

ADELONG SERVICES AND CITIZENS AND BOWLING CLUB LIMITED
(ACN 001 011 865)

EXPLANATORY MEMORANDUM FOR SPECIAL RESOLUTION
REGARDING 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. There are many additional new provisions which reflect the requirements of various pieces of legislation which impact on the Club.

NAME

1. Rule 1 states that the name of the company is Adelong Services and Citizens and Bowling 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 the Constitution has the effect of a contract between the Club and each member, the Club and each director and each member and each other member.
6. Rule 2.5 provides that the Club must provide a copy of the Constitution to a member on receiving a request to do so.

DEFINITIONS AND INTERPRETATION

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

OBJECTS AND POWERS

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

MEMBER'S LIABILITY

9. Rule 5 states that the liability of the members is limited.

MEMBERS' GUARANTEE

10. Rule 6.1 provides that each member of the Club undertakes to contribute an amount not exceeding five dollars (\$5.00) if the Club is wound up and the assets of the Club are insufficient to discharge the liabilities.
11. Rule 6.2 provides that the payment of the contribution shall be for the payment of the debts and liabilities of the Club contracted before the member ceased to be a member and costs, charges and expenses of winding up.

APPLICATION OF PROPERTY ON DISSOLUTION

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), those assets shall not be distributed among the members but shall be given or transferred to an institution or institutions having objects similar to that of the Club and which has a prohibition on distribution of its assets to members to the same extent as the Club.
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13. **PROPERTY AND INCOME OF THE CLUB**

14. 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.
15. Rules 8.2 and 8.3 set out specific requirements of the Registered Clubs Act in relation to benefits available to members.
16. 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.
17. 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.
18. 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

19. 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.
20. Rule 9.3 states that a person under the age of 18 years shall not use or operate the Club's gaming facilities.
21. Rules 9.4 prohibits 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.
22. Rules 9.5 and 9.6 set out specific requirements of the Gaming Machines Act.
23. Rules 9.7 to 9.9 (and the definition of AML/CTF Act) are new and are necessary to ensure that the Club can effectively comply with its legal obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) and related regulatory frameworks.
24. The proposed new Rules:
 - clarify the Club's status and responsibilities under the AML/CTF framework;
 - provide transparency and certainty to members and patrons that the Club may need to request additional personal information or undertake enhanced due diligence in certain cases;
 - confirm the Club's power to take appropriate action, including restricting access to the premises, to comply with AML/CTF and relevant Liquor or Gaming policies;
 - ensure the Club can act swiftly and lawfully, where necessary, without being constrained by other provisions of the Constitution (e.g. disciplinary processes under Rule 47 and 47B), which may not be appropriate or practical in such regulatory contexts.

These Rules are both protective and proactive. They safeguard the Club from regulatory risk and potential penalties, while reinforcing the Club's commitment to responsible conduct and compliance with national and state laws.

MEMBERSHIP

25. Rule 10.1 states that a person under the age of eighteen (18) years cannot be admitted to membership.
26. Rule 10.2 provides that the categories of membership are:
 - (a) Ordinary members;
 - (b) Ordinary Sporting members;
 - (c) Life members.
27. 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.
28. 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.
29. Rule 10.5 sets out that Ordinary Members shall be persons who have attained the age of eighteen (18) years and are elected to Ordinary membership of the Club.

30. Rules 10.6 to 10.10.20 set out the eligibility requirements for membership of the Club (including Ordinary members, Ordinary Sporting members, Junior Sporting members and Life members) and the rights and entitlements of members.
31. Subject to the restrictions contained in the Constitution, Ordinary 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.

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

PROVISIONAL, HONORARY AND TEMPORARY MEMBERSHIP

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

APPLICATIONS AND ADMISSION TO MEMBERSHIP

34. Rule 15 deals applications for membership and it is consistent with best practice and the Registered Clubs Act.

JOINING FEES, SUBSCRIPTIONS AND LEVIES

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

NON-FINANCIAL MEMBERS

36. 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

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

NOTIFICATION TO CLUB REGARDING CHANGE IN MEMBER'S DETAILS

38. Rule 19 requires members to notify the Club of any changes to their contact details as soon as practicable following the change of their details.

DISCIPLINARY PROCEEDINGS

39. Rule 20 deals with powers of the Board to discipline members. The principles of the existing disciplinary proceedings process have been retained.
40. 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.
41. Rule 20.4 provides that the Board or the Secretary (independently of the Board) shall have power to suspend a member from some or all rights and privileges until a charge is heard and determined.
42. Rules 20.5 to 20.8 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.
43. 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.

MEMBER UNDER SUSPENSION

44. Rule 22 states that a suspended member is not entitled to any rights and privileges of membership whilst they are under suspension.

REMOVAL OF PERSONS FROM THE PREMISES OF THE CLUB

45. Rule 23 deal with the removal of persons from the Club's premises and they are consistent with the Liquor Act

RESIGNATION AND CESSATION OF MEMBERSHIP

46. Rule 24 deals with the procedure for a member to resign from the Club.

GUESTS

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

PATRONS

48. Rule 26 deals with the appointment of patrons.

BOARD OF DIRECTORS

49. Rule 27.1 provides that from the 2026 Annual General Meeting of the Club until the first casual vacancy occurring on the Board, the Board will consist of nine (9) elected directors comprising a President, a Vice President, a Treasurer and six (6) ordinary Directors.

50. Rul 27.1(d) 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.

51. Rule 27.2 provides that the Board shall be elected annually.

52. Rule 27.3 provides that only Life members, Ordinary members and Ordinary Sporting members (provided that the Ordinary Sporting member has been an Ordinary Sporting member for at least three (3) consecutive years immediately preceding the date that he or she nominates for election, or is appointed to the Board) can be directors of the Club.

53. Rule 27.4 provides that the President, Vice President and Treasurer must be Life members or Ordinary members.

54. Rules 27.5 and 27.6 provide that a member shall be not be eligible to stand for or be elected or appointed to the Board if the member:

- (a) is an employee;
- (b) is currently under suspension;
- (c) is not a financial member;
- (d) If they have been cited to appear before the Board or the Board's duly constituted disciplinary committee on any charge and has been found guilty or such charge and either expelled or suspended for a period of in excess of three (3) months within the period of three (3) years immediately prior to nomination, election or appointment to the Board;
- (e) has at any time been convicted of an indictable offence;
- (f) is a former employee of the Club whose services were terminated by the Club for misconduct;
- (g) was an employee of the Club, or any club that has amalgamated with the Club within the period of 3 years immediately prior to nomination, election or appointment to the board;
- (h) is disqualified 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;
- (i) is of unsound mind or whose person or estate is liable to be dealt with any way under the law relating to mental health.

55. Rule 27.8 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.

56. Rule 27.9 provides that a member shall not be entitled to be elected or appointed to the Board if he or she does not hold a Director Identification Number on the proposed date of election or appointment to the Board.

ELECTION OF BOARD

57. 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.

ELECTIONEERING

58. Rule 29.1 provides that no member shall issue or distribute within the premises, the surrounding precincts of the Club or electronically any material advocating either for or against the election of any candidate or candidates for the Board of the Club.
59. Rule 29.2 provides that any breach of Rule 29.1 shall be deemed to be conduct prejudicial to the interest of the Club for the purposes of Rule 20.

POWERS OF THE BOARD

60. Rule 30 deals with the Board's powers. The provisions reflect the existing Constitution and the established practice of the Club.

PROCEEDINGS OF THE BOARD

61. Rule 31 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.
62. Rule 31.3 provides that the chairman shall be entitled to take the chair at every meeting of the Board.
63. Rule 31.4 provides that the quorum for a meeting of the Board shall be the greater of four (4) directors or majority of members of the Board.
64. Rule 31.5 allows the Chairman at any time and the Secretary upon the request of not less than two (2) directors to convene a meeting of the Board.
65. Rule 31.6 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.
66. Rule 31.8 allows the Board to pass board resolutions outside of a formal board meeting (for example, by email). This is consistent with the Corporations Act.
67. Rule 31.9 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.

CORPORATE GOVERNANCE

68. Rules 32 and 33 introduces 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

69. Rule 34.1 provides that members in general meeting may by ordinary resolution remove from office any director, directors or the whole of the Board before the expiration of his or her or their period of office and appoint another person or persons in his or her or their stead.
70. Rule 34.3 provides that the notice of the intention to move a resolution to remove a member of the Board from office must be given to the Club at least two (2) months before the meeting at which the resolution is to be considered and voted on.

VACANCIES ON THE BOARD

71. Rule 35 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

72. Rules 36.1 to 36.44 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

73. Rules 36.20 to 36.32 inclusive relate to attendance and voting at general meetings.

74. Only Life members, Ordinary members and Ordinary Sporting members (who have been Ordinary Sporting members for at least three (3) consecutive years immediately preceding the date of the general meeting (including an Annual General Meeting) are entitled to attend and vote at a general meeting (and an Annual General Meeting) of the Club.
75. Proxy voting is not permitted. This is a requirement of the Registered Clubs Act.
76. Every member eligible to vote, either by show of hands or a poll, is entitled to one vote.
77. A member, who is also an employee of the Club, is not permitted to vote. This is a requirement of the Registered Clubs Act.
78. All questions and resolutions (other than Special Resolutions) shall be decided by a simple majority of votes.
79. Voting shall be on a show of hands unless a poll is demanded.

QUORUM AT GENERAL MEETINGS

80. Rules 36.33 to 36.36 inclusive detail the quorum required for general meetings.
81. Rule 36.33 provides that no business may be transacted at a general meeting unless a quorum of members is present.
82. Rule 36.34 provides that, at any general meeting convened by the Board, forty (40) members present and eligible to vote will constitute a quorum.
83. Rule 36.35 sets out the procedure to be followed if a quorum is not present.

ADJOURNMENT AND USE OF TECHNOLOGY FOR GENERAL MEETINGS

84. Rules 36.37 to 36.44 allows general meetings to be adjourned in accordance with the Corporations Act.
85. Rule 36.43 permits the Club to hold a general meeting (including Annual General Meeting) at two (2) or more venues using any technology that gives the members as a whole a reasonable opportunity to participate at the meeting.
86. Rule 36.44 provides that if permitted the Act, the Club may hold virtual only general meetings or annual general meetings.

MEMBERS' RESOLUTIONS AND STATEMENTS

87. Rule 37 relates to members' resolutions, members' statements and resolutions from individual members.

MINUTES

88. Rule 38 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 AND REPORTING TO MEMBERS

89. Rule 39 deals with the accounts and reporting to members and it is consistent with the Corporations Act and Registered Clubs Act.

FINANCIAL YEAR

90. Rule 40 provides that the financial year of the Club shall commence on the first day of January in each year and will end on the last day of December the following year. This remains unchanged.

AUDITORS

91. Rule 41 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

92. Rule 42 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

93. Rule 43 deals with the execution of documents by the Club and it is consistent with the Corporations Act

NOTICES

94. Rule 44 deals with the provision of notices (including notices of meetings) to members and it is consistent with the Corporations Act

INDEMNITY TO OFFICERS

95. Rule 45 deals with the insurance and indemnification of the officers and auditors of the Club and it is consistent with the Corporations Act.

INTERPRETATION

96. Rule 46 provides that a decision of the Board on the construction or interpretation of the Constitution or any Rule, or any By-Law of the Club made pursuant to this Constitution or on any matter arising therefrom, shall be conclusive and binding on all members of the Club.

AMENDMENTS TO CONSTITUTION

97. Rule 47.1 provides that the Constitution can only be amended by way of Special Resolution being passed at a general meeting of the members of the Club.
98. Rule 47.2 states that for the purposes of Section 246B of the Act, it is agreed that the rights of members in any class of membership may be varied or cancelled by a special resolution passed at a general meeting of the members, without a separate meeting of the members of that class. A special resolution that amends the Constitution is sufficient.

MEETINGS AND VOTING

99. Rule 46 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.

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 Chief Executive Officer 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: 17th April 2026

William O'Connell
Honorary Club Secretary