

Table of corresponding clauses and significant changes

Clause number in proposed new constitution	Subject matter of clause	Corresponding clause of constitution to be repealed	Significant change, if any
1	Name of company	2	
2	Type of company	Heading	
3	Limited liability of members	5	
4	Guarantee	42	
5	Definitions & interpretation	1	
6	Reading constitution with the Corporations Act	No corresponding clause	New clause stating that replaceable rules under the Corporations Act do not apply, that the Corporations Act overrides any clause in the constitution which is inconsistent with the Act and that definitions contained in the Corporations Act which are used in the constitution will have the same meaning.
7	Objects	3	Two new objects: 7.4 To assume the role of the principal owners corporation in a layered scheme and so provide consistency with fees, benefits and rules across all members which are owners corporations; 7.5 To manage, and maintain in good working order, any and all assets obtained by the company and held for the benefit of members, including the common property;
8	Powers	3.4	
9	Application of income	4	
10	Amending the Constitution	41	
11	Membership and register of members	6, 10	Wording re initial members has been removed
12	Who can be a member	7	Reference to directors of the initial board as members has been deleted
13	How to apply to be a member	6.1, 8	Provisions combined in one clause for clarity
14	Directors decide whether to approve membership	9	
15	When a person becomes a member	6.1.2	Clarified and expanded
16	When a person stops being a member	12, 13	Expanded to include winding up or dissolution of incorporated member

Table of corresponding clauses and significant changes

17	Annual membership fees	11	<p>Amended provision:</p> <p>(1)The directors of the company shall prepare a budget each year which, in their opinion, is appropriate for the management of the company, the maintenance of its assets, and the delivery of services contracted with the members. The annual membership fee for each member that is an owners corporation shall be its proportion of that budget, having regard to the number of lots in the owners corporation, and counting each lot within the Sanctuary Lakes Resort Development as a single and equal lot.</p> <p>(2)The company may also recover from each owners corporation any costs directly attributable to a lot within that owners corporation that can legally be on charged by the owners corporation to the relevant lot owner.</p> <p>(3)Unless otherwise determined by the directors, there is no annual membership fee for a member that is not an owners corporation.</p>
18	General meetings called by directors	15	Expanded to contemplate request from members.
19	General meetings called by members	15	Expanded so that consistent with Corporations Act and rights of members
20	Annual General Meeting	14.1, 18	Reference to first AGM within 18 months of incorporation deleted. Business of AGM has been expanded to be consistent with the Corporations Act.
21	Notice of General Meeting	16	Notice of AGM has been expanded to be consistent with the Corporations Act
22	Quorum at general meeting	22	Proxy not counted for the purposes of establishing a quorum (unless proxy is a member, in which case the member is only counted once)

Table of corresponding clauses and significant changes

23	Auditor's right to attend meetings	18.11	
24	Representatives of members	6.2, 38	Concept of legal representative of members has been included in a number of clauses of the new constitution to reflect what is occurring in practice
25	Using technology to hold meetings	16.2.1	
26	Chairperson for general meetings	18.3	
27	Role of the chairperson	18	Chairperson does not have a casting vote
28	Adjournment of meetings	28	
29	Members' resolutions and statements	No corresponding clause	new
30	Company to give notice of proposed resolution or distribute statement	No corresponding clause	new
31	Circular resolutions of members	No corresponding clause	new
32	How many votes a member has	19	
33	Challenge to member's right to vote	No corresponding clause	new
34	How voting is carried out	19.2	Expanded to provide further detail
35	When and how a vote in writing must be held	No corresponding clause	New
36	Direct voting	No corresponding clause	new
37	Proxies	20, 21,22,23	A number of provisions have been clarified. Proxy no longer has to be another member.
38	Number of Directors	24.2	
39	Election and appointment of Directors	25	Concept of directors comprising the initial board has been deleted. Nomination process has been simplified. Election process has been amended so that it complies with the Corporations Act. Any person can be appointed as a director.

Table of corresponding clauses and significant changes

			Nominations to be received 30 days in advance of meeting
40	Election of office holders	24.1	
41	Term of office	25.5	Expanded and clarified. Two year term.
42	When a director stops being a director	27	
43	Powers of directors	30.1	
44	Delegation of directors' powers	33	
45	Payments to directors	24.6	
46	Duties of directors	30	Expanded
48	Conflicts of interest	31	Updated and expanded
49	When the directors meet	30.2	
50	Calling directors' meetings	30.3	
51	Chairperson for directors' meetings	30.6	
52	Quorum at directors' meetings		30.5
53	Using technology to hold directors' meetings	No corresponding clause	new
54	Passing directors' resolutions	30.7	Chairman no longer has a casting vote
55	Circular resolutions of directors	35	Includes new statement that reply email can be evidence of agreeing to resolution
56	Appointment and role of secretary	24.1	
57	Minutes and records	32	Expanded
58	Financial and related records	36	Expanded
	By-laws		Referred to in definitions but no corresponding provision
60	What is notice	38	
61	Notice to the company	No corresponding clause	new
62	Notice to members	38	
63	When notice is taken to be given	38	
64	Company's financial year	1.1	Referred to in definitions
65	Indemnity	39	
66	Insurance	39.2, 44	
67	Director's access to documents	No corresponding clause	new
68	Surplus assets not to be distributed to members	43	

Table of corresponding clauses and significant changes

69	Distribution of surplus assets	43	
----	--------------------------------	----	--

Clauses in existing Constitution which are not in the proposed new constitution are:

- Clause 22, Attorneys (however note that proxies are still contemplated and the concept of direct voting is also now included)
- Clause 24.3, the Initial Board
- Clause 40, cheques, bills etc to be signed by 2 persons
- Clause 44, public liability insurance