generally, but only for those members who are Directors of the Club."*

FOURTH ORDINARY RESOLUTION

That, in accordance with section 327B(1) of the Corporations Act 2001, the members of Forestville RSL Club Limited (**Club**) approve the appointment of BDO Audit Pty Ltd as the auditors of the Club effective immediately.

SPECIAL RESOLUTION

"That the Constitution of Forestville RSL Club Limited (ACN 000 970 132) be amended as follows:

- By deleting existing Rule 54(a) in its entirety and inserting the following new Rule 54(a) instead:
 - (a) *The business and affairs of the Club and the custody and control of its funds shall be managed by the Board of Directors comprising of seven directors which shall be elected triennially in accordance with Rule 55.*

- By deleting existing Rules 55 in its entirety and inserting the following new Rule 55 and 56 instead:

55.

 - (a) *The Board shall be elected every two years until the election of the Board in 2022, and the results of the election declared at the Annual General Meeting of the Club.*
 - (b) *On and from the election of the Board in 2022, the Board shall be elected triennially in accordance with Rule 30 and with Schedule 4 of the Registered Clubs Act (which is set out in Rule 56).*
 - (c) *The members of the Board shall hold office until the conclusion of the third Annual General Meeting after that at which they were elected when they shall retire but shall be eligible for re-election.*
 - (d) *A member is not eligible to nominate for or be elected to the Board if, at the time of nomination, the election, or both:*
 - (i) *the member is not a Life member or financial member;*
 - (ii) *the member is currently suspended from membership; or*
 - (iii) *the member has been a director of the Club for a continuous period of nine (9) years immediately prior to the Annual General Meeting at which the election is to be declared.*

56. (See below)

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 sub clause (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.

- By deleting existing Rules 56 in its entirety and inserting the following new Rule 57 instead:
 - 57. *The Board of Directors shall be elected triennially by the general body of members from persons nominated as hereinafter provided:*
 - (a) *Not less than twenty-one days before the day fixed for the Annual General Meeting nominations for the offices of directors shall be delivered to the Chief Executive Officer.*
 - (b) *The Chief Executive Officer shall immediately after the closing of nominations post the names of the candidates on the Notice Board.*

- By amending existing Rule 57(b) by deleting the words "President and Vice President" and inserting instead the words "President or Vice President".

- By deleting existing Rule 57(h) and (i) and inserting the following new Rule 57(h) and (i) instead:
 - (h) *If there be more than the required number nominated, an election by ballot shall be held in the following order:*
 - (i) *President (if open for election);*
 - (ii) *Vice President (if open for election); and*
 - (iii) *Directors.*
 - (i) (i) *The positions to be voted for in order of priority shall be:*
 - (1) *President (if open for election);*
 - (2) *Vice President (if open for election); and*
 - (3) *Directors.*
 - (ii) *The election shall be by the "first past the post" method, each vote being of equal value, and the candidate or candidates who poll the greatest number of votes for the required vacancies shall be declared elected. The method of voting shall be by placing a number, in order of preference, alongside the name of each candidate or candidates for whom it is desired to cast a vote.*
 - (iii) *Only the same amount of "numbers" as indicated on the ballot paper shall be placed on the ballot paper. Any ballot paper incorrectly completed shall be declared invalid by the Returning Officer. In the event of a tied vote of two or more candidates a fresh ballot between those candidates who have tied shall be taken in such manner, and at such time as shall be determined at the Annual General Meeting, or in default of any such determination in such manner and at such time as may be determined by the President.*

- By deleting existing Rule 77 in its entirety and inserting the following new Rule 78 instead:
 - 78.
 - (a) *Any director who has:*
 - (i) *a material personal interest in a matter that relates to the affairs of the Club;*
 - (ii) *any personal or financial interest in a contract relating to the procurement of goods or services or any major capital works of the Club;*
 - (iii) *any financial interest in a hotel situated within 40 kilometres of the Club's premises; or*
 - (iv) *received any gift valued at \$1,000 or more, or any remuneration of an amount of \$1,000 or more, from an affiliated body of the Club or from a person or body that has entered into a contract with the Club,*

must, within 21 days after the relevant facts have come to the director's knowledge and in accordance with clause 8 of the Code:

 - (v) *disclose the relevant facts to the Secretary of the Club;*

- (vi) *declare the relevant facts and nature of the interest at a meeting of the Board; and*
 - (vii) *in respect of any facts or interest referred to in Rule 78(a)(i) and (ii) comply with Rule 78(f).*
 - (b) *A director must, if required by the Secretary of the Club, submit a written return in each year to the Club declaring any of the matters referred to in Rule 78(a)(i) to (a)(iv).*
 - (c) *A director who has a material personal interest in a matter that relates to the affairs of the Club, must also disclose that interest to the first practical meeting of the Board.*
 - (d) *The disclosure must include details of the nature and extent of the Director's material personal interest and the relation of that interest to the affairs of the Club. The disclosure must be recorded in the minutes of that meeting of the Board.*
 - (e) *Without limiting the application of Section 191(2) of the Act, Rule 78(d) does not apply to an interest:*
 - (i) *which the Director has as a member of the Club and which is held in common with the other members of the Club; or*
 - (ii) *which relates to a contract that insures, or would insure, the Director against liabilities the Director incurs as an officer of the Club (but only if the contract does not make the Club or a related body corporate the insurer).*
 - (f) *A Director who has a material personal interest in a matter that is being considered at a meeting of the Board, or of the Directors of the Club:*
 - (i) *must not vote on the matter; and*
 - (ii) *must not be present while the matter is being considered at the meeting.*
 - (g) *"Material personal interest" for the purposes of this Constitution includes but is not limited to an interest in a contract or proposed contract which involves the Club.*
- By making such other consequential amendments necessary to give effect to the proposed amendments above including amending cross referencing and ensuring Rules are in proper numerical and alphanumerical order.

Explanatory Message to Members regarding the Ordinary Resolutions

General

Section 10(1)(i) of the *Registered Clubs Act 1976* prohibits the Club from offering a benefit to any member unless it is offered equally to all members of the Club. Section 10(6A) of the *Registered Clubs Act 1976* allows a member (including a director) to receive a benefit if the benefit is approved by an ordinary resolution passed by a general meeting of the members of the Club prior to the benefit being provided. Each of the three Ordinary Resolutions are proposed in accordance with section 10(6A) of the *Registered Clubs Act 1976*.

First Ordinary Resolution

The First Ordinary Resolution seeks the approval of the members for the reasonable expenditure by the Club to cover Board members in the execution of their duties as Directors of the Club.

Second Ordinary Resolution

The Second Ordinary Resolution seeks the approval of the members of expenditure by the Club for attendance at industry association annual general meetings, on professional development and on education of Directors.

Third Ordinary Resolution

The Third Ordinary Resolution seeks the approval of the members for the allocation of reserved car spaces for Directors.

Fourth Ordinary Resolution

1. These explanatory notes have been prepared to assist members in understanding the details and effect of the Fourth Ordinary Resolution to be considered at the Annual General Meeting.
2. These notes are to be read in conjunction with the proposed Fourth Ordinary Resolution.

3. ASIC have consented to the resignation of BDO East Coast Partnership and the Board of the Club have resolved to appoint BDO Audit Pty Ltd as auditor of the Club.
4. The Club's current auditor, BDO East Coast Partnership, have resigned as auditor of the Company (under section 329(5) of the Corporations Act 2001).
5. There are no disagreements between the Club and BDO East Coast Partnership and there are no reasons that give rise to an inability of BDO East Coast Partnership to complete any audit under the *Corporations Act 2001* or *National Consumer Credit Protection Regulations 2010*.
6. BDO Audit Pty Ltd has given its written consent to act as the Club's auditor. If the Fourth Ordinary Resolution is approved, the appointment of BDO Audit Pty Ltd as the Club's auditor will be confirmed as required under the *Corporations Act 2001*.

Explanatory Message to Members regarding the Special Resolution

The Board of the Club recently instructed Eastern Commercial Lawyers to consider amendments to the Club's Constitution with a view to adopting a recommendation of the Independent Pricing and Regulatory Authority Report titled "Review of the Registered Clubs Industry in NSW".

That 2008 report stated, at page 13:

IPART recommends the following to improve corporate governance as well as director and management skills:

49. *That ClubsNSW continue to develop its Code of Practice and Best Practice Guidelines as new corporate governance issues arise. In particular, ClubsNSW should develop a Best Practice Guideline encouraging boards to move to three-year rolling elections.*

Eastern Commercial Lawyers advised that the only option for the Board would be to seek the approval of members to amend the Constitution to permit the election of the Board in accordance with the "triennial rule" set out in Schedule 4 of the Registered Clubs Act 1976.

In May 2012, ClubsNSW made a submission to the Office of Liquor, Gaming and Racing (**OLGR**) with the intention of assisting OLGR in the development of the corporate governance reforms contained in the *Clubs, Liquor and Gaming Machines Legislation Amendment Act 2011*.

Under the heading Board Elections on page 2 of the ClubsNSW submission, ClubsNSW stated:

Board Elections

- Biennial or triennial rule should be encouraged on a best practice basis;*
- ClubsNSW understands the Government does not intend to make Regulations on this issue however it would like to see the industry move away from annual elections and towards triennial or biennial over time;...*

On the basis that ClubsNSW supports the proposed adoption of the triennial rule, the Board has decided to seek the members' consent to the amendments of the Constitution to permit the triennial rule to be adopted.

The amendments proposed to existing Rules 55 and 56 introduce the triennial rule for the election of the Board. The triennial rule is proposed to commence on and from the election of the Board in 2022. The Board will be elected on a biennial basis until 2022.

The triennial rule is in the form approved by Schedule 4 of the Registered Clubs Act 1976 and results in rolling elections with the directors sitting for periods of three years at a time (after the first two years).

Under the triennial rule the Board is broken into 3 groups – Group 1, Group 2 and Group 3. Groups are selected by drawing lots. Following the election in 2022 there will be an election every year. In 2023 there will be an election for 2 directors (Group 1), in 2024 there will be an election for 2 directors (Group 2) and in 2025 there will be an election for 3 directors (Group 3). That three year cycle repeats on a continual basis thereafter.

The amendment to Rule 57 are to give effect to the implementation of the triennial rule.

The amendment to Rule 77 is made to reflect the recent introduction of the Registered Clubs Accountability Code and the requirements contained in the Code relating to director declarations of interests. The requirements of the Code are intended to supplement section 191 and 195 of the Corporations Act 2001 and are considered best practice.

IMPORTANT NOTE: Members will notice that the order of Rule numbering in the proposed Special Resolution does not appear to be in proper numerical order. This is due to the addition of new Rules (Rules that do not exist in the current Constitution). Where the proposed Special resolution refers to an "existing Rule" that is a reference to an existing Rule number. Where the Special resolution simply refers to the addition of a "new Rule" that is a reference to the new Rule number attributable to that Rule should the Special Resolution be adopted. In order to address any anomaly in Rule numbering and cross referencing, the final part of the Special Resolution permits amendment to address such issues.

Notes to Members

1. All Life members, financial R.S.L. and Club Only members (except employees of the Club) are entitled to vote on the four (4) Ordinary Resolutions.
2. Only Life members and financial R.S.L. members are entitled to vote on the Special Resolution in accordance with Rule 109 of the Club's Constitution.
3. To be passed, each of the Ordinary Resolutions must receive votes in its favour from not less than a majority (50%+1) of those members who being eligible to do so, vote in person at the meeting.
4. To be passed, the 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 at the meeting.
5. As a result of the provisions of the Corporations Act 2001, the Ordinary Resolutions and the Special Resolution must each be considered as a whole and cannot be altered by motions from the floor of the meeting.
6. Members should read the Explanatory Message to Members regarding each resolution which explains the nature and effect of each of the resolutions.
7. Forestville RSL Club meeting procedures will apply. Each Mover of a motion will have five (5) minutes to address the meeting. The Seconder and all subsequent speakers will have three (3) minutes to speak. After two speakers in a row have spoken for the motion, the next speaker must be against. The same applies if two speakers in a row are against the motion. If there is a speaker in opposition to the motion, the Mover shall be entitled to three (3) minutes to reply to close the debate. Once the Mover has exercised the right of reply, the debate is closed and the motion shall be put to the vote.
8. Should there be any matters related to the financial report, directors report or auditor's report in relation to which a member requires further information, please provide a written request addressed to the Chief Executive Officer at least 7 days before the Annual General Meeting. This request is intended to allow sufficient time to seek professional advice if required, prior to the annual general meeting.
9. Members of the Club, who are employees of the Club, cannot vote at the Meeting.
10. Proxy Votes are not allowed under the Registered Clubs Act 1972.
11. Minutes of the previous AGM held 6 May 2019 may be viewed on request, during office hours.
12. A copy of the current Constitution is available on request at the Club's office.

By order of the Board



Ian Thomson
Chief Executive Officer

Dated: 18th June 2020