

QCYC

CONSTITUTION
OF
QCYC HOLDINGS LIMITED



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As passed by a Special Resolution of Members on 27 July 2016.

1. Structure of QCYC Holdings Limited

a) Company limited shares

QCYC HOLDINGS LIMITED ('Holdings') is a public company limited by shares incorporated under the Uniform Companies Act of Queensland 1961 whose governance is now subject to the provisions of the Corporations Act 2001 (The Act).

b) Limitation of liability

- i) The liability of the members of Holdings is limited
- ii) The share capital of Holdings shall remain at 10,000 ordinary shares with a par value of \$1.00 each.

c) Company registers

- i) The register of shares required to be kept under s.168(1) may be kept on computer: s.1306(6);
- ii) Such register shall be kept and maintained in accordance with Chapter 2C.1 of the Act.

2. Objects and Powers

a) Objects

The objects of Holdings shall be to:

- i) procure, hold and manage property that may be used in the promotion and administration of the sport of yachting and QCYC Inc. and
- ii) provide administrative services for any association, alliance, club, committee, body or person interested in or associated with QCYC Inc.
- iii) undertake any other actions or activities which are necessary, incidental or conducive to advance these objects.

b) Powers

Holdings shall have all the rights, powers and privileges of a natural person to do all such things as are incidental or conducive to the attainment of the objects of Holdings together with the powers in subsection 124(1) of the Act.

3. Income and property

- a) The income and property of Holdings will only be applied towards the promotion of the objects of Holdings.
- b) No income or property will be paid or transferred directly or indirectly to any member except for payments to a member in return for any services rendered or goods supplied in the ordinary and usual course of business by the member.

4. Membership of Holdings

- a) The members of Holdings shall, at the date of adoption of this amended Constitution, comprise the following:
 - i) all the members of Holdings who were, at the date of the special resolution, registered as members on its register of members,
 - ii) any person who ought to have been on its register as at the date of the meeting at which this constitution was amended;
 - iii) the life members of Holdings and QCYC Inc. as at 27 July 2016;
- b) The life members are those persons who are life members as at the date of adoption of this amended Constitution;
- c) Any member who was a member when this resolution was adopted and who had not paid any calls due to be paid on any shares held by that person shall, by the adoption of this Constitution have such unpaid monies (if any) waived by Holdings simultaneously with the passing of this special resolution.
- d) No member of Holdings may hold more than 1 share in Holdings.
- e) The members agree that they are bound by this Constitution and agree to abide by all of its terms. The rights and privileges of every member shall be personal to each member and are not transferable by the member's own act.
- f) Applications for admission to membership of Holdings must be:
 - i) in writing; and
 - ii) in a form approved by the Board that permits the applicant, on admission to apply for 1 share in Holdings; and
 - iii) be signed by the applicant; and
 - iv) be supported by such material as is required by the Board from time to time in its absolute discretion; and
 - v) such an application will be dealt with by the Board in accordance with a timetable and process determined by it; and
 - vi) may be made by any existing member of QCYC Inc. who, as at the date of the meeting that passed this amended constitution, was such a member in good and regular standing with QCYC Inc.

- g) The board of Holdings must, in respect of any future application for membership of QCYC Inc.:
 - i) determine whether it will admit or reject the applicant; or
 - ii) decide to call on the applicant to supply any additional evidence of eligibility that it considers reasonably necessary; or
 - iii) decide, if the applicant seeks 1 share, whether or not to grant that application;
- h) An applicant will be admitted to membership of Holdings as a member if the board of Holdings resolves to admit the applicant;
- i) No member of Holdings may apply for a second or subsequent share in Holdings
- j) Holdings must keep a Register of all members in accordance with the Act.

5. Cessation of Membership

- a) A person ceases to be a member:
 - i) on resignation from Holdings;
 - ii) on death or mental incapacity;
 - iii) on the termination of his or her membership by the board of Holdings on cause being shown to the reasonable satisfaction of that board;
 - iv) for nonpayment of outstanding debts to Holdings after more than 90 days.
- b) When a person ceases to be a member:
 - i) Holdings has an option to repurchase the share for \$1; and
 - ii) that share shall thereupon be cancelled.

6. Membership fees

- a) Each member shall pay to Holdings the annual membership fee recommended by the board and approved at the next general meeting of members;
- b) The amount, manner and timing of payment of the annual fees by members shall be determined by the board from time to time;
- c) The board may, at its discretion, exclude a member from voting while any amount due and payable by such member under or pursuant to any agreement or this Constitution shall remain unpaid.

7. Members and General Meetings

- a) There will be an Annual General Meeting (hereafter AGM) in each year at which members may be represented by their proxies in accordance with this Constitution and the Act.
- b) Without limiting the rights of members under the Act, the members shall have the following powers:

- i) to elect not less than 4 and not more than 11 Directors;
- ii) by resolution, after 14 days' written notice, to remove any director from office; and
- iii) to receive and consider at the AGM each year the Financial report, the Directors' report and the Auditor's report of Holdings submitted by the board but only if Holdings is required by law to do so.

8. Annual General Meeting

- a) The AGM of Holdings shall be held each year in accordance with the Act.
- b) The business of the AGM shall include without limiting any of the rights of the members under this Constitution or the Act:
 - i) receipt and consideration of the financial report, the Directors' report and the Auditor's report submitted by the board but only if Holdings is required by law so to do;
 - ii) election of not less than 4 and not more than 11 Directors;
 - iii) transaction of any other business of which notice in writing has been given to the CEO in accordance with this Constitution or as otherwise required by the Act; and
 - iv) any other business of an AGM as required under the Act.

9. Power to convene General Meeting

- a) The directors may convene a General meeting when they think fit and must do so if required by the Act;
- b) The members may convene a General meeting, which must comply with the requirements of the Act.

10. Notice of General Meeting

- a) Notice of a General meeting of Members must be given:
 - i) to all members entitled to attend a general meeting, the directors and the auditor of Holdings, but only if Holdings is required by law to do so; and
 - ii) in accordance with the Act;
- b) At least 21 days' notice of the time and place of a general meeting must be given, together with:
 - i) all information required to be included in accordance with the Act;
 - ii) in the case of a proposed special resolution, the intention to propose the special resolution and the terms of the proposed special resolution;
 - iii) where applicable, any notice of motion received from any member or director in accordance with the Act; and
 - iv) where applicable, a list of all nominations received for positions to be elected at a general meeting;

- c) Any notices of motions proposed by any member must be given by that member in accordance with s.249N and s.249O of the Act.
- d) No business other than that stated in the notice of meeting may be transacted at a general meeting.
- e) Where a general meeting (including an AGM) is convened by the directors they may, if they think fit, cancel the meeting or postpone the meeting to a date and time they determine. This rule does not apply to a general meeting convened by:
 - i) members according to the Act;
 - ii) the directors at the request of members; or
 - iii) a court.
- f) Notice of the cancellation or postponement of a general meeting must state the reasons for doing so and be given to:
 - i) each member entitled to attend the general meeting; and
 - ii) each other person entitled to notice of a general meeting under the Act.

11. Postponed or adjourned General Meeting

- a) A notice postponing a General meeting must specify:
 - i) the new date and time of the meeting;
 - ii) the place where the meeting is to be held, which may be either the same as or different to the place specified in the notice originally convening the meeting.
- b) The number of clear days from the giving of a notice postponing a General meeting to the date specified in that notice for the postponed meeting must not be less than the number of clear days' notice of that general meeting required to be given by the Act.
- c) The only business that may be transacted at a postponed General meeting is the remaining business specified in the notice originally convening the meeting.

12. Proxies

Where:

- a) by the terms of an instrument appointing a representative, proxy or attorney, that appointed person is authorized to attend and vote at a general meeting on behalf of the appointing member to be held on a specified date or at a general meeting or general meetings to be held on or before a specified date; and
- b) the date for the meeting is postponed to a date later than the date specified in the instrument,
- c) that later date is substituted for the date specified in the instrument appointing that appointed person, unless the appointing member notifies Holdings in writing to the contrary at least 48 hours before the time at which the postponed meeting is to be held.

- d) The non-receipt of a notice convening, cancelling or postponing a General meeting by, or the accidental omission to give a notice of that kind to a person entitled to receive it, does not invalidate any resolution passed at the general meeting or at a postponed meeting or the cancellation or postponement of the meeting.
- e) A member entitled to attend a General meeting of Holdings is entitled to appoint a person as their proxy to attend the meeting in their place in accordance with the Act. A proxy may be revoked by the appointing member at any time by notice in writing to Holdings.
- f) The instrument appointing a proxy may be in a form determined by the directors from time to time provided it complies with the requirements of the Act.
- g) A proxy or attorney may vote at a General meeting or adjourned or postponed meeting (as the case may be) only if the instrument appointing the proxy or attorney, and the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed, are received by Holdings:
 - i) at the office, the facsimile number at the office or at such other place, facsimile number or electronic address specified for that purpose in the notice of meeting; and
 - ii) at least 7 days before the scheduled commencement time for the meeting or adjourned or postponed meeting (as the case may be) at which the person named in the instrument proposes to vote. The scheduled commencement time is as specified in the notice of meeting.
- h) An undated proxy is taken to be dated on the day that it is received by Holdings.
- i) Unless the terms of the appointment specify to the contrary, an appointment by a member confers authority on a proxy, attorney or representative:
 - i) to agree to a General meeting being convened by shorter notice than is required by the Act or by this Constitution;
 - ii) to speak to any proposed resolution; and
 - iii) to demand or join in demanding a poll on any resolution.
- j) Unless the terms of the appointment specify to the contrary, even if the instrument of appointment refers to specific resolutions and directs the proxy, attorney or representative on how to vote on those resolutions, the appointment is taken to confer authority to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion; to vote on any procedural motion; and to act generally at the meeting.
- k) Unless the terms of the appointment specify to the contrary, if the instrument of appointment refers to a specific meeting to be held at a specified time or venue and the meeting is postponed or adjourned or changed to another venue, then the appointment confers authority to attend and vote:
 - i) at the postponed or adjourned meeting; or
 - ii) at the new venue;

- l) The instrument appointing a proxy may provide for the President to act as proxy in the absence of any other appointment or if the person or persons nominated fails or fail to attend the meeting;
- m) The instrument appointing a proxy may direct the manner in which the proxy is to vote in respect of a particular resolution;
- n) If a proxy is appointed to vote on a particular resolution by more than one voting member and the instruments appointing the proxy direct the proxy to vote in the resolution in different ways, then the proxy must not vote on a show of hands taken on the resolution.

13. Proceedings at General Meeting

- a) The number of members who must be present and eligible to vote for a quorum to exist at a General meeting is 5.
- b) An item of business may not be transacted at a general meeting unless a quorum is present at the commencement of the general meeting:
- c) If, within 30 minutes after the time appointed for a General meeting, a quorum is not present, the meeting:
 - i) If convened by, or on requisition of, members is dissolved; and
 - ii) in any other case stands adjourned to such other day, time and place as the Chair determines.
- d) If a quorum is not present within 30 minutes after the time appointed for the adjourned meeting, those members then present shall constitute a quorum.

14. President to preside over General Meetings

- a) The President is entitled to preside as chair at general meetings.
- b) If a general meeting is convened and there is no chair in attendance, or the chair is not present within 15 minutes after the time appointed for the meeting, or is unable or unwilling to act, the following may preside as chair (in order of entitlement):
 - i) the Vice-President;
 - ii) a director chosen by a majority of the directors present.

15. Conduct of General Meetings

- a) The Chair:
 - i) has charge of the general conduct of the meeting and of the procedures to be adopted;
 - ii) may require the adoption of any procedure which in his or her opinion is necessary or desirable for proper and orderly debate or discussion or the proper and orderly casting or recording of votes; and
 - iii) may, having regard where necessary to the Act, terminate discussion or

debate on any matter whenever he or she considers it necessary or desirable for the proper conduct of the meeting.

- b) A decision by the Chair under this rule is final.

16. Adjournment of General Meeting

- a) The Chair may, with the consent of any meeting at which a quorum is present, and must if so directed by the meeting, adjourn the meeting or any business, motion, question, resolution, debate or discussion being considered or remaining to be considered by the meeting;
- b) The adjournment may be either to a later time at the same meeting or to an adjourned meeting at any time and place agreed by the votes of the members present;
- c) Only unfinished business transacted at a meeting is to be resumed after an adjournment.
- d) It is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting unless a meeting is adjourned for 30 days or more;
- e) If rule 16.d) does apply, at least the same period of notice as was originally required for the meeting must be given for the adjourned meeting.

17. Questions decided by majority vote of members

- a) Subject to the requirements of the Act and except in the case of a special resolution, a resolution is carried if a simple majority of the votes cast on the resolution are in favour of it.
- b) Where an equal number of votes are cast in favour of and against the resolution, the chair has a second or a casting vote.
- c) At any General meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is properly demanded and the demand is not withdrawn.
- d) A declaration by the Chair that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes of the meetings of Holdings, is conclusive evidence of the fact.
- e) Neither the Chair nor the minutes need state, and it is not necessary to prove, the number or proportion of the votes recorded for or against the resolution.

18. Poll

- a) If a poll is properly demanded in accordance with the Act or by the Chair of the meeting, it must be taken in the manner and at the date and time directed by the Chair, and the result of the poll is the resolution of the meeting at which the poll was demanded.

- b) A poll demanded on the election of a chair or on a question of adjournment must be taken immediately.
- c) A demand for a poll may be withdrawn.
- d) A demand for a poll does not prevent the general meeting continuing for the transaction of any business other than the question on which the poll was demanded.
- e) If there is a dispute about the admission or rejection of a vote, the Chair must decide it and the chair's decision, when made, is final.

19. Votes of Members

- a) At any meeting of members of Holdings each member has one vote;
- b) An objection to the right of a person to attend or vote at a General meeting (including an adjourned meeting):
 - i) may not be raised except at that meeting; and
 - ii) must be referred to the chair, whose decision is final.
- c) A vote not disallowed under the objection is valid for all purposes.

20. Election of Directors

- a) Elections for directors shall be decided by secret ballot;
- b) If, at the close of nominations for an election for one or more director positions, and the number of eligible nominees is equal to or less than the number of positions to be filled, then no election is to take place and those eligible nominees will be taken to be elected to fill one or more of the elected director positions;
- c) The board may decide to what office any member is elected under rule 20.b.
- d) Save where positions of directors are filled in accordance with rule 20.b. the ballot will be conducted as a poll as follows:
 - i) rounds of voting for each position of director to be filled will be held, the first of which will include all nominees for that position;
 - ii) the eligible nominee who receives the highest number of votes in any round will be elected to the position of a director, and the nominee with the fewest number of votes will be eliminated from the second and each subsequent round;
 - iii) in the event that more than one nominee has an equal number of votes and that number of votes is the least number of votes, then provided that there remains at least one other nominee for the subsequent round, all of those nominees with the least number of votes will be eliminated from each of the subsequent rounds of voting.
 - iv) If eliminating all nominees with the least number of votes resulting in there being no nominees remaining then, subject to the direction of the

chair (who may call for a re-vote at the last round of voting), the position up for election will be treated as a casual vacancy;

- v) rounds of voting will be continued with one or more nominees being eliminated from each round until only two nominees remain;
- vi) in the last round of two nominees, a resolution is passed in favour of the election of the nominee who receives the majority of votes; and
- vii) in the event that the last round of voting has only one nominee remaining, then a resolution is still required to be passed in favour of election of that nominee in order for the nominee to be elected.

21. Resolutions not in General Meeting

- a) If all members entitled to vote sign a document containing a statement that they are in favour of a resolution in terms set out in the document, a resolution in those terms is deemed to have been passed at a general meeting of Holdings held at the time on which the document was signed by the last member entitled to vote.
- b) For the purposes of this rule, two or more separate documents containing statements of identical terms, each of which is signed by one or more members entitled to vote, are deemed together to constitute one document containing a statement in those terms signed by those members on the respective days on which they signed the separate documents.
- c) An email transmission or other form of visible communication or other electronic communication purported to be signed by a member for the purpose of this Rule to be considered, is deemed to be a document in writing signed by that member.
- d) Members shall be entitled to receive minutes of all meetings of the board of Holdings, unless there is a matter that the board in good faith considers the subject matter to one that is covered by such legal professional privilege that inheres in Holdings.

22. Directors

- a) There must be not less than 4 and not more than 11 Directors.
- b) The expiration of the term of appointment of the existing directors shall be after the close next AGM following the adoption of this Amended Constitution.
- c) Prior to the proposed date of the AGM at which a resolution or resolutions will be proposed to fill a vacancy in a director's position, the board shall request from members, nominations for elections to positions falling vacant, which must be received no less than 14 days prior to the AGM;
- d) Any member or the board may nominate a person to fill a vacancy among the board and such person will be the subject of an election at the next AGM;
- e) A nomination must be in the form required by the directors and signed by the nominator and nominee.

23. Terms of office of Directors generally

- a) An elected director will hold office for a term of 2 years;
- b) For this purpose, 2 years shall be defined as commencing from the AGM at which a director is elected until the poll is declared at the second AGM following that director's election.
- c) A retiring elected director holds office until the end of the meeting at which that elected director retires but, subject to the requirements of this Constitution, is eligible for re-election.

24. Director elected at an Annual General Meeting

- a) At an AGM at which a director retires or at the commencement of which there is a vacancy in the office of an elected director there will be a vote of the members to fill the vacancy by electing someone to that office.
- b) A director elected to office under takes office at the end of the meeting at which he/she is elected for the term specified in rule 23.a).
- c) Holdings may, in general meeting by ordinary resolution, subject to the Act and this Constitution, determine to pay a director an ex-gratia payment.

25. Casual vacancy in ranks of Elected Directors

- a) The directors may at any time appoint a person to fill a casual vacancy in the ranks of the Directors.
- b) A person appointed under this rule holds office until the next AGM at which time he or she can offer himself or herself for election of directors on such terms the directors decide.

26. Removal of Director

- a) Subject to the provisions of the Act, Holdings may, in a members' general meeting by special resolution only, remove any director prior to the expiration of that director's term of office.
- b) Unless otherwise resolved at a members general meeting, a director removed cannot be re-appointed as a director within 3 years of his or her removal.

27. Vacation of office

The office of a director becomes vacant when the Act says it does and also if the director:

- a) is removed in accordance with rule 26.a);
- b) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under a law relating to mental health;
- c) resigns from office by notice in writing to Holdings;
- d) is not present at 3 consecutive directors' meetings without leave of absence first being obtained from the directors; or

- e) is directly or indirectly interested in any contract or proposed contract with Holdings and fails to declare the nature of the interest as required by the Act.

28. Powers and Duties of Directors

- a) The directors are to manage the business and may exercise the powers of Holdings that are not required by the Act or by this Constitution, to be exercised by Holdings in general meeting.
- b) The directors may exercise all Holdings' powers to borrow or raise money, to charge any property or business or give any other security for a debt, liability or obligation of Holdings or of any other person.

29. Time etc.

Subject to the Act, where this Constitution requires that something be done by a particular time or within a particular period, or that an event is to occur or a circumstance is to change on or by a particular date, the directors may at their absolute discretion extend that time, period or date as they think fit.

30. Appointment of attorney

The directors may appoint any person to be Holdings' attorney for the purposes, with the powers, authorities and discretions, for the period and subject to the conditions as they think fit.

31. Provisions in power of attorney

A power of attorney may contain any provisions for the protection and convenience of persons dealing with the attorney that the directors think fit.

32. Delegation of powers

- a) The directors may, by resolution or by power of attorney or writing under seal, delegate any of their powers to the CEO or any other person as they think fit.
- b) Any delegation by the directors of their powers:
 - i) must specify the powers delegated, any restrictions on and conditions attaching to, the exercise of those powers and the period during which that delegation is to be in force;
 - ii) may be either general or limited in any way provided in the terms of the delegation;
 - iii) need not be to a specified person but may be to any person holding, occupying or performing the duties of a specified office or position; and
 - iv) must not include the power to delegate.
- c) If exercising a power depends on a person's opinion, belief or state of mind, then that power may be exercised by the delegate on the delegate's opinion, belief or state of mind about that matter.
- d) Any power exercised by a delegate is as effective as if it had been exercised by the directors.

33. Code of Conduct

The directors must:

- a) adopt a code of conduct for directors; and
- b) for each employee engaged by Holdings; and
- c) periodically review the code of conduct in light of the general principles of good corporate governance.

34. Proceedings of Directors

- a) Subject to rule 13.c(ii), the directors may meet together for conducting business, adjourn and otherwise regulate their meetings as they think fit.
- b) The directors must meet at least 6 times in each calendar year.
- c) A question arising at a directors' meeting is to be decided by a majority of votes of the directors present in person and entitled to vote. Each director present has one vote on a matter arising for decision by the directors.
- d) In case of an equality of votes on any motion at a meeting of the board, the President may exercise a casting vote in addition to a deliberative vote if he or she is the chairperson of the meeting when the vote is taken.
- e) Four directors present in person or by such electronic form as the board so desires constitutes a quorum.
- f) The continuing directors may act despite a vacancy in their number.
- g) However, if the number of directors is reduced below the number required for a quorum, the remaining directors may act only for the purpose of filling the vacancies to the extent necessary to bring their number up to that required for a quorum or to convene a general meeting.

35. Convening meetings

- a) A director may, and the CEO on the written request of two directors must, convene a directors meeting.
- b) Notice of a meeting of directors must be given individually to each director (except a director on leave of absence approved by the directors). Notice of a meeting of directors may be given in person, or by post or by telephone, facsimile or other electronic means.
- c) A director may waive notice of a meeting of directors by giving notice to that effect to Holdings in person or by post or by telephone, facsimile or other electronic means.
- d) A person who attends a meeting of directors waives any objection that person may have in relation to a failure to give notice of the meeting.
- e) The non-receipt of a notice of a meeting of the directors or the accidental

omission to give notice of a meeting to a person entitled to receive notice, does not invalidate anything done (including the passing of a resolution) at a meeting of directors.

36. Election of President and Vice-President

- a) The directors shall elect one of their number to be the President by a majority vote.
- b) The President will remain president for the duration of his or her term of office as Director and shall chair any meeting of directors unless the resolution electing a person as the president specifies a fixed term for the appointment.
- c) The directors shall elect one of their number to be the Vice-President by a majority vote.
- d) The Vice-president will remain vice-president for the duration of their term of office as director and shall chair any meeting of Directors unless the resolution electing a person as the vice-president specifies a fixed term for the appointment.
- e) If there is no person elected as President or the president is not present within 15 minutes after the time appointed for the holding of the meeting or the president is unwilling to act, then the vice-president (if present) or another director elected by the directors present shall be chair of the meeting;

37. Board is elected for 2 year terms

- a) One half of the board are to be elected every 12 months and, where necessary half plus 1 where there is an odd number of elected directors on the board every 2nd year;
- b) When the board meets for the first time after being elected at a general meeting then that board must choose who is elected for 1 year and who is elected for 2 years.

38. Circulating resolutions

- a) The directors may pass a resolution without a directors' meeting being held if notice in writing of the resolution is given to all directors and a majority of the directors entitled to vote on the resolution (not being less than the number required for a quorum at a meeting of directors) sign a document containing a statement that they are in favour of the resolution set out in the document.
- b) Separate copies of the document may be used for signing by the directors if the wording of the resolution and statement is identical in each copy. A facsimile transmission or other document produced by electronic means under the name of a director with the director's authority is taken to be a document signed by the director is taken to be signed when received by Holdings in legible form.
- c) The resolution is passed when the last director signs it and it is returned to the secretary of Holdings.

39. Validity of acts of Directors

Everything done at a directors' meeting or a committee meeting, or by a person acting as a director, is valid even if it is discovered later that there was some defect in the appointment, election or qualification of any of them or that any of them was disqualified or had vacated office.

40. Directors' interests

- a) A director shall declare to the directors any material personal interest or related party transaction, as defined by the Act, as soon as practicable after that director becomes aware of his or her interest in that matter.
- b) Where a director declares a material personal interest or in the event of a related party transaction, that director must absent himself or herself from discussion of such matter and shall not be entitled to vote in respect of such matter unless otherwise determined by the directors.
- c) In the event of any uncertainty in this regard, the issue shall immediately be determined by a vote of the directors or, if this is not possible, the matter shall be adjourned or deferred to the next meeting.
- d) The CEO shall maintain a register of declared interests.

41. Minutes

In accordance with s.251A(1) and s.251A(2), the directors must cause concise minutes of meetings to be made and kept according to the Act.

42. Telecommunication Meetings of Holdings

- a) A General meeting or a directors' meeting may be held by means of a telecommunication meeting, provided that:
 - i) the number of members or directors (as applicable) participating is not less than a quorum required for a general meeting or directors' meeting (as applicable); and
 - ii) the meeting is convened and held in accordance with the Act.
- b) All provisions of this Constitution relating to a meeting apply to a telecommunication meeting in so far as they are not inconsistent with these provisions.

43. Conduct of Telecommunication Meeting

The following provisions apply to a Telecommunication meeting of Holdings:

- a) All persons participating in the meeting must be linked by telephone, audio-visual or other instantaneous means for the purpose of the meeting;
- b) Each of the persons taking part in the meeting must be able to hear and be heard by each of the other persons taking part at the commencement of the meeting and each person so taking part is deemed for the purposes of this Constitution to be present at the meeting;

- c) At the commencement of the meeting each person must announce his or her presence to all other persons taking part in the meeting;
- d) A person may not leave a telecommunication meeting by disconnecting his or her telephone, audio-visual or other communication equipment unless that person has previously notified the chair;
- e) A person may conclusively be presumed to have been present and to have formed part of a quorum at all times during a telecommunication meeting unless that person has previously notified the chair of leaving the meeting; and
- f) A minute of proceedings of a telecommunication meeting is sufficient evidence of the proceedings and of the observance of all necessary formalities if the minute is certified to be a correct minute by the chair.

44. Chief Executive Officer

- a) The directors may appoint a CEO.
- b) The CEO holds office on the terms and conditions (including as to remuneration) and with the powers, duties and authorities, delegated to the CEO by the directors.
- c) The exercise of those powers and authorities, and the performance of those duties by the CEO, are subject at all times to the control of the directors.
- d) Subject to the terms and conditions of the appointment, the directors may suspend or remove the CEO from that office.
- e) The directors may delegate to the CEO the power (subject to such reservations on the power as are decided by the directors) to conduct the day-to-day management and control of the business and affairs of Holdings. The delegation will include the power and responsibility to:
 - i) develop business plans, budgets, strategies, policies, processes and codes of conduct for consideration by the directors and to implement them to the extent approved by the directors;
 - ii) manage the financial and other reporting mechanisms of Holdings;
 - iii) approve and incur expenditure subject to specified expenditure limits;
 - iv) sub-delegate his or her powers and responsibilities to employees or internal management committees of Holdings; and
 - v) any other powers and responsibilities which the directors consider appropriate to delegate to the CEO.
- f) The CEO is entitled, subject to a determination otherwise by the directors, to attend all meetings of Holdings, all meeting of the directors and any committees and may speak on any matter, but does not have a vote.
- g) The CEO is ineligible to be a director of Holdings until the expiration of 3 years following termination of his or her employment.

45. Company Secretary

- a) There must be at least one company secretary who is to be appointed by the directors.
- b) The directors may suspend or remove a company secretary from that office.
- c) A company secretary holds office on the terms and conditions (including as to remuneration) and with the powers, duties and authorities, delegated to him or her by the directors. The company secretary is to ensure that the following matters are to be included in the minutes whether kept by him or her or the general manager:
 - i) details of the day, date and place of the meeting and the time of commencement notice of all meetings;
 - ii) that the chairperson announced a quorum was present;
 - iii) that the previous board meeting was duly constituted and the minutes were a true record of the proceedings thereat including the names of those present and details of any apologies;
 - iv) a reference to minutes of the previous general meeting and the signing of them as a correct record;
 - v) details of every resolution put to members and whether they were passed with the required majority;
 - vi) details of members voting against a motion or abstaining from voting, if those members request that this be recorded;
 - vii) details of any appointments made, members elected to office and any leave of absence granted to a member;
 - viii) details of election of committee members (if applicable);
 - ix) take and keep minutes for the Holdings' meetings;
 - x) keep the register of members;
 - xi) take nominations for election to the management committee;
 - xii) provide appropriate notice to members for meetings;
 - xiii) call and convene special general meetings;
 - xiv) arrange the meeting venue and prepare the agenda;
 - xv) coordinate any correspondence or reports to be presented at meetings;
 - xvi) circulate the minutes of meetings to members;
 - xvii) complete any actions arising from meetings that require correspondence;
 - xviii) receive all incorporated association correspondence and bring urgent matters to the attention of the president or treasurer, if necessary;
 - xix) give the date and time for the next meeting; and
 - xx) the time that the meeting closed;
 - xxi) keep proper books of account;
 - xxii) to assist the commodore in the preparation of the annual report for presentation to the AGM.

46. Committees

- a) The board may create, define and dissolve committees from time to time for the better administration of the activities of Holdings;
- b) Each committee shall have a charter determined or approved by the board;
- c) The chair of each committee (or his or her nominee) may attend meetings, or parts of meetings, of the members or board at the invitation of the board, where he or she may be invited to speak on the matters directly related to the charter of his or her committee;
- d) The directors may seek information ideas and assistance for persons other than elected directors;
- e) The directors may delegate any of their powers to committees consisting of those persons they think fit (including directors, individuals and consultants), and may vary or revoke any delegation provided that all committees are accountable to the board and must comply with the directions of the Board.
- f) A committee must exercise the powers delegated to it according to the terms of the delegation and any directions of the directors.
- g) Powers delegated to and exercised by a committee are taken to have been exercised by the directors.
- h) Unless otherwise determined by the directors, committee meetings are governed by the provisions of this Constitution dealing with directors' meetings, as far as they are capable of application.

47. Audit and Risk Committee

- a) An Audit and Risk committee of the board may be formed to oversee the overall financial management and reporting of Holdings including the establishment of appropriate prudential systems for the efficient and effective operation of financial management.
- b) The bank accounts and accounting records shall be available for inspection by the directors of Holdings at any time.
- c) The audit and risk committee shall comprise at least 2 people provided that:
 - i) the chair of the committee must have significant finance expertise;
 - ii) at least one member of the committee must be a director who has significant finance expertise (other than the President); and
 - iii) any external appointee must be independent and have significant finance expertise.

48. Grievances and Discipline

- a) Upon becoming a member of Holdings, members will be subject to, and submit unreservedly to, the jurisdiction, procedures, penalties and appeal mechanisms of

Holdings whether under the rules, policies or under this Constitution, and such other individuals and entities may, by agreement, submit to the jurisdiction, procedures, penalties, mediation and appeal mechanisms of Holdings whether under the rules, policies or under this Constitution.

- b) The Directors may make a policy or policies:
 - i) for the hearing and determination of grievances by any member who feels aggrieved by a decision or action of Holdings (or another member) and disputes between members, clubs and participants relating to the conduct and administration of yachting when the assets of Holdings are utilized by another body;
 - ii) for the discipline of members, clubs or participants;
 - iii) for the formation and administration of an Appeals Tribunal which must be independent of any party before it on the matter which is the subject of the appeal in question; and
 - iv) for the termination of members.

49. Making and amending Policies and Rules

In addition to policies made under this rule, the directors may from time to time make policies and rules and regulations which in their opinion are necessary or desirable for the conduct, control, administration and management of the sport of yachting or the affairs of Holdings and may amend, repeal and replace those policies, rules and regulations.

50. Right of members to inspect records

A member does not have the right to inspect any document of Holdings (including registers kept by Holdings) except as required by law;

51. Accounts

- a) The Directors will cause proper accounting and other records to be kept and will distribute copies of financial statements as required by the Act.
- b) The secretary and/or the treasurer shall make a 1 page summary each month for the management committee's attention and provide the CEO with such report and shall ensure that such report is uploaded onto www.qcyc.com.au by no later than 30 days after the end of the month to which the accounts relate.
- c) A properly qualified auditor or auditors shall be appointed by the Directors only if Holdings is required by law to do so; and the remuneration of any such auditor or auditors fixed and duties regulated in accordance with the Act.

52. Service of documents

- a) In this rule, document includes a notice.
- b) Holdings may give a document to a member:
 - i) personally;
 - ii) by sending it by post to the address for the member in the Register or an alternative address nominated by the member; or

- iii) by sending it to a facsimile number or an email electronic address nominated by the member.
- c) A member may give a document to Holdings by:
 - i) delivering it to the registered office; or
 - ii) sending it by post to the registered office; or
 - iii) sending it to a facsimile number or an email electronic address of Holdings.
- d) A document, if sent by post to an address:
 - i) in Australia, may be sent by ordinary post; or
 - ii) outside Australia, or sent from an address outside Australia, must be sent by email;

and in either case, is taken to have been received on the fifth business day after the date of its posting.
- e) If a document is sent by facsimile or electronic transmission or by email, delivery of the document is taken to be effected by properly addressing and transmitting the facsimile or electronic transmission and to have been delivered on the second business day following its transmission.

53. Indemnity

- a) This rule applies to every person who is or has been:
 - i) a director, CEO or company secretary of Holdings; and
 - ii) to any other officers, employees, former officers or former employees of Holdings or of its related bodies corporate as the directors in each case determine.
 - iii) each person referred to in this paragraph (a)(i) and (a)(ii) is referred to as a “person” for the purpose of the rest of rule 51.
- b) Holdings may, at the discretion of the Board, indemnify each of the persons referred to in this rule out of the property of Holdings against:
 - i) every liability (except a liability for legal costs) that the incurs as an officer of Holdings; and
 - ii) all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the becomes involved as an officer of Holdings;
 - iii) unless Holdings is forbidden by statute to indemnify the person against the liability or legal costs or an indemnity by Holdings of the person against the liability or legal costs would, if given, be made void by statute.
- c) Holdings may pay or agree to pay, whether directly or through an interposed entity, a premium for a contract insuring an Indemnified officer against liability that the Indemnified officer incurs as an officer of Holdings, or of a related body

corporate of Holdings, including a liability for legal costs, unless:

- i) Holdings is forbidden by statute to pay or agree to pay the premium; or
- ii) the contract would, if Holdings paid the premium, be made void by statute.

54. Winding up

- a) If, on the winding up or dissolution of Holdings, and after satisfaction of all its debts and liabilities any property remains, that property must be given or transferred to another body or bodies having objects similar to those of Holdings and whose constitution prohibits the distribution of its income and property among its members to an extent at least as great as is imposed under this Constitution.
- b) That body is, or those bodies are, to be determined by the voting members at or before the time of dissolution or failing that determination by a judge who has or acquires jurisdiction in the matter.

55. Definitions and Interpretations

a) Definitions

- i) **AGM or Annual General Meeting** means the annual general meeting required to be held by Holdings in each calendar year under s.250N(2) of the Act.
- ii) **Audit and Risk Committee** means the committee formed under rule 17.d.
- iii) **Board** means the Board of Holdings as provided in this Constitution.
- iv) **Chief Executive Officer or CEO** means a person appointed as chief executive officer of Holdings by the directors.
- v) **Member** means a member of Holdings under the provisions of s.231(a) or (b) of the Act.
- vi) **President** means the president of Holdings.
- vii) **Policy** means a policy made under this Constitution.
- viii) **Register** means the register of members maintained by Holdings in accordance with s.168 and s.169 (1) and (2) of the Act.
- ix) **Register of Directors** means the register of the directors maintained by Holdings.
- x) **Rules or Regulations** shall include such rules, regulations, by-laws codes and policies for or in relating to the conduct, control, administration and management of the sport of boating, yachting or moorings at Holdings' premises that it occupies at Shorncliffe, or the affairs of Holdings or the conduct of racing, yachting and mooring activities as determined or adopted from time to time by the Board.

b) Interpretation

In this Constitution unless the context requires otherwise the word 'person' includes a firm, a body corporate, a partnership, a joint venture, an

unincorporated association or an authority.

c) **Corporations Act**

- i) In this Constitution, unless the context requires otherwise, an expression has, in a provision of this Constitution that deals with a matter dealt with a particular provision of the Corporations Act, the same meaning as in that provision of the Corporations Act.
- ii) The provisions of the Corporations Act that apply as replaceable rules are displaced by this Constitution and accordingly do not apply to Holdings.

This is a true copy of the Special Resolution repealing QCYC Holdings Limited's initial Constitution of 1977 and passed pursuant to the provisions of s.136(2) of the Act.

A copy of this Constitution must be lodged with ASIC within 14 days of its adoption pursuant to s.136(5)(a).



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Dayle Smith
Chairman and Member of Holdings