

FACTS FOR EA MEMBERS >

Researched by a member of 40+ years who has dropped her membership, now an X member

FACT:

E.A. Is a Company limited by guarantee, according to ASIC : boards of these companies are legally not obliged to carry out the wishes of their members, regardless of how the motions are put.

Just because the E.A. Board can legally ignore members input, doesn't mean they can't /shouldn't agree to co-operate and comply with members input if legally compliant. (or help the members format ideas so they are compliant)

Consecutive E.A. Boards have chosen to ignore their members

FACT:

ASIC will not intervene in members disputes with their Boards.

The only recourse members have is to try mediation or go to court.

https://asic.gov.au/about-asic/contact-us/how-to-complain/companies-limited-by-guarantee-disputes-about-members-rights/#Members_rights

ASIC may however intercede regarding creditors and employees, but members are on their own.

FACT

Re the Veto Clause 40. According to ASIC a key feature of companies limited by guarantee is 1 member one vote..... Doesn't the effect of the Veto clause deliver more than 1 vote to 2 boards (whichever 2 use their veto). Doesn't this equate to more than 1 vote for the 2 Branches that use their Veto ability?

<https://asic.gov.au/about-asic/contact-us/how-to-complain/companies-limited-by-guarantee-disputes-about-members-rights/>

Ask yourself:

- Isn't Clause 40 this against the Corporations Act? Why does it still exist?
- Catch 22 - the Board has no legal obligation to act on members demands as per this clause. How can the members get control of the E.A. Constitution and their organisation? *(Stand by, there are some options that get around these issues)*
- Why hasn't the current E.A. Board moved to remove Clause 40 due to its illegality? Or do E.A. Boards only use the law argument against Participating Members?
- So- Why exactly did the administrators allow this clause to be inserted into the Constitution facilitating the disenfranchisement of members?
- **When will EA Boards stop using their Constitution and Corporations Act against members instead of just doing what members want when possible?**
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- Why hasn't the current Board haven't got the message, the Members don't want Board dominated reform and input only from the top of the competitor hierarchy.

FACT

Yes, the Nomination Committee is required under the constitution.

Because this clause was **added** to the constitution during Voluntary Admin, it was suggested by the administrators, I spoke to Craig Shepard about it. It slipped under the members radar because of the Veto clause ruckus.

Censorship by any other name:

Sure, under the E.A. constitution the members have a vote for the Member Elected Board Member Candidates - from a Nominations Committee curated selection of candidates, or in the January 2022 case, no actual election as the committee has ruled out all other candidates. The only option at this election is to vote in favour of this candidates' appointment, or against it.

(Caution- I'll research the E.A. Constitution further, but I think that there is a prescribed number of Board Members and the Board itself has certain powers to appoint a person of their choosing where the Board is short a member. Possibly, playing into the Boards hands?)

This process does not represent members having the power to nominate and vote from a selection of candidates of their free choosing. This clause needs to go. But consider the first 3 facts above.