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14TH July 2009

MINUTES - SPECIAL GENERAL MEETING OF THE ASSOCIATION

DATE: 27th June 2009

VENUE: The Crowne Plaza, 32 Mitchell Street, Darwin NT 0801

TIME: 9.00am

Kind regards
Pam Arnett
National Secretary

AGENDA ITEMS ONLY FOR THIS MEETING:

In order to rescind the resolutions passed at the general meeting on 29 October 2005 and to adopt a new form of constitution, the AKA Inc members in a general meeting must pass the following motions:-

1. The resolutions passed at the general meeting of the association on 29 October 2005 set out below are hereby rescinded:-
 - (a) Resolution that the AKA Inc takes all necessary steps to change its registration as an incorporated association under the *Associations Incorporations Act (Vic) 1981* and migrate to become a company limited by guarantee incorporated under the *Corporations Act (Cth) 2001*.
 - (b) Resolution that the AKA Inc endorses the form and proposed constitution attached to the notice of this meeting as the form of constitution to be adopted by the company limited by guarantee in to which the association intends to migrate at the inaugural general meeting at the said company.
2. The AKA Inc replaces its present constitution with the form of constitution attached to the notice of this meeting effective from 1 July 2009.

Proposed constitutional changes

1. Membership - After much discussion, the membership remains the same, being the 6 state and 1 territory Karting Associations (rule 2.2). However, to limit the ability of individual state members to frustrate the management of the AKA, the new constitution limits the ability of members to call a general meeting (rule 21). For an association to call a general meeting, it must have the support of at least a majority of associations (43% or more) and must first provide evidence to the AKA that it has been directed by a majority of its members in a general meeting to call a special general meeting.
2. The Board – The current four person executive of the AKA will be replaced by a board of management comprising 9 positions (rule 7.1). The nine positions are as follows:-
 - (a) An independent chairman (rule 7.5). The chairman is nominated prior to each AGM by the board but bases election by the members at the AGM. In other words, the board endorsed chairman can still be challenged for his position in the usual way by an opponent proposed by members. The chairman is elected at the AGM for a 12 month term and may serve more than 1 term.

- (b) Five elected board members, specifically elected to each of the following positions of responsibility-finance, administration, competition, technical, promotional and marketing. Each elected director is elected for a 3 year term (rule 7.2).
- (c) Karting industry representative nominated by the association which best represents the karting industry (rule 7.11). If there is no obvious representative board for the karting industry, then the AKA board itself can call for nominations generally from the karting industry. The karting industry director is appointed for a 12 month term and may serve more than 1 term.
- (d) Two additional directors appointed by the board for terms of 24 months (rule 7.1). The purpose with the nominated directors is to ensure that where required, the board can co-opt specialist directors. It is not necessary for the 2 positions to be filled however, the need to appoint specialist may emerge in special circumstance or if, for instance, no candidate nominates for a particular elected position.
- (e) No elected board member may occupy a particular directorship for more than 2 consecutive terms, although they can shift to a different directorship to continue serving on the AKA board (rule 7.10). Nominees for the position of elected director will be subjected to an endorsement process to be conducted by a team of independent management professionals (rule 7.4).

It is anticipated that the AKA board will engage an external HR firm to scrutinise all nominees for elected director positions (particularly nominees that have already been recommended and endorsed by the same HR consultants. Rule 7.4 of the new constitution sets out 9 general qualifications candidates are ideally expected to demonstrate.

3. Interim appointment of directors – In order to ensure the continuity of management in the AKA, it is anticipated that as from 1 July 2009, the new board of the AKA will be the current 4 executive members – the treasurer will become the finance director; the president will become the administration director; the secretary will become the competition director; and the vice president will become the technical director. The balance of the AKA board from 1 July 2009 until the 2009 AGM, will be made up of **an interim chairman pending the election at the AGM of an** independent chairman, a competition director and a karting industry nominated director. The interim board may also appoint one or both additional appointed directors.

The period of service of the interim board from 1 July 2009 until the 2009 AGM will not be treated as a “term” for the purposes of rule 7.10, which

restricts any board member to no more than 2 consecutive terms in a particular post. However, at the 2009 AGM, the posts of administration and technical directors will be subject to election. Similarly, at the 2010 AGM, the finance director will be subjected to election and at the 2011 AGM the marketing director and competition directors will be subject to election. This will ensure that at no single AGM the entire board face re-election, similar to the staggering of elections seen in public companies.

The effect of these migration provisions will mean that after the 2009 AGM, the only AKA executives who will remain on the board by reason of rule 7.1 and rule 11 will be the treasurer (as finance director) and the secretary (as competition). The treasurer faces election at the 2010 AGM and the secretary faces election at the 2011 AGM (rule 11). **The chairman is an annually elected position at each AGM (rule 7.5)**

4. Management Structure – Below each elected board member under rule 7.1, will sit a committee devoted to each elected directors' area of responsibility (rule 9.1). While the board appoints the members of each of the five committees (rule 9.2), each ordinary member may nominate 1 or more members of its members for a position on each committee who is suitably qualified for the satisfaction of the AKA board. Each association is entitled to have at least 1 representative on each committee. Each association is responsible for its own representative on each committee subject to the board having the ability to "unappoint" any committee members it has appointed.

The purpose of rule 9 and its committees of management is to ensure that each state and association member of the AKA has input into the 5 principle areas of activity of the AKA. However, each committee is chaired by its relevant director from the AKA board (rule 9.1) and any motions or recommendations from a particular director to the AKA board will always be subject to the support of the AKA board, or at least its majority. This structure is designed to limit the ability of individual states to countermand the authority of the AKA board in future.

In addition, the new constitution provides the board with the authority to appoint a general manager to oversee executive functions of the AKA (rule 12).

EXPOSURE DRAFT – 28 March 2009

CONSTITUTION
OF THE
AUSTRALIAN KARTING ASSOCIATION INC.
(‘AKA’)

VISION MISSION STATEMENT

- AKA will promote the sport of karting by following corporate government practises, resulting in a safe, well controlled racing environment.
- AKA will openly engage, manage and be representative of most facets/forms of karting, including the involvement of the karting industry in Australia, interaction with relevant governing bodies and associated forms of karting.
- AKA will promote karting as a family oriented, fun, relatively inexpensive and safe form of motor sport.
- Encourage international karting competition with an emphasis on becoming the hub for the Asia/Pacific region.

Vision Statement: “To promote, protect, administer and develop the sport of karting for all participants”.

STATEMENT OF PURPOSES

The objects and purposes of the AKA are:-

- (a) to promote and protect the sport of Kart Racing;
- (b) to promote excellence and just and honourable practices in the sport and to suppress malpractice;
- (c) to do all such acts which, in the opinion of the AKA are for the general benefit of members or of Karting;
- (d) to ensure that all motor sport in Australia is carried out in a manner which secures and enhances the safety of participants, officials, spectators and the public and which allows the sport to be competitive and fair;
- (e) to develop, implement and vigilantly monitor a strategic plan, to ensure the best possible and safe outcome from karting of all stakeholders;
- (f) promote and be engaged in road safety and road education and the value of karting in developing road skills;
- (g) formulate or adopt and implement appropriate policies, including in relation to harassment, equal opportunity, privacy, equity, drugs in sport, health, safety, infectious diseases and such other matters as arise from time to time as issues to be addressed in motor sport.

RULES

as permitted by the General Karting Regulations;

- (g) the negotiation of insurance for members, their clubs, drivers, officials and spectators;
- R1 **Name & Incorporation**

- 1.1 The name of the incorporated entity is the Australian Karting Association Inc (“the AKA”).
- 1.2 The AKA is incorporated as an incorporated association pursuant to the *Associations Incorporation Act 1981 (Vic)* (“the Act”).

R2 **Membership**

- 2.1 The membership of the AKA consists of the following classes of members:-
- (a) ordinary members;
 - (b) associate members;
 - (c) life members;
 - (d) honorary members;
 - (e) temporary members.
- 2.2 Ordinary members are the karting associations of the six States of Australia and the Northern Territory and such other incorporated karting associations which all existing members agree to admit to membership. Ordinary members have the rights to vote, to call a General Meeting subject to rule 21, to be given notice of a General Meeting, and to be heard at a General Meeting.
- 2.3 Associate members are financial members of the ordinary members. They have no voting rights, but may be given notice of a General Meeting.
- 2.5 Life members who are appointed by ordinary resolution at an Annual General Meeting on the recommendation of the Board in recognition of their long and exceptional service to the AKA. They have no voting rights, but may be given notice of a General Meeting.
- 2.6 Honorary members are any officers of the AKA, ex officio members such as the medical officer and the like who are not otherwise associate members. They have no voting rights, but may be given notice of a General Meeting.
- 2.7 Temporary members are any volunteers who help with AKA events, or practise licence holders and the like. Temporary members have no rights to vote, to be given notice of a General Meeting or to be heard at a General Meeting.

R3 **Cessation of Membership**

A member ceases to be a member:-

- (a) (i) one month after notification in writing to the Secretary of intention to withdraw from the AKA, unless within that year the notification is withdrawn.
- (ii) one month after notification by the Secretary of the member that there are membership fees owing and that failure to pay within one month

will result in cessation of membership, unless within that time the membership fees are paid.

- (b) If they are expelled for misbehaviour or being not of a fit and proper character to remain a member pursuant to the powers set out under rule 6 herein.

R4 Register of Members

The AKA must keep a Register of Members, the name, contact address, date of joining and category of each member.

R5 Subscription

5.1 The annual subscription for the following calendar year for each category of members is determined at the Annual General Meeting of the AKA.

5.2 There is no joining fee.

R6 Discipline of Members

(a) The Board may discipline a member of the AKA by:-

- (i) expelling the member; or
- (ii) warning the member that it may be expelled if it continues to act in the specified manner of which it disapproves; and/or
- (iii) fining the member up to a maximum of \$500, such sum to be indexed (upwards only) each 30 June by reference to any reported increase in the Australian CPI across the preceding year as published by the Australian Bureau of Statistics ; and/or
- (iv) suspending the member.

(b) If a motion is proposed at a meeting of the Board for the disciplining of a member the Chairman shall first put a motion that the member be called upon to explain its conduct to the Board.

(c) If that motion is carried by a simple majority of those present and voting, the motion for the disciplining of the member must be adjourned to a meeting not less than fourteen days later.

(d) The member named in the motion must be given notice by delivering to its contact address in the Register of Members:

- (i) of the conduct complained of; and
- (ii) that the member is entitled to present oral or written evidence or arguments to the Board at a meeting on a given date.

(e) At the later meeting, the Board must:

- (i) give the member, if requested by one or more of its members, the opportunity to be heard; and
- (ii) consider any written document presented by it or on its behalf.

(f) The Board may then, by a majority of its members, determine:

- (i) whether to discipline the member; and
- (ii) the penalty.

- (g) A decision of the Board in accordance with the procedure set out above to discipline a member and to impose a penalty is final and no appeal to a General Meeting is permitted.
- (h) The disciplinary powers contained in this Rule are separate from any disciplinary powers exercised under the competition rules of the AKA.
- (i) This Rule does not authorise the Board to fine, suspend or expel an associate member. An associate member may only be fined, suspended or expelled by a vote taken at a general meeting of the AKA.

R7 The Board

7.1. Subject to clause 11, the AKA is managed by its Board of Directors made up of an independent chairman; plus a maximum number of five elected by the members for the terms provided under Rule 7.2 herein; plus an additional director nominated from the Karting Industry for a period of 12 months in accordance with rule 7.11 herein; and up to 2 additional Directors appointed by the Board for a period of 24 months. The five elected Board members will be specifically elected to one each of the following positions of responsibility:

- (i) Finance Director
- (ii) Administration Director
- (ii) Competition Director
- (iv) Technical Director
- (v) Promotional and Marketing Director

7.2 Each elected Board member will be elected for a three year term subject to clause 11.

7.3 Nominations for the position of an elected Director must be received by the AKA at least 30 days prior to any election.

Nominations must be:

- (i) in writing;
- (ii) signed by a nominator and a seconder, who must each be Members; and
- (iii) certified by the nominee expressing his willingness to accept the position(s) for which he is nominating.

7.4 Any nominees for the position of an elected Director will be subject to an endorsement process to be conducted by a team of independent management professionals.

Directors must resign any office which they hold within motorsport at the club, state or national level, if elected, subject to rule 11. Nominees for elected Director positions should ideally demonstrate knowledge, skills and commitments in the following areas:-

- (i) knowledge of karting in general.
- (ii) Previous experience in organisational work in either private, business or community activities. Ideally this experience will have been gained as a committee member or Board member.
- (iii) A demonstrated ability to understand a wide scope of community issues, including requirements and objectives of governing not for profits bodies.
- (iv) Management or administration skills, including financial management and common law obligations in the areas of corporate governance, Director's duties and responsibilities.
- (v) Professional or commercial background, particularly in the specialised area of expertise for which they are elected to oversee on the Board.
- (vi) Excellent presentation and communication skills.
- (vii) An ability to demonstrate major achievements or contributions in previous roles either within or outside karting.
- (viii) An ability to work and communicate effectively within a group and with external parties.
- (ix) An understanding of the strategic planning processes and the ability to implement developed procedures.

Nominees for elected Director positions must submit a curriculum vitae outlining their experience and suitability as Directors.

- 7.5 The Board shall nominate prior to each Annual General Meeting, a person to stand for election as Chairman, for the 12 month period following such Annual General Meeting. The Chairman will be elected by the members at the Annual General Meeting and will not hold any other office within the AKA or its members during his term as chairman and may serve more than one term. The Chairman will also be responsible for keeping the Ordinary and associate members notified of any matters considered by the Board which in the Chairman's opinion reasonably affect their interests in the AKA, as a separate portfolio of responsibility.
- 7.6 A casual vacancy on the Board will be filled by the Board at its discretion and with reference to any outside consultant involved in the endorsement process for election of Board members. A Director appointed to fill a casual vacancy will be appointed only until the next AGM of the AKA, at which the position will be subject to re-election for the balance of the term then remaining.
- 7.7 A Board member may be removed
- (a) pursuant to rule 8.2; or

- (b) by resolution of the members in accordance with the Act; or
 - (c) upon the expiry of their term under rules 7.2 and 11.
- 7.8 Each board member by accepting appointment to the Board agrees to resign in the event that a majority of the Board passes a motion of no-confidence in that particular Board member, and the vacancy caused by such resignation will be treated as a casual vacancy until the next following General Meeting.
- 7.9 Where there are insufficient directors to fill all portfolios under clause 7.1, then such portfolios will be considered to be a casual vacancy and may be filled pursuant to clause 7.6.
- 7.10 No elected Board member may occupy a particular directorship for more than two consecutive terms. This rule does not prevent a particular Board member, having served two consecutive terms in one position, from standing for another position in the AKA or occupying a non-board position for more than two non-consecutive terms or standing for the original position after serving a term in another position.
- 7.11 The Board member appointed under clause 7.1 by the Karting Industry, will be nominated from year to year by the body which the Association reasonably considers best represents the Karting Industry within the discretion of the Board. If no such body reasonably exists or no single body is manifest, then the Board will call for nominations generally from the Karting Industry a reasonable time before the next Annual General Meeting.

R8 Powers of the Board

8.1 The Board has the entire management and control of the AKA and has power to do anything necessary or convenient to achieve the purposes of the AKA including:

- (a) allocate to the Committees of Management or its Ordinary Members such powers and responsibilities as may from time to time be deemed desirable including those matters set out in rules 8.4 and 9.3 below;
- (b) the arrangement of the National Kart Calendar and the allocation of the Australian Kart Championships;
- (c) the drawing up and amendment from time to time of Kart Formulae;
- (d) the sole and non delegable responsibility for the compilation and amendment from time to time of General Kart Regulations;
- (e) the issue of licences to competitors and drivers in Kart competitions, and of permits to organisers of such competitions in accordance with the General Kart Regulations;
- (f) the imposition of such levies, penalties, fees, fines, contributions and subsidies as may seem to the Board necessary, and the enforcement of collection of such amounts from any Member, Club, group or individual
- (h) the maintenance of a central registry of Kart licences;

- (i) the enforcement of any legal instruction relating to Karting issued on behalf of the Federation International de l'Automobile;
 - (j) the consideration and adoption of any suggestion made by Members;
 - (k) the maintenance of due liaison and information regarding Karting matters with the Confederation of Australian Motor Sport;
 - (l) the arbitration of disputes between Members or between clubs in different States;
 - (m) the establishment, coordination and support of specialist committees and the delegation to them;
 - (n) the appointment from time to time of advisory or executive sub-committees to discharge such functions and to hold office for such time as the Board shall deem fit;
 - (o) the reimbursement of any member, servant or agent for any out-of-pocket expenses properly incurred on the Board's behalf and the payment to any such member, servant or agent of such wage, honorarium or return for services rendered as the Board shall think fit.
- 8.2 Board members are required to attend as many Board meetings as possible. If any Board member misses three Board meetings in a row without good explanation, then their position will be treated as a casual vacancy under this Constitution.
- 8.3 The Board may make regulations not inconsistent with these Rules or the International Sporting Code of the Federation International de l'Automobile for the better management of the sport of karting in Australia.
- 8.4 Pursuant to Rule 8.1(a), the AKA will allocate to its Ordinary Members, certain responsibilities in the following areas:-
- (a) distribution of issued permits;
 - (b) distribution of issued licences and upgrades;
 - (c) issuing of race permits, track licences and conducting track inspections;
 - (d) forwarding correspondence as required to all members;
 - (e) remittance of monies collected on behalf of the AKA;
 - (f) training of officials;
 - (g) maintaining a list of members from each particular state or territory;
 - (h) acting as a conduit between members, clubs and committees of management;
 - (i) acting as tribunal registrars;
 - (j) archiving of records;
 - (k) production of a calendar for each state or territory;
 - (l) promotion and marketing of the sport generally within each state or territory;
 - (m) issuing of gauges and other technical equipment;

- (n) being a central reference point for all clubs within a particular state or territory.
- (o) obtaining grants and other funds through state governments and other like organisations;
- (p) enforcing the AKA's rule within each state or territory;
- (q) co-ordinating karting within each state or territory on behalf of the AKA;
- (r) any other matter in the discretion of the AKA board.

8.5 The Board will require each Ordinary Member to enter into a Memorandum of Understanding regulating the relationship between the AKA and its Ordinary Members, including financial matters and those matters provided for in clause 8.4 above.

R9 Committees of Management

9.1 Each Board member so assigned under rule 7.1 will be responsible for an area of the AKA designated by its title. Each Director so appointed will chair a committee devoted to that area of responsibility as follows:-

- (a) Finance and Audit Committee
- (b) Administration Committee
- (c) Competition/Rules and Safety Committee
- (d) Technical Committee
- (e) Promotional and Marketing Committee

9.2 The Board will appoint Committee members. Each Ordinary member may nominate one or more members for a position on each committee suitably qualified to the satisfaction of the Board based on criteria the Board will set from time to time provided that if an Ordinary member has made one or more nominations, one at least must be appointed. There is no maximum number of appointments to any Committee. An appointee from each Ordinary member will be appointed for a term and on conditions laid down in each case by each Ordinary member in its own right. The appointee may not be an elected Board member of the AKA.

9.3 Each committee of management will be governed by its own set of rules of procedure and a description of responsibilities endorsed by the Board of the AKA from time to time.

R10 Appointment of Officers

10.1 In addition to the Directors appointed under rule 7.1, the Board will appoint individuals for the following posts:-

Public Officer as required under the Act

Medical Officer

Auditor

Secretary

Any further position deemed necessary by the Board.

- 10.2 Except for those Directors appointed under rule 7.1, any officer appointed by the Board of Directors is appointed for an indefinite term and may be removed by the Board at any time in its discretion.

R11 Migration Provisions

The AKA has passed this form of Constitution which makes substantial changes from its preceding constitution. In doing so, the four pre-existing office-holders of the AKA secretariat prior to this form of the AKA Constitution being passed, will be appointed as four of the five initial elected directors of the Board and appoint the fifth initial elected director as follows – the Treasurer will become the Finance & Audit director; the President will become the Administration director; the Secretary will become the Competition director; and the Vice-President will become the Technical director. In order to avoid the entire Board thereafter being re-elected at one Annual General Meeting, the initial Directors who become responsible as Administration Director and Technical Director will be subject to election at the next Annual General Meeting, and their period of service up to the 2009 Annual General Meeting will not be treated as a ‘term’ for the purposes of Rule 7.10; the Director initially elected to be responsible as Finance Director will be treated as having been elected for an initial term that expires at the 2010 Annual General Meeting; and the initial Directors who become responsible as Marketing Director and Competition Director will be treated as having been elected for an initial term that expires at the 2011 Annual General Meeting. Thereafter, each of those three positions will be elected for three year terms. Nothing in this clause hinders the power of the Board to assign one of its members to be responsible for each position from year to year under rule 7.1 herein.

R12 General Manager

- 12.1 (a) A General Manager may be appointed by the Board on such terms and conditions as are agreed upon.
- (b) The General Manager is an invitee to the Board.
- (c) The General Manager may not be a Director of the AKA nor hold any elected office in the AKA or in any ordinary or associate member.
- (d) The Board may by resolution delegate any of its powers to the General Manager except the power of delegation and the power to make regulations, and may withdraw the delegation at any time.
- (e) The General Manager must defer and refer back any decisions made by the Board that do not comply with the Insurance Company’s cover, legal advice, FIA, etc.
- (f) Where there is no General Manager, any reference to the General Manager shall mean the person delegated by Board for the purpose.
- 12.2 Where there is no General Manager, any reference to the General Manager shall mean the person delegated by the Board for the purpose of overseeing executive functions of the AKA.

R13 Conflicts of Interest

A Director or member of any committee or sub-committee of the AKA who has any direct or indirect interest in any present or anticipated contract agreement or arrangement with the AKA must declare that interest at any relevant meeting of the Board or the committee (as the case may be) after he becomes aware of the interest or the contract agreement or arrangement, and must not vote in respect of the matter.

R14 Quorum at Board Meetings

The quorum at a meeting of the Board is 80%. The Board may permit the use of Alternate Directors and proxies at Board meetings, if required, in accordance with the Act.

R15 Number of Board Meetings

The Board must meet at least four times in each year. A meeting of the Board must be called if a majority of Directors so request. A meeting called as the result of such a request must be held within two months of the receipt by the Secretary of the request. If a majority of Directors agrees, any meeting of the Board, other than the meeting held in conjunction with the Annual General Meeting, may be conducted by telephone conference or other "live" in person electronic means.

R16 Notice of Board Meetings

16.1 At least one month's notice must be given of a Board meeting unless a majority of Directors agree that it is necessary to hold the meeting with a shorter period of notice.

16.2 A Board meeting may be called or held by telephone conference or other "live" in person electronic means consented to by all the Directors. The consent may be standing one. A Director shall only withdraw the Director's consent within a reasonable period before the meeting.

R17 Board Meetings Not Public

Meetings of the Board are conducted in private but the Board may determine that part of the meeting be opened to the press or other observers. The Board may permit any person to address it.

R18 Decisions of Board Meetings

18.1 (a) All decisions at Board meetings are made by simple majority of those present and voting. The Chairman does not have a casting vote. A tied vote shall be deemed to be resolved in the negative.

18.2 (b) An Appointed Director shall not be entitled to vote on his re-appointment.

18.3 (c) The Board may pass a resolution without a Board meeting being held if the majority of all the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. All Directors must be served with any document to be considered under this clause. Separate documents may be used for signing by Directors if the wording of the resolution and statement is identical in each copy. The resolution is passed when the last Director signs.

R19 General Meetings

Time for Annual General Meeting

An annual General Meeting must be held each year in the months of August or September or such other month as the Board determines subject to the Act.

R20 Business of the Annual General Meeting

The business of the annual General Meeting is to:

- (a) receive the Chairman of the Board's Report
- (b) receive and consider the financial statement required by section 30(3) of the Act
- (c) elect the Board of Directors
- (d) appoint an auditor, and
- (e) consider such other business as required by the Act or of which requisite notice has been given under this constitution or the Act.

R21 Special General Meetings

A general meeting of the AKA may be called only in accordance with the provisions of the Act, save and except that

- (a) the number of members required to call a meeting for the purposes of the Act is 43% of the total number of Ordinary Members of the AKA;
- (b) the Board may resolve to call a general meeting; and
- (c) no Ordinary Member may call for a special general meeting without first providing evidence that it has been directed by a majority of its members in a general meeting to do so.

R22 Period of Notice of General Meetings

At least one month's notice of every General Meeting, including the annual General Meeting, must be given by way of e-mail, ordinary mail or other suitable means determined by the Board.

R23 Form of Notice of General Meetings

A notice stating:

- (a) the place, date and time of the General Meeting
- (b) the nature of the business to be considered
- (c) if any special resolution has been proposed, the text of the motion must be delivered to each person or body entitled to receive notice along with a statement that it is intended to propose the motion as a special resolution at the General Meeting. The motion and the notice must be at the address notified in the Register of Members, including an e-mail address, where provided.

R24 A document which is posted and correctly addressed, unless the contrary is proved, is deemed to have been given to the addressee at the time at which the letter would have been delivered in the ordinary course of post.

R25 Quorum at General Meeting

Twenty percent (20%) of the eligible voters present in person or by proxy constitutes a quorum at a General Meeting. There will be a limit of one proxy per voting member save and except for the chairman or an Ordinary Member at a General Meeting, who may each hold an unlimited number of proxies.

R26 Proxies at Board Meetings and General Meetings

A proxy must be in writing and submitted to the AKA at least seven days prior to the time set for a General Meeting. A proxy which does not specify who is appointed or how to vote on a particular resolution, will be deemed in favour of the chairman of the General Meeting and operate as a general proxy in favour of the chairman. If a member has been appointed by a proxy fails to attend a General Meeting, then that proxy will be deemed to be held by the chairman of the General Meeting as a special or general proxy as indicated thereon. If a member who has appointed another member to vote as proxy attends the General Meeting then they must withdraw their proxy before the commencement of the General Meeting or they shall not be entitled to vote on any resolution. The form of proxy required is annexed to this Constitution.

R27 Decisions at General Meetings

All decisions at General Meetings other than

- (a) a resolution to alter the name, the Statement of Purposes or the Constitution;
 - (b) any other resolution required by the Act to be a special resolution; or
 - (c) a re-submission of any resolution;
- are decided by a simple majority of votes cast.

Any decisions referred to in sub-rules (a), (b) or (c) of this rule must be decided by special resolution.

R28 Special Resolution

As prescribed by the Act, a special resolution is a resolution agreed to by at least three-quarters of the entitled voters who are present in person or by proxy and who vote on the resolution at a General Meeting of which notice specifying the intention to propose the resolution as a special resolution was given in the manner required by these Rules, at least 21 days prior to the meeting.

R29 Management of Funds

- (a) All moneys received by the AKA must be deposited in a bank account or accounts in the name of the AKA.
- (b) All payments must be made by cheque or electronic funds transfer where permitted by the Board.
- (c) All cheques must be signed by two (2) persons from a number appointed by the Board for that purpose.
- (d) The Board may approve the use by specified persons, of a credit card to draw on an account of the AKA, and must specify the terms under which the card may be used.

R30 Financial Year

The financial year of the AKA ends on the 30th of June.

R31 Derivation of Funds

The funds of the AKA are derived from subscriptions, licence fees, meeting permits, fines and such other sources as the Board agrees to.

R32 Common Seal

32.1 The Board will appoint a person to be responsible for the custody of the common seal, which must only be affixed in accordance with a resolution of the Board, and in the presence of two Directors.

32.2 A Director shall NOT sign a document to which the seal is fixed where the Director is interested in the contract or arrangement to which the document relates.

32.3 A document may be executed without using a common seal if the document is signed by two Directors not interested in the contract or arrangement to which the document relates.

R33 Indemnity

The AKA will indemnify (either directly or through one or more interposed entities) any person who is or has been a Director, Company Secretary or General Manager of the AKA and, if so resolved by the Board, the auditor of the AKA, out of the funds of the AKA against any liability which arises from the performance of their duties for the AKA either -

- (a) to another person (other than the AKA or a related body corporate) unless such liability arises out of conduct involving a lack of good faith or negligence;
- (b) for costs and expenses incurred by that person:-
 - (i) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or
 - (ii) in connection with an application, in relation to such proceedings, in which the court grants relief to the person under the Act save for any liability that arises from the negligence of that person.

R34 Books and Records

The Board will appoint a person to be responsible for the custody of the books, records and securities of the AKA.

R35 Inspection of Documents

Any books or records of the AKA may be inspected upon reasonable notice by any member of the Board or by any person authorised in writing by the Board or permitted under the Act to do so.

R36 Alteration of Statement of Purposes or Rules

This Constitution may only be amended by a special resolution passed at a General Meeting of the AKA.

R37 Operation of the Act

37.1 Where there is any conflict between this Constitution and the provisions of the Act, provisions of this Constitution will apply as permitted by the Act. Where there is a matter not governed by the provisions of this Constitution, then the provisions of the Act will apply.

37.2 The AKA at all times must and will –

- (a) pursue charitable purposes only consistent with its objects and purposes set out herein;
- (b) only apply its income towards promoting those purposes;
- (c) prohibit making distributions to its members or paying fees to its board members;
- (d) require its directors to approve all other payments the AKA makes to directors.

R38 In this Constitution:

38.1 Any reference herein to “the Act” is a reference to the *Associations Incorporation Act (Vic) 1981* as amended from time to time, including any regulations made thereunder, and any superseding legislation.

38.2 The provisions in this Constitution are referred to as a “rule” or “rules”. Provisions sharing the same numerical prefix may be referred to as a “sub-rule”.

38.3 Except so far as the contrary intention appears in this Constitution, an expression has, in a provision of this Constitution that deals with a matter dealt with by a particular provision of the Act, the same meaning as in that provision of the Act.

38.4 Schedules

Any schedules hereto are part of this Constitution, and their provisions shall prevail if they conflict with any other provision of this Constitution.

END OF CONSTITUTION

Mark Worsnop: Spoke in regards to the concerns of some states with the current constitution. Mark made changes to include the concerns and presented it to the NKC. This document will be forwarded to the states for perusal with an NKC phone hook up to be on the 27th July to address any issue.

Special Resolutions for AGM on 21 August

- (a) Resolution that the AKA Inc takes all necessary steps to change its registration as an incorporated association under the *Associations Incorporations Act (Vic) 1981* and migrate to become a company limited by guarantee incorporated under the *Corporations Act (Cth) 2001*.
- (b) Resolution that the AKA Inc endorses the form and proposed constitution attached to the notice of this meeting as the form of constitution to be adopted by the company limited by guarantee in to which the association intends to migrate at the inaugural general meeting at the said company.

Call for Nominations

If the proposed form of Constitution is passed at the 21 August 2009 AGM, then within 30 days a new board will be elected to the following positions –

- Chairman
- Finance Director
- Administration Director
- Competition Director
- Technical Director
- Promotional and Marketing Director

A general description of the responsibilities is set out in the attached Guide to Constitution.

Nominations for each position will close as of 21 August 2009 to permit all nominations to be reviewed independently as provided in rule 7.4 of the attached draft constitution, and nominees should therefore attach to their nomination a detailed resume of their experience and suitability for the position for which they are nominating.

Candidates will be subject to a endorsement process but will be permitted to stand for election whether they have been endorsed or not.

Final DRAFT – July 2009

CONSTITUTION
OF THE
AUSTRALIAN KARTING ASSOCIATION LTD
(‘AKA’)

VISION MISSION STATEMENT

- AKA will promote the sport of karting by following corporate government practises, resulting in a safe, well controlled racing environment.
- AKA will openly engage, manage and be representative of most facets/forms of karting, including the involvement of the karting industry in Australia, inter-action with relevant governing bodies and associated forms of karting.
- AKA will promote karting as a family oriented, fun, relatively inexpensive and safe form of motor sport.
- Encourage international karting competition with an emphasis on becoming the hub for the Asia/Pacific region.

Vision Statement: “To promote, protect, administer and develop the sport of karting for all participants”.

STATEMENT OF PURPOSES

The objects and purposes of the AKA are:-

- (a) to promote and protect the sport of Kart Racing;
- (b) to promote excellence and just and honourable practices in the sport and to suppress malpractice;
- (c) to do all such acts which, in the opinion of the AKA are for the general benefit of members or of Karting;
- (d) to ensure that all motor sport in Australia is carried out in a manner which secures and enhances the safety of participants, officials, spectators and the public and which allows the sport to be competitive and fair;
- (e) to develop, implement and vigilantly monitor a strategic plan, to ensure the best possible and safe outcome from karting of all stakeholders;
- (f) promote and be engaged in road safety and road education and the value of karting in developing road skills;
- (g) formulate or adopt and implement appropriate policies, including in relation to harassment, equal opportunity, privacy, equity, drugs in sport, health, safety, infectious diseases and such other matters as arise from time to time as issues to be addressed in motor sport.

RULES

R1 Name & Incorporation

- 1.3 The name of the incorporated entity is the Australian Karting Association Ltd (“the AKA”).
- 1.4 The AKA will be incorporated as a company limited by guarantee pursuant to section 112 of the *Corporations Act 2001* (‘the Act’). As such ordinary members joining the AKA will be required to provide a guarantee of \$20.00 and provide such sum as security to the AKA when they next pay their AKA subscription fee to be held in a separate guarantee account by the AKA while the member remains an ordinary member.

R2 Membership

- 2.1 The membership of the AKA consists of the following classes of members:-
 - (a) ordinary members;
 - (b) associate members;
 - (c) life members;
 - (d) honorary members;
 - (e) temporary members.
- 2.2 Ordinary members are the karting associations of the 6 states of Australia and the Northern Territory and such other incorporated Karting Associations which all existing members agree to admit to membership. Ordinary members have the rights to vote, be given notice of a General Meeting or be heard at a General Meeting.
- 2.3 Associate members are financial members of the ordinary members. They have no voting rights, but may be given notice of a General Meeting and be heard at a General Meeting.
- 2.4 Life members who are appointed by ordinary resolution at an Annual General Meeting on the recommendation of the Board in recognition of their long and exceptional service to the AKA. They have no voting rights, but may be given notice of a General Meeting.
- 2.5 Honorary members are any officers of the AKA, ex officio members such as the medical officer and the like who are not otherwise ordinary members. Honorary members have no rights to vote, be given notice of a General Meeting or be heard at a General Meeting.
- 2.6 Temporary members are any volunteers who help with AKA events, or practise licence holders and the like. Temporary members have no rights to vote, be given notice of a General Meeting or be heard at a General Meeting.

R3 Cessation of Membership

A member ceases to be a member:-

- (a)
 - (i) one month after notification in writing to the Secretary of its intention to withdraw from the AKA, unless within that year the notification is withdrawn.
 - (ii) one month after notification by the Secretary of the member that there are membership fees owing and that failure to pay within one month will result in cessation of membership, unless within that time the membership fees are paid.
- (b) If they are expelled for misbehaviour or being not of a fit and proper character to remain a member pursuant to the powers set out under rule 6 herein.

R4 Register & Admission of Members

- 4.1 The AKA must keep a Register of Members, the name, contact address, date of joining and category of each member.
- 4.2 Members may be deregistered by resolution of the Board made under rule 6 or because they fail to remain financial after reasonable notice.

R5 Subscription

- 5.1 Annual subscription for the following calendar year for each category of members is determined at the Annual General Meeting of the AKA.
- 5.2 There is no joining fee.

R6 Discipline of Members

- (a) The Board may discipline a member of the AKA by:-
 - (i) expelling the member; or
 - (ii) warning the member that it may be expelled if it continues to act in the specified manner of which it disapproves; and/or
 - (iii) fining the member up to a maximum of \$500, such sum to be indexed (upwards only) each 30 June by reference to any reported increase in the Australian CPI across the preceding year as published by the Australian Bureau of Statistics ; and/or
 - (iv) suspending the member.
- (b) If a motion is proposed at a meeting of the Board for the disciplining of a member the Chairman shall first put a motion that the member be called upon to explain its conduct to the Board.
- (c) If that motion is carried by a simple majority of those present and voting, the motion for the disciplining of the member must be adjourned to a meeting not less than fourteen days later.
- (d) **The member named in the motion must be given notice by delivering to its contact address in the Register of Members:**
 - (i) of the conduct complained of; and
 - (ii) that the member is entitled to present oral or written evidence or arguments to the Board at a meeting on a given date.
- (e) At the later meeting, the Board must:
 - (i) give the member, if requested by one or more of its members, the opportunity to be heard; and
 - (ii) consider any written document presented by it or on its behalf.
- (f) The Board may then, by a majority of its members, determine:
 - (i) whether to discipline the member; and
 - (ii) the penalty.
- (g) A decision of the Board in accordance with the procedure set out above to discipline a member and to impose a penalty is final and no appeal to a General Meeting is permitted.
- (h) The disciplinary powers contained in this Rule are separate from any disciplinary powers exercised under the competition rules of the AKA.
- (i) This Rule does not authorise the Board to fine, suspend or expel an associate member. An associate member may only be fined, suspended or expelled by a vote taken at a general meeting of the AKA.

R7 The Board

7.1. The AKA is managed by a Board of Directors of a maximum number of 5 elected by the members for the terms provided under Rule 7(b) herein; plus an additional director nominated by the Karting Industry Association from year to year for a term of 12 months; and up to 2 additional Directors appointed by the Board for terms of up to 36 months. The five elected Board members will be specifically elected to one each of the following positions of responsibility:

- (i) Finance Director
- (ii) Administration Director
- (ii) Competition Director
- (iv) Technical Director
- (v) Promotional and Marketing Director

7.2 Each elected Board member will be elected for a three year term. In order to avoid the entire Board being re-elected at one General Meeting, the initial Directors who become responsible as Administration Director and Promotional and Marketing Director will be elected for an initial term of twelve months only and the Director initially elected to be responsible as Technical Director will be elected for an initial term of two years only. Thereafter, each of those three positions will be elected for three year terms.

7.3 Nominations for the position of an elected director (including Chairman) must be received by the AKA at least 30 days prior to any election.

Nominations must be:

- (i) in writing;
- (ii) signed by a nominator and a seconder, who must each be authorised representatives of different ordinary Members; and
- (iii) certified by the nominee expressing his/her willingness to accept the position for which he/she is nominated.

7.4 Any nominees for the position of an elected Director (including Chairman) will be subject to an endorsement process to be conducted by an independent management consultancy to determine whether such nominees stand as endorsed nominees for a particular position.

Nominees must resign any office which they hold within motorsport at the club, state or national level, if elected to the position for which they have nominated, subject to rule 11. Nominees for elected Director positions should ideally demonstrate knowledge, skills and commitments in the following areas:-

- (i) knowledge of karting in general.
- (ii) Previous experience in organisational work in either private, business or community activities. Ideally this experience will have been gained as a committee member or Board member.
- (iii) A demonstrated ability to understand a wide scope of community issues, including requirements and objectives of governing not for profits bodies.
- (iv) Management or administration skills, including financial management and common law obligations in the areas of corporate governance, Director's duties and responsibilities.
- (v) Professional or commercial background, particularly in the specialised area of expertise for which they are being nominated to be elected to oversee on the Board.
- (vi) Excellent presentation and communication skills.
- (vii) An ability to demonstrate major achievements or contributions in previous roles either within or outside karting.
- (viii) An ability to work and communicate effectively within a group and with external parties.

- (ix) An understanding of the strategic planning processes and the ability to implement developed procedures.

Nominees for elected Director positions must submit a curriculum vitae outlining their experience and suitability as Directors.

- 7.5 The Chairman will be elected by the ordinary members at the Annual General Meeting and will not hold any other office within the AKA or its members during his term as chairman and may serve more than one term. The Chairman will chair the Board and be the public face of the AKA. The Chairman will also be responsible for keeping the Ordinary and associate members notified of any matter considered by the Board which in the Chairman's opinion reasonably affects their interests in the AKA, as a separate portfolio of responsibility.
- 7.6 A casual vacancy on the Board will be filled by the Board at its discretion and with reference to any independent management consultant involved in the endorsement process for election of Board members. A Director appointed to fill a casual vacancy will be appointed only until the next Annual General Meeting of the AKA, at which the position will be subject to re-election for the balance of the term then remaining.
- 7.7 A Board member may be removed
- (a) pursuant to rule 8.2; or
 - (b) by resolution of the ordinary members in accordance with the Act; or
 - (c) upon the expiry of their term under rules 7.2 or rule 11.
- 7.8 Each board member by accepting appointment or election to the Board agrees to resign in the event that a majority of the Board passes a motion of no-confidence in that particular Board member, and the vacancy caused by such resignation will be treated as a casual vacancy until the next following General Meeting.
- 7.9 Where there is either no nomination for any position under clause 7.1 or no nominee satisfies the endorsement process for any position under clause 7.1, then such position will be considered to be a casual vacancy and may be filled pursuant to clause 7.6.
- 7.10 No elected Board member may occupy a particular directorship for more than two consecutive terms. This rule does not prevent a particular Board member, having served two consecutive terms in one position, from standing for another position in the AKA or occupying a non-board position for more than two non-consecutive terms or standing for the original position after serving a term in another position.
- 7.11 The Board member appointed under clause 7.1 by the Karting Industry, will be nominated from year to year by the body which the Board reasonably considers best represents the Karting Industry. If no such body reasonably exists or no single body is manifest, then the Board will call for nominations generally from the Karting Industry at least 30 days before the next Annual General Meeting.

R8 Powers of the Board

- 8.1 The Board has the entire management and control of the AKA and has power to do anything necessary or convenient to achieve the purposes of the AKA including:
- (a) allocate to the Committees of Management or Associate Members such powers and responsibilities as may from time to time be deemed desirable including those matters set out in rules 8.4 and 9.3 below;
 - (b) the arrangement of the National Kart Calendar and the allocation of the Australian Kart Championships;
 - (c) the drawing up and amendment from time to time of Kart Formulae;
 - (d) the sole and non delegable responsibility for the compilation and amendment from time to time of General Kart Regulations;
 - (e) the issue of licences to competitors and drivers in Kart competitions, and of permits to organisers of such competitions in accordance with the General Kart Regulations;
 - (f) the imposition of such levies, penalties, fees, fines, contributions and subsidies as may seem to the Board necessary, and the enforcement of collection of such amounts from any Associate Member, Club, group or individual as permitted by the General Karting Regulations;

- (g) the negotiation of insurance for members, their clubs, drivers, officials and spectators;
 - (h) the maintenance of a central registry of Kart licences;
 - (i) the enforcement of any legal instruction relating to Karting issued on behalf of the Federation Internationale de l'Automobile;
 - (j) the consideration and adoption of any suggestion made by Associate Members;
 - (k) the maintenance of due liaison and information regarding Karting matters with the Confederation of Australian Motor Sport;
 - (l) the arbitration of disputes between Associate Members or between clubs in different States;
 - (m) the establishment, coordination and support of specialist committees and the delegation to them;
 - (n) the appointment from time to time of advisory or executive sub-committees to discharge such functions and to hold office for such time as the Board shall deem fit;
 - (o) the reimbursement of any member, servant or agent for any out-of-pocket expenses properly incurred on the Board's behalf and the payment to any such member, servant or agent of such wage, honorarium or return for services rendered as the Board shall think fit.
- 8.2 Board members are required to attend as many Board meetings as possible. If any Board member misses three Board meetings in a row without good explanation, then their position will be treated as a casual vacancy under this Constitution.
- 8.3 The Board may make regulations not inconsistent with these Rules or the International Sporting Code of the Federation Internationale de l'Automobile for the better management of the sport of karting in Australia.
- 8.4 Pursuant to Rule 8.1(a), and subject to such Associate Member entering into a Memorandum of Understanding under rule 8.5, the AKA will allocate to the Associate Members, certain responsibilities in the following areas:-
- (a) distribution of issued permits;
 - (b) distribution of issued licences and upgrades;
 - (c) issuing of race permits, track licences and conducting track inspections;
 - (d) forwarding correspondence as required to all members;
 - (e) remittance of monies collected on behalf of the AKA;
 - (f) training of officials;
 - (g) maintaining a list of members from each particular state or territory;
 - (h) acting as a conduit between members, clubs and committees of management;
 - (i) acting as tribunal registrars;
 - (j) archiving of records;
 - (k) production of a calendar for each state or territory;
 - (l) promotion and marketing of the sport generally within each state or territory;
 - (m) issuing of gauges and other technical equipment;
 - (n) being a central reference point for all clubs within a particular state or territory.
 - (o) obtaining grants and other funds through state governments and other like organisations;
 - (p) enforcing the AKA's rule within each state or territory;
 - (q) co-ordinating karting within each state or territory on behalf of the AKA;
 - (r) any other matter in the discretion of the AKA board.

- 8.5 The Board will require each Associate Member to enter into a Memorandum of Understanding regulating the relationship between the AKA and the Associate Members, including financial matters and those matters provided for in clause 8.4 above.

R9 Committees of Management

- 9.1 Each elected Board member will be responsible for an area of the AKA designated by its title. Each elected Director will chair a committee devoted to that area of responsibility as follows:-
- (a) Finance and Audit Committee
 - (b) Administration Committee
 - (c) Competition/Rules and Safety Committee
 - (d) Technical Committee
 - (e) Promotional and Marketing Committee
- 9.4 The Board will appoint Committee members. Each Associate member may nominate one or more members for a position on each committee suitably qualified to the satisfaction of the Board based on criteria the Board will set from time to time provided that if an Associate member has made one or more nominations, one at least must be appointed. There is no maximum number of appointments to any Committee. An appointee from each Associate member will be appointed for a term and on conditions laid down in each case by each Associate member in its own right. The appointee may not be an elected Board member of the AKA.
- 9.5 Each committee of management will be governed by its own set of rules of procedure and a description of responsibilities endorsed by the Board of the AKA from time to time.

R10 Appointment of Officers

- 10.1 In addition to the Directors appointed under rule 7, the Board will appoint individuals for the following posts:-
- (a) Medical Officer;
 - (b) Auditor;
 - (c) Secretary to the Board; and
 - (d) Any further position deemed necessary by the Board.
- 10.2 Except for those Directors appointed under rule 7, any officer appointed by the Board of Directors is appointed for an indefinite term and may be removed by the Board at any time in its discretion.

R11 Transition Provisions

The AKA has passed this form of Constitution which makes substantial changes from its preceding constitution. Accordingly, the following transitional rules will apply –

- (a) For the initial period of approximately 12 months after the adoption of this form of Constitution, the requirement for a director to resign any other position within motorsport at the club, state or national level, under rule 7.4, does not apply. Such period of 12 months may be extended for a further 12 months by ordinary resolution of the members at the Annual General Meeting;
- (b) Following the adoption of this form of Constitution, the previous executive of the AKA will within 30 days ensure that the election of the inaugural Board under rule 7.1 is held and all other steps necessary to complete migration of the AKA to a company limited by guarantee. During such transitional period, the AKA will conduct itself in accordance with its previous form of Constitution apart from taking all necessary steps to complete adoption of this

form of Constitution by the end of such period. However, the existing executive and National Karting Council will avoid taking any policy decision during such transitional period, but any decisions which they do make will be subject to endorsement by the new Board as the case requires, and such motions will be expressed as passed on that basis

- (c) Following the election under rule 11 (b), for a reasonable period of not more than 180 days, the previous executive of the AKA will oversee the completion of transition of management to the Board as required under this form of Constitution.

R12 General Manager

- 12.1 (a) A General Manager may be appointed by the Board on such terms and conditions as are agreed upon.
 - (b) The General Manager is an invitee to the Board.
 - (c) The General Manager may not be a Director of the AKA nor hold any elected office in the AKA or in any ordinary or associate member.
 - (d) The Board may by resolution delegate any of its powers to the General Manager except the power of delegation and the power to make regulations, and may withdraw the delegation at any time.
 - (e) The General Manager must defer and refer back any decisions made by the Board that do not comply with the Insurance Company's cover, legal advice, FIA, etc.
 - (f) Where there is no General Manager, any reference to the General Manager shall mean the person delegated by Board for the purpose.
- 12.2 Where there is no General Manager, any reference to the General Manager shall mean the person delegated by the Board for the purpose of overseeing executive functions of the AKA.

R13 Conflicts of Interest

A Director or member of any committee or sub-committee of the AKA who has any direct or indirect interest in any present or anticipated contract agreement or arrangement with the AKA must declare that interest at any relevant meeting of the Board or the committee (as the case may be) after he becomes aware of the interest or the contract agreement or arrangement, and must not vote in respect of the matter.

R14 Quorum at Board Meetings

The quorum at a meeting of the Board is 80%. The Board may permit the use of Alternate Directors and proxies at Board meetings, if required, in accordance with the Act.

R15 Number of Board Meetings

The Board must meet at least four times in each year. A meeting of the Board must be called if a majority of Directors so request. A meeting called as the result of such a request must be held within two months of the receipt by the Secretary of the request. If a majority of Directors agrees, any meeting of the Board, other than the meeting held in conjunction with the Annual General Meeting, may be conducted by telephone conference or other "live" in person electronic means.

R16 Notice of Board Meetings

- 16.1 At least one month's notice must be given of a Board meeting unless a majority of Directors agree that it is necessary to hold the meeting with a shorter period of notice.
- 16.2 A Board meeting may be called or held by telephone conference or other "live" in person electronic means consented to by a majority of Directors. The consent may be standing one. A Director shall only withdraw the Director's consent within a reasonable period before the meeting.

16.3 The Secretary will be responsible for taking and maintaining minutes of Board meetings, and ensuring that proper notice and agendas are circulated within the required time.

R17 Board Meetings Not Public

Meetings of the Board are conducted in private but the Board may determine that part of the meeting be opened to the press or other observers. The Board may permit any person to address it.

R18 Decisions of Board Meetings

18.1 (a) All decisions at Board meetings are made by simple majority of those present and voting. The Chairman does not have a casting vote. A tied vote shall be deemed to be resolved in the negative.

18.2 (b) An Appointed Director shall not be entitled to vote on his re-appointment.

18.3 (c) The Board may pass a resolution without a Board meeting being held if the majority of all the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. All Directors must be served with any document to be considered under this clause. Separate documents may be used for signing by Directors if the wording of the resolution and statement is identical in each copy. The resolution is passed when the last Director signs.

R19 General Meetings

Time for Annual General Meeting

An annual General Meeting must be held each year in the months of August or September or such other month as the Board determines subject to the Act.

R20 Business of the Annual General Meeting

The business of the annual General Meeting is to:

(a) receive the Chairman's Report;

(b) receive and consider the financial statement;

(c) conduct elections under rule 7;

(d) appoint an auditor; and

(e) consider such other business as required by the Act or of which requisite notice has been given under this constitution or the Act.

R21 Special General Meetings

A general meeting of the AKA may be called only in accordance with the provisions of the Act, save and except that

(a) the number of members required to call a meeting for the purposes of the Act is 50% of the total number of Ordinary Members of the AKA;

(b) the Board may resolve to call a general meeting; and

(c) no Ordinary Member may call for a special general meeting without first providing evidence that it has been directed by a majority of its members in a general meeting to do so.

R22 Period of Notice of General Meetings

At least 30 days' notice of every General Meeting, including the Annual General Meeting, must be given by way of e-mail, ordinary mail or other suitable means determined by the Board.

R23 Form of Notice of General Meetings

A notice stating:

- (a) the place, date and time of the General Meeting
- (b) the nature of the business to be considered
- (c) if any special resolution has been proposed, the text of the motion must be delivered to each person or body entitled to receive notice along with a statement that it is intended to propose the motion as a special resolution at the General Meeting. The motion and the notice must be at the address notified in the Register of Members, including an e-mail address, where provided.

R24 A document which is posted and correctly addressed, unless the contrary is proved, is deemed to have been given to the addressee at the time at which the letter would have been delivered in the ordinary course of post.

R25 Quorum at General Meeting

Fifty percent (50%) of the eligible voters present in person or by proxy constitutes a quorum at a General Meeting.

R26 Proxies at Board Meetings and General Meetings

A proxy must be in writing and submitted to the secretary of the AKA at least seven days prior to the time set for a General Meeting. A proxy which does not specify who is appointed or how to vote on a particular resolution, will be deemed in favour of the chairman of the General Meeting and operate as a general proxy in favour of the chairman. If a member has been appointed by a proxy fails to attend a General Meeting, then that proxy will be deemed to be held by the chairman of the General Meeting as a special or general proxy as indicated thereon. If a member who has appointed another member to vote as proxy attends the General Meeting then they must withdraw their proxy before the commencement of the General Meeting or they shall not be entitled to vote on any resolution. The form of proxy required is annexed to this Constitution. There is no limit to the number of proxies any person may hold at a General Meeting.

R27 Decisions at General Meetings

27.1 Ordinary members will cast their votes at General Meetings by proxy or through a representative who produces written evidence of their appointment by an ordinary member and the manner in which they have been directed to vote by that ordinary member.

27.2 All decisions at General Meetings other than

- (a) a resolution to alter the name, the Statement of Purposes or the Constitution;
- (b) any other resolution required by the Corporations Act 2001 to be a special resolution; or
- (c) a re-submission of any resolution;

are decided by a simple majority of votes cast.

Any decisions referred to in sub-rules (a), (b) or (c) of this rule must be decided by special resolution.

R28 Special Resolution

As prescribed by the Act, a special resolution is a resolution agreed to by at least three-quarters of the entitled voters who are present in person or by proxy and who vote on the resolution at a General Meeting of which notice specifying the intention to propose the resolution as a special resolution was given in the manner required by these Rules, at least 21 days prior to the meeting.

R29 Management of Funds

- (a) All moneys received by the AKA must be deposited in a bank account or accounts in the name of the AKA.
- (b) All payments must be made by cheque or electronic funds transfer where permitted by the Board.
- (c) All cheques must be signed by two (2) persons from a number appointed by the Board for that purpose.

- (d) The Board may approve the use by specified persons, of a credit card to draw on an account of the AKA, and must specify the terms under which the card may be used.

R30 Financial Year

The financial year of the AKA ends on the 30th of June.

R31 Derivation of Funds

The funds of the AKA are derived from subscriptions, licence fees, meeting permits, fines and such other sources as the Board agrees to.

R32 Common Seal

32.1 The Board will appoint the Secretary or other person to be responsible for the custody of the common seal, which must only be affixed in accordance with a resolution of the Board, and in the presence of two Directors.

32.2 A Director shall NOT sign a document to which the seal is fixed where the Director is interested in the contract or arrangement to which the document relates.

32.3 A document may be executed without using a common seal if the document is signed by two Directors not interested in the contract or arrangement to which the document relates.

R33 Indemnity

The AKA will indemnify (either directly or through one or more interposed entities) any person who is or has been a Director, Secretary or Officer of the AKA and, only if so resolved by the Board the auditor of the AKA, out of the funds of the AKA against any liability which arises from the performance of their duties for the AKA either -

- (a) to another person (other than the AKA or a related body corporate) unless such liability arises out of conduct involving a lack of good faith or negligence;
- (b) for costs and expenses incurred by that person:-
 - (i) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or
 - (ii) in connection with an application, in relation to such proceedings, in which the court grants relief to the person under the Act save for any liability that arises from the negligence of that person.

R34 Books and Records

The Board will appoint the Secretary or other person to be responsible for the custody of the books, records and securities of the AKA.

R35 Inspection of Documents

Any books or records of the AKA may be inspected upon reasonable notice by any member of the Board or by any person authorised in writing by the Board or permitted under the Act to do so.

R36 Alteration of Statement of Purposes or Rules

This Constitution may only be amended by a special resolution passed at a General Meeting of the AKA.

R37 Operation of the Act

37.3 Where there is any conflict between this Constitution and the provisions of the Act, provisions of this Constitution will apply in priority but only as permitted by the Act. Where there is a matter not governed by the provisions of this Constitution, then the provisions of the Act will apply.

37.4 The AKA at all times must and will –

- (a) pursue charitable purposes only consistent with its objects and purposes set out herein;
- (b) only apply its income towards promoting those purposes;
- (c) prohibit making distributions to its members or paying fees to its board members;
- (d) require its directors to approve all other payments the AKA makes to directors.

R38 In this Constitution:

38.1 Any reference herein to “the Act” is a reference to the *Corporations Act 2001* as amended from time to time, including any regulations made thereunder, and any superseding legislation.

38.2 The provisions in this Constitution are referred to as a “rule” or “rules”. Provisions sharing the same numerical prefix may be referred to as a “sub-rule”.

38.3 Except so far as the contrary intention appears in this Constitution, an expression has, in a provision of this Constitution that deals with a matter dealt with by a particular provision of the Act, the same meaning as in that provision of the Act.

38.4 Schedules

Any schedules hereto are part of this Constitution, and their provisions shall prevail if they conflict with any other provision of this Constitution.

END OF CONSTITUTION

ANNEXURE – Form of Proxy (rule 26)

NOTICE OF APPOINTMENT OF PROXY

AUSTRALIAN KARTING ASSOCIATION LTD

The [INSERT NAME] of [INSERT ADDRESS] being an ordinary member of the abovenamed company, appoint [INSERT NAME OF PROXY] of [INSERT ADDRESS OF PROXY] or in their absence [INSERT NAME OF ALTERNATIVE PROXY] of [INSERT ADDRESS OF ALTERNATIVE PROXY] to attend as our proxy at the general meeting of the company to be held on [INSERT DATE] and at any adjournment thereof and exercise all of our rights, and to vote specifically in accordance with the following instructions -

[INSERT SPECIAL INSTRUCTIONS including reference to particular motions set out in the relevant notice of meeting – eg “Motion No.1 that” Vote IN FAVOUR/AGAINST.]

But otherwise on all other matters arising generally as he/she determines on our behalf;

Signed this _____ day of _____ 20 .

.....
Name(s):
(Duly Authorised Officer(s) of [INSERT
NAME OF MEMBER])

Notes –

3. It is not necessary to appoint an alternative proxy. Under the AKA’s Constitution, in the absence of a proxy, the Chairman of the Meeting is empowered to exercise the proxy on a Member’s behalf whether generally or specifically as directed on the proxy form submitted.
4. The name of the proxy or the alternative proxy may be described as “the chairman of the meeting” in which case it is not necessary to complete the address for such proxy. All items in square brackets should otherwise be completed as directed.