



NSW Bridge Association
The home of bridge in Sydney and NSW

New South Wales Bridge Association Limited
ACN 000 438 648

Annual General Meeting 28 February 2024

**Explanatory Memorandum for Separation Proposal
and Agenda for Meeting**

**The NSWBA councillors unanimously recommend you VOTE IN
FAVOUR of the Separation Motions to be considered at the AGM.**

Important Notices

Purpose of this Explanatory Memorandum

The purpose of this Explanatory Memorandum is to provide Members with information concerning their decision whether to vote in favour or against the Separation Motions and motion 4 to be considered at the AGM. It also includes the agenda for the AGM.

Preparation and responsibility for information

The information in this Explanatory Memorandum has been prepared by and is the responsibility of the NSWBA Council.

Statements of past performance

This Explanatory Memorandum includes information regarding the past performance of NSWBA. Members should be aware that past performance should not be relied upon as being indicative of future performance.

Interpretation

Capitalised terms and certain abbreviations used in this Explanatory Memorandum have the defined meanings set out in the Glossary.

Forward-looking statements

This Explanatory Memorandum contains forward-looking statements which are statements that may be identified by words such as “may”, “could”, “believes”, “considers”, “estimates”, “expects”, “intends”, “approximately”, and other similar words that involve risks and uncertainties.

NSWBA does not give any representation, assurance or guarantee that the occurrence of the events expressed in any forward-looking statements in this Explanatory Memorandum will occur. In particular, statements of the intentions of the NSWBA Council, the Club Proxy Board or the BNSW Proxy Board reflect present intentions at the date of this Explanatory Memorandum and may be subject to change as the composition of the NSWBA Council or the proxy boards alter or as circumstances require.

Date of this Explanatory Memorandum

This Explanatory Memorandum is dated 29 January 2024. Unless otherwise indicated, all information included in this Explanatory Memorandum (including views, recommendations, and statements of intention) is current as at that date.

Read this Explanatory Memorandum in full

You should read this Explanatory Memorandum in full, including the reasons why you would vote for or against the Separation Proposal in section 1, as well as the risks of the Separation Proposal and the alternatives considered in section 3 before making any decision on how to vote on the Separation Motions and Motion 4. It is important that you consider the information disclosed in light of your own particular views.

Vote on the motions

Please refer to the instructions in the notice of meeting for details as to how to vote and how to appoint a proxy on your behalf if you wish to.

Key dates

1 January 2024	Operational Separation Date
6pm 21 February 2024	Last date for nominations for the position of Chairman, Treasurer or Ordinary Councillor
6pm 26 February 2024	Last date by which a Proxy Form must be received by the NSWBA Secretary Last date by which a notice to participate in the AGM electronically must be received by the NSWBA Secretary
6pm 28 February 2024	Date of the AGM
A date to be determined by Council	Completion Date



Chairman's letter

Dear fellow members of NSWBA

On behalf of the NSWBA Council, I am delighted to present to you this Explanatory Memorandum inviting you to support the Separation Proposal to separate the peak body functions of the NSWBA from its bridge club operations.

Council believes it is in the best interests of bridge in NSW that separation proceeds. The current structure under which the members of one club have all the votes at general meetings of the peak body for NSW is undemocratic and unfair for the other 140+ bridge clubs in NSW. If approved, the Separation Proposal:

- Gives all clubs in NSW a fair say in the operation of the peak body, BNSW. BNSW will commence operations with sufficient funds to grow and develop the NSW bridge community.
- Simplifies the structure, resulting in two entities that are simpler and focused on their very different stakeholders.
- Secures ownership of the Goulburn Street Property for Club and ongoing bridge operations at that location, whilst providing BNSW with the access it needs for events as well as a right to receive a Post Separation Payment if Club ever sells or leases part or all the Property.

Council unanimously supports the Separation Proposal. Each councillor who is a member of NSWBA intends to vote in favour of the Separation Motions. On behalf of Council, I encourage you to attend and vote at the AGM and encourage you to vote in favour of the Separation Proposal.

If you have any questions on the Separation Proposal, please speak to any member of Council or to the members of the Club and BNSW Proxy Boards. In addition, we have arranged two member Q&A forums to be held over Zoom on 14 February and 22 February for you to attend if you have any questions or want to know more ahead of the AGM.

Finally, I would like to acknowledge the huge efforts that have occurred over many years by councillors and other volunteers to bring us to this stage. On Council, the leadership of John Scudder and Dagmar Neumann has been vital to this project. The members of the two Proxy Boards have spent many hours developing the proposals and preparing for separation. Our honorary solicitor Alison Hanson and the ABF's deputy general counsel, Professor Michael Bryan have given freely of their time to provide legal advice. The number of volunteers who have assisted is too many to name, but I must particularly thank Victor Clarke who has given us huge amounts of his time and experience for free. Jake Andrew, who has been our NSWBA Transition Program Manager for the last 12 months, has made a fantastic contribution throughout the process.

Successful completion of separation will be the best thank you gift we can give to our recently retired chairman, John Scudder, for all his years of dedication to bridge in NSW.

As always, we thank you for your continued support and I look forward to seeing you at the AGM on 28 February for this most important meeting.

Yours faithfully

Mary Anne Loveridge
Chairman

Member Q&A Sessions

For members who would like more information or to ask questions, we have arranged two member Q&A sessions to be held over Zoom ahead of the AGM as follows:

Wed 14 Feb 5:00-6:00pm

<https://us02web.zoom.us/j/83597232738?pwd=bG5jL1BBYVlwNG5yUXc5RS96TVV3Zz09>

Meeting ID: 835 9723 2738 Passcode: 114505

Thu 22 Feb 6:30-7:30pm

<https://us02web.zoom.us/j/83357570045?pwd=YjNPZFBydHRYTmdjR0RUM2VCQjRwdz09>

Meeting ID: 833 5757 0045 Passcode: 142029

All members are welcome to attend either of these meetings.

Contents

Summary of the Separation Proposal	1
1. Reasons to vote in favour or against the Separation Proposal	2
2. Future of the Property	4
3. Overview of the Separation Proposal, risks and other relevant considerations	6
4. Information on Sydney Bridge Club Limited	12
5. Information on Bridge New South Wales Limited	15
6. Pro Forma Historical Financial Information and Value Share Range Estimate	21
Glossary, sources and additional information	26
Notice of Meeting	
• General meeting information	
• Agenda	
• Explanatory Notes to Motions	
• Attachment A – Proposed Club Constitution	
Proxy Form	
Nomination Form	

This page is intentionally blank

Summary of the Separation Proposal

The Separation Proposal is designed to strengthen the future of bridge in NSW by separating the activities of the state peak body from NSWBA, leaving Club to operate independently as one of the largest bridge clubs in NSW.

Structural changes

- A new peak body, Bridge New South Wales Limited (BNSW) will be created and the current NSWBA peak body activities transferred to BNSW.
- Most of the 140+ bridge clubs around NSW will become Member Clubs of BNSW.
- NSWBA will be renamed as Sydney Bridge Club Limited (Club), will be a member of BNSW and will continue the current duplicate bridge and lessons of NSWBA at Goulburn Street and at Canada Bay in association with Strathfield Bridge Club.
- The current NSWBA members will be members of Club.

Governance

- A new Constitution for BNSW is being developed and will be approved by the NSWBA Council after consulting with bridge clubs in NSW.
- Necessary changes to the Constitution of NSWBA will be made to enable separation and remove clauses that are redundant for Club once NSWBA ceases to be the peak body for bridge in NSW.

Property

- Club retains full legal and equitable ownership of the Property.
- BNSW will be entitled to receive a Post Separation Payment equal to 12.5% of any sale or lease proceeds should Club ever sell or lease the Property. The value of this payment is less than 12.5% of the value of the Property¹.
- BNSW has no on-going say in any decisions regarding the Property, including any decisions to lease or sell the Property.
- There is no intention to sell the Property.
- BNSW will be entitled to use the Property for a period of 8 years for a maximum of 20 days per year rent free.²

Assets to be transferred to BNSW

- The following assets are to be transferred to BNSW:
 - The right to receive the Post Separation Payment as described above.
 - \$300,000 in cash, of which \$100,000 is deferred and paid in two equal instalments on 2 January 2025 and 2 January 2026.
 - Bridge tables and other equipment used for the Spring Nationals congress.
 - Other sundry assets and liabilities directly related to the activities of BNSW.
- Club retains all other assets and liabilities of NSWBA.

People

- New volunteers have been identified to bring additional skills, ideas, and energy to the operation of Club and BNSW.
- All current employees and contractors' employment has been protected.

Council is of the view that a reasonable estimate of the value shared between Club and BNSW is approximately 80-90% to Club and 10-20% to BNSW.³

¹ Due to the illiquid nature of the asset and the low probability that the club rooms will be leased or sold. See section 6 for more detail.

² BNSW will also be able to continue to use a portion of the property to host youth nights rent free unless otherwise agreed.

³ The estimate is based on various assumptions – members should refer to section 6 for details of how the Value Share Range Estimate has been calculated.

1. Reasons to vote in favour or against the Separation Proposal

Multiple stakeholder groups

It is important that all members understand that there are multiple different stakeholder groups who have an interest in the Separation Proposal, only some of whom have a vote at the AGM. Key stakeholders include:

Club duplicate members	“Monday night” tournament players	140+ clubs around NSW and their members
Many members’ only contact with NSWBA is via duplicate events held during the day or on Tuesday and Wednesday nights.	NSWBA also hosts a regular Monday night session that is targeted at tournament players. Many of the tournament events are held over multiple sessions, on Monday nights and over weekends.	NSWBA is the peak body for 140+ clubs around the state. Those clubs and their approximately 11,500 members are major stakeholders in the peak body.
Most duplicate players are members of NSWBA and have a vote at the AGM.	Most tournament activities are being transferred to BNSW on separation. A significant minority of Monday night players are also members of NSWBA and have a vote at the AGM. The other players are members of other clubs around NSW and do not have a vote.	In common with Club members, their contact with the peak body may vary from minimal to significant. The 140+ clubs and their members (other than members of Club) have no vote at the AGM.

In developing the Separation Proposal, Council has sought to balance the interests of, and deliver a proposal which is fair to each of these stakeholder groups. It is up to each member to determine whether to vote in their personal interest or to consider whether the Separation Proposal is fair and in the best interests of all key stakeholders.

Factors to consider

Council has identified the following factors that members may wish to consider in determining how to vote:

- **Undemocratic structure** – The current structure is undemocratic in that approximately 5% of bridge players in NSW have control over the peak body. The remaining 95% have no vote at general meetings of NSWBA. Whilst Affiliated Clubs can appoint Zonal Councillors, the majority of councillors are appointed by Club Members. The Separation Proposal ensures all clubs in NSW have a fair say in the peak body.
- **Simplified structure** – The Separation Proposal delivers a simplified structure that can be understood by all stakeholders. Separation is expected to result in two entities that are simpler and focused on their very different stakeholders. The current arrangements create division and conflict between the interests of different stakeholders.
- **Changing bridge community needs** – Council recognises that bridge player numbers have been declining for many years and the needs of the bridge community are changing – Covid 19 has accelerated these changes. Bridge in NSW must change to meet the needs of its community if the mind sport of bridge is to thrive in the coming decades. The Club also must change if it is to grow and prosper. Separation will allow each entity to focus on the needs of its stakeholders without the distractions of the current structure.
- **Property is retained by Club** – The Separation Proposal ensures that Club retains control over the Property. This is in the obvious interests of Club members. BNSW obtains a right to receive a Post Separation Payment of 12.5% of any sale or lease proceeds should Club ever sell or lease the property. Stakeholders may have different views on the fairness of this, some believing BNSW should have received a greater amount, others believing BNSW should have received a lesser amount.
- **Fairness of value share** – Council estimates that the value of the assets being transferred to BNSW is between 10-20% of the total value of the assets of NSWBA. Club retains the balance estimated to be 80-90%. Stakeholders may have different views on the amount of the value share and whether that split is fair between Club and BNSW.
- **Engagement of skilled volunteers** – As a not-for-profit organisation, NSWBA is significantly reliant on valuable contributions from volunteers. Separation may facilitate recruitment, retention and engagement of volunteers who align with either the wider bridge community or with Club but not both.

- **Available alternatives** – Some members may feel that the status quo is the better alternative or that a different, better Separation Proposal could have been developed. Such members should consider what the consequence of a no vote will be. It is unlikely that a revised proposal will be developed in the short to medium term. If the Separation Proposal is rejected, Council will need to revisit the allocations of cost between Club and state activities which may not be favourable to Club.
- **Club will need to take action to become profitable** – Despite the recent table fee and other price increases, with the cost of funding 100% of property outgoings, Club is expected to be loss making post separation unless additional revenue or cost savings can be achieved.
- **Reduction in size and diversification** – Following separation, both entities will be less diversified and smaller in scale than NSWBA prior to separation. Post separation, each entity will need to rely on its own financial performance and cash flows to fund ongoing operations without the support of the other.
- **Loss of economies of scale** – Splitting the two entities will result in a limited loss of economies of scale from operating two stand-alone entities.
- **One off separation costs** – one off separation costs are estimated to be \$100,000. However over 90% of those costs have already been spent or committed prior to the AGM. As such, they are sunk costs which cannot be recouped if the Separation Proposal is defeated.

Two sustainable entities for the long term are essential for the future of Bridge in NSW. It is in the interests of Club that BNSW can be a strong and effective peak body. It is in the interests of BNSW that Club, which is one of the largest clubs in NSW, continues as a strong and successful bridge club.

Council recommendation

Having considered the above, Council unanimously recommends that the Members vote in favour of the Separation Motions.

In making this recommendation, Council has considered:

- Each of the above factors.
- The risks associated with the Separation Proposal as described in section 3.5.
- The other alternatives considered in section 3.6.
- The consequences if the Separation Proposal is not implemented as summarised in section 3.7.

Council also recommends that Members vote in favour of motion 4 which is designed to remove some of the practical issues Council and Members encountered at the 6 November 2023 EGM with the proxy voting rules in the current Constitution. The proposed amended proxy rules in motion 4 are more democratic than the current rules.

Each councillor who is a member of NSWBA intends to vote in favour of the Separation Motions and motion 4.

2. Future of the Property

Council is aware that the strategic review in 2022 and the process of developing the Separation Proposal has created member concerns that separation will result in the Property being sold. The current Council has no plans to sell the Property. The Club Proxy Board members have confirmed they have no plans to sell the Property.

The Separation Proposal ensures that Club retains full legal and equitable ownership of the Property and importantly that BNSW has no on-going say in any decisions regarding the Property.

There is no intention to sell the Property.

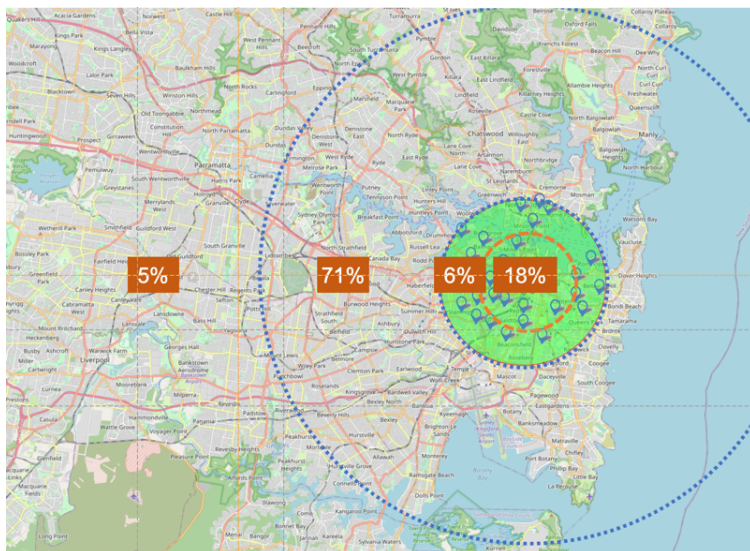
BNSW does retain a right to receive a Post Separation Payment equal to 12.5% of the proceeds in the event of any future sale or lease of the Property. This payment does not come with any voting or other rights to the Property. BNSW cannot force or require the Club to lease or sell the Property, nor interfere in any decisions as to its maintenance or operation.

Member needs

An analysis for Council concluded that whilst 18% of our city duplicate players live within walking distance of the Property, the majority live between 2 and 15km from Goulburn Street. They come from all over the inner west, eastern suburbs and north shore and have self-selected Club as their club. Given:

- the lack of street parking mid-week,
- the availability of other options including Canada Bay with parking,
- the minimal number of car park vouchers purchased by members,

it appears likely that most duplicate players walk or travel by public transport to play at Club. To retain those members, Club needs to be located near major city public transport hubs and there would be a high risk that many members would be lost if there was no public transport option.



The Goulburn Street location meets the needs of our members, and it is unlikely that a lower cost option could be identified that could better meet the needs of members. In particular, if the Property were to be sold, the commercial rent on a similar (or even substantially smaller) property close to the major city transport hubs would likely be significantly higher than the current property outgoings and unaffordable for a bridge club. Council and the Club Proxy Board are of the view that the Club bridge rooms should remain in Goulburn Street and Club should seek to improve the quality of the member experience as volunteer capacity and funding allow.

Surplus space

Council recognises that the current bridge rooms are underutilised, and Club will incur significant on-going costs on space that is in excess of our needs, and it is appropriate that Club consider how best to mitigate those costs. However, in the current highly depressed property market, leasing any surplus space would be

difficult and it is likely that it would be some years before any income would accrue to Club. A decision to invest substantial funds in preparing the surplus space for lease in the current market would be high risk with no certainty of return in the short term.

Council and the Club Proxy Board are unanimously of the view that any decision to lease such surplus space is not a priority at this time and is a matter to be determined in the future. Their priority is to increase the usage of the space through increasing table numbers and revitalising the Club. However, they will take up any short-term income options that become available to sub-let the space that do not require significant investment, do not adversely impact Club Operations and bridge play. For example, if we could identify another mind sport that wished to use the Property at times when it is not otherwise required, that would be attractive.

The Club Proxy Board proposes that it monitor usage of the Property and market conditions and make decisions on future leasing of surplus space only if the business case supports such action. Any decision to lease would only relate to surplus space that is not required for bridge operations.

Restrictions on Sale

A majority of Council and the Club Proxy Board continue to be of the view that placing any restriction on the future sale of the Property in the Constitution is inappropriate. The vote at the 6 November EGM indicated strong member support for this position. The current Council and the Club Proxy Board are unanimously of the view that it would be normal governance to consult with members in the event of any proposal to sell all or a significant portion of the Property.

Members can be confident that there is no plan to sell the Property and that they will be consulted if there are any plans to do so in the future.

3. Overview of the Separation Proposal, risks and other relevant considerations

We are seeking your support to secure the future of bridge in NSW and of the Sydney Bridge Club by separating the peak body functions of NSWBA from its bridge club operations.

3.1 Two independent legal entities

If the Separation Proposal is approved, the current activities of NSWBA will be split into two separate, independent legal entities:

- **Sydney Bridge Club Limited (Club)** – the existing NSWBA entity will cease to be the peak body and focus on being a flourishing Sydney metropolitan bridge club, providing a premier customer experience through its bridge rooms at 162 Goulburn Street and through its joint venture with Strathfield Bridge Club at Canada Bay. The new club would be like the current Club with its board focused on its members' needs, without the complexities and distractions of the current structure.
- **Bridge New South Wales Limited (BNSW)** - a new state peak body, promoting bridge and supporting the bridge community. Its focus will be on growth and development of bridge across NSW for all players. It will assume all peak body responsibilities of the NSWBA, including evolving bridge in the state, running competitive events, developing pathway programs, selecting and supporting representative teams, and support services to clubs across NSW.

3.2 Why are we doing this?

Our reality is that NSWBA player numbers have been in long-term decline and we posted a loss in 2022 and 2023. Clubs across the state are experiencing similar challenges and require more leadership and active support from their NSW representative body.

We need to create a plan that addresses these challenges.

The case for change at Club

The long-term decline in player numbers, accelerated by the Covid 19 pandemic, is impacting our financial situation. We have not attracted enough new members to return player numbers to pre Covid 19 levels, while our membership base is getting older. Yes, table growth in recent times has helped, but numbers have stabilised well below where we need them to be. This is unsustainable.

Club needs to attract and retain new members, including beginners, and encourage infrequent players to play more regularly. Separation will allow Club to focus on improving the member experience, offering additional playing sessions (in new time slots – especially in the afternoons, evenings and on weekends), teaching and mentoring, club focused events, and over time investing in our facilities. Our Club staff will not be distracted by state related activities and Club finances will not be exposed to the financial risk associated with large congresses.

A key reason we are losing money is our large and significantly underutilised playing space, in an expensive city location. These days Club typically uses the Goulburn St premises six times a week – four weekday mornings, Tuesday and Wednesday evenings as well as some Sundays. It is rarely used at other times. However, our current premises location has real value. It is well known, and players find the many public transport options convenient. Members have voiced a strong desire to remain in the current location. So, the Club Proxy Board is working hard to create a plan to increase revenue and reduce costs, to ensure that we have a thriving and sustainable club in the existing premises.

Tournament players also want change

A substantial number of NSWBA members mostly play in competitive tournament events, including Monday night on RealBridge and weekend tournaments hosted at 162 Goulburn Street. This group has contributed significantly to NSWBA over many years, both financially and as volunteers.

These players wish to have a thriving competitive community and a strong calendar with a mix of online, face-to-face and hybrid events. They have significantly less need for NSWBA to own expensive bridge rooms. This will require investment in other services, to deliver the experience they value. Whilst hopefully most will wish to continue to represent Club as their home club, they primarily play bridge at tournament events. Club is investigating what offerings it could provide in the future to support the needs of these players.

They reasonably expect BNSW to be created with a strong financial position.

Clubs across NSW seek change too

Many bridge players – including many who do not play in the major competitive events – and clubs across NSW do not believe NSWBA adequately services the needs of the wider NSW bridge community. Some have been quite vocal for years about the need for change. In recent years minimal investment has been made in supporting the activities of clubs around the state, with most of the support being provided by volunteers.

Clubs across NSW would like BNSW to have a more modern governance structure, as used in most other Australian states, where the state peak body is independent of any one club. They want a state peak body that works for the benefit of all bridge players and clubs across the state. This includes advocacy for the mind-sport of bridge, programs around marketing and education, and building connections within the wider bridge community.

They see no benefit in the Goulburn Street property and do not want any element of their annual affiliation fees being spent funding property outgoings for a premises that is used solely by Club and tournament players.

The goal of the Separation Proposal is to create two thriving and financially sustainable organisations – a successful Club with venues in inner metro Sydney, and an active and forward-looking peak body for bridge. This will lead to positive outcomes for both organisations, and more importantly for all players across the bridge community.

3.3 Separation of the Assets

How has the split of assets between Club and BNSW been determined?

Council requested that the Club Proxy Board and the BNSW Proxy Board negotiate a fair split of the assets of NSWBA on separation between Club and BNSW and recommend the split to Council. The initial negotiations were conducted by the Chair and Deputy Chairs of each proxy board. The final recommended split was approved by the two Proxy Boards and by Council.

During the negotiations, it was agreed that:

- Two sustainable entities for the long term are essential for the future of Bridge in NSW. Each entity needs adequate resources to operate sustainably, including access to bridge rooms and sufficient opening cash.
- To be sustainable, Club needs access to an inner-city property for its bridge rooms and it is not economically feasible for Club to rent such a property at commercial rents. As such, Club needs to retain access to a sufficient portion of the Property to conduct its Club Operations.
- BNSW's operational interest in the bridge rooms is much more limited, namely, to host its face-to-face events which are currently less than 20 days p.a., but it does need access to bridge rooms for that purpose. The cost of hosting elsewhere could be significant.
- In the view of the BNSW Proxy Board, it would be inappropriate for BNSW to use its affiliation fee income, paid by 140+ clubs around the state, to contribute to the outgoings for a Property in which those clubs (other than Club) have little or no operational interest. In the view of the Club Proxy Board, it would be inappropriate for BNSW to have a significant economic interest in the Property if it were unwilling to contribute to the outgoings.

Having considered the above, it became clear that Club should retain ownership of the Property (and accept the responsibility for 100% of outgoings). BNSW was allocated a significant share of the cash and the right to receive a Post Separation Payment as described below.

Asset Split

The following is the agreed split of assets between Club and State:

Property

- Club retains 100% ownership of the Property.
- BNSW will hold a right to receive a Post Separation Payment of 12.5% of any sale or lease proceeds⁴ should Club ever sell or lease the Property. Initial building costs to make a portion of the Property available for lease will not be deducted in determining sale or lease proceeds, but any future capital costs or contribution made to a tenant's fit out is deducted in determining sale or lease proceeds.
- BNSW has no on-going say in any decisions regarding the Property, including any decisions to lease or sell the Property which are totally matters for Club.
- BNSW makes no contribution to the outgoings of the Property.
- The value of the Post Separation Payment is significantly less than 12.5% of the value of the Property.⁵
- BNSW will not be permitted to sell its right to receive the Post Separation Payment without the prior agreement of Club.

Other assets

The following other assets are transferred to BNSW for nil consideration on Completion Date:

- \$300,000 in cash, of which \$100,000 is deferred and paid in two equal instalments on 2 January 2025 and 2 January 2026.
- Bridge tables and other equipment used for the Spring Nationals congress.
- An amount of cash equal to the BNSW Profit or Loss from Operational Separation Date to Completion Date. If this is a loss, BNSW will pay Club an amount equal to the loss.

Other sundry assets and liabilities directly related to the activities of BNSW (which primarily relate to cash flow timing issues pre and post Completion Date) will be transferred for their carrying value in the books of NSWBA.

Club retains all other assets and liabilities of NSWBA.

In addition:

- BNSW will be entitled to use the Property for up to 20 days per calendar year rent free for a period of up to 8 years. BNSW must meet any incremental costs arising out of its use and Club may host normal club events in any portion of the Property not in use by BNSW. BNSW's usage will include access to Club's bridge playing equipment but does not require Club to provide any staff.
- BNSW will pay rent (at a community rate to be agreed between the parties) for any usage more than 20 days or after 8 years. The initial rent amount has been agreed as \$500 per day.
- Transition support arrangements have been agreed for Club to assist BNSW with its initial set up (with cost sharing during the transition period also agreed).
- Separation costs up to Operational Separation Date have been met by NSWBA. Post separation, they are allocated 50% each to Club and BNSW, except that costs unique to one or other entity are to the account of that entity.

Council is of the view that a reasonable estimate of the value shared between Club and BNSW is approximately 10-20% to BNSW and 80-90% to Club.⁶

Who owns the Property?

The Property today is owned by the single entity, NSWBA. It is not owned by, or allocated to, any individual stakeholder group. Councillors have a legal obligation to act in the best interests of the company. In Council's view, the best interests of the company are served by ensuring the long-term sustainability of both entities through preserving a bridge room in the city for use by both Club and BNSW whilst giving BNSW a right to receive the Post Separation Payment.

⁴ Sale and lease proceeds are to be determined after deducting selling or fit out costs, property outgoings and leasing costs. No Post Separation Payment arises if lease proceeds in any year are less than \$15,000.

⁵ Due to the illiquid nature of the asset and the low probability that the club rooms will be leased or sold. See section 6 for more detail.

⁶ The estimate is based on various assumptions – members should refer to section 6 for details of how the Value Share Range Estimate has been calculated.

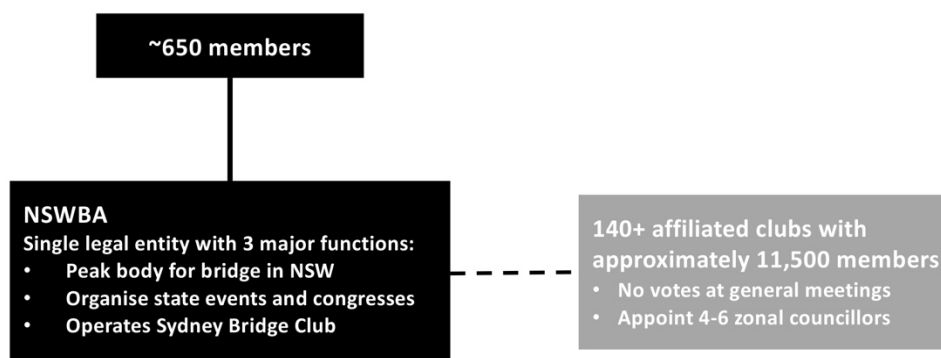
Employees will be protected

All current staff and contractors⁷ including all tournament directors and educators have been advised they will be offered roles on at least the same terms and conditions as applies to their current role in either Club, BNSW or both going forward. Ms Wing Roberts has accepted the newly created position of Bridge Manager for Club.

3.4 How will the Separation Proposal be implemented?

The following diagram shows a simplified overview of the current structure of NSWBA:

Current structure



From Operational Settlement Date

- With effect from Operational Separation Date, Council has extended the Club Proxy Board and BNSW Proxy Board's authority as committees of Council. The Club Proxy Board and BNSW Proxy Board are now responsible for operating decisions regarding Club and BNSW Operations respectively, reporting to Council.
- As noted above, if the Separation Proposal is approved, Club will pay BNSW an amount of cash equal to the BNSW Profit or Loss from Operational Separation Date to Completion Date. If this is a loss, BNSW will pay Club an amount equal to the loss.

Prior to Completion Date:

- A new Constitution for BNSW will be developed and NSWBA Affiliated Clubs will be invited to comment on the Constitution prior to NSWBA Council approving it.
- BNSW will be formed as a new legal entity, initially with one member, NSWBA (to be renamed Sydney Bridge Club Limited after Completion Date).
- Various legal agreements will be entered into to give effect to the Separation Proposal.
- Assets will be transferred from NSWBA to BNSW as set out above.
- Relevant contracts with suppliers and employees will be transferred to BNSW.
- Administrative processes will be changed to enable BNSW to operate on a stand-alone basis.

On or after Completion Date:

- BNSW will become the state peak body representing NSW to the ABF, replacing NSWBA.
- The amended Club and new BNSW Constitutions take effect (see sections 4 and 5).
- Club and BNSW will commence to operate as two separate entities.
- Subject to approval at a further general meeting, Club will change its name to Sydney Bridge Club Limited.
- Most NSWBA Affiliated Clubs will automatically become Member Clubs of BNSW on Completion Date unless the Affiliated Club advises BNSW that it does not wish to be a Member Club. Such Clubs may become a BNSW Affiliated Club or may terminate their affiliation. BNSW Affiliated Clubs will not be members of BNSW and as a result, do not have the right to vote at general meetings of BNSW.
- No additional affiliation fee will be payable for the 2024 year.
- Any NSWBA Affiliated Club which elects not to become a BNSW Member Club or a BNSW Affiliated Club or fails to pay its 2025 affiliation fee will cease to have the benefits of affiliation, including:
 - The ability to issue masterpoints for any of its sessions and its members will cease to have the rights associated with being a member of a BNSW Affiliated Club, including being members of the ABF masterpoints scheme.

⁷ Excluding casual kitchen hands who are employed on an event-by-event basis.

- Access to other ABF and NSWBA support including state-wide club tournaments, MyABF and promotion on the ABF and NSWBA websites.
- Access to ABF insurance arrangements.

The following diagram shows a simplified overview of the structure post Completion Date:

Structure post Separation Date



Legal Agreements

The terms of the Separation Proposal are summarised in this Explanatory Memorandum. If the Separation Proposal is approved by Members, the Honorary Solicitor will oversee a process of preparation of various legal agreements and other documents to give effect to the Separation Proposal.

The precise final documents may vary as legal drafting occurs but will reflect the Separation Proposal as documented in this Explanatory Memorandum. The final legal documents will be approved by NSWBA Council, the Club Proxy Board and the BNSW Proxy Board. NSWBA Council will execute all documents and do all acts and things necessary or desirable for the implementation of the Separation Proposal and will procure that the BNSW board executes all documents and does all acts and things necessary or desirable for the implementation of the Separation Proposal.

3.5 Key risks of the Separation Proposal

Council considers that the following specific risks apply to the Separation Proposal.

- Expected benefits of the Separation Proposal may not emerge.
- Club is currently loss-making post Covid 19. If this were to continue for an extended period, it would generate liquidity risks for Club. Club needs to continue to take action to return to profitability. Substantial progress has been made and the recent price increases will assist, but there is more to do.
- BNSW and Club will no longer be able to rely on financial support from the activities of the other and must ensure they manage their businesses and cash flows to achieve and maintain profitability as stand-alone entities.
- Club and BNSW Pro Forma Historical Financial Information may not necessarily reflect the results of stand-alone, separate entities.
- Potential delays, unexpected costs, or other issues in establishing BNSW as a stand-alone entity may occur.

Both BNSW and Club will also face all the other normal risks that apply to any small business.

3.6 Other alternatives considered

Council is of the view that the Separation Proposal is in the best interests of bridge in NSW and is preferable to other alternative options. In coming to this view, Council considered alternative options including:

- Retaining the status quo with no separation.
- An alternative proposal whereby NSWBA continued to operate within a single legal entity, but structural separation was achieved whereby two separate “divisions” were created with each acting independently within a single legal structure.

3.7 What happens if the Separation Proposal does not go ahead?

Council does not currently have a “Plan B”.

It is likely that the difficulties with the current structure that have given rise to the Separation Proposal will only be exacerbated and future Councils will have to face the same issues. It is also likely that a future Council will seek to review the current allocation of costs between the on-going operations of NSWBA which could have a significant adverse impact on the operations of Club within a single on-going NSWBA entity. The previous allocations were favourable to Club and may not continue.

In the absence of any other proposal, the status quo will continue. Some current councillors and some of the volunteers who have sat on the Club and BNSW Proxy Boards may not be willing to continue in their roles and there could be difficulties in recruiting new volunteers. A period of significant disruption may occur.

It seems unlikely that a revised proposal to separate the peak body functions from the club functions of NSWBA would be developed for some time.

4. Information on Sydney Bridge Club Limited

On or shortly after Completion Date, it is expected that the legal entity NSWBA will be renamed as Sydney Bridge Club Limited (Club). All members of NSWBA will continue to be members of Club. Its Constitution will be changed to delete clauses which are unique to its current role as a peak body.

NSWBA (to be renamed Sydney Bridge Club Limited post Completion Date) will become a member of BNSW and will continue to be one of the largest bridge clubs in NSW. As set out in section 5, as a large club, it is proposed that it will be entitled to nominate a councillor to the BNSW Council. Both the Club and BNSW Proxy Boards recognise the important contribution that each of the large clubs, including Club, have in ensuring the on-going success of bridge in NSW. The Club Proxy Board is committed to ensuring that Club continues to support BNSW in achieving its objectives.

Club Operations

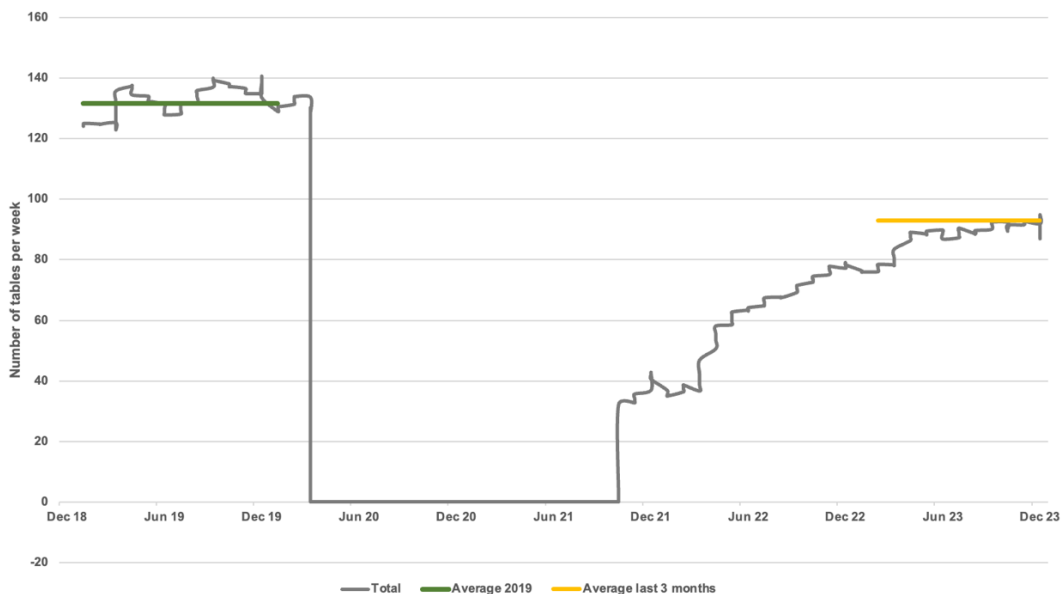
Club will consist of those activities that you would expect of a thriving bridge club. The following current operations of NSWBA will be retained by Club:

- All duplicate bridge play activities at 162 Goulburn Street currently performed under the Sydney Bridge Centre name.
- All duplicate bridge play activities currently performed at Canada Bay Club in joint venture with the Strathfield Bridge Club.
- All club-level qualifying events for State and National competitions. It is anticipated that Club will also seek to develop its own suite of events and congresses, like other major clubs.
- All bridge education at both Goulburn Street and Canada Bay including beginners' lessons and workshops.

Importantly, Club will own and have full control of the future of the Goulburn Street Property. BNSW will have no input into any future decisions on the operation, leasing or any possible sale of the Property.

Table numbers

To give an indication of recent trading, the following graph shows the 12-week moving average duplicate bridge table numbers for Club since 2019.⁸



Whilst there has been some recovery, the impact of Covid 19 on Club trading is obvious. Overall, Club is currently running at about 70%⁹ of pre Covid 19 table numbers. Whilst our city operations are getting back towards 2019 levels, our Canada Bay operations are still less than 50% of our previous Rozelle and Henley

⁸ Moving average is provided to remove distortions from week to week. Prior to 2020, the numbers include Henley and Rozelle whilst post Covid 19 they include Canada Bay.

⁹ This is based on current (last 3 months) trading. Table numbers for the most recent financial year are significantly less.

table numbers. A significant proportion of our overheads are fixed, and because of the reduced income from table fees, Club is currently operating at a loss if it were allocated a fair share of overheads.

Club Proxy Board

Council has sought to refresh the volunteers involved in running Club for the future and has recruited a group of new volunteers who have been actively involved in developing the Separation Proposal. Council's goal in appointing these individuals was to identify a group of skilled professional individuals who might form the nucleus of the future board of Club post separation. This group has been called the Club Proxy Board.

With effect from Operational Separation Date, Council has extended the Club Proxy Board's authority as a committee of Council. The Club Proxy Board is now responsible for day-to-day management of Club Operations, supervised by and reporting to Council.

Details on those individuals are set out below.



Mary Anne Loveridge – Chair

- Executive coach with strong leadership, communications and change management skills with experience in governance and managing risk.
- Mary Anne plays bridge regularly in the city on Wednesday mornings. She looks forward to getting to know more members.



Jeff Newton – Deputy Chair

- Retired technology professional with experience leading teams for large global companies in the Financial Services industry.
- Jeff lives within walking distance of the club and enjoys the Wednesday morning duplicate session.



Louise Harkness – Secretary

- Louise is a retired senior executive with many years experience leading delivery of the full range of corporate type services to a number of federal government agencies.
- Louise enjoys playing bridge at both the Sydney and Canada Bay venues and hopes to further develop her bridge skills over the coming years.

In addition, it is intended that Karen Irvine will be appointed as Treasurer of the Club Proxy Board after the date of this Explanatory Memorandum.



Karen Irvine – Treasurer

- Retired private sector professional with many years as a Finance Manager / Finance Director, plus experience in HR, WHS, quality and change management.
- Originally learnt to play bridge in the Illawarra, now lives within walking distance of the club and returned to face-to-face bridge in late 2023 after playing online during the Covid years.

Paul Molloy is a current member and Treasurer of the Club Proxy Board but does not intend to become a director of Club.

It is intended that approximately 2 additional members will be appointed to the Club Proxy Board prior to separation. A process is underway to identify and interview suitable candidates.

Amended Club Constitution

The current NSWBA Constitution has been developed to meet the needs of both a peak body and a bridge club. Following separation, many of the current clauses in the Constitution will become redundant and need to be modified or removed. Council has elected to propose to the AGM the minimum changes to the NSWBA Constitution necessary to facilitate the Separation Proposal.

Motion 2.1 amends Clause 8 of the Constitution to permit the transfer of assets to BNSW. This amendment is temporary and will cease to have any effect on the earlier of the Completion Date or 31 December 2025.

Motion 2.2 makes changes to the Constitution with effect from the Completion Date and addresses the following matters:

- Removal of clauses in the Constitution related to NSWBA's role as the peak body for bridge in NSW and the affiliation of clubs to NSWBA.
- Remove the position of Zonal Councillors from the Constitution.
- Recognise and confirm the rights of perpetual members formally in the Constitution of Club. Perpetual members refer to a group of members who made a one-off payment in the early 1990s in lieu of future annual subscriptions. Following this payment, perpetual members were exempted from the payment of annual subscriptions for life. This advance payment was used to fund part of the purchase price of the Property. Members should also note that the rights of Life Members of NSWBA will continue without any change to the Constitution. It is also proposed that the BNSW Constitution will include an honour roll to recognise Life Members' contribution to bridge in NSW (see section 5).
- Remove the category of honorary members. There are no such members.
- Remove the position of honorary solicitor. As a stand-alone bridge club, Club does not need this role and it may be difficult to obtain qualified volunteers to fulfil the role from Club members.
- Delete the current disciplinary procedures and replace them with a clause authorising Council to create a by-law to address disciplinary matters. The current procedures are designed for events of the complexity and importance of state championships and are overly complex for a bridge club.
- Does not include the amended clause 8 of the Constitution set out in Motion 2.1. As a result, on Completion Date the amendment set out in Motion 2.1 is removed from the Constitution.

These changes take effect from the Completion Date which is a date to be determined by Council and is expected to occur prior to 30 September 2024. If Council fails to determine a Completion Date prior to 31 December 2025, these changes do not take effect.

Club Board of Directors

On Completion Date, the then existing NSWBA Council, excluding Zonal Councillors, will continue as the board of directors of Club. In accordance with motion 3 the Zonal Councillors will cease to be councillors. It is proposed that post separation, Club will adopt the nomenclature of board, chair and director rather than council, chairman or councillor to reflect the fact that the entity is no longer the peak body and avoid confusion with BNSW Council.

Under the Constitution, the board is required to consist of the Chairman, the Treasurer, and not more than six ordinary directors. Unless some directors resign, it is expected that there will be 8 directors in place at Completion Date. The Proxy Board is of the view that the Club Board should be between 4 and 8 directors, with a preferred size of around 5 or 6 directors in the long term. The Club Board will need to determine the final number and take such steps as are necessary to achieve that over time.

Club Proxy Board's plans for the future

The Club Proxy Board envisages a revitalised Club that is financially sustainable, with comfortable playing spaces in the City and Inner West and more sessions throughout the day and evening, that attracts and retains new players.

The Club Proxy Board will create a plan to increase revenue and reduce costs, to ensure that we have a thriving and sustainable bridge club in the existing premises. Club needs to attract and retain new members, including beginners, and encourage infrequent players to play more regularly. We also need to provide additional commercially successful sessions in new time slots – especially in the afternoons, evenings and on weekends.

Ongoing education is a priority to support the development of players at all levels from beginner to advanced, with the opportunity for additional events so that our members can hone their skills.

Future congresses and events

The Club Proxy Board expects that over time it will develop its own suite of congresses and events. BNSW has committed it will assist Club in securing dates in the NSWBA calendar on the same basis as comparable bridge clubs in NSW. Club has committed to BNSW that it will not seek to hold events which compete directly with BNSW Monday night or weekend events for at least 3 years after Completion Date. The hosting of a club duplicate event would not be a competing event for this purpose.

5. Information on Bridge New South Wales Limited

Bridge New South Wales Limited (BNSW) will be incorporated as a new company limited by guarantee.

All bridge clubs in NSW will be entitled to become Member Clubs or Affiliated Clubs of BNSW. Affiliated Clubs will not be members of BNSW and as a result, do not have the right to vote at general meetings of BNSW.

On or around the Completion Date, NSWBA will cease to be a constituent association of the ABF and BNSW will replace it in that role.

BNSW purpose and objectives

Subject to feedback from NSWBA Affiliated Clubs, BNSW proposes to include the following purpose and objectives in its Constitution.

Purpose

Foster a vibrant and inclusive bridge playing community across New South Wales through leadership, advocacy and support.

Objectives

- Advance the playing and enjoyment of bridge.
- Drive the development of bridge skills.
- Support bridge clubs to be successful.
- To represent NSW bridge players within Australia and to exercise the rights of NSW as a state association under the constitution of Australian Bridge Federation Ltd.
- To do all such other acts deeds matters and things and to enter into and make such agreements as are incidental or conducive to the attainment of the above Objects or any of them.

BNSW Operations

BNSW will consist of those activities that you would expect of a thriving peak body for bridge in NSW, including:

- Promotion of the game of bridge across the state and advocating for its status as a mind sport.
- Player development across the state.
- Support for all NSW clubs including state-wide events, director recruitment and development, software to support operations.
- Running all selection, state championship and the vast majority of other events whether held online or face to face that have historically been organised by the events committee of NSWBA.
- Running the Spring Nationals and hosting the Australian National Championships when held in NSW.
- Liaison with and support of the ABF.

Statistical data

The following are key statistics for BNSW:

Number of clubs in NSW	140+
Number of members of Clubs	~11,500
Aggregate annual number of tables in traditional tournaments ¹⁰	~300

BNSW Proxy Board

Council has sought to refresh the volunteers involved in running BNSW for the future and has recruited a mix of current Zonal Councillors and new volunteers who have been actively involved in developing the Separation Proposal. Council's goal in appointing these individuals was to identify a group of skilled professional individuals who might form the nucleus of the future board of BNSW post separation. This group has been called the BNSW Proxy Board.

¹⁰ Excludes Spring Nationals and Coffs Coast

With effect from Operational Separation Date, Council has extended the BNSW Proxy Board's authority as a committee of Council. The BNSW Proxy Board is now responsible for day-to-day management of BNSW Operations, supervised by and reporting to Council.

Details on those individuals are set out below.



Glenda Parmenter – Chair

- NSWBA councillor, former president of the Armidale Bridge Club.
- Retired nurse academic, experienced in team leadership and course design.
- Glenda plays at the Armidale Bridge Club on Tuesday nights and Thursday afternoons and in the NSWBA Online Pairs League.



Christine Evans

- Chartered accountant working with SMEs as CFO or consulting with start-ups or trouble shooting as required.
- Christine has been on various sporting and school committees.
- Christine plays bridge in the Southern Highlands on a casual basis.



Alan Bustany

- Former NSWBA Zonal Councillor.
- Congress director and regular bridge player.
- Retired management consultant in IT, financial services, and executive coaching.
- Amateur pure mathematician from Trinity College, Cambridge.



Catherine Chaffey

- Former NSWBA councillor.
- Experienced senior executive including strategic consulting and business management.
- CEO of the Australasian College of Health Service Management.
- Plays as much bridge as working full-time allows.

In addition, it is intended that David Hudson will be appointed to the BNSW Proxy Board after the date of this Explanatory Memorandum. Jake Andrew intends to stand for election at the forthcoming NSWBA AGM. It is proposed he will become a member of the BNSW Proxy Board after the AGM.



David Hudson

- Former long serving committee member of North Shore Bridge Club.
- Current enthusiastic tournament bridge player.
- Senior portfolio manager at Australian and global fund managers for 30 years.



Jake Andrew

- Vice President of North Shore Bridge Club.
- Strategy advisor, coach and change management specialist.
- Experience in executive leadership, strategy development, product and innovation, investment banking, and organisational restructure.
- Jake is currently the NSWBA Transition Program Manager, a position which is expected to cease at the AGM.

At the date of this EM, discussions are underway with other potential candidates to join the proxy board at a future date.

BNSW Governance Structure

BNSW will have a two-tiered governance structure:

- a smaller skills-based board of directors, which will be the board of directors of BNSW under the Corporations Act 2001.
- a larger BNSW Council to be the voice of the 140+ clubs throughout the state.

BNSW Council

It is proposed that the BNSW Council:

- will have a maximum of 20 members (expected to be around 14-16 members), the majority of whom are to be nominated or elected by the Member Clubs,
- will meet at least once per year,
- will elect its own Chair,
- will appoint the BNSW Board,
- will have the authority to instruct the BNSW Board to call a general meeting of the members of BNSW and to place items on the agenda of general meetings,
- will be authorised to approve any By-Laws recommended to it by the BNSW Board, and approve any modifications to the By-Laws,
- may nominate individuals for inclusion in the honour roll.

In addition, the BNSW Council may provide input to the BNSW Board on member and strategic issues which will impact on the Member Clubs or their members but will not have authority to require the BNSW Board to take particular actions on such issues.

Membership of the BNSW Council

The Constitution will require that no less than three and no more than 4 large clubs will have the right to appoint one member to the BNSW Council.

Prior to completion, a By-Law will be approved (which can be changed if approved by a resolution of BNSW Council) to set out how members are elected or appointed to the BNSW Council, including the definition of a large club. Under the definition of a large club, Club will be a large club.

In addition, NSWBA Council proposes that the initial By-Law will require:

- That large clubs be defined based on number of Home Club Members. The method of selection of large club nominated Councillors will be a matter for each of the large clubs. A large club may elect not to nominate a member to BNSW Council.
- An additional 8-10 members to be elected or appointed to represent the remaining Member Clubs. The method of election or appointment will be defined in the By-Law. The BNSW Proxy Board proposes to consult with Member Clubs before finalising the method of election or appointment, but currently

proposes that the majority of such members be elected with a small number to be appointed by the rest of Council.

- Individuals appointed by BNSW Council to serve on the BNSW Board who are not otherwise a councillor may also be appointed as a councillor.
- Council may invite other individuals to attend Council meetings on a non-voting basis.

NSWBA Council reserves the right to change the above proposals following consultation with NSWBA Affiliated Clubs.

On Completion Date, the NSWBA Council will appoint an initial temporary BNSW Council (including appointing the BNSW chair) to hold office until the first elected BNSW Council is appointed. The membership of that BNSW Council will include all elected Zonal Councillors at Completion Date and may include BNSW Proxy Board members who are not Zonal Councillors.

The first elections of members of BNSW Council will be held in the first half of 2025 and the first meeting of the elected BNSW Council will be held within 2 months of that election.

BNSW Board

The BNSW Board will be the board of directors of BNSW under the Corporations Act 2001.

Once the BNSW legal entity is incorporated, until Completion Date the initial directors will be drawn from members of the NSWBA Council. On Completion Date, the NSWBA Council appointed directors will resign from the BNSW Board and the NSWBA Council will appoint an initial BNSW Board to serve until the first elected BNSW Council meeting is held. The current NSWBA Council expects that members of the BNSW Proxy Board will form the nucleus of the initial BNSW Board.

Following the election of the BNSW Council, a new BNSW Board will be appointed by the elected BNSW Council to replace the initial BNSW Board appointed by the NSWBA Council. The Chair of the BNSW Council will be the Chair of the BNSW Board unless otherwise agreed by the BNSW Council. Each director will be appointed for a two-year term, with arrangements made to ensure the terms of directors do not all end at the same time. The directors will be selected based on their skills to perform the role of management of BNSW. In the event of a vacancy in the BNSW Board, the BNSW Board will be authorised to appoint a replacement director until the next Council meeting that appoints the board. The BNSW Board will have a minimum of 3 directors but is expected to have five to nine members.

The BNSW Board may form committees consisting of directors and/or others to focus on specific issues or areas of operations. Such committee members do not have to be BNSW Board members or councillors.

Importantly, clubs will now nominate or elect the majority of members of BNSW Council who will approve all BNSW Board members.

Voting rights

It is proposed that under the Constitution, voting rights of Member Clubs at general meetings of BNSW will be variable, depending on the number of Home Club Members of the club, as follows:

Number of Home Club Members	Number of votes per club
0	0
1 - 99	1
100 - 199	2
200 - 399	3
400 - 999	6
1000+	10

Note: For the purposes of determining the number of Home Club Members for an individual club, for clubs with more than one club number in the ABF Masterpoints Centre, it will be based on the total number of Home Club Members of the legal entity, not separately for each club number. The number of Home Club Members will be equal to the number of Home Club Members for which the club has paid affiliation fees for the current year.

In proposing the above voting rights, many alternate models were considered, including three broad models based on number of members:

- One vote per club.
- One vote per Home Club Member per club.

- A variable model which recognised size, but ensured the larger clubs would not be able to control BNSW. Various alternative versions of the variable model were considered before selecting the above model.

Another model based on activity levels was also considered but was overly complex and created significant anomalies.

The following table demonstrates the allocation of votes to different size clubs depending on the model selected:

Number of Home Club Members	Number of clubs	One Vote Per Club	One vote per Home Club Member	Variable model (as adopted)
10 - 99 ¹¹	96	74.4%	34.6%	51.1%
100 - 199	23	17.8%	26.7%	24.5%
200 - 399	6	4.7%	12.4%	9.6%
400 - 999	3	2.3%	13.5%	9.5%
1000+	1	0.8%	12.8%	5.3%
	129	100.0%	100.0%	100.0%

The one vote per club model was considered to be undemocratic and unfair to the larger and mid-size clubs. However, the one vote per Home Club Member model would have given the 4 largest clubs a right of veto over any changes to the Constitution and the ability to exercise an unreasonable level of influence over the activities of BNSW. The variable model proposed is a mid-point between these two models that recognises the importance and scale of the larger clubs whilst ensuring they do not have an unreasonable level of influence.

It should be noted that it is proposed that the three or four largest clubs in NSW will have the right to appoint a member to the BNSW Council. The total representation on Council of those clubs recognises the scale of those clubs.

BNSW Constitution

All NSWBA Affiliated Clubs in NSW will be consulted on the proposed Constitution of BNSW.

A new, modern Constitution will be created for BNSW. The BNSW Constitution will include the following minimum matters:

- That BNSW will adopt a two-tier governance structure consisting of a smaller skills-based board and a member representative council.
- Membership will be limited to clubs, and BNSW will not have individuals as members.
- That the voting rights of Member Clubs will vary depending on the number of Home Club Members of each club.
- That the majority of BNSW Council Members will be appointed or elected by Member Clubs.
- No less than three and no more than 4 Large Clubs will have the right to appoint one member to the BNSW Council,
- That the BNSW Council will appoint the members of the BNSW Board.
- Normal clauses necessary to ensure BNSW is classified as a not-for-profit entity for tax purposes.
- A club must have at least one Home Club Member to be a Member Club.
- That the BNSW Council can make By-Laws with respect to the operations of BNSW. A general meeting of BNSW may amend, repeal, or replace any by-law made by the Council.

The definition of a large club in the initial By-Law will include Club.

In addition to the above minimum matters, the NSWBA Council proposes that the BNSW Constitution will also address the following matters. NSWBA Council reserves the right to change any of these proposals, or

¹¹ There are currently 5 Affiliated Clubs with zero members and a further 12 clubs with less than 10 members which may not become Member Clubs (see overleaf).

any other matters set out in the draft BNSW Constitution other than the above minimum matters following feedback from the NSWBA Affiliated Clubs.

- BNSW's proposed new purpose and objectives as summarised above.
- The details of the governance structure as summarised above, including the size and membership of the BNSW Council and the appointment of the BNSW Board.
- The definition of a large club as being a club with more than 500 Home Club Members as proposed above.
- The voting rights for each size of Member Club as proposed above.
- To create an honour roll to recognise present or past members of the bridge community for exceptional service to the state peak body. All existing NSWBA life members will be added to the honour roll in the first year.

It is proposed that the By-Laws include provisions to enable the BNSW Board to determine that clubs with less than 10 Home Club Members are not Member Clubs in certain circumstances. Such entities may become Affiliated Clubs.

The initial By-Laws will specify how the members of the BNSW Council are to be elected / appointed.

A copy of the draft Constitution and initial By-Laws will be provided to all NSWBA Affiliated Clubs and posted on the NSWBA website for comment at least 60 days before the Completion Date. Comments will be accepted from individual members of NSWBA Affiliated Clubs as well as on behalf of each Affiliated Club. The comment period will be at least 30 days.

Following receipt of comments, the NSWBA Council will consider the comments and after discussion with the BNSW Proxy Board, will finalise and adopt the Constitution for BNSW and the initial By-Law.

BNSW Events Policy

BNSW runs events for two main reasons – to provide opportunities for state-wide competition or to develop bridge players at all skill levels across the state. It will not seek to compete with the 140+ clubs around NSW. The BNSW Board will propose and the BNSW Council will approve a By-Law that requires it to ensure that events run by it do not unreasonably compete with events run by clubs around NSW:

- It will work with clubs around NSW to develop a calendar of major congresses and events that seeks to avoid significant clashes both geographic and online.
- BNSW will primarily remain focused on championship events and major congresses with limited state-wide pathway events to develop players of all levels. It will not offer typical club level duplicate events.
- It will host any other bridge competitions on a single night of the week, initially Monday night.

Changes to the above By-Law will require approval of the BNSW Council.

BNSW Proxy Board's plans for the future

BNSW will be focused on supporting the 140+ BNSW Member and Affiliated Clubs across NSW – it will be an advocacy organisation for bridge. It will aim to raise the profile of bridge across the state and position the game as an engaging mind-sport – a desirable activity for the wider community.

It will retain responsibility for managing a calendar of successful state-wide events, as well as selecting and supporting NSW representative teams.

BNSW will engage with and support its members, the community of affiliated bridge clubs across NSW, by providing training and continuous development opportunities to teachers and directors. In addition, it will represent club and player needs to the ABF and provide input to the ABF for strategy and policy development.

The BNSW Proxy Board intend to recruit an executive officer, a marketing and communications officer as well as a bookkeeper (all three positions part time). The expected total full time equivalent of these positions is expected to grow to approximately 1.2 over time. Ms Melinda Mianta has been appointed Executive Officer of BNSW and commenced employment on 22 January 2024.

6. Pro Forma Historical Financial Information and Value Share Range Estimate

6.1 Pro Forma Historical Financial Information

Pro forma historical statement of profit or loss for the year ended 30 September 2023

	Per NSWBA Audited Accounts ¹²	Pro Forma Club	Pro Forma BNSW
\$			
Revenue, including profit from joint venture Expenses	564,422	250,475	313,947
Director and other tournament, club and event expenses	240,368	70,870	169,498
Property outgoings	84,898	84,898	
Depreciation	30,999	30,879	120
Administration and other expenses	232,845	154,033	243,650
One-off costs	63,473		
Total expenses	652,583	340,680	413,268
Net (loss) / profit for the year	(88,161)	(90,205)	(99,321)

Pro forma balance sheets as of 30 September 2023

	Per NSWBA Audited Accounts	Pro Forma Club	Pro Forma BNSW
\$			
Assets			
Property	294,433	294,433	
Cash and cash equivalents	594,943	328,343	186,000
Receivable from Club			100,000
Other assets	162,690	42,492	120,198
Total assets	1,052,066	665,268	406,198
Liabilities			
Payable to BNSW		100,000	
Other liabilities	216,809	70,111	116,698
Total liabilities	216,809	170,111	116,698
Net assets / equity	835,257	495,157	289,500

Transaction costs

The total one-off transaction costs for the separation are estimated to be \$100,000. It is estimated that of these transaction costs, approximately 90% will have been committed prior to the AGM.

Subsequent events

Subsequent to 30 September 2023, NSWBA has announced above inflation increases in prices for much of its activities. The increase for BNSW is expected to be sufficient to return it to profitability and provide it with the opportunity to use that profit to invest in the future of bridge in NSW. The increase for Club is insufficient to return it to profitability in isolation and further action will be necessary to increase revenue or reduce costs.

¹² Note the amounts shown in the columns Pro Forma Club and Pro Forma BNSW do not add up to the total in the column Per NSWBA Audited Accounts due to adjustments as summarised in section 6.3 below.

6.2 Value Share Range Estimate

The Value Share Range Estimate (using the assumptions set out in section 6.4 below) has been calculated as follows:

	\$'000	Lowest possible BNSW share	Mid-Point	Highest possible BNSW share
Key assumptions				
Property value		7,000	5,000	3,000
Value of Post Separation Payment as % of Property value ¹³		5%	7.5%	10%
Cash		300	300	300
%				
BNSW		9.8%	13.7%	19.2%
Club		90.2%	86.3%	80.8%

Note somewhat counterintuitively, the lower the value that is adopted for the Property, the higher the Value share is to BNSW. This is because BNSW receives more than 12.5% of the cash.

Each member will have a different view on the appropriate assumptions to adopt for each of the assets noted above. By providing a wide range, Council is seeking to provide members with an overall understanding of the range of possible values. If members have a different view on the assumptions, they can adjust the assumptions to derive their own estimate.

Having considered the above range, Council is of the view that a reasonable Value Share Range Estimate is approximately 10-20% to BNSW and 80-90% to Club.

6.3 Basis of preparation of Pro Forma Financial Information

This section contains historical financial information for NSWBA and Pro Forma Historical Financial Information for Club and BNSW for the year ended 30 September 2023.

The Pro Forma Historical Financial Information has been prepared for illustrative purposes to assist members in understanding the impact of the Separation Proposal on the historical financial performance, and financial position of Club and BNSW on a pro forma basis reflecting the adjustments discussed below. Consequently, the Pro Forma Historical Financial Information does not purport to reflect the actual financial performance and financial position that would have occurred had Club and BNSW operated on a stand-alone basis for the year ended 30 September 2023.

The financial information in this section has, except as otherwise noted, been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (AAS) and interpretations, which are consistent with International Financial Reporting Standards (IFRS) although it is presented in an abbreviated form insofar as it does not include all the disclosures, statements and comparative information required by AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

The Pro Forma Historical Financial Information has been derived from the historical financial information of NSWBA and adjusted to reflect best estimates of the impact of the Separation Proposal. The Pro Forma Historical Financial Information has been prepared in accordance with the accounting policies used in preparation of the NSWBA Financial Statements for the year ended 30 September 2023 unless otherwise stated in this section. The Financial Statements of NSWBA are available on the NSWBA web site.

Pro forma adjustments have been made to:

1. Reflect the Separation Proposal to the extent it impacts on the Financial Statements, as follows:
 - recognise payment of \$200,000 in cash from Club to BNSW on legal separation,
 - recognise the future obligation to pay a further \$100,000 from Club to BNSW as a liability.

¹³ This equates to a range of \$150,000 to \$700,000 depending on the value assumed for the Property.

2. Re-allocate transactions between Club and BNSW to reflect the operating structure that will be in place following separation.
3. Exclude one-off costs of separation and the 2022 strategic review.
4. Include incremental costs necessary for the two businesses to operate as separate stand-alone entities including:
 - increased employee benefits with respect to administration / back-office staff to reflect the expected initial FTE of each of Club and BNSW,
 - increasing other expenses to allow for the limited loss of economies of scale from operating two stand-alone entities following separation (including audit, accounting, IT and certain insurances).
5. Reduce cash at bank for estimated separation costs paid after 30 September.

All pro forma adjustments have been recognised at historical cost at the amounts shown in NSWBA's Financial Statements, consistent with NSWBA's current accounting policies and permitted under accounting standards for transactions under common control. As a result, no pro forma adjustment has been made to recognise BNSW's right to use the bridge rooms without payment of rent for a period of 8 years and the Post Separation Payment as they do not have a carrying value in the NSWBA accounts.

Club will recognise a loss and BNSW will recognise a profit in their Financial Statements on separation with respect to those assets which are transferred to BNSW for nil consideration. This profit / loss is not shown in the Pro Forma statement of profit and loss of each entity as they are non-cash and non-recurring items.

Club will recognise a contingent liability and BNSW a contingent asset in the notes to their Financial Statements with respect to the Post Separation Payment.

6.4 Basis of preparation of Value Share Range Estimate

Council recognises that members will wish to understand the value of the assets being transferred to BNSW compared to those retained by Club. However, to provide a reliable estimate of the value share, it would be necessary for Council to:

- Engage a property valuer to provide a formal, written valuation of the Property and consent to that valuation being published in this Explanatory Memorandum in summary form.
- Engage a financial valuer to provide a formal, written valuation of BNSW's Post Separation Payment and consent to that valuation being published in this Explanatory Memorandum in summary form.

The cost to obtain such valuations would be significant. Council does not believe it is in the interests of the members of NSWBA to spend the limited resources of NSWBA on such an exercise when there is no intention to sell either asset.

However, Council believes it is appropriate to provide members with some additional guidance to assist them in assessing the financial impact of the transaction in the form of a Value Share Range Estimate which is set out in section 6.1 above.

The Value Share Range Estimate has been prepared by Council based on information available to it. It does not represent a valuation by Council. In assessing the range, members should particularly note that it is not supported by an external valuation. It is deliberately a wide range for that reason.

Assumptions

The Value Share Range Estimate has been calculated on the following assumptions:

- **Property value** – During 2022 and 2023, a number of whole floors and half floors have been offered for sale at values that imply an asking price for a whole floor (with no fitout) of around \$5m. Given the uncertainty as to the valuation of the Property, recognising that the current property market is depressed and that some members will believe that a higher value will be obtainable in the long term, Council has adopted a wide range and calculated the Value Share Range Estimate based on Property values between \$3m and \$7m.
- **Post Separation Payment** – Council is of the view that the value that should be ascribed to BNSW's Post Separation Payment is less than 12.5% of the value of the Property. This is because:
 - It is a "minority interest" – BNSW has no say in any decisions over the operation of the Property and any decisions to lease or sell the Property.
 - It is illiquid. BNSW may not sell the Post Separation Payment without the prior agreement of Club.
 - Club needs a bridge room to conduct its operations and the cost of moving to a different location would be significant. As a result, a valuer would be expected to assume that it is unlikely that Club would sell all the Property for many years, if ever. It is also highly unlikely that

BNSW will receive any cash flow from leasing the bridge room portion of the Property for many years as it will be occupied by Club.

- A more plausible value creation scenario for BNSW is that Club may at some time in the future determine that a portion of the Property is surplus property and lease or sell that portion. Given the current property market, it appears unlikely that any cash flow would arise from such a scenario in the short term.

Determining the appropriate assumption for the Post Separation Payment is complex. The absolute maximum value is 12.5%, but for the reasons set out above, Council considers it is less than 12.5%. To calculate the Value Share Range Estimate, a range of 5%-10% of the Property value determined above has been adopted.

- **Rent free period** – Has been valued adopting the initial \$500 per day rental rate that has been agreed to be charged by Club to BNSW for usage in excess of the 20 rent free days available to BNSW under the Separation Proposal.
- **Cash and fixed assets** – at net book value.
- **Other assets and liabilities transferred** – excluded as they are immaterial and, in most cases, represent cash flow timing items rather than value share.
- **No allowance for inflation or discounting** has been made as it would have an immaterial effect.

Glossary, sources and additional Information

Glossary

Term	Definition
ABF	means the Australian Bridge Federation Limited.
Affiliated Clubs	means as the context implies affiliated clubs of NSWBA or affiliated clubs of BNSW.
AGM	means the annual general meeting of NSWBA to be held at 6pm on 28 February 2024.
BNSW	means a new company limited by guarantee under the Corporations Act 2001 expected to be called Bridge New South Wales Limited (or Bridge NSW Limited) to be formed to conduct the BNSW Operations described in section 5. In this document, the term BNSW is also used as the context implies to refer to a sub-set of NSWBA which consists solely of those operations until such time as those operations are legally transferred to BNSW.
BNSW Council	means the council of BNSW as described in section 5.
BNSW Operations	means all activities currently conducted by NSWBA in its capacity as the peak body for Bridge in NSW as described in section 5.
BNSW Profit or Loss	means the profit or loss of BNSW from Operational Separation Date to Completion Date to be calculated by the NSWBA Accountant to include: <ul style="list-style-type: none"> • all revenue and expenses directly derived from the BNSW Operations, • a fair share of revenue and expenses which are not capable of being directly allocated to either BNSW or Club. In the absence of evidence to the contrary, such items will be shared 50:50 between Club and BNSW, including for administration salaries during the transition period.
Board	means the board of directors of Club and BNSW depending on the context.
Club	means as the context applies: <ul style="list-style-type: none"> • prior to separation, a sub-set of NSWBA which consists solely of Club Operations. • post separation, Sydney Bridge Club Limited. NSWBA's bridge club operations currently trade under the name of Sydney Bridge Centre. This will remain unchanged in the short term.
Club Operations	means all activities currently conducted by NSWBA in its capacity as a bridge club as described in section 4.
Completion Date	means a date to be approved by Council which is expected to be prior to 30 September 2024. Council may at its absolute discretion: <ul style="list-style-type: none"> • extend the date beyond 30 September 2024 to no later than 31 December 2025; or • determine not to proceed with the Separation Proposal, in which case no Completion Date will be approved, and the various actions proposed to occur on Completion Date, including the changes to the Constitution, will not occur.
Constitution	means the current Constitution of NSWBA, the Constitution of Club (after the amendments to the NSWBA Constitution if the Separation Motions are passed) or the proposed Constitution of BNSW depending on the context.
Company	means NSWBA.
Council (or NSWBA Council)	means the council of the NSWBA. The term NSWBA Council is used where necessary to distinguish it from BNSW Council. The NSWBA Council will continue to operate post Completion Date as the board of Club, however the Zonal Councillors will resign on Completion Date.
Explanatory Memorandum	means this document.
Financial Statements	means the financial statements of NSWBA, Club and BNSW depending on the context. The Financial Statements of NSWBA for the year ended 30 September 2023 were audited by SDJ Audit Pty Ltd t/a SDJA.

Term	Definition
Home Club Member	means a member of a bridge club who nominates that club as their principal (home) club for the purposes of the ABF Masterpoints Scheme.
Member Clubs	means those bridge clubs in NSW which elect to become members of BNSW. See section 5.
Members	means those persons who are members from time to time of NSWBA.
NSW	means the state of New South Wales.
NSWBA	means New South Wales Bridge Association Limited, ACN 000 438 648 which is expected will change its name to Sydney Bridge Club Limited after Completion Date. In this document it is used solely where the context relates to the current operations incorporating both Club Operations and BNSW Operations.
Operational Separation Date	means 1 January 2024.
Post Separation Payment	means BNSW's right to receive 12.5% of any future leasing or sale proceeds as described in section 3.
Pro Forma Financial Statements	means the pro forma financial statements in section 6.
Property	means the real property owned by NSWBA at Level 1, 162 Goulburn Street, Surry Hills, NSW 2010.
Separation Motions	means motions 2 and 3 in the Notice of meeting.
Separation Proposal	means the proposal to separate the activities, assets and liabilities of NSWBA between Club and BNSW as described in this Explanatory Memorandum.
Value Share Range Estimate	means the estimate of the share in value of the assets of NSWBA between Club and BNSW described in section 6.
Zonal Councillors	means the current councillors of NSWBA who have been appointed under Clause 15(2) of the NSWBA Constitution.

Sources

- The Pro Forma Historical Financial Information has been sourced from the audited 30 September 2023 Financial report of NSWBA adjusted as described in section 6.
- The historical statistical data on NSWBA operations included in this report has been extracted from various spreadsheets and other records held by NSWBA and is unaudited. Unless otherwise stated, it is extracted from various analyses performed in August 2023 using latest available information for various periods up to June 2023. Certain statistical data has been updated to 31 December 2023 where indicated.
- All table numbers are the total number of tables playing in the individual event. For Club each event is a single session. For BNSW each event is typically multiple sessions. As a result, it is not appropriate to compare the number of tables for Club to the numbers for BNSW.

Consents and Disclaimers

The auditors, SDJ Audit Pty Ltd t/a SDJA, have given and have not, before the date of this Explanatory Memorandum, withdrawn their written consent to be named in this Explanatory Memorandum in the form and context that they are named.





NSW Bridge Association
The home of bridge in Sydney and NSW

New South Wales Bridge Association Limited
ACN 000 438 648

Annual General Meeting
28 February 2024
Notice of Meeting

This page is intentionally blank

NOTICE OF THE 61st ANNUAL GENERAL MEETING OF THE NSW BRIDGE ASSOCIATION LIMITED TO BE HELD ON 28 FEBRUARY 2023 AT 6 PM LEVEL 1, 162 GOULBURN STREET, SYDNEY

Capitalised terms and certain abbreviations used in this Agenda have the defined meanings set out in the Glossary attached to the Explanatory Memorandum.

Members or their proxies are invited to attend in person or online.

Online attendance at the meeting will be via Zoom. Members proposing to attend via Zoom **must register their details with the Company Secretary before 6pm on Monday 26 February 2024**. Requests for Zoom access are to be sent by email to secretarynswba@gmail.com.

Instructions as to how to access the meeting via Zoom will be sent to those who have registered prior to the meeting.

In accordance with clause 14(15) of the constitution, unfinancial members (i.e. members who have not paid their annual subscription) will not be entitled to vote at the annual general meeting.

Proxy Voting

Pursuant to clause 14 (14) of the Constitution of the New South Wales Bridge Association Limited, a member present at the AGM (either physically or via Zoom) may hold no more than one proxy.

14 (14) Each member entitled to vote may vote in person or by proxy or by attorney. Except for the demanding of a poll, only members present in person shall vote on a show of hands and every such member shall have one vote. Upon a poll every member present in person and every member represented by proxy or attorney shall have one vote. No person present as the representative of a member, whether himself a member or not, shall be entitled to represent more than one member, whether by proxy or by attorney.

Proxy forms, a copy of which is set out below or can be downloaded from our website at

https://www.nswba.com.au/about/AGM/AGM_Proxy_Form_Feb2024.pdf

must be returned to the Secretary, NSWBA by 6.00pm on 26 February 2024 by mail or hand delivery to NSWBA, 162 Goulburn Street, Surry Hills, 2010 or scanned and sent by email to **secretarynswba@gmail.com**

Ask a question during the meeting

In accordance with the Corporations Act 2001 (Cth) and the Company's policy, an opportunity will also be provided to Members attending the AGM to ask questions about, or make comments upon, matters in relation to the Company or the individual motions to be considered at the meeting.

During the AGM, the Chairman will seek to address as many Member questions as reasonably practicable. However, there may not be sufficient time to answer all questions at the AGM.

Instructions will be issued to all Members who have registered to participate online as to how to ask questions prior to the meeting. Please note only Members and proxy holders may ask questions.

Nominations

Positions on Council, including that of Chairman, Treasurer and six ordinary councillors fall vacant at the AGM each year. Council invites nominations from members of the NSWBA to be elected to the above positions.

Nominations should be completed on the Nomination Form attached or to be found at

https://www.nswba.com.au/about/AGM/AGM_Nomination_Form_Feb2024.pdf

and returned to the Secretary NSWBA by 6.00 pm on 21 February 2024 by mail or hand delivery to NSWBA, 162 Goulburn Street, Surry Hills, 2010 or scanned and sent by email to secretarynswba@gmail.com

AGENDA

Opening of Meeting

- Confirmation of Quorum by Secretary
- Apologies
- Confirmation of minutes of prior AGM 14 December 2022 and EGM 6 November
- Business arising from the minutes
- Correspondence

Items of Business

Members are invited to consider the following items of business:

1. Consideration of the Financial Statements and Reports

To receive the Financial Statements, Directors' Report and Auditors Report for the Company for the year ended 30 September 2023.

All capitalised terms in the following motions have the same meaning as set out in the Glossary included in the Explanatory Memorandum.

Separation Motions

Motion 2 and motion 3 below are inter conditional, so that if one of those motions is not passed by the required majority of Members, neither motion will be considered as having been passed.

2. Changes to Constitution to facilitate the Separation Proposal

- 2.1 That with effect from 1 March 2024, the Constitution of NSWBA be amended to renumber existing clause 8 as 8(1) and to insert a new clause 8(2) as follows "Notwithstanding any other provision of this Constitution, the Company has, solely for the purpose of implementing the Separation Proposal (described in the Explanatory Memorandum issued to Members dated 29 January 2024), until the 31st of December 2025, power to pay, or enter into contracts or other legal agreements obliging it to pay, Income and transfer Personal Property, whether tangible or intangible (and therefore including intellectual property rights and the right to assign the benefit of contracts entered into by the Company), and without receipt of consideration, to any Corporation which has as its principal object the promotion of the game of bridge in New South Wales."
- 2.2 That with effect from the day after the Completion Date, that the Company's Constitution (adopted at the 2016 Annual General Meeting, amended at the 2017, 2018, 2019 and 2020 Annual General Meetings and further amended by motion 2.1 above) be replaced in its entirety by a new form of Constitution reflecting the amendments set out in Attachment A. Should Council not determine a Completion Date, the replacement Constitution will not be adopted.

Note: As this motion changes the Constitution, this motion requires a special majority (at least 75%) of votes cast by Members on the motion.

3. Separation Proposal Approval

3.1 That the members approve the Separation Proposal as described in the Explanatory Memorandum accompanying this notice and authorise Council to take all steps and execute all necessary contracts to give effect to the Separation Proposal.

3.2 That the Zonal Councillors cease to be Councillors with effect from the Completion Date.

Note: This motion requires approval by a simple majority (more than 50%) of the votes cast by Members on the motion.

Council unanimously recommend that you vote in favour of motions 2 and 3.

Additional motion

4. Proxy Voting

That with effect from 1 March 2024, the Constitution of NSWBA be amended as follows:

1. To delete the following sentence from clause 14(14) "No person present as the representative of a member, whether himself a member or not, shall be entitled to represent more than one member, whether by proxy or by attorney."
2. And replace that sentence with: "An instrument appointing a proxy may specify the manner in which a proxy is to vote in respect of a particular motion and, where an instrument of proxy does do that, the proxy must vote that way. A member may nominate the Chairman of the meeting as a proxy."
3. To amend the first sentence of clause 15(9) by deleting the word "seven" and replacing it with "thirty".

Council unanimously recommend that you vote in favour of this motion.

Note: As this motion changes the Constitution, this motion requires a special majority (at least 75%) of votes cast by Members on the motion.

Elections

5. Election of Office bearers, Councillors and Honorary Solicitor

Election of the following:

- Chairman
- Treasurer
- Six Ordinary Councillors
- Honorary Solicitor

Nominations have also been called for Zonal Councillors for the following Zones:

- Southern zone
- Western zone
- Metropolitan zone
- Outer Metropolitan zone
- Northern zone

An election for Zonal Councillors will be held in accordance with clause 15(4) of the Constitution if required.

Close of Meeting

Agnes Levine
Company Secretary

Explanatory Notes to Motions

All motions are put by Council and do not require a proposer or seconder at the meeting.

1. Consideration of Financial Statements and Reports

Section 317 of the Corporations Act 2001 (Cth) requires the Company's Financial Statements, the Directors' Report, and the Auditor's Report (the Annual Report) of the Company for the financial year ended 30 September 2023 to be laid before the AGM.

The Chairman shall deliver a Chairmans report as part of this item and take questions on the Annual Report and otherwise in relation to the Company, other than in relation to items to be covered in the remaining agenda items.

This item does not require a resolution to be put to the Meeting. Members will be given an opportunity to ask questions about, or make comments on, the Annual Report and the Company. A copy of the 2023 Annual Report is available from the Company's website:

<https://www.nswba.com.au/about/AGM/reports/AnnualReport23.pdf>

2. Changes to Constitution to facilitate the Separation Proposal

Motion 2 contains the minimum changes to the Constitution of NSWBA necessary to facilitate the Separation Proposal.

See section 4 of the Explanatory Memorandum for further details.

3. Separation Proposal Approval Resolution

Motion 3 approves the Separation Proposal. Information on the Separation Proposal is set out in the Explanatory Memorandum.

Motion 3 also requires the removal of Zonal Councillors on separation.

4. Proxy Voting

Members who participated in the EGM held on 6 November 2023 will be aware of the challenges in holding that meeting and counting the votes. Many members were also concerned that the current requirements of the Constitution regarding proxies were undemocratic.

Motion 4 seeks to address some of the concerns raised by members by modifying the requirements of the Constitution to include more typical proxy rules, in particular:

- Proxy holders will be able to hold more than one proxy.
- Members will be able to instruct proxy holders as to how to vote.
- Proxy holders will be required to follow that instruction.
- Nominations for election to Council will be required thirty days prior to the AGM rather than the current seven days. This will ensure that the proxy form will include the names of candidates, enabling Members to instruct their proxy on how to vote in the election.

These changes will also allow Members to give a proxy to the Chair of the meeting, either as an open proxy or with an instruction as to how to vote.

Attachment A

Corporations Act 2001 Company Limited by Guarantee

**Constitution of New South Wales
Bridge Association Limited**
ACN 000 438 648

To facilitate ease of understanding, changes to formatting and numbering of clauses are not shown in the mark up.

Contents

<u>1. Preamble.....</u>	<u>3</u>
<u>2. Name</u>	<u>3</u>
<u>3. Old Constitution Displaced</u>	<u>3</u>
<u>4. Replaceable Rules Excluded.....</u>	<u>3</u>
<u>5. Definitions and Interpretation.....</u>	<u>4</u>
<u>6. Objects.....</u>	<u>5</u>
<u>7. Powers</u>	<u>5</u>
<u>8. The Income and Property of the Company.....</u>	<u>5</u>
<u>10. Liability of Members.....</u>	<u>6</u>
<u>11. Registered Office of Company</u>	<u>6</u>
<u>12. Members.....</u>	<u>6</u>
<u>13. Annual Subscription Fee</u>	<u>7</u>
<u>14. General Meetings</u>	<u>7</u>
<u>15. Powers and Duties of the Council</u>	<u>10</u>
<u>16. Telecommunication Meetings of the Company</u>	<u>13</u>
<u>17. The Seal.....</u>	<u>14</u>
<u>18. Accounts</u>	<u>14</u>
<u>19. Auditor</u>	<u>14</u>
<u>20. By Laws</u>	<u>14</u>
<u>21. Service of Documents</u>	<u>15</u>
<u>22. Indemnity.....</u>	<u>16</u>

Deleted: 4

Deleted: 15

Deleted: 15

Deleted: 16

Deleted: 16

Deleted: 16

Deleted: 17

Deleted: 17

Deleted: 1. Preamble -3¶

2. Name -3¶

3. Old Constitution Displaced -3¶

4. Replaceable Rules Excluded -3¶

5. Definitions and Interpretation -3¶

6. Objects -4¶

7. Powers -5¶

8. The Income and Property of the Company -5¶

10. Liability of Members -6¶

11. Registered Office of Company -6¶

12. Members -6¶

13. Annual Subscription Fee -7¶

14. General Meetings -7¶

15. Powers and Duties of the Council -10¶

16. Telecommunication Meetings of the Company -16¶

17. The Seal -16¶

18. Honorary Solicitor -17¶

19. Accounts -17¶

20. Auditor -17¶

21. By Laws -18¶

22. Service of Documents -18¶

23. Affiliation -19¶

24. Indemnity -19¶

Corporations Act 2001 Company Limited by Guarantee

Constitution of NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED ("Company")

1. Preamble

A. The NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED ("the Company") has been operating as a Public Company Limited by Guarantee in the State of New South Wales under the provisions of its Memorandum and Articles of Association both dated the 18th day of October, 1963 ("the old Constitution") and both originally registered in New South Wales on the 18th day of October, 1963 pursuant to that State's then existing "Companies Act, 1961" and as amended since their original registration and the incorporation of the Company.

B. ~~In 2016, the then~~ Council of the Company, ~~having been mindful of the changes in Corporation legislation since 1963 both in New South Wales and Australia, proposed to the Company's membership that a new Constitution be adopted in lieu of the previous Memorandum and Articles of Association comprising "the old Constitution".~~ ~~As a result, the new Constitution became the operative Constitution for the Company from 21 December 2016. Various changes to the new Constitution were subsequently made.~~

C. ~~With the proposed incorporation of a new peak body and that company having objects that address New South Wales "peak body" responsibilities, certain changes to this Constitution have been made to reduce the scope of its objects with effect from Completion Date.~~

Deleted: The current

Deleted: immediately prior to the date of adoption of this new Constitution

Deleted: this

Deleted: with the intention that this

Deleted: be

Deleted: at the 2017, 2018, 2019 and 2020 AGMs

Deleted: the date of its adoption by the Company

Deleted: state

Deleted:

2. Name

The name of the company is New South Wales Bridge Association Limited ACN 000 438 648.

3. Old Constitution Displaced

The old Constitution does not apply to the Company and is displaced in its entirety by this new Constitution ~~with effect from the Completion Date.~~

4. Replaceable Rules Excluded

The replaceable rules contained in the Corporations Act 2001 (Cth) do not apply to the Company and are displaced in their entirety by this constitution.

5. Definitions and Interpretation

- (a) "the Act" means the Corporations Act 2001 (Cth)
- (b) "the Company" means the New South Wales Bridge Association Limited ACN 000 438 648.
- (c) "Completion Date" means a date to be approved by Council which is expected to be prior to 30 September 2024. Council may at its absolute discretion:
- extend the date beyond 30 September 2024 to no later than 31 December 2025;
 - or
 - determine not to proceed with the proposed separation of the peak body functions from NSWBA, in which case no Completion Date will be approved and the changes to the Constitution set out in Clause 3 will not occur.
- (d) "the Council" means the Council of the Company.
- (e) "Councillor" means a member of the Council and includes the meaning assigned to "Director" by Section 9 of the Act.
- (f) "the Seal" means the common seal of the Company.
- (g) "State" means the State of New South Wales.
- (h) "member" includes "life member" as hereinafter defined unless the expression "life member" is specifically used in the same context.
- (i) "financial member" means a member whose annual subscription fee has been paid within the time limited by Clause 13(4) of this Constitution.
- (j) "register" means the register of members to be kept pursuant to Section 168 of the Act.
- (k) "month" means calendar month.
- (k) "writing" and "written" includes printing, typing and other modes of reproducing words in a visible form including, without limitation, any representation of words in a physical document or in an electronic communication or form or otherwise. "office" means the registered office for the time being of the Company.
- (l) "bridge" means the games of contract bridge and auction bridge and all other variations or derivations of such games.
- (m) Words importing the singular number only include the plural number and vice versa.
- (n) Words importing the masculine gender only include the feminine and neuter genders.
- (o) Words importing persons include corporations.
- (p) Words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Act in 1897 as in force at the date at which this Constitution is adopted by the Company.
- (q) "Secretary" means the Secretary of the Company.
- (r) "Poll" means a secret ballot.
- (s) "registered address" means the address appearing in the register as the address of the member shown therein.
- (t) "Constitution" means this Constitution as amended from time to time, and a reference to a particular clause is a reference to a clause of this Constitution.
- (k) "Special Resolution" means a resolution that must be passed by a majority of at least 75% of votes exercisable by Members entitled to vote at the relevant General Meeting in accordance with this Constitution and/or the Corporations Act.
- (l) "Telecommunications Meeting" means a meeting held by telephone, video, any other technology (or any combination of these technologies), which permits each Councillor

at a meeting of Council or each Voting Member at a meeting of members to communicate with any other participant.

- (m) Where, by a provision of this Constitution, a document including a notice is required to be signed, that requirement may be satisfied in relation to an electronic communication of the document in any manner permitted by law or by any State or Commonwealth law relating to electronic transmissions or in any other manner approved by the Directors;

6. Objects

The Objects for which the Company is established are:

- (1) To engage in the enterprise of conducting a bridge club or clubs which enterprise shall include the provision of social facilities for members at the discretion of the Company as well as arranging and supervising duplicate bridge as well as club championships and tournaments upon conditions determined by the Company and for these purposes to implement the powers conferred generally by this Constitution and also at the Company's discretion to acquire an appropriate licence under the Liquor Act of the State of New South Wales and for this purpose to appoint a nominee trustee or custodian to hold such licence on behalf of the Company as provided by the said Act.

- (2) To promote the game of bridge and to foster interest in said game:-
a. by co-operating with any persons bodies or organisations whatsoever connected with bridge in all States of the Commonwealth of Australia and in other countries;
b. by undertaking any other activities that, in the opinion of the Company, are for the advancement of bridge.

- (3) To engage such managers, tournament directors, superintendents, accountants and other employees as shall be required and found necessary for the proper working and carrying on of the Company and for the furtherance of its Objects and any one or more of these managers and employees at its pleasure to discharge.

- (4) To do all such other acts deeds matters and things and to enter into and make such agreements as are incidental or conducive to the attainment of the above Objects or any of them.

7. Powers

Solely for furthering the Objects under clause 6, the Company, in addition to any other powers it has under the Corporations Act, has the legal capacity and powers of a company limited by guarantee as set out under section 124 of the Corporations Act.

8. The Income and Property of the Company

The Income and Property of the Company whencesoever derived shall be applied solely towards the promotion of the objects of the Company as set forth in this Constitution and no portion thereof shall be paid or transferred directly or indirectly by way of dividend bonus or otherwise howsoever by way of profit to the persons who at any time are or have been members of the Company or to any of them or to any person claiming through any of them. Provided that nothing herein contained shall prevent the payment in good faith of remuneration to any officers or servants of the Company or to any member thereof or other person in return for any services actually rendered to the Company to prevent the payment of interest at the rate of interest currently charged upon overdrafts by the Commonwealth

Deleted: <#>To promote the game of bridge and to foster interest in the said game:- ¶
by organizing and conducting championships and other tournaments; ¶
by co-operating with any persons bodies or organisations whatsoever connected with bridge in all States of the Commonwealth of Australia and in other countries; ¶
by striving for close national and international agreement in matters of laws, regulations, ethics and procedure; ¶
by assisting the individual bridge player and/or group of bridge players through rulings and advice on bridge laws, ethics and procedure; ¶
by undertaking any other activities that, in the opinion of the Company, are for the advancement of bridge. ¶

Moved down [1]: <#>To engage such managers, tournament directors, superintendents, accountants and other employees as shall be required and found necessary for the proper working and carrying on of the Company and for the furtherance of its Objects and any one or more of these managers and employees at its pleasure to discharge. ¶

Moved (insertion) [1]

Bank of Australia on money lent or reasonable and proper rent for premises demised or let by any member of the Company to the Company but so that no member of the Council shall be appointed to any salaried office of the Company or any office of profit under the Company and that no remuneration or other benefit in money or money's worth shall be given by the Company to any member of the Council except repayment of out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and proper rent for premises demised or let to the Company. Provided that the provision last aforesaid shall not apply to payments to any non-profit making company or public company in which a member of the Council may be a shareholder director or employee or to any payments made in the normal course of business and for valuable consideration to a private company or firm of which a member of the Council may be a director employee shareholder or proprietor or to any individual Councillor provided that the Council shall be unanimously of the opinion that such payment or payments is to the benefit and advantage of the Company.

9. Distribution of Assets of Company on Winding up

If upon the winding up or dissolution of the Company there remains after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the members of the Company but shall be given or transferred to some other body or bodies having objects similar to the objects of the Company and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Company under or by virtue of Clause 8 hereof such body or bodies to be determined by members of the Company at or before the time of dissolution and in default thereof by the Chief Judge in Equity of the Supreme Court of New South Wales or such other Judge of that Court as may have or acquire jurisdiction in the matter, and if and so far as effect cannot be given to the aforesaid provision then to some charitable object.

10. Liability of Members

- (1) The liability of the members of the Company is limited
- (2) Every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member, or within one year after he ceases to be a member for the payment of the debts and liabilities of the Company, contracted before he ceases to be a member, and the costs, charges and winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding the sum of Twenty dollars (\$20.00).

11. Registered Office of Company

The registered office of the Company is Level 1 / 162 Goulburn Street, East Sydney, in the State of New South Wales, 2010 or such other place as the Council may determine.

12. Members

- (1) The number of members which the Company may admit to membership is unlimited.
- (2) The members of the Company shall be classified as follows:-
 - a. Ordinary members;
 - b. Life members;
 - c. Perpetual members.

Deleted: Honorary members

- (3) The ordinary members shall consist of all members admitted to membership of the Company by resolution of the Council or the Company in general meeting upon such terms as to nomination and entry fee as the Council or the Company in general meeting may from time to time determine and upon payment of the prescribed subscription fee.
- (4) The life members shall consist of all ordinary members who shall be voted life members by a resolution of the Company in general meeting made pursuant to a recommendation of the Council and they shall enjoy all the rights of and be subject to all the obligations of ordinary members except that they shall be exempted from the payment of the annual subscription fee.
- (5) Perpetual members shall consist of all ordinary members who were classified as Perpetual Members as of 1 January 2024. Perpetual Members shall enjoy all the rights of and be subject to all the obligations of ordinary members except that they shall be exempted from the payment of the annual subscription fee.
- (6) The Council shall have the right to refuse membership to any person without being obliged to disclose the reasons for such refusal.
- (7) A register of the members of the Company shall be kept by the Council in accordance with Section 168 of the Act. Such entry on the register shall be prima facie proof of membership of the Company.

13. Annual Subscription Fee

- (1) All ordinary members shall be liable to pay to the Company an annual subscription fee in an amount fixed by resolution of the Council.
- (2) The annual subscription fee so payable by ordinary members may be varied by resolution of the Council provided that no variation shall have a retrospective effect.
- (3) The Council may by resolution reduce the annual subscription fee payable by specified classes of ordinary members as defined in the resolution concerned.
- (4) The annual subscription shall be payable within three (3) calendar months from the date of the annual general meeting of the Company or before the 31st day of January in the next following year, whichever date shall first occur. In default of the payment accordingly a member shall be deemed to be an unfinancial member.
- (5) The Council shall have the right by resolution to remove the name of an unfinancial member from the register without notice. Until so removed, an unfinancial member shall retain all the rights and obligations of membership of the Company except the right to vote at meetings of the Company and provided further that the right to pay table money at members' rates shall cease forthwith.
- (6) The name of the unfinancial member continuing in default of payment of the annual subscription fee up to the date of the next succeeding annual general meeting shall be deemed to have been removed from the register on the day immediately following the said date of the next succeeding annual general meeting.

14. General Meetings

- (1) A general meeting shall be held at such time and place as may be prescribed by the Council in accordance with Section 250N of the Act.

Deleted: <#>Honorary members shall be persons so designated by resolution of the Council not being ordinary or life members of the Company. Honorary members shall be entitled during the term of their honorary membership, which unless renewed by resolution of the Council shall not exceed ~~twelve~~ six months without renewal by resolution of the Council, to enjoy without payment of any fees the right of membership of the Company. ¶

¶ During the period of their honorary membership and subject to the above paragraph honorary members shall be bound by the Constitution of the Company and its By-Laws except that their names shall not be entered upon the register and they shall not be liable to make any contribution in the event of the winding-up of the Company as provided by Clause 10. ¶

- (2) The general meetings referred to in Clause 14(1) above shall be termed annual general meetings; all other general meetings shall be termed extraordinary general meetings.
- (3) The Council may, whenever it thinks fit, convene an extraordinary general meeting. An extraordinary general meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by Section 249D of the Act.
- (4) Subject to the provisions of the Act relating to special resolutions and agreements for shorter notice twenty one days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day, and the hour of meeting shall be given, together with:
 - a. All information required to be included in accordance with the Act;
 - b. In the case of a proposed Special Resolution, the intention to propose the Special Resolution and the general nature of that business;
 - c. Where applicable, any notice of motion received from any member in accordance with the Act.
- (5) Notice shall be given in accordance with clause 22 and the Act to such persons as are under this constitution entitled to receive such notice from the company; but with the consent of all members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may think fit, provided that the accidental omission to give notice of a meeting to, or the nonreceipt of notice of a meeting by, any member shall not invalidate the proceedings of that meeting.
- (6) ~~The only business which may be transacted at an extraordinary general meeting is the business of which the meeting has been convened.~~
- (7) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided fifteen members present in person shall be a quorum.
- (8) If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week particulars of which adjournment shall be communicated in writing by the Secretary to all financial members prior to the adjourned date, at the same time and place, and if at the adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, the members present shall be a quorum.
- (9) The Chairman of the Council shall preside as chairman at every general meeting of the Company. If at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose someone of their number to be chairman.
- (10) The Chairman, may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of any adjournment or of the business to be transacted at any adjourned meeting.

Deleted: All business shall be deemed special that is transacted at an extraordinary general meeting.

- (11) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least two members, present in person or by proxy entitled to vote. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution. The demand for a poll may be withdrawn.
- (12) If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded but a poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.
- (13) In the case of an equality of votes, whether on a show of hands or on a poll, the resolution shall be declared lost and the Chairman shall not be entitled to a second or casting vote.
- (14) Each member entitled to vote may vote in person or by proxy or by attorney. Except for the demanding of a poll, only members present in person shall vote on a show of hands and every such member shall have one vote. Upon a poll every member present in person and every member represented by proxy or attorney shall have one vote. No person present as the representative of a member, whether himself a member or not, shall be entitled to represent more than one member, whether by proxy or by attorney.
- (15) A member who is of unsound mind, or whose person or estate is liable to be dealt with in any way under the laws relating to mental health may vote, on a poll, by his committee or by his trustee or by such other person as properly has the management of his estate, and any such committee, trustee or other person may vote by proxy or attorney.
- (16) No unfinancial member shall be entitled to vote at any general meeting of the Company. No person whose name does not appear on the register shall be entitled to vote at any such meeting.
- (17) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- (18) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (19) Where it is desired to afford members an opportunity of voting for or against a resolution, the instrument appointing a proxy may be in form determined by the Directors from time to time provided it complies with the requirements under the Corporations Act.
- (20) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority shall be deposited at the registered office of the Company, or at such other place within the State as is specified for that purpose in the notice convening the meeting, not less than

forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

- (21) A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, if no intimation in writing of such death, unsoundness of mind or revocation as aforesaid has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.

15. Powers and Duties of the Council

- (1) The management of the Company shall be vested in the Council which may exercise all such powers of the Company in pursuance of its objects as are not, by the constitution, required to be exercised by the Company in general meeting, subject nevertheless to any provision of the constitution and to the provisions of the Act and to such directions, being not inconsistent with the aforesaid constitution or Act, as may be prescribed by the Company in general meeting; but no direction to Council made by the Company in general meeting shall invalidate any prior act of Council which would have been valid if that direction had not been made.

- (2) Without limiting the generality of Clause 15(1) the Council may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property and to issue debentures or other securities, and to make by-laws to regulate such matters as the Council is specifically by this constitution empowered to regulate by by-law.

- (3) The Council shall consist of the Chairman, the Treasurer, and not more than six Ordinary Councillors. All members of the Council must satisfy the conditions in clause 15(4) below. The duties of the respective members of the Council shall be as determined from time to time by resolution of the Council.

- (4) No employee of the Company or other person holding an office of profit under the Company shall be eligible for membership of the Council. In addition, the Chairman, the Treasurer and all Ordinary Councillors must be financial members of the Company.

- (5) The Council shall be elected at each annual general meeting of the Company.

The elections shall be conducted in the following order:

- a. the election of the Chairman;
- b. the election of the Treasurer;
- c. the election of Ordinary Councillors.

Voting shall in all cases be by poll.

- (6) Upon a poll for the election of Ordinary Councillors a vote for more than the number to be elected or for less than such number minus two shall not be valid. Voting procedures may be defined from time to time by the Council and stated in the by-laws.
- (7) The Council shall hold office until the conclusion of the elections at the next succeeding annual general meeting.

Deleted: , and between four and six Councillors appointed in accordance with clause 15(4) hereof and the by-laws to this constitution (hereinafter referred to as the "Zonal Councillors").

Deleted: <#>The Zonal Councillors, if any, shall be the person or persons elected by the bridge clubs affiliated with the New South Wales Bridge Association in each of the geographic zones shown in the by-laws, the zones to be defined from time to time by the Council and stated in the by-laws to this constitution. Any change to the by-laws relating to the election of Zonal Councillors proposed by the Council must be approved by a majority of all current Zonal Councillors. ¶ Zonal Councillors must satisfy all of the following criteria: ¶

They must meet the conditions in clause 15 (5) below; ¶ They must have been nominated in writing, in accordance with the procedures in the by-laws, by the President or the Secretary of at least one bridge club located within the zone they are seeking to represent; ¶ They must have consented to their nomination in writing prior to their election; and ¶

They may only represent one zone at a particular time. ¶ So far as the elections of the Zonal Councillors are concerned: ¶

If there is only one candidate for a position that person will be elected unopposed without the need for any poll to be conducted. ¶

If there is no candidate for a position, then the position will be treated as a casual vacancy and may be filled by the Council in accordance with Clause 15(10). ¶

If there is more than one candidate for a position, a poll will be held in accordance with procedures to be set out in the bylaws. The member bridge clubs of each zone will be each allotted a certain number of votes prior to the election on a basis to be defined from time to time by the Council and stated in the by-laws, which votes cannot be split between candidates, but must be exercised, if at all, in favour of a particular candidate. The poll will be decided on a "first past the post" basis, and in the event of there being an equal number of votes cast for the candidates, or no votes cast for any candidate, the matter will be decided by drawing lots. ¶

Deleted: ;

Deleted: <#>Zonal Councillors shall not be required to be financial members of the Company; however, they must be financial members of a bridge club that is affiliated with the New South Wales Bridge Association and is located within the zone that they are seeking to represent. ¶

Deleted: excluding the Zonal Councillors who are elected under clause 15(4),

Deleted: , including the Zonal Councillors, and the Honorary Solicitor

- (8) All nominations for election to the Council ~~must be proposed and seconded in writing~~ by financial members of the Company and delivered to the Secretary at least seven calendar days before the time of the annual general meeting. Each nominee must at the time of his nomination signify in writing his willingness to accept nomination. If insufficient nominations have been received at the expiration of the period stipulated those persons then duly nominated shall be deemed elected and nominations for the remaining vacancies shall be accepted at the annual general meeting provided that the nominees accept nomination personally or in writing and are proposed and seconded by financial members of the Company.
- (9) The Council shall be empowered between annual general meetings of the Company to make an appointment to fill any vacancy in the Council howsoever occurring so that the total number of Councillors shall not at any time exceed the number fixed in accordance with this constitution. Any person appointed to fill the casual vacancy must satisfy the criteria set out in clause 15(4). Any Councillor so appointed shall hold office as specified by clause 15(7) where he shall be eligible for re-election.
- (10) The Company may by special resolution remove any Councillor before the expiration of his period of office and may by special resolution appoint another person in his stead not being an employee or holding an office of profit under the Company; the person so appointed shall hold office only until the next succeeding annual general meeting where he shall be eligible for re-election.
- (11) The office of Councillor shall become vacant if the Councillor:-
- is declared bankrupt or makes any arrangement or composition with his creditors generally;
 - ceases to meet the conditions in clause 15(4);
 - becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the laws relating to mental health;
 - resigns office by notice in writing to the Council;
 - absents himself from two consecutive meetings of Council unless authorised by resolution of Council made not later than the first of the two consecutive meetings referred to so to absent himself;
 - is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in the manner required by section 191 of the Act;
 - is convicted of any criminal offence.

The Councillor whose office becomes vacant, or who is removed pursuant to Clause (10), shall not be eligible for reappointment to Council by the Council in exercise of its powers under clause (9) above.

- (12) All cheques promissory notes drafts bills of exchange and other negotiable instruments shall be signed drawn accepted endorsed or otherwise executed as the case may be in such manner as the Council from time to time determines, except that at least two signatures shall be necessary.
- (13) ~~The Council shall be empowered to create By-Laws with respect to disciplinary action over members. Such By-Laws may include the power to caution, to censure, to suspend from membership for a specified time, to expel from membership, to refuse renewal of membership and generally to deprive any member of any of the rights and privileges of membership.~~
- (14) The Council may delegate any of its powers to committees consisting of such Councillor or Councillors as it shall think fit and may grant any committee permission to co-opt

~~Deleted: other than as Zonal Councillors~~

~~Deleted: with the exception of the Zonal Councillors~~

~~Deleted: A resolution to remove a Zonal Councillor will not take effect until nominations have been called for their replacement and if there is a candidate or candidates for the position, an election has been held.~~

~~Deleted: or in the case of the Zonal Councillors for renomination by an affiliated bridge club~~

~~Deleted: The Council shall be empowered to exercise certain disciplinary powers over members. Such powers shall consist of the power to caution, to censure, to suspend from membership for a specified time, to expel from membership, to refuse renewal of membership, to reject or omit to invite the entry of any member for any bridge tournament or other function or functions of whatsoever nature conducted by or under the auspices of the company and generally to deprive any member of any of the rights and privileges of membership. A member suspended from membership shall not during the period of such suspension be entitled to exercise any of the rights of membership but shall nevertheless remain a member. In no case shall a member be suspended for a longer period than three months.~~

Those disciplinary powers of Council that are subject to the right of appeal shall only be exercised by majority decision at a duly convened meeting of Council. In the exercise of its disciplinary powers the Council may act on the oral or written report of a Councillor or tournament director or on the written complaint of any member addressed to Council. In all such cases the member against whom the report or complaint is made shall be entitled to be heard before a decision is reached by Council.

The Council may make rules in connection with the operation of any premises used by the Company, such rules to include but not to be limited to matters of dress or conduct of members while on such premises. Failure of a member to observe such rules shall be grounds for disciplinary action.

In cases where the conduct dress or presence of a person is considered to be grossly offensive he may be requested to leave the premises and if refusing may be summarily ejected on the authority of a Councillor, the tournament director or the person apparently in charge of the premises at the time. Action taken under this paragraph shall not constitute the exercise of the disciplinary powers of Council.

Except where the disciplinary decision is that of caution or censure the member penalised shall have the right of appeal to the Appeals Board referred to in clause 15(145), provided written notice of appeal is lodged with the Secretary within seven days of receipt of notification of the Council's decision. Such notification of decision, whether oral or written, shall include advice to the member of his right of appeal under this Article and shall request the submission of the panel of nominees referred to in clause 15(145). If appropriate, the written undertaking referred to in the seventh paragraph hereof shall also be requested. The Council at its discretion may at any time extend the period during which the notice of appeal must be lodged.

Upon receipt of the notice of appeal within the time stated or allowed, the decision appealed against shall be

members who are not Councillors. Any committee so formed shall in the exercise of its powers so delegated conform to any regulations that may be imposed upon it by the Council and its decisions shall at all times be subject to ratification by the Council, unless specifically relieved from this obligation by Council, in advance.

A committee may elect a chairman of its meetings who shall be a member of the Council. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their number being a member of the Council to be chairman of the meeting.

- (15) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the resolution shall lapse and the chairman shall not have a second or casting vote.
- (16) The Council shall meet to conduct the business of the Company, using any technology consented to by all the Councillors, not less than four times in the period between annual general meetings and not less than once every 13 consecutive weeks. Any four Councillors may requisition a meeting of Council within seven days by delivery of a written notice of requisition to the Secretary.
- (17) The procedure to be followed at meetings of Council shall be determined from time to time by the Council except that each meeting shall be attended by a quorum of Councillors and shall be presided over by a chairman. A quorum shall consist of not less than the integer next greater than one-half the number of Councillors. The chairman shall be the Chairman of Council or, in his absence or unwillingness to act, any member chosen by the meeting.
- (18)
- a. A Councillor shall declare to the Council any material personal interest or related party transaction, as defined by the Corporations Act, as soon as practicable after that Councillor becomes aware of their interest in the matter.
 - b. Where a Councillor declares a material personal interest or in the event of a related party transaction, that Councillor must absent himself or herself from discussion of such matter and shall not be entitled to vote in respect of such matter unless otherwise determined by the Council.
 - c. In the event of any uncertainty in this regard, the issue shall immediately be determined by a vote of the Council or, if this is not possible, the matter shall be adjourned or deferred to the next meeting.
- (19) Questions arising at any meeting of Council shall be determined by a majority of votes. In case of an equality of votes the resolution shall lapse and the chairman shall not have a second or casting vote.
- (20) In the event that a quorum of Councillors cannot be obtained on three separate occasions within any one period of six consecutive weeks the remainder of Councillors may act to convene a general meeting of the Company but for no other purpose.
- (21) All acts done by any meeting of Council or of a committee appointed by Council or by any person acting as a Councillor shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Councillor or person acting as aforesaid or that they or any of them were disqualified from so acting be as valid as if every such person had been duly appointed and was qualified to be a Councillor.

Deleted: ¶

a. Notwithstanding any other provision contained in this Constitution, it is expressly declared and acknowledged that if the Council shall delegate any of its powers to a committee entitled "NSWBA Congress Disciplinary & Ethics Committee" where such committee is charged with the supervision and enforcement of an authorised "Code of Conduct" and / or "Ethics" pursuant to relevant New South Wales Bridge Association Limited Tournament Regulations, it will not be necessary for such committee's chairman or its acting chairman or any member of such committee, to be a member of Council. ¶

- (22) The Council shall cause minutes to be made and kept according to the Corporations Act.
- (23) The Council shall cause all correspondence received by the Company to be kept in files provided for this purpose until authorised by a resolution of Council to destroy same. The Council shall also cause copies of all correspondence proceeding from the Company to be kept under the same conditions as correspondence received.
- (24) Communications of whatsoever nature to or by the Council or to or by any of its Committees if reasonably incidental to the business of the Company shall not give rise to any cause of action by one member of the Company against another or against the Company and shall be privileged within the meaning of the Defamation Act 2005 of the State of New South Wales.

16. Telecommunication Meetings of the Company

(1) Telecommunication Meeting

A General Meeting or a Council Meeting may be held by means of a Telecommunication Meeting, provided that:

- a. the number of members or Councillors (as applicable) participating is not less than a quorum required for a General Meeting or Council Meeting (as applicable); and
- b. the meeting is convened and held in accordance with the Corporations Act.

(2) All provisions of this Constitution relating to a meeting apply to a Telecommunication Meeting in so far as they are not inconsistent with the provisions of this clause 16.

(3) Conduct of Telecommunication Meeting

The following provisions apply to a Telecommunication Meeting of the Company:

- a. all persons participating in the meeting must be linked by telephone, audio-visual or other instantaneous means for the purpose of the meeting;
- b. each of the persons taking part in the meeting must be able to hear and be heard by each of the other persons taking part at the commencement of the meeting and each person so taking part is deemed for the purposes of this Constitution to be present at the meeting;
- c. at the commencement of the meeting each person must announce his or her presence to all other persons taking part in the meeting;
- d. a person may not leave a Telecommunication Meeting by disconnecting his or her telephone, audio-visual or other communication equipment unless that person has previously notified the chairman;
- e. a person may conclusively be presumed to have been present and to have formed part of a quorum at all times during a Telecommunication Meeting unless that person has previously notified the chairman of leaving the meeting; and;

- f. a minute of proceedings of a Telecommunication Meeting is sufficient evidence of the proceedings and of the observance of all necessary formalities if the minute is certified to be a correct minute by the chairman.

17. The Seal

The Council shall provide for safe custody of the seal, which shall only be used by the authority of Council and every instrument to which the seal is affixed shall be signed by two Councillors and shall be countersigned by the Secretary or by some other person appointed by the Council for the purpose.

18. Accounts

- (1) The Council shall cause proper accounts to be kept with respect to:-
- all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place;
 - all sales and purchases of goods by the Company;
 - the assets and liabilities of the Company.
- (2) The Council shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounting and other records of the Company or any of them shall be open to the inspection of members not being Councillors and no member (not being a Councillor) shall have any right to inspect any account or book or paper of the Company except as conferred by statute or authorised by the Council or by the Company in general meeting.
- (3) In accordance with Section 298 of the Act the Council shall cause to be prepared and laid before the annual general meeting such profit and loss accounts balance sheets and reports as are referred to in that Section and are applicable to the affairs of the Company.
- (4) A copy of every profit and loss account and balance sheet (including every document required by law to be attached thereto) which is to be laid before the Company in General Meeting shall not less than seven days before the date of the meeting be sent to all persons entitled to receive notice of general meetings of the Company.

Deleted: 18. Honorary Solicitor ¶

The appointment of the Honorary Solicitor to the Company shall be made at the annual general meeting of the Company in like manner as the appointment of Councillors and in like manner shall be vacated as specified by clause 15(8). The Honorary Solicitor shall be elected at each annual general meeting in like manner as Councillors. The Honorary Solicitor must be a financial member of the Company but shall not by virtue of his office be disqualified from performing all legal work incidental to the business of the Company at the discretion of the Council and from rendering an account for professional costs and charges to the Company relative thereto and his office shall not thereby be deemed an office of profit under the Company. ¶

¶ The Honorary Solicitor shall not be eligible during the currency of his office for appointment to the Council. ¶

¶ If the office of Honorary Solicitor becomes vacant between annual general meetings, the Council may appoint an Honorary Solicitor to hold office until the time specified by clause 15(78). ¶

¶ The Honorary Solicitor's office shall become vacant on the happening of any of the circumstances numbered (a) (b) (c) (d) (f) or (g) in Clause 15(112). ¶

19. Auditor

The duties of the Auditor shall be determined by Council subject to Sections 327B and 327C of the Act. No member of the Company shall be appointed Auditor, except that a member of the Company may be an employee of the Auditor and where a firm is Auditor, a member of that firm, not being the member who conducts the audit, may be a member of the Company.

20. By Laws

- (1) Making and amending by-laws
- In addition to by-laws made under clauses 15(2), 15(6) and 15(13) the Council may from time to time make by-laws:
 - that are required to be made under this Constitution; and
 - which in its opinion are necessary or desirable for the control, administration and management of the Company's affairs and may amend, repeal and replace those by-laws.

- b. The Company in General Meeting may amend, repeal or replace any by-law made by the Council without affecting the validity of acts or decisions made by the Council or anyone authorised to act pursuant to that by-law.
- c. The by-laws referred to in clauses 15(2), 15(6) & 21(1)a take effect 28 days after the service of the by-law on the member and shall be of force and effect on that date.

(2) Effect of by-laws

A by-law:

- a. is subject to this Constitution;
- b. must be consistent with this Constitution;
- c. when in force, is binding on all members and has the same effect as a provision in this Constitution; and
- d. may be overruled if a resolution to that effect is passed by the members at a General Meeting

21. Service of Documents

(1) Document includes notice.

In this clause 22, document includes a notice.

(2) Methods of service on a member

The Company may give a document to a member:

- a. personally;
- b. by sending it by post to the address for the member in the register or an alternative address nominated by the member; or
- c. by sending it to a facsimile number or electronic address nominated by the member.

(3) Methods of service on the Company

A member may give a document to the Company:

- a. by delivering it to the registered office;
- b. by sending it by post to the registered office;
- c. by sending it to a facsimile number or electronic address nominated by the Company.

(4) Post

A document sent by post if sent to an address:

- a. in Australia, may be sent by ordinary post and is assumed to be received the fourth business day after the date of its posting; and
- b. outside Australia, or sent from an address outside Australia, must be sent by airmail, and in either case is taken to have been received on the eighth business day after the date of its posting.

(5) Facsimile or electronic transmission

If a document is sent by facsimile or electronic transmission, delivery of the document is taken to:

- a. be effected by properly addressing and transmitting the facsimile or electronic transmission; and
- b. have been delivered on the business day following its transmission

(6) Notice of every general meeting shall be given in some manner hereinbefore authorised to all members of the Company. No other persons shall be entitled to receive notices of general meetings.

22. Indemnity

Every Councillor or other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as such Councillor or other officer in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence default breach of duty or breach of trust.

Deleted: 23. Affiliation ¶

¶

The Company by resolution of Council may grant affiliation to any bridge club or organisation in the State upon such terms as the Council may determine. The Company by similar resolution may at any time withdraw any such grant of affiliation or vary any such terms. Such affiliation shall be an expression of the Company's intention to assist the body affiliated in the terms of the Company's Constitution but shall not constitute membership of the Company. ¶

Deleted: , Honorary Solicitor

Deleted: ,

Deleted: Honorary Solicitor



This page is intentionally blank



NSW Bridge Association
The home of bridge in Sydney and NSW

New South Wales Bridge Association Limited
ACN 000 438 648
Annual General Meeting 28 February 2024
Proxy Form

I (full name)
of (address)

being a financial member of the NSW Bridge Association Limited hereby appoint:

.....

of

.....

as my proxy to vote on my behalf (including to vote in accordance with the directions set out overleaf or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the New South Wales Bridge Association Limited to be held at 6:00pm on the 28 of February 2024 and at any postponement or adjournment of the meeting.

.....
Signature of member

.....
Date

Pursuant to 14. (14) of the Constitution of the New South Wales Bridge Association Limited a member present at a general meeting may hold no more than one proxy.

14. (14) Each member entitled to vote may vote in person or by proxy or by attorney. Except for the demanding of a poll, only members present in person shall vote on a show of hands and every such member shall have one vote. Upon a poll every member present in person and every member represented by proxy or attorney shall have one vote. No person present as the representative of a member, whether himself a member or not, shall be entitled to represent more than one member, whether by proxy or by attorney.

Proxy forms must be returned to the NSWBA Office, 162 Goulburn St, Surry Hills 2010 or by email to secretarynswba@gmail.com no later than 6pm on 26 February 2024. See 14 (20) of the Constitution.

For voting details please refer to clauses under General Meetings in the Constitution.

Voting Directions - Motions

You may instruct your proxy as to how to vote by marking any boxes with a ✓. If you do not mark any of the boxes for a motion, your proxy may vote as he or she chooses. If you mark more than one box on a motion your vote on that item will be invalid.

	For	Against	Abstain
Motion 2 – Change to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motion 3 – Approval of Separation Proposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motion 4 – Changes to proxy voting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority on a poll.

Voting Directions – Election of Chairman

Nominations for positions on Council will close at 6pm on 21 February 2024. A list of candidates for each position will be made available on the NSWBA website as soon as possible thereafter.

Insert the name of the candidate for election as Chairman of your choice here. If you do not insert a name or insert a name of an individual who is not a candidate, your proxy may vote as he or she chooses.

Voting Directions – Election of Treasurer

Insert the name of the candidate for election as Treasurer of your choice here. If you do not insert a name or insert a name of an individual who is not a candidate, your proxy may vote as he or she chooses.

Voting Directions – Election of Councillors

Insert the name of the candidates for election as councillors of your choice here. You must insert at least 4 names and a maximum of 6 names. If you do not insert any names, your proxy may vote as he or she chooses. If you insert less than 4 names, your proxy may add such additional names as he or she chooses. If you insert more than 6 names, your vote will be invalid.

.....
Signature of member

.....
Date

You must sign pages 1 and 2. **If you fail to sign either page 1 or page 2, your proxy will be invalid.**



NSW Bridge Association

The home of bridge in Sydney and NSW

NOMINATION FORM

Nominations should be signed by the Proposer, Secunder and the person nominated.

We, being financial members of the New South Wales Bridge Association Limited
hereby nominate
for the position of
(Chairman, Treasurer, Ordinary Councillor, Honorary Solicitor)
of the Association for the year commencing 28 February 2024.

PROPOSER

Name
Signature Dated:

SECONDER

Name Dated:
Signature Dated:

I hereby accept nomination

Signature Dated:

Pursuant to 15 (5) a of the Constitution of the New South Wales Bridge Association Limited a Nominee must be a financial member of the NSW Bridge Association:

- a. The Chairman, the Treasurer, and all Ordinary Councillors must be financial members of the Company.

Nomination forms must be returned to the Secretary, New South Wales Bridge Association Ltd 162 Goulburn St, Surry Hills 2010 or by email to secretarynswba@gmail.com by 6.00pm Wednesday, 21 February 2024.

