

Governance Proposal

The Constitution Sub-Committee (“**CSC**”) has been working through how the Governance of the ACTA would operate under the new Constitution. As we have previously established, the purpose of this update is to keep you informed and to give you an opportunity to provide your initial feedback. We must stress that it is a general outline of our current thoughts. Nothing is set in stone and there is no doubt that there is still a significant amount of work that we need to do when it comes to drafting the document. If the feedback is positive, we will move on and once the new constitution has been drafted completely, you will be provided a copy so that you can review and write further. There will be a final period for you to provide your thoughts after the new constitution has been published on the ACTA website and well before we settle on the Constitution that will be put forward at the AGM.

What we want to put to you, are the key aspects of the new Governance proposal. We are not trying to provide the answer to every question in this short Clay Target e-News article, instead, we aim to highlight some of the main changes that we want you to consider. We would also like to hear your thoughts on the best way to vote for nominated board members.

Are we on the right track? What should we also think about? Is there anything that is completely wrong? Please send all formal correspondence to, Paul Gilbert, our Chief Executive Officer. Paul’s email is ceo@claytarget.com.au We also encourage you to discuss any aspect of this update with the members of the CSC. We are all in agreement, proud of what we have put together and happy to answer any of your questions.

1. ACTA Board of Directors (“The Board”)

Subject to receiving further legal advice at the time of drafting, we believe that it is in the best interest of the ACTA to move from being an incorporated association to a company limited by guarantee. The benefits of making this change far outweigh the negatives and a simple Google search should provide you with a better understanding, if required.

As a company limited by guarantee, the current ACTA Executive will be replaced with a board of Directors who will be tasked with the day to day running of the ACTA.

The Board will appoint the company’s Chief Executive Officer (“**CEO**”).

We plan on maintaining the current structure where each state is run by their state body who oversee zones and the clubs. We do not propose to change the current hierarchy.

The Board will comprise of six (6) Elected Directors who must be a financial or life registered member of the ACTA. The Board will elect a Chairperson (equivalent to the current President of the ACTA) who will be referred to as the Managing Director. Each Elected Director will be tasked with an area/s that they are to manage during their tenure on The Board.

Each Elected Director will be able to set up sub-committees to assist with their management of key area/s and they will be given the authority to co-opt those who they believe will assist them with the decision making and management. Any financial or life member can be co-opted onto a sub-committee, but all final decisions must be presented to and voted on by The Board.

The Board may appoint a maximum of two (2) more Directors who may or may not be registered members of the ACTA, this is to allow The Board to bring in individuals with specific skills as required that may be desirable in running the Company. These Directors would be known as Appointed Directors can only serve a maximum of one (1) three-year term.

Each year we will hold a vote for two (2) Director positions, replacing the Elected Directors retiring after a three-year term. Retiring Elected Directors are permitted to stand for a second term only (a total of six (6) years continuous service).

After serving for two successive terms an Elected Director must retire for a full three (3) year term before becoming eligible to be nominated and stand again.

The Company may remove any Director prior to the expiry of their term, by ordinary resolution in a General Meeting of the Member Clubs, subject to the provisions of the Corporations Act.

There are no minimum requirements or restrictions on the states that Directors may be elected from, as the objective is to elect the most suitable Directors available to manage the Company.

Exclusion Clause:

Elected Directors to The Board cannot hold any other executive position within their zone, state or nationally. Anyone holding a disqualifying position must resign prior to becoming an Elected Director on The Board.

2. Proposed Election Procedure

At least six (6) clear calendar months prior to the set election date as set annually, the CEO will call for nominations to The Board by way of public advertisement in the Clay Target e-News. This advertisement should state the position description, the general qualifications and preferred experience.

Any registered or life registered member may nominate an individual who is willing to serve as an Elected Director who meets the criteria generally as advertised. The nominee must be a registered ACTA member of an affiliated club and the nomination must be counter signed by the nominees registered Club President and Secretary.

Endorsed nominations should then be forwarded to their respective state/territory body at least four (4) calendar months prior to the election date. The nomination must be accompanied by a signed declaration from the nominee that he/she is willing to serve as an Elected Director, does not breach the exclusion clause and generally complies with the required criteria. A standardised declaration for nominated candidates will be provided.

Each respective state/territory will determine their clubs' nominations and put forward a maximum of three (3) candidates. Please note that we have deliberately omitted the zones from this process. Our reasoning is that the zone delegates sit on the state executives and will be able to put forward their position directly to the state prior to them making their final nominations.

These nominations must be submitted to the CEO a minimum of one (1) month prior to the closing date for advertising in the Clay Target e-News selected to publish the candidate details. The CEO must ensure that all candidates receive equal space in the nominated Clay Target e-News detailing their background and suitability for a directorship.

3. Voting

Our preferred voting option - which we believe is by far the simplest - is that member clubs of the ACTA are to compulsorily vote for nominated candidates. The way we best see this working is outlined below:

To maintain membership of the ACTA, it shall be a requirement that each member club submit a voting return as required to elect Directors of the Company each year. Voting can may be by fax, electronically or postal.

The CEO must prepare a ballot paper listing each candidate drawn by ballot, to be forwarded to each member Club Secretary at the same time as the Clay Target e-News is posted, carrying the details of each of the nominees standing for election to the board.

Voting procedure for the member club is to number the ballot paper with the numbers one (1) and two (2) in the boxes of the candidates they would like to see elected to The Board. The President and Secretary of the member club should endorse the selection on behalf of their club and forward to the Company Secretary by the closing date as stipulated in the advice published in the Clay Target e-News and sent to each Club Secretary by the CEO.

The Company Secretary is to act as the returning officer for the election. The returning officer with the assistance of the CEO will then count and allocate the first and second preferences to each candidate from all the complying ballots lodged.

The highest number of total votes as designated 1 and 2 will then be declared elected. Should two candidates be equal in total votes the one with the most number one (1) votes is elected. In the unlikely event that the process cannot split the candidates, the result will be drawn by the Managing Director at the AGM.

We have discussed several voting options and have also considered another alternative which we could also consider:

That the members of the ACTA vote using the same 1 and 2 method outlined above. At this stage we believe that the easiest way to conduct this process would be by using an online platform, but this process will not be compulsory.

All votes will be collated, and each member vote would be totalled and used to determine the vote that their club makes to elect the nominated candidates. The same process will apply as outlined above but voting members will vote and their votes will be attributed to their club.

We decided not to make this our preferred voting option as there are some issues that arise. What happens if no members from a smaller club vote? How do we apportion votes to clubs with differing membership sizes?

Our view was that the members of each club are responsible for those who are elected to run their club and on that basis, we believe that it is easier for clubs to vote on behalf of their membership. There will be nothing restricting member clubs from conducting their own internal voting system prior to submitting their final selections.

Acknowledgements

The CSC acknowledges the following:

1. If the new Constitution is adopted, we will need to deal with the transition period until we elect 6 directors using the process outlined above. We will seek legal advice in this regard and work on a fair outcome for this transition which will also be made available to you;
2. That we still have a considerable amount of work to do but will only push forward if you are satisfied. If it hasn't been mentioned, we will try keep other parts of the Constitution in line with what we currently have in place. During drafting and after obtaining legal advice, if we make any additional changes these will be made known to you. We maintain our

commitment to be honest, transparent and will continue to engage with you to determine if this new Constitution can pass at the AGM; and

3. There may be things that we have missed, not considered or something that needs more thought. We will take all of your emails seriously and will discuss your responses at our next CSC meeting.

We all thank you for taking the time to read through our Governance outline. This is your opportunity to provide your feedback and to help shape our new Constitution. We look forward to hearing from you.