



The Arabian Horse Society of Australia Ltd.

ABN 12 001 281 590

Street Address: Unit 12, 40 Bowman Street RICHMOND NSW 2753

Postal Address: Post Office Box 415 RICHMOND NSW 2753

Telephone: 02 - 45775366

Fax: 02 - 45877509

Email: secretary@ahsa.asn.au

Website: www.ahsa.asn.au

Statement from the AHSA Board of Directors

1. The Arabian Horse Society of Australia Limited (**AHSA**) is a public company limited by guarantee that is governed by the *Corporations Act 2001* (Cth).
2. The Memorandum and Articles of Association which has served the AHSA since 1995 were drafted in accordance with the *New South Wales Companies Act 1961* (NSW). This legislation has been repealed and replaced with the *Corporations Act 2001* (Cth). Much of the Memorandum and Articles is now subsequently outdated given this development in legislation.
3. The AHSA have sought legal advice and assistance from international and esteemed law firm MinterEllison in drafting the new Constitution. The Board of Directors (**Board**) unanimously resolved to put the new Constitution to a special resolution because it is in the Board's view an extremely positive step forward for the AHSA to be governed by a modern and easy to understand document written pursuant to the current legislation.
4. The AHSA is conscious that adopting the proposed new Constitution would be a notable change and seeks to provide further clarity around the process undertaken thus far in providing the Constitution to the Members and how the new Constitution seeks to adopt many of the Articles in the current Articles of Association.
5. **Notice of Annual General Meeting**
 - 5.1 In accordance with Article 71 and 72, the AHSA is required to provide notice in writing of a General Meeting and the nature of any special business coming before the General Meeting, not less than 21 days before such a meeting is held.
 - 5.2 The Annual General Meeting is scheduled for 30 March 2019, therefore notice that does not include the day of the meeting and allows for a 24 hours postage period, would require the AHSA to provide such notice by 8 March 2019.
 - 5.3 The AHSA began posting and emailing out the notices on Wednesday 6 March 2019, and provided on the AHSA Website the Financial and Directors' report on 8 March 2019.
 - 5.4 It is evident that the AHSA have complied with their legal requirements with respect to notice.
6. **Conduct and Discipline of Members**
 - 6.1 Article 16 has enabled the Board to discipline Members since 1995 and the issuing of a fine has been a prescribed form of discipline since inception.
 - 6.2 Article 16(d)(iii) currently enables the Board to issue an unlimited fine to Members that are found to have breached the Articles, Regulations, Rules and/or Competition/Show Rules as there is no monetary limit provided.
 - 6.3 The Board have placed in the new Constitution at clause 7.7(d)(iii) a limit of up to \$15,000 on any fine the Board resolves to impose as a disciplinary penalty. This clause does not provide that every fine will be \$15,000 but instead sets a cap on fines so as to protect Members from disciplinary action that is excessive.
 - 6.4 Under the Articles currently, the Board has no ability to prevent Members from conducting transactions in the Stud Book or Register.
 - 6.5 If a Member was for example, found by the Board to have competed a horse under the influence of prohibited medications at an event run in accordance with the AHSA Rules, the Board could not prevent that Member from transferring that horse to another Member and continue on competing. This would undermine the very nature of the disciplinary measures taken by the Board to uphold animal welfare and clean sport.

- 6.6 The new Constitution provides at clause 7.7(v) and (vi) that the Board can prohibit Members from conducting transactions in the Stud Book or Register and cancel or suspend the registration of any Arabian Horse owned by a Member that is the subject of disciplinary action.
- 6.7 The AHSA is aware of its obligation as an affiliate of the World Arabian Horse Organisation (**WAHO**) and would not cancel or suspend the registration of an Arabian Horse without a proper basis to do so as this could result in the AHSA's membership with WAHO being jeopardised.
- 6.8 The cancellation or suspension of the registration of an Arabian Horse is a disciplinary action that would only be taken by the AHSA in the most extreme circumstances such as if an incorrect pedigree was found to have been provided to the AHSA upon registration.
- 6.9 Members can be assured that prior to any disciplinary penalty being imposed, the Board carefully considers all material put before it and affords the Member an opportunity to be represented (legally or otherwise) and to be heard.
- 6.10 The Articles of Association have not since inception provided any avenue for appeals against a decision of the Board to discipline a member. The new Constitution simply expressly states this at clause 7.7(h) so as to be transparent and provide clarity to Members. This does not prevent a Member from commencing legal proceedings against the AHSA and any Member that is disciplined is at liberty to do so.
- 6.11 The Board is aware that disciplining Members brings with it a certain level of risk that legal proceedings could be commenced against the AHSA and in efforts to mitigate this risk, the Board secured litigation insurance many years ago and this remains active.

7. *Reduction in the number of Directors*

- 7.1 The new Constitution reduces the number of Directors from 10 to 8 over a 2 year period. The Board is of the view that enabling the Members to vote in 8 Directors of their choosing, regardless of location, would ensure the Membership as a whole is appropriately represented.
- 7.2 The distribution of Members across the country is not accurately represented in the current structure of the Board and open election is an excellent method that affords the Members every opportunity to elect a Board of Directors that will represent their wishes.
- 7.3 The cost of transporting 10 Directors to Board Meetings in Sydney numerous times each year is expensive and a reduction in Directors coupled with the use of technology to conduct Board Meetings will likely see a reduction in this expenditure.

8. *Location of Annual General Meeting*

- 8.1 The Board were holding the Annual General Meeting during the Australian Arabian Championships however many Members who did not attend the Championships felt they were not given an equal opportunity to attend.
- 8.2 The Board started rotating the Annual General Meeting to various cities around Australia in 2018 by holding the Annual General Meeting in Adelaide. Furthermore, the location of the 2019 Annual General Meeting was set well over 5 months before the Board entered into discussion with respect to drafting a new Constitution.
- 8.3 Tasmania is home to many AHSA Members and the Board looks forward to the Annual General Meeting scheduled for 30 March 2019.
9. We ask Members to take the time to consider both the Memorandum and Articles of Association and the new Constitution concurrently so as to make a reasonable comparison and should you have any questions about the new Constitution or Financial Report, please contact the Chairperson or Secretary.

Leonie Williamson
Chairperson
Board of Directors
Arabian Horse Society of Australia Limited

9 March 2019