

HGFA Special General Meeting 30th of May 2019

Special Resolution Explanatory Notes

This document outlines the technical wording of the special resolution together with a plain English interpretation of the meaning. For legal reasons the resolution must be complete in the sense that it has to comply with the requirements of the law. However, this makes for a complicated document that may be difficult to understand. With this in mind this document is intended to assist Members with interpreting the resolution.

The resolution begins with the following opening which outlines the core of the proposal (to change organisational structure to a Company Limited by Guarantee).

THAT the Hang Gliding Federation of Australia Incorporated change structure to a Company Limited by Guarantee including each of the following elements:

Each further element of special resolution is co-dependent on each other element and thus will be voted on as one motion. That is, the vote will be to accept or reject all elements as part of a single resolution. For this reason the order of the elements is not important.

Conclusion of status as Incorporated Association: To conclude the registration of Hang Gliding Federation of Australia Incorporated pursuant to the Associations Incorporation Act 2009 No 7 (the 'Incorporation Act') of New South Wales, and in particular, to apply under section 78 of the Incorporation Act for the consent of the Director-General to apply for registration of Sports Aviation Federation of Australia Limited as a Company Limited by Guarantee under the Corporations Act 2001 (Commonwealth) (the 'Corporations Act').

This first element simply states that HGFA Incorporated will cease to exist with a view to the activities being taken on by SAFA Limited. The administrative process for executing the change is to apply to NSW Fair Trading.

Commencement of status as Company Limited by Guarantee: To apply to the Australian Securities and Investments Commission (ASIC) to register Sports Aviation Federation of Australia Limited under the Corporations Act as a Company Limited by Guarantee.

The reasons for changing to the proposed CLG structure have previously been communicated to all Members. The administrative process involves applying to ASIC.

New Constitution: That Sports Aviation Federation of Australia Limited adopt a new form of Constitution in the form circulated with the notice of meeting. The new Constitution shall come into force on registration as a company.

The third element of the resolution states that once the new company, SAFA Limited, is formed it shall adopt the Constitution that has been circulated to Members as the Constitution that applies when the company is registered. In order to remove confusion and increase clarity, a final PDF version of the Constitution has been distributed by the current President. Note that this clause still allows for minor formatting and grammatical corrections to be made in the lead up to the special general meeting.

The proposed Constitution seeks to retain the essence of the current HGFA Constitution but has been completely reformatted using the model CLG Constitution distributed by the Australian Sports

Commission as a basis. There have been other changes to increase clarity, remove duplication, and move some clauses from the Constitution to Company policy.

Change of Name: That upon the status of Hang Gliding Federation of Australia Incorporated changing from an Incorporated Association under the Incorporations Act to a Company Limited by Guarantee under the Corporations Act, the organisation be known as the Sports Aviation Federation of Australia Limited.

We must change our name to remove the term 'Incorporated', but following discussion with Members previously we knew that many preferred a more fundamental change of name. A survey was conducted in late 2018 and Sports Aviation Federation of Australia Limited was the most preferred name. The committee agreed at the outset of this change that we would put the most preferred name to Members as part of the CLG process.

Appointment of New Directors: That the initial directors of the Sports Aviation Federation of Australia Limited be appointed from the HGFA Committee of Management in accordance with the transitional provisions of section 22 of the new Constitution. Those directors shall cause a general election to be called in 2019 in accordance with the transitional provisions of section 22 of the new Constitution.

The current Constitution places the responsibility for the affairs of HGFA Incorporated on the Committee of Management (four nationally elected and eight state and regional representatives). This clause maintains that responsibility for the transition period prior to a general election for the board being conducted. The committee intend to hold that election in October 2019, which would have been the normal time for a HGFA election in any case. Section 22 of the new Constitution provides for a series of transitional provisions, which include the requirement for an AGM and general election in 2019.

Appointment of Members: That the persons who are Members of the HGFA shall be the initial Members of the company on registration with ASIC in accordance with the transitional provisions of section 22 of the new Constitution.

The final resolution ensures that the current Membership will be transferred to the new company without any interruption of rights or privileges that any Member currently has. This means that a flying Member will retain the same privileges, rights, etc. as they had prior to transferring to a company structure. Likewise, a lifetime Member will also retain the same rights and privileges. Each type of Membership will be retained in such a way that the classes will be the same prior to and after the changes. For clarity, the use of the term "initial Members" refers to the time at which someone becomes a Member of the company and is not, in itself, a reference to a class of Membership.