

SGLMG | Comparison of Current Constitution versus Proposed Amendments (21.09.23)

Sydney Gay and Lesbian Mardi Gras Limited (**SGLMG**) is proposing to amend aspects of its constitution (**Proposed Amendments**). In broad terms, the amendments can be categorised as follows:

- amendments to remove provisions that are now obsolete / redundant or reflect the introduction / use of defined terms or incorporate drafting changes that do not alter the substance of the provision;
- amendments that are legally required or reflect the law;
- amendments that reflect best practice; and
- amendments that reflect current SGLMG practice or relate to the internal administration of SGLMG.

The amendments are proposed to be put to the members of SGLMG by way of a number of resolutions that group the amendments according to type.

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| Chapter I (Interpretation & Alteration) | | | | | |
| 1. | Definitions | 1.1 | Clause 1.1 of the Current Constitution sets out the defined terms used in the Constitution. Clause 1.1 is not exhaustive and other defined terms are used throughout the Constitution which are not captured in clause 1.1. | 1.1 | <p>It is proposed that the list of defined terms be:</p> <ul style="list-style-type: none"> ▪ reordered such that the defined terms appear alphabetically; and ▪ expanded to improve readability and clarity of the Constitution. See, for example, the proposed new definition of 'Board', 'Company', 'Constitution', 'Corporations Act', 'Director', 'Member' and 'Register'. <p>The Proposed Amendments also:</p> <ul style="list-style-type: none"> ▪ include several new definitions that reflect SGLMG's registration as a charity and its not-for-profit status, including the 'ACNC Act', 'Applicable Not-for-profit Law', 'Charitable Fundraising Act', 'Charities Act', 'Imported Provisions' (see following row), 'Objects', 'Registered Entity' and 'Tax Act'; and ▪ remove a redundant definition that is not used in the Constitution. |
| 2. | Interpretation | 1.2-1.6 | The Current Constitution contains several standard interpretation provisions that govern how the Constitution is to be interpreted, including that: | 1.2-1.7 | These interpretation provisions have been retained under the Proposed Amendment however minor amendments have been proposed to: |

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| | | | <ul style="list-style-type: none"> ▪ a reference to legislation (including the Corporations Act) includes any amendments; ▪ decision-making under the Constitution is by ordinary resolution unless otherwise specified; ▪ a document required by the Constitution to be lodged with the company secretary may be posted using pre-paid post or delivered to SGLMG's principal place of business during business hours; and ▪ the replaceable rules do not apply to SGLMG. | | <ul style="list-style-type: none"> ▪ also permit a document to be lodged with the company secretary by electronic notification; and ▪ include additional and standard interpretation provisions which specify that: <ul style="list-style-type: none"> - another grammatical form of a defined word or expression has corresponding meaning; - headings and notations are for ease of reference only and do not affect interpretation; - a reference to time is a reference to New South Wales, Australia time; and - a reference to A\$, \$A, dollar or \$ is to Australian currency; and ▪ address some grammatical errors and update one of the notations for closer alignment with the language used in the Corporations Act. |
| 3. | Not-for-profit status | n/a | n/a | 1.8-1.9 | <p>For companies that are not registered charities, governance arrangements are generally regulated by the comprehensive baseline governance framework in the Corporations Act as supplemented by the company's constitution.</p> <p>Some of this framework in the Corporations Act has been '<i>disapplied</i>' to companies registered under the ACNC Act. The '<i>disapplied</i>' provisions deal with matters such as:</p> <ul style="list-style-type: none"> ▪ corporate and financial reporting to the Australian Securities and Investments Commission; ▪ directors' duties; and ▪ meetings of members. <p>In place of these '<i>disapplied</i>' provisions, companies registered under the ACNC Act are subject to an ACNC governance regime which is less prescriptive than the Corporations Act regime, and does not include an equivalent baseline governance framework to that under the Corporations Act. For example, the ACNC regime does not contain any procedures or processes for:</p> <ul style="list-style-type: none"> ▪ the convening of meetings of members; ▪ the period of notice to be given of meetings of members; or ▪ members to vote by proxy. |

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| | | | | | <p>This means that, for companies registered under the ACNC Act (such as SGLMG), these matters will be governed entirely by the company's constitution (if at all).</p> <p>It is proposed that the Constitution <i>'import'</i> some of these <i>'disapplied'</i> provisions – including the baseline framework in the Corporations Act governing meetings of members. In particular, the Proposed Amendments import the following Corporations Act provisions (see definition of <i>'Imported Provisions'</i>):</p> <ul style="list-style-type: none"> ▪ section 139 (company must send a copy of its constitution to a member on request) ▪ sections 191 to 194 (disclosure of, and voting on matters involving, material personal interests by directors); ▪ Divisions 1 to 7 of Part 2G.2 (the provisions governing meetings of members); and ▪ Part 2G.3 (minutes and members' access to minutes). <p>New sub-clauses 1.8 and 1.9 make clear that the Imported Provisions are intended to apply to SGLMG as if it were not a registered charity and that, to the extent of a conflict between the Constitution and the ACNC Act or Corporations Act, the relevant legislation shall prevail.</p> |
| Chapter II (Objects & Powers) | | | | | |
| 4. | Objects | 2.1 | <p>Clause 2.1 of the Current Constitution sets out the objectives of SGLMG, which are to <i>'organise and co-ordinate events of celebration, commemoration and lawful protest and engage in other activities as part of the gay, lesbian, transgender, bisexual, queer and intersex community'</i>.</p> <p>The Current Constitution also makes clear that the assets and income of SGLMG will be applied solely in furtherance of these objectives.</p> | 2.1-2.5 | <p>Under the <i>Charities Act 2013</i> (Cth), a charity must not have a charitable object or purpose that is <i>'disqualifying'</i>. A purpose or object will be disqualifying if the purpose or object is of <i>'engaging in, or promoting activities that are unlawful or contrary to public policy'</i>. Accordingly, it is proposed that the current objectives (referred to as <i>'Objects'</i> under the Proposed Amendments) be amended to include a reference to <i>'lawful'</i> protest and include an additional and standard sentence to the effect that the Objects include doing all things incidental or convenient in relation to the advancement of the Objects. SGLMG's objectives otherwise remain unchanged.</p> <p>Under the Proposed Amendments, there are three additional new sub-clauses which:</p> <ul style="list-style-type: none"> ▪ govern the circumstances in which assets or income of SGLMG may be paid or distributed to a member. These are limited to: |

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| | | | | | <ul style="list-style-type: none"> - payments of wages for employees, compensation for goods or services provided in the usual course of business, repayment of a loan (including interest) and reimbursement of reasonable expenses incurred by the member on behalf of SGLMG; - such rewards as may be given in accordance with SGLMG's Ticketing and Reward Policy; and - such other payments as may be permitted by applicable not-for-profit laws; ▪ require SGLMG to only exercise its powers to carry out the Objects (and do all things incidental or convenient in the exercise of those powers); and ▪ provide that SGLMG will at all times comply with applicable not-for-profit laws. <p>These Proposed Amendments are designed to support SGLMG's status as a not-for-profit entity.</p> |
| Chapter III (Membership) | | | | | |
| 5. | Membership of SGLMG | 3 | Clause 3 of the Current Constitution governs the eligibility and classes of members of SGLMG (which include life members and associate members). | 3 | It is proposed that no changes be made to clause 3 other than minor drafting improvements to reflect the use of defined terms and to clarify the rights and privileges of life membership. |
| Chapter IV (Membership: Admission, fees and other matters) | | | | | |
| 6. | Admission of members | 4.1-4.8 | <p>At a high level, the process for applying for membership under the Current Constitution is as follows:</p> <ul style="list-style-type: none"> ▪ an applicant must submit an application and agree to support the aims and objectives of SGLMG; ▪ the application will be put before the board as soon as possible for determination within 45 days; ▪ if the board fails to accept the application within the prescribed timeframe it will be deemed to have been rejected; ▪ an application for membership will not be considered immediately prior to a general meeting | 4.1-4.9 | <p>It is proposed that the current application process be retained, however it is proposed that:</p> <ul style="list-style-type: none"> ▪ in addition to agreeing to support the aims and objects of SGLMG, new members also be asked to agree to be bound by the Constitution more generally. Under the Corporations Act, a company's constitution has effect as a contract between the company and each member (among others) under which each person agrees to observe and perform the constitution and rules so far as they apply to that person; ▪ the Constitution reflect that the board has, in practice, delegated the task of reviewing and approving membership applications to employees of SGLMG; and |

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| | | | <p>– all decisions on the application will be postponed until after the relevant meeting;</p> <ul style="list-style-type: none"> ▪ if an application is accepted, the applicant will become a member upon the entry of their name in SGLMG’s register of members; and ▪ if an application is rejected, the applicant must be notified of the decision and their right to appeal. | | <ul style="list-style-type: none"> ▪ in circumstances where the board requests further information about an application, the board’s determination of the application is to be deferred until the relevant evidence is given. <p>Minor drafting improvements have also been proposed, including to improve clarity, reflect the use of defined terms, ensure consistency in terminology and update cross-referencing.</p> <p>The Current Constitution contains a notation to the effect that the board is not required to give reasons for its decision to reject an application for members. It is proposed that this notation be converted into a substantive provision (new clause 6.9).</p> |
| 7. | Membership fees | 4.9-4.11 | The board is responsible for determining the amount of any entrance fee or annual membership fee to be paid by members. The board may, in its discretion, waive fees or offer concessions on fees. | 4.10-4.12 | It is proposed that no changes be made to these provisions other than minor drafting improvements to reflect the use (or non-use) of defined terms. |
| 8. | Membership term and renewal | 4.12-4.15 | <p>The Current Constitution provides that membership expires on:</p> <ul style="list-style-type: none"> ▪ 31st October each year for those who were members at 31st October 2010; and ▪ for all other members, one year or three years after the date on which they become a member or renew their membership, depending on whether they elected for a one year or three year membership. <p>In broad terms, a member can renew their membership by complying with the method of renewal prescribed by the board and providing the fee prescribed in the renewal form.</p> | 4.13-4.15 | <p>In practice, only one year membership is offered (not three year membership). Accordingly it is proposed that the Constitution be amended to:</p> <ul style="list-style-type: none"> ▪ make clear that, with the exception of life members, membership is for 12 months commencing on the date (or annual anniversary of the date) on which the person was admitted to membership; ▪ make some drafting improvements to the renewal provisions to make clear that membership is renewed by paying the relevant annual membership fee prescribed in the notice of renewal; and ▪ reflect the use (or non-use) of defined terms. |
| 9. | Ceasing to be a member | 4.16 | <p>Under the Current Constitution, a person cease to be a member of SGLMG if they:</p> <ul style="list-style-type: none"> ▪ resign; ▪ do not renew their membership within 13 months of becoming a member or last renewing their membership; | 4.16-4.17 | <p>It is proposed that the circumstances in which a person ceases to be a member be retained, however minor drafting changes are proposed to:</p> <ul style="list-style-type: none"> ▪ make clear that: <ul style="list-style-type: none"> – membership ceases immediately; – for a resignation to be effective, notice of the resignation must be given by the relevant member with such resignation to take effect |

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| | | | <ul style="list-style-type: none"> ▪ are expelled from membership; or ▪ die. | | <p>from the date of receipt of the notice by the company secretary or on a later date specified in the notice; and</p> <ul style="list-style-type: none"> - expulsion of a member must occur in accordance with chapter 18 of the Constitution; and <ul style="list-style-type: none"> ▪ reflect the use of defined terms. <p>It is also proposed that a new subclause (4.17) be inserted which requires the company secretary to record a cessation of membership in the register of members. This reflects the requirements of the Corporations Act.</p> |
| Chapter V (The Register) | | | | | |
| 10. | Register of members of SGLMG | 5 | Clause 5 of the Current Constitution governs the maintenance, retention and inspection of SGLMG's register of members. | 5 | It is proposed that no changes be made to clause 3 other than minor drafting improvements to reflect the use of defined terms and ensure consistency in terminology. |
| Chapter VI (General Meetings) | | | | | |
| 11. | Format and requirement of general meetings | 6.1-6.2 | <p>The Current constitution:</p> <ul style="list-style-type: none"> ▪ requires SGLMG to hold general meetings in accordance with the Corporations Act; and ▪ defines Annual General Meetings as the meeting required to be held by s.250N of the Corporations Act. | 6.1-6.4 | <p>It is proposed that no changes be made to these clauses however it is proposed that two new subclauses (6.3 and 6.4) be inserted which:</p> <ul style="list-style-type: none"> ▪ in broad terms, permit a general meeting to be held in person, as a hybrid or wholly virtually; and ▪ provide that a general meeting will be held on such date, at such time and place and using such virtual technology (if any) as may be determined by the board. |
| 12. | Calling general meetings | 6.3-6.6 | <p>Under the Current Constitution, a general meeting can be called by:</p> <ul style="list-style-type: none"> ▪ members with at least 5% of the votes; ▪ at least two directors; ▪ the board; or ▪ SGLMG's company secretary in circumstances where a complaint which has been made against a director remains resolved and the secretary considers that, if left unresolved, the complaint may impede the operations of the board. | 6.5-6.8 | <p>It is proposed that no changes be made to these clauses other than:</p> <ul style="list-style-type: none"> ▪ for closer alignment with the language used in the Corporations Act. In this respect, the obligation is put on directors (rather than the secretary) to call a requisitioned meeting and the timeframe in which a requisitioned meeting must be called has been changed to require that the meeting be called within 21 days of SGLMG receiving the request with the relevant meeting taking place no more than 2 months of SGLMG receiving the request. These Proposed Amendments mirror s.249D of the Corporations Act; and ▪ minor drafting improvements to reflect the use of defined terms and fix some minor grammatical errors. |

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| | | | <p>Any requisition for a general meeting must be in writing, state any resolution to be put to the meeting, be signed by the requisitionists and be given to the secretary. Separate copies of the requisition can be used provided the wording of the requisition is identical in each copy.</p> <p>Upon receipt of a request for a general meeting, the secretary must call the meeting during the period that is 35-48 days from the date the request is received.</p> | | |
| 13. | Notice of general meetings | 6.7-6.9 | <ul style="list-style-type: none"> ▪ Members and SGLMG's auditor must be given at least 21 days' written notice of a general meeting. Members must be given notice <i>'at the address then current for that member on the Register'</i>. ▪ Twenty-one days before a general meeting, notice of the meeting must also be: <ul style="list-style-type: none"> - placed in a public area of SGLMG's principal place of business; - accessible from the homepage of SGLMG's website; and - published in a newsletter to SGLMG's database and social media channels. ▪ The Current Constitution prescribes the matters which must be included in a notice of meeting, which includes, the date, time and place of the meeting, the nature of the business of the meeting, form of proxy etc. | 6.9-6.11 | <p>It is proposed that these clauses be substantively retained under the Proposed Amendments. The key differences between the Current Constitution and Proposed Amendments are as follows:</p> <ul style="list-style-type: none"> ▪ the need to give members notice <i>'at the address then current for that member on the Register'</i> is proposed to be replaced with the need to notify each member entitled to vote at the meeting. This language reflects s.249J(1) of the Corporations Act. Clause 16.1 of the Constitution outlines the ways in which notice can be given by SGLMG; ▪ it is proposed that SGLMG no longer be required to place a copy of a notice of general meeting in a public area of SGLMG's principal place of business, to reflect modern corporate practice. The need to publish the notice on SGLMG's website and in a newsletter remain unchanged; and ▪ the list of prescribed matters to be included in the notice of general meeting is proposed to be amended to: <ul style="list-style-type: none"> - cater for the fact that the <i>'place'</i> of the meeting need not be included in the notice of meeting if the meeting is to be wholly-virtual; - require that, in circumstances where a meeting is to be held using virtual meeting technology, the notice include sufficient information to allow members to participate by means of the technology; and - reflect the use of defined terms and make some grammatical improvements. |
| 14. | Resolutions at general meetings | 6.10-6.16 | <p>At a high level, the Current Constitution provides that:</p> <ul style="list-style-type: none"> ▪ any two members can require that particular business or resolutions be included in the next notice of general meeting; | 6.12-6.18 | <p>It is proposed that no changes be made to these clauses other than to:</p> <ul style="list-style-type: none"> ▪ reflect that office bearers are not elected at the AGM and that director elections always take place at the AGM; |

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| | | | <ul style="list-style-type: none"> ▪ at least 42 days before an AGM, the secretary must notify the members of the date by which they can submit particular business or resolutions for the meeting (referred to as the <i>'Notice of Business'</i>) and nominate for election as a director or office bearer; ▪ this notice must be: <ul style="list-style-type: none"> - placed in a public area of SGLMG's principal place of business; - accessible from the homepage of SGLMG's website; and - published in a newsletter to SGLMG's database and social media channels; ▪ any resolution put to the meeting by members must have a proposer and seconder; ▪ members who propose a resolution can prepare an explanatory memorandum for circulation to members; and ▪ if the board proposes a resolution, an explanatory memorandum can be circulated to members which must set out the case for and against the relevant resolution. | | <ul style="list-style-type: none"> ▪ remove the requirement for SGLMG to place a copy of the notice outlining the deadlines for Notices of Business and board nominations in a public area of SGLMG's principal place of business, to reflect modern corporate practice. This is consistent with other proposed changes elsewhere in the Constitution. The need to publish the notice on SGLMG's website and in a newsletter remain unchanged; ▪ reflect the use of defined terms, ensure consistency in terminology and fix some grammatical errors. |
| 15. | Postponement or cancellation of general meetings | n/a | The Current Constitution is silent on the postponement or cancellation of general meetings. | 6.19-6.20 | It is proposed that two new sub-clauses be inserted which expressly permit the board to change a general meeting venue or postpone or cancel a general meeting (other than a meeting requisitioned by the members) before the day of the relevant meeting. Notice of the venue change, postponement or cancellation must be given to the members entitled to vote at the meeting and SGLMG's auditor. The Corporations Act does not specifically permit the board to change a general meeting venue or postpone or cancel a general meeting and, as such, in order to provide flexibility to SGLMG it is necessary to include provisions of this kind in the Constitution. |
| 16. | Business of general meetings | 6.17 | The Current Constitution specifies the business that may be transacted at a general meeting, which includes consideration of SGLMG's accounts and balance sheet, | 6.21-6.23 | It is proposed that no changes be made to these clauses other than to: |

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| | | | the auditor's report, directors' report, director and office bearer elections, any items of business submitted by the board or members and, if required by the Corporations Act, the appointment of auditors. | | <ul style="list-style-type: none"> ▪ make clear that the specified business can be transacted at an AGM (as opposed to general meetings generally). This is consistent with other provisions of the Constitution and standard corporate practice; ▪ reflect current practice that office bearers are not elected at the AGM; ▪ delete the reference to the Corporations Act in relation to the appointment of auditors as the question of whether SGLMG is required to have an auditor is governed by the ACNC regime (see row 41 below); and ▪ reflect the use of defined terms. <p>It is also proposed that two new sub-clauses (6.22 and 6.23) be inserted which provide that:</p> <ul style="list-style-type: none"> ▪ no business can be transacted at a general meeting unless stated in the notice of meeting; and ▪ no person can move an amendment to a resolution (the terms of which have been set out in the notice of meeting) without the approval of the chair of the relevant general meeting. There are strict legal requirements governing the amendment of resolutions. Accordingly, it is appropriate for the Constitution to specify broadly how amendments to resolutions are to be managed (which would typically require chair approval). |
| Chapter VII (Proceedings and conduct at General Meetings) | | | | | |
| 17. | Quorum for general meetings | 7.1-7.3 | The quorum for general meetings is the lesser of 10% of members (present in person or by proxy) eligible to vote at the meeting or 50 such members. The Current Constitution also outlines the implications for meetings (including adjourned meetings) that do not have a quorum. | 7.1-7.3 | It is proposed that no changes be made to these clauses other than to make clear that a member participating using virtual meeting technology is to be counted in a quorum and to reflect the use of defined terms. |
| 18. | Chair of general meetings | 7.4-7.6 | The board will nominate a member (who may not be a director, candidate for election to the board or a proposer/seconded of a resolution being considered at the general meeting) to chair the meeting. The chair has power to adjourn a general meeting (and must do so if directed by the meeting). | 7.4-7.6 | It is proposed that no changes be made to these clauses other than minor drafting improvements to reflect the use of defined terms and fix a numbering error. |

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| 19. | Voting at general meetings | 7.7-7.10, 7.11(t) | <p>Under the Current Constitution:</p> <ul style="list-style-type: none"> ▪ voting is on a show of hands unless a poll is demanded by the chair or at least three members present in person or by proxy. This includes a member's attorney who is exercising authority on behalf of the member under power of attorney; ▪ if no poll is demanded, a declaration by the chair in relation to the vote (eg that it was carried, carried in a particular way or lost) is conclusive; ▪ in relation to polls: <ul style="list-style-type: none"> - the demand for a poll can be withdrawn; - a poll will be taken as the chair directs; - a poll on the adjournment of the meeting must be taken immediately; and ▪ a member can vote in person or by proxy. | 7.7-7.11, 7.13 | <p>These clauses have been broadly retained under the Proposed Amendments. The key proposed changes under the Proposed Amendments compared with the Current Constitution are as follows:</p> <ul style="list-style-type: none"> ▪ it is proposed that a poll can be demanded in accordance with the Corporations Act. The Corporations Act provides that a poll can be demanded by: <ul style="list-style-type: none"> - at least five members entitled to vote on the resolution; - members with at least 5% of the votes that may be cast; and - the chair, <p>whereas the Current Constitution allows any three members to call a poll;</p> ▪ the Proposed Amendments make clear that, if the meeting is held using virtual meeting technology, resolutions are to be determined by poll; ▪ the Proposed Amendments retain the principle that a declaration by the chair in relation to a vote on a poll is conclusive, however it is proposed that any such declaration must be included in SGLMG's minute book; ▪ it is proposed that the provisions governing the conduct of a poll be expanded to provide that: <ul style="list-style-type: none"> - the result of a poll will be the resolution of the relevant meeting; - the chair can determine any dispute about the admission or rejection of a vote; and - the chair's determination, if made in good faith, will be final and conclusive. <p>These provisions are procedural in nature and are standard inclusions in corporate constitutions; and</p> ▪ in addition to voting in person or by proxy, the Proposed Amendments permit voting by post or, if applicable, using virtual meeting technology. As the members of SGLMG are natural persons (as opposed to organisations) and are able to appoint proxies, it is proposed that members no longer be able to appoint attorneys to act on their behalf. Members continue to be able to appoint proxies; and ▪ the Proposed Amendments also reflect the use (or non-use) of defined terms, include some grammatical improvements and reflect the potential use of virtual meeting technology to vote at general meetings. |

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| | | | | | In addition, the Proposed Amendments include a new sub-clause (7.7) which specifies that, subject to the Corporations Act, every member has one vote and a resolution is passed if a majority of votes cast on the resolution are in favour. |
| 20. | Proxies | 7.10 | <p>Clause 7.10 governs the appointment of, and voting by, a proxy. This includes that:</p> <ul style="list-style-type: none"> ▪ a proxy must be appointed in writing; ▪ a proxy need not be a member; ▪ a person may hold more than one proxy; ▪ a proxy appointment must be in the form (or similar to the form) specified in schedule 1; ▪ a proxy appointment must be lodged with the secretary by 5pm three business days before the relevant meeting; ▪ unless SGLMG receives written notice prior to the relevant meeting, a proxy appointment is valid despite the death or mental unsoundness of the member giving the proxy or withdrawal by the member of the appointment; and ▪ a proxy can vote as they wish unless otherwise instructed on the form of appointment. | 7.12 | <p>These proxy provisions have been broadly retained under the Proposed Amendments except to:</p> <ul style="list-style-type: none"> ▪ reduce the time by which a proxy appointment must be received by SGLMG from three business days before the relevant meeting to 48 hours (unless otherwise specified in the relevant notice of meeting). This amendment is consistent with the Corporations Act (which requires that proxies be received at least 48 hours prior although the Constitution can specify a shorter (but not longer) notice period); ▪ remove the need for a proxy appointment to be in the form specified in Schedule 1. It is no longer necessary for the form of appointment to be prescribed in the Constitution as the Corporations Act prescribes the information to be included in a proxy appointment (namely the member's name and address, the company's name, the proxy's name or office, and the meeting at which the appointment may be used). Accordingly, it is proposed that: <ul style="list-style-type: none"> - current Schedule 1 be deleted (see row 50 below); and - the Constitution be amended to provide that the form of appointment of a proxy will be valid if it is signed by the member making the appointment and contains the information required by the Corporations Act. The Proposed Amendments also authorise the board to determine that a proxy appointment is valid even if it only contains some of this information, the inclusion of which is expressly contemplated by the Corporations Act; and ▪ make some drafting improvements to improve readability and reflect the use of defined terms. <p>The Proposed Amendments also insert two new sub-clauses which provide that:</p> <ul style="list-style-type: none"> ▪ unless otherwise stated in the appointment, a proxy appointment confers authority on the proxy to vote on any amendments to a resolution, |

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| | | | | | <p>procedural motions and any motions before the general meeting (clause 7.12(f); and</p> <ul style="list-style-type: none"> ▪ SGLMG receives a proxy appointment (and any supporting authority) when it is received at SGLMG's registered office or a place or electronic address specified for that purpose in the notice of meeting (clause 7.12(i)). <p>These are relatively standard provisions in corporate constitutions and provide greater certainty and clarity in the administration and processing of proxy votes.</p> |
| 21. | Director elections | 7.11 | <p>Clause 7.11 of the Current Constitution governs director elections and broadly provides that:</p> <ul style="list-style-type: none"> ▪ at least once a calendar year a general meeting will be convened for the election of directors and office bearers; ▪ any two members can nominate a member for election with nominations due no later than 28 days before the AGM; ▪ immediately after nominations close, the secretary will meet the returning officer (who is appointed by the secretary) to determine by lot the order of candidates on the ballot paper; ▪ if the number of candidates is less than or equal to the number of vacancies, those candidates shall be declared elected; ▪ if the number of candidates exceeds the number of vacancies, the Current Constitution outlines the process for conducting a contested election, which includes the following: <ul style="list-style-type: none"> - the Returning Officer must cause members to be notified of the list of candidates appearing alphabetically and in the order that they will appear on the ballot. This notice must be posted in SGLMG's principal place of business; | 7.14 | <p>It is proposed that the director election provisions be amended as follows:</p> <ul style="list-style-type: none"> ▪ to reflect current practice, the Proposed Amendments make clear that director elections are conducted at the AGM (as opposed to once each calendar year) and that the general meeting does not elect office bearers; ▪ from a practical and logistical perspective, it is proposed that the secretary and returning officer not be required to meet <i>'immediately'</i> after nominations close, although they continue to be required to meet in order to determine the order of the ballot; ▪ the Proposed Amendments make clear that, in circumstances where the number of candidates is less than or equal to the number of vacancies, those candidates are elected with effect from the relevant AGM and any remaining vacancies can be filled by the board as a casual vacancy; ▪ it is proposed that: <ul style="list-style-type: none"> - members continue to be notified of the order that candidates will appear on the ballot (however there is no longer a need to provide the list of candidates in alphabetical order); - the secretary (rather than the returning officer) be responsible for publishing this notice to members which reflects that the secretary is better placed within SGLMG to ensure the publication of this notice; and - instead of posting this notice at SGLMG's principal place of business, the notice must be posted on SGLG's website and be accessible from the homepage (to reflect modern corporate practice); |

| No. | Subject | Current clause ref | Position under Current Constitution | New clause ref | Position under Proposed Amendments |
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| | | | <ul style="list-style-type: none"> - candidates can provide a written statement in support of their nomination which can be circulated to members either with the postal ballot paper or separately. The secretary has discretion to set deadlines for the receipt of this statement; - any candidate can ask the secretary for access to the register of members for the purpose of providing additional material to members at the candidate's expense; and - after the votes are counted, the returning officer must declare and publish the results (including the total number of votes cast in person, by post or by proxy). Members are able to request a copy of this information. | | <ul style="list-style-type: none"> ▪ instead of requiring that candidate statements be distributed to members with each postal ballot paper (or separately), it is proposed that the statements be distributed to members either as part of the notice of AGM or separately. Candidates continue to be able to ask the secretary for access to the register of members for the purpose of providing additional material to members at the candidate's expense; ▪ the secretary no longer has discretion to determine the timing for receipt of candidate statements and the Proposed Amendments expressly require these statements to be submitted to SGLMG by the board nominations deadline (ie 28 days before the AGM). This reflects current practice; ▪ the results of the vote that are required to be published by the returning officer must detail the number of votes cast by each applicable method of voting (including, to the extent applicable, votes cast by members in person, using virtual meeting technology, by post or by proxy). Currently the returning officer need only publish the total number of votes cast in person, by post or by proxy. Members continue to be able to request a copy of this information; and ▪ the Proposed Amendments also include drafting improvements to (among other things) reflect the use (or non-use) of defined terms, ensure consistency in terminology, address grammatical errors or deficiencies to improve readability and reflect that voting by virtual meeting technology may be permitted. |

Chapter VIII (Directors and office-holders)

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| 22. | Board eligibility and composition | 8.1-8.3 | <p>Clauses 8.1 to 8.3 of the Current Constitution broadly provide that:</p> <ul style="list-style-type: none"> ▪ only members of SGLMG can be appointed as directors; ▪ at the 2003 Annual General Meeting the number of directors will be 10; and ▪ the members may vary the number of directors provided there will be a minimum of 8 directors and a maximum of 16. | 8.1-8.2, 8.4 | It is proposed that no changes be made to these clauses other than minor drafting improvements, including to delete the reference to the 2003 Annual General Meeting (which is now redundant) and reflect the use of defined terms. |
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| 23. | Transitional provisions | 8.4-8.5 | The Current Constitution contains transitional provisions applicable to the 2014 and 2015 Annual General Meetings. | 8.3 | As these provisions are now redundant and no longer apply, it is proposed that they be deleted from the Constitution. In order to preserve the existing board, the Proposed Amendments introduce a new clause 8.3 which makes expressly clear that the directors in office on the date of adoption of the new Constitution will continue in office from that date. |
| 24. | Director tenure | 8.6-8.9 | Directors hold office for a two year term but may stand for re-election. On and from the 2015 Annual General Meeting, directors elected at any: <ul style="list-style-type: none"> ▪ even year Annual General Meeting will retire at the subsequent even year Annual General Meeting; and ▪ odd year Annual General Meeting will retire at the subsequent odd year Annual General Meeting. | 8.4-8.5 | This principle has been retained however some drafting improvements have been proposed to: <ul style="list-style-type: none"> ▪ remove the references to the 2015 Annual General Meeting; ▪ make clear that directors will automatically cease to hold office at the conclusion of the second annual general meeting after they were last elected (although they will continue to be able to seek re-election); and ▪ reflect the use of defined terms. |
| 25. | Removal of directors | 8.10-8.12 | Clauses 8.10 to 8.12 of the Current Constitution outline the process for the members to remove a director from office and appoint another director in their place. | 8.6-8.8 | It is proposed that no changes be made to these clauses other than minor drafting improvements to reflect gender neutral language and the use of defined terms and consistent terminology. |
| 26. | Casual vacancies on the board | 8.13-8.14 | The board of SGLMG is authorised by the Current Constitution to appoint a director to fill a vacancy on the board. If a vacancy is to be filled, the company secretary must take particular steps, including to invite expressions of interest by: <ul style="list-style-type: none"> ▪ placing a notice in a public area of SGLMG's principal place of business and on SGLMGs website; and ▪ advertising in the Sydney Star Observer (or similar publication). Any member can request the names of all members who submitted an expression of interest in filling a board vacancy. | 8.9-8.10 | Consistent with modern corporate practice, it is proposed that the requirement to advertise calls for expressions of interest in a public area of SGLMG's principal place of business be removed. It is not proposed that there be any changes to the need for the company secretary to advertise calls for expressions of interest on SGLMG's website and the Sydney Star Observer (or similar publication) and these requirements remain unchanged. It is proposed that the ability for members to request the names of all members who submitted an expression of interest in filling a board vacancy be deleted as this does not reflect standard corporate practice. The remainder of these two clause are unchanged other than to reflect the use of defined terms and grammatical improvements. |

| No. | Subject | Current clause ref | Position under Current Constitution | New clause ref | Position under Proposed Amendments |
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| 27. | Cessation of office | 8.15 | <p>The Current Constitution sets out the circumstances in which a person will cease to be a director of SGLMG, namely if (in broad terms) they:</p> <ul style="list-style-type: none"> ▪ cease to be a member of SGLMG; ▪ become employed by SGLMG; ▪ are absent from more than three consecutive board meetings without permission of the board; ▪ become of unsound mind or a person whose person or estate is liable to be dealt with in any way under any statutory provision relating to mental health; ▪ have been removed from office by the members of SGLMG; or ▪ have voted on a matter in which they have a material personal interest without having first disclosed that interest and the other directors resolve that the person cease to be a director. | 8.11 | <p>It is proposed that the circumstances in which a person will cease to be a director of SGLMG be broadly retained under the Proposed Amendments.</p> <p>The key proposed changes under the Proposed Amendments compared with the Current Constitution are as follows:</p> <ul style="list-style-type: none"> ▪ instead of ceasing to hold office for voting on a matter in which they have a material personal interest without having first disclosed that interest etc, it is proposed that a director would cease to hold office if they are interested in a contract (or proposed contract) with SGLMG and fail to declare the nature of the interest as required by the Corporations Act. This amendment captures a broader range of benefits than a material personal interest. The management of material personal interests is separately governed by a regime under the Corporations Act; ▪ the circumstances in which a person will cease to be a director of SGLMG have been expanded to include if the director: <ul style="list-style-type: none"> - becomes ineligible to be a director under the ACNC Act; - resigns; - dies; or - becomes bankrupt or makes any general arrangement or composition with their creditors; and ▪ it is also proposed that there be minor drafting improvements to reflect defined terms and improve grammar. |
| Chapter IX (Directors: Powers & Duties) | | | | | |
| 28. | Director powers and duties | 9.1-9.3 | <p>Clause 9 of the Current Constitution sets out the powers and duties of the directors of SGLMG.</p> | 9.1-9.4 | <p>This clause has been substantively retained under the Proposed Amendments however minor drafting changes have been proposed to reflect the use of defined terms and fix numbering errors.</p> <p>It is also proposed that an additional sub-clause (9.4) be inserted to reflect SGLMG's registration as a charity and the duties of directors under the ACNC regime. In particular, the Proposed Amendments require the directors to:</p> <ul style="list-style-type: none"> ▪ exercise their powers and discharge their duties in compliance with the Corporations Act; |

| No. | Subject | Current clause ref | Position under Current Constitution | New clause ref | Position under Proposed Amendments |
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| | | | | | <ul style="list-style-type: none"> comply with the Corporations Act in relation to the disclosure of the director's interest; and at all times while SGLMG is a registered charity, comply with the duties described in ACNC governance standard 5. |
| 29. | Minute-taking | 9.5-9.6 | <p>The board is required to cause minutes to be made of:</p> <ul style="list-style-type: none"> appointments of officers and employees; the names of attendees at board meetings; and all proceedings of board and general meetings. | 9.5-9.6 | <p>It is proposed that the board no longer be expressly required to minute the appointments of officers and employees however, for closer alignment with the Corporations Act, the Proposed Amendments require that the board also cause minutes to be made of:</p> <ul style="list-style-type: none"> all resolutions of the board and of general meetings; all circular resolutions passed by the board; and all disclosures of interest by the directors. |
| Chapter X (Directors: Proceedings) | | | | | |
| 30. | First board meeting | 10.1-10.4 | <p>Clauses 10.1-10.4 govern the frequency of, calling of and voting at board meetings of SGLMG and the election of the chair and other office bearers.</p> | 10.1-10.7 | <p>It is proposed that no changes be made to these clauses other than minor drafting improvements to reflect that director elections take place at the AGM, make expressly clear that each director has a vote (unless a casting vote is exercisable by the chair or a director has a material personal interest in the matter and is prohibited from voting) and reflect the use of defined terms.</p> <p>The Proposed Amendments include three additional new sub-clauses which provide (in broad terms) that:</p> <ul style="list-style-type: none"> an accidental omission to give notice of a board meeting to a director (or non-receipt of the notice) does not invalidate the board meeting or any resolution passed at the meeting; a director who participates in a board meeting is taken to be present and entitled to vote (unless they are prohibited from voting by virtue of having a material personal interest in the matter); and the board can regulate its meetings as it sees fit. <p>These provisions are procedural in nature and are standard inclusions in corporate constitutions.</p> |
| 31. | Director conflicts | 10.5 | <p>A director is prohibited from voting or being present at a board meeting that is considering any contract or</p> | 10.8-10.9 | <p>There are no changes to the current prohibition on directors voting or participating in board consideration of a matter in which they have a material personal interest, although some minor drafting improvements are proposed</p> |

| No. | Subject | Current clause ref | Position under Current Constitution | New clause ref | Position under Proposed Amendments |
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| | | | matters in which the director has a material personal interest. | | to reflect the use of defined terms and fix a minor grammatical error. It is also proposed that a typographical error in the notation be fixed. The Proposed Amendments include a new sub-clause (10.8) which expressly requires directors to disclose any actual or perceived, direct or indirect personal interest in a matter that relates to the affairs of SGLMG. |
| 32. | Payments to directors | 10.6 | The Current Constitution permits a director to be paid travelling and other expenses incurred in attending board, board committee and general meetings or in connection with the business of SGLMG. | 10.10 | The Proposed Amendments broadly retain the principle that directors can be reimbursed out of pocket expenses (including travel expenses in attending board, board committee and general meetings of SGLMG) however: <ul style="list-style-type: none"> ▪ any such out of pocket expenses must be <i>'reasonable'</i> and must be properly incurred by the director in connection with the operation of SGLMG in the performance of any duty as a director of SGLMG where the amount payable does not exceed an amount previously approved by the board and which is substantiated or supported by appropriate documentation as determined by SGLMG. These amendments are designed to support SGLMG's status as a not-for-profit entity; and ▪ it is proposed that this clause also expressly contemplate that directors be entitled to receive payments relating to an indemnity in favour of the directors or a contract of insurance permitted by the Corporations Act. This reflects that directors may receive such types of payment under Chapter 17 of the Constitution (<i>Indemnity</i>). |
| 33. | Quorum | 10.7-10.9 | <ul style="list-style-type: none"> ▪ The quorum for board meetings is currently one half of the number of directors (rounded up) determined by the general meeting or a greater number fixed by the board. ▪ The Current Constitution also outlines the quorum for board meetings in circumstances where the number of directors is less than the number fixed by the general meeting (for example, due to an insufficient number of nominations), being one half of the actual number of directors in office (rounded up). ▪ If a quorum cannot be formed, the remaining directors may act only to appoint further directors. | 10.11-10.12 | <ul style="list-style-type: none"> ▪ It is proposed that the quorum regime be simplified such that the quorum for board meetings will be one half of the total number of directors (rounded up) or a greater number fixed by the board. ▪ It is also proposed that, if a quorum cannot be formed, the remaining directors can call a general meeting (or appoint further directors, as is the case currently). ▪ The Proposed Amendments include some minor drafting improvements to reflect the use of defined terms and address grammatical errors. |

| No. | Subject | Current clause ref | Position under Current Constitution | New clause ref | Position under Proposed Amendments |
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| 34. | Circular resolutions | 10.10 | Clause 10.13 permits the board to pass a resolution by circular if signed by all the directors present in Australia at the time of the resolution. The circular resolution can consist of several documents in similar form. | 10.13 | It is proposed that the board continue to be permitted to pass circular resolutions however: <ul style="list-style-type: none"> in light of technology developments and to reflect normal practice, the Proposed Amendments require that all directors must sign a circular resolution for it to pass (currently only those directors present in Australia need to sign the circular for it to pass); to remove any subjectivity in considering whether a circular has been duly passed, the Proposed Amendments require that if a circular is to consist of more than one documents, each of those documents must be identical (rather than similar); and the Proposed Amendments make clear that the resolution is passed when the last director signs and that a circular can be in the form of an electronic notification and can be signed electronically. This reflects modern corporate practice. |
| 35. | Motions of censure or stand down | 10.12-10.13 | Clauses 10.12 and 10.13 of the Current Constitution permit the board to move a motion of censure or stand down (respectively) against a director and outline the requirements to pass and report on any such motion. | 10.15-10.16 | It is proposed that no changes be made to these clauses other than minor drafting improvements to reflect the use of defined terms and fix grammatical and formatting errors. |
| Chapter XI (Secretary) | | | | | |
| 36. | Secretary | 11 | Clause 11 of the Current Constitution governs the appointment and cessation of SGLMG's company secretary. | 11 | This provision has been substantively retained under the Proposed Amendments however minor drafting changes have been proposed to reflect the use of defined terms and to fix drafting and grammatical errors. |
| Chapter XII (Delegation of Board's powers) | | | | | |
| 37. | Delegation by the Board | 12 | The board may delegate its powers or functions to specified individuals however the Current Constitution makes clear that no delegation will be valid if (among other things) it tries to delegate any duty specifically imposed on directors by the Corporations Act or general law. | 12 | This provision has been substantively retained under the Proposed Amendments however: <ul style="list-style-type: none"> rather than prohibiting the board from delegating any of its duties, it is proposed that the board be prohibited from delegating any of its powers which must by law be dealt with by the directors as a board. This reflects that only powers and functions (and not duties) are capable of being delegated; and the Proposed Amendments contain minor drafting changes to reflect the use of defined terms and to fix errors in numbering. |

| No. | Subject | Current clause ref | Position under Current Constitution | New clause ref | Position under Proposed Amendments |
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| | | | | | <p>The Proposed Amendments also:</p> <ul style="list-style-type: none"> ▪ remove the requirement for the members of board committees to comprise directors only which reflects current practice; ▪ make clear that the board can revoke a delegation of power at any time which reflects the position at law; ▪ permit the board to authorise a delegate to subdelegate any of the powers vested in them. If a delegate is to be able to subdelegate, this should be expressly authorised; and ▪ broadly apply the provisions dealing with board meetings to meetings of any board committee. |
| Chapter XIII (Certain acts valid) | | | | | |
| 38. | Certain acts valid | 13 | The Current Constitution makes clear that, in circumstances where it is discovered that there was a defect in the appointment of a director or member of a constituted group or a lack of authority, the acts of those individuals will be valid as if there were no such defect. | 13 | This clause has been substantively retained under the Proposed Amendments however minor drafting changes have been proposed to reflect the use of defined terms and to fix errors in numbering. |
| Chapter XIV (Common seal) | | | | | |
| 39. | Common seal | 14 | Clause 14 governs the use and storage of the common seal of SGLMG (including how documents are to be signed using the common seal). | n/a | SGLMG does not have a common seal. Accordingly, as this clause is redundant, it is proposed that clause 14 be deleted in its entirety. |
| Chapter XV (Accounts) – renumbered Chapter XIV under the Proposed Amendments | | | | | |
| 40. | Financial accounts | 15 | The Current Constitution contains particular obligations on the board in respect of SGLMG's accounts, including that the board must cause correct and proper accounts and records to be kept and that financial statements be laid before the general meeting at least once per calendar year. The Current Constitution also specifies the contents for SGLMG's ' <i>financial statements</i> ' (including that they comprise (among other things) such other document required by the Corporations Act). | 14 | <p>Certain provisions of the Corporations Act (including those dealing with financial reporting requirements) do not apply to registered charities such as SGLMG. The particular financial reporting requirements that apply under the ACNC regime depends on the size of the charity. Accordingly, it is proposed that this provision be replaced in its entirety with a requirement that the board of SGLMG cause SGLMG to keep written financial records in relation to the business of SGLMG '<i>as required by law</i>'.</p> <p>This Proposed Amendment provides the requisite flexibility for SGLMG to respond to changes in the law while also ensuring that SGLMG is at all times</p> |

| No. | Subject | Current clause ref | Position under Current Constitution | New clause ref | Position under Proposed Amendments |
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| | | | | | compliant with the applicable legal requirements relating to financial reporting. |
| Chapter XVI (Audit) – renumbered Chapter XV under the Proposed Amendments | | | | | |
| 41. | Audit | 16 | SGLMG is required by the Current Constitution to appoint a registered company auditor in accordance with the Corporations Act and the auditor's remuneration and duties will be as required by the Corporations Act. | 15 | <p>Certain provisions of the Corporations Act (including those dealing with the need for the accounts of a public company to be audited) do not apply to registered charities such as SGLMG. Under the ACNC regime, whether a charity is required to have an auditor or reviewer depends on the size of the charity. Accordingly, it is proposed that this provision be replaced in its entirety with a requirement that the board of SGLMG cause the financial records of SGLMG to be audited or reviewed <i>'as required by law'</i>.</p> <p>This Proposed Amendment provides the requisite flexibility for SGLMG to respond to changes in the law while also ensuring that SGLMG is at all times compliant with the applicable legal requirements relating to the auditing of accounts.</p> |
| Chapter XVII (Notice) – renumbered Chapter XVI under the Proposed Amendments | | | | | |
| 42. | Notice | 17 | <p>The Current Constitution permits notices from SGLMG to members to be:</p> <ul style="list-style-type: none"> ▪ delivered personally; ▪ sent by pre-paid post; or ▪ sent to an email address provided that the subject matter of the notice can be reasonably forwarded in digital or electronic form. <p>Notices sent by post or email are taken to be served on the day after the notice is posted or transmitted as the case may be.</p> | 16 | <p>These provisions have broadly been retained. The Proposed Amendments also expand the method by which notices may be served on members to include the sending of sufficient information to the person in physical or electronic form to the member at the address shown in the register of members or the address or email elected by the member for sending notices to the member to allow the member to access the notice electronically.</p> <p>The timeframes for the delivery of notices by post and email are not proposed to be changed.</p> <p>In addition, the Proposed Amendments:</p> <ul style="list-style-type: none"> ▪ specify that the notice provisions are subject to the Corporations Act; ▪ provide that notice sent by post will be taken to be served by properly addressing, prepaying and posting a letter containing the notice, while notice sent by email will be taken to be served by properly addressing the email and transmitting it. This is a procedural provision and is standard in many corporate constitutions; ▪ make clear that if a member does not have an address recorded in the register of members that notice will be taken to be served on that member 24 hours after it was posted on SGLMG's website. This is a |

| No. | Subject | Current clause ref | Position under Current Constitution | New clause ref | Position under Proposed Amendments |
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| | | | | | <p>procedural provision and is standard in many corporate constitutions; and</p> <ul style="list-style-type: none"> include minor drafting changes to reflect the use of defined terms. |
| Chapter XVIII (Indemnity) – renumbered Chapter XVII under the Proposed Amendments | | | | | |
| 43. | Indemnity | 18 | Under the Current Constitution, specified individuals (including Directors and the Secretary) are indemnified by SGLMG from any liability arising from the execution of their duties or which is incurred by the individual in defending particular proceedings. | 17 | It is proposed that no changes be made to this provision other than minor drafting improvements to reflect the use of defined terms and to fix errors in numbering. |
| Chapter XIX (Expulsion from membership) – renumbered Chapter XVIII under the Proposed Amendments | | | | | |
| 44. | Expulsion from membership | 19 | Clause 19 of the Current Constitution sets out the process for the board to expel a member of SGLMG. | 18 | It is proposed that no changes be made to this clause other than minor drafting improvements to reflect the use of defined terms and fix a typographical error and numbering errors. |
| Chapter XX (Right of appeal) – renumbered Chapter XIX under the Proposed Amendments | | | | | |
| 45. | Right of appeal | 20 | <p>Clause 20 of the Current Constitution sets out the process to appeal the decision to:</p> <ul style="list-style-type: none"> reject a membership application; or expel a member. | 19 | It is proposed that no changes be made to this clause other than minor drafting improvements to reflect the use of defined terms, ensure consistency in terminology and reflect a change in the clause numbering. |
| Chapter XXI (Members' contribution) – renumbered Chapter XX under the Proposed Amendments | | | | | |
| 46. | Members' contribution | 21 | Under the Current Constitution, every member agrees to contribute up to \$1 towards SGLMG's debts and liabilities in the event SGLMG is wound up. | 20 | <p>Companies limited by guarantee (such as SGLMG) are formed on the principle of having the liability of its members limited to the respective amounts that the members undertake to contribute to the property of the company if it is wound up.</p> <p>This clause has been substantively retained under the Proposed Amendments however minor drafting changes have been proposed to reflect gender neutral language and the use of defined terms.</p> |
| Chapter XXII (Winding up) – renumbered Chapter XXI under the Proposed Amendments | | | | | |
| 47. | Winding up | 22 | Clause 22 of the Current Constitution broadly provides that, on the winding up of SGLMG, any surplus assets | 21 | The reference to ' <i>an institution to which approval has been granted pursuant to section 30-15 of the Income Tax Assessment Act 1997</i> ' is a reference to an entity with endorsement as a deductible gift recipient (DGR). As SGLMG |

| No. | Subject | Current clause ref | Position under Current Constitution | New clause ref | Position under Proposed Amendments |
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| | | | <p>will not be distributed to members but will be given to another institution:</p> <ul style="list-style-type: none"> having objects similar to SGLMG's objects '<i>being an institution to which approval has been granted pursuant to section 30-15 of the Income Tax Assessment Act 1997</i>'; and which prohibits the distribution of its income and property among its members to an extent at least as great as is imposed on SGLMG. <p>The members are responsible for determining the recipient(s) of any surplus assets.</p> | | <p>does not itself have DGR endorsement it is not necessary from a tax and not-for-profits law perspective that SGLMG be required on its winding up to give its surplus assets to a DGR endorsed entity.</p> <p>Accordingly it is proposed that, on the winding up of SGLMG, any surplus assets will be given to Mardi Gras Arts or such other corporation or bodies (each referred to as a '<i>Potential Recipient</i>') provided that any such Potential Recipient is, by its constitution:</p> <ul style="list-style-type: none"> required to pursue charitable purposes only (being charitable purposes similar, as far as possible, to those of SGLMG); required to apply its income in promoting its charitable purposes; and prohibited from making any distribution to its members and paying fees to its directors, to at least the same extent as imposed on SGLMG. <p>As is the case currently, it is proposed that the members of SGLMG be responsible for determining the recipient(s) of any surplus assets, however the Proposed Amendments also contemplate that, in default, an application could be made to the NSW Supreme Court to determine the recipient(s).</p> |
| Chapter XXIII (Miscellaneous) – renumbered Chapter XXII under the Proposed Amendments | | | | | |
| 48. | Checklist for general meetings | 23 | The Current Constitution refers to a checklist in Schedule 3 of the timelines by which particular steps must be completed in respect of a general meeting. | 22 | It is proposed that no changes be made to this provision other than minor drafting improvements to reflect a change in numbering of the schedules and to fix a typographical error. |
| Chapter XXIV (Savings and transitional provisions) | | | | | |
| 49. | Transitional provisions | 24 | The Current Constitution contains transitional provisions applicable to the 2003 Annual General Meeting. | n/a | These provisions are now redundant and it is proposed that they be deleted from the Constitution. |
| Schedule 1 (Form of proxy) | | | | | |
| 50. | Proxy form | Sch 1 | The Current Constitution sets out the form to be used for appointing proxies. | n/a | It is no longer necessary to set out in the Constitution a copy of the template proxy form. To retain maximum flexibility, including to take into account any future changes in law, it is proposed that current Schedule 1 be removed and that the Constitution no longer prescribe the form of proxy. Instead, the applicable form of proxy would need to be circulated to members as part of the materials for the relevant general meeting. |

| No. | Subject | Current clause ref | Position under Current Constitution | New clause ref | Position under Proposed Amendments |
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| Schedule 2 (Conduct of the ballot according to the principles of proportional representation) – renumbered Schedule 1 under the Proposed Amendments | | | | | |
| 51. | Conduct of ballot | Sch 2 | Under the Current Constitution, the ballot and counting of votes on an election of directors is to be conducted according to the principles of proportional representation as set out in Schedule 2. Schedule 2, in turn, cross refers to a separate document but does not set out the terms or provisions of that document. | Sch 1 | To increase transparency regarding the process for conducting ballots, it is proposed that the relevant document be inserted into the Constitution in lieu of the current document cross-reference. |
| Schedule 3 (Check List of General Meetings) – renumbered Schedule 2 under the Proposed Amendments | | | | | |
| 52. | Checklist | Sch 3 | As noted above at row 48, Schedule 3 of the Current Constitution outlines the timing by which particular steps must be completed in respect of a general meeting of SGLMG. | Sch 2 | It is proposed that no changes be made to this Schedule other than minor drafting improvements to reflect a change in clause numbering, ensure consistency in terminology (including use of defined terms), include an additional row in relation to the closure of pre-poll voting, remove two rows which are not consistent with the Constitution and fix typographical errors. |