



**Mountain Bike Australia  
2019 Annual General Meeting  
Explanatory Notes on the AusCycling Special Resolution**

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## Special Resolution

### THAT

- a) *the Voting Members approve the draft Constitution of the proposed company limited by guarantee "AusCycling Limited" as annexed to this Notice at Annexure B; and*
- b) *the Voting Members authorise the board to transfer all assets and liabilities of Mountain Bike Australia Limited to the entity referred to as AusCycling; and*
- c) *the Constitution of Mountain Bike Australia Limited be amended as set out in Annexure A to this Notice, effective from the date the below condition is met; and*
- d) *the board is authorised to prepare and execute all necessary documents and take all necessary actions as are required to affect this resolution;*

*subject to the voting members of one or both BMX Australia Ltd and/or Cycling Australia Ltd approve the transfer of the relevant entity's assets and liabilities to the new entity referred to as AusCycling.*

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## Explanatory Notes

- To pass this special resolution, 75% approval of the total number of MTBA members entitled to vote, who vote in person or via proxy at the general meeting is required. The resolution cannot be varied and must be voted as one.
- Part A) refers to acceptance of the proposed Constitution of the new entity - AusCycling Limited - as presented as part of the AGM pack.
- Part B) refers to MTBA transitioning into AusCycling and asks members to approve the transition of MTBA assets, liabilities and all ongoing concerns to AusCycling on a date in the future to be determined by the Board of Directors.
- Part C) refers to a procedural requirement to transfer cancellation powers to the MTBA Board of Directors following agreement to cancel MTBA's registration and transfer all assets and liabilities to AusCycling. Voluntarily cancelling MTBA's registration requires 100% unanimous approval by all MTBA members (circa 17,000 plus members), not just those voting at the relevant meeting, which is not practical. Subsequently, this part provides for the existing Board of Directors to make this decision on behalf of the organisation following approval by members to voluntarily cancel the company. The alternative of winding up the company incurs significant liquidator fees and prevents the transition of MTBA's ongoing assets to AusCycling.
- Part D) refers to empowering the Board of Directors with the necessary administrative capacity to undertake the necessary actions required to carry out this special resolution (ie sign a transfer of business agreement with AusCycling, lodge the voluntary cancellation form in due course).
- The special resolution is conditional, subject to at least one other NSO (BMX Australia and/or Cycling Australia) also agreeing to the formation of AusCycling under instruction of their respective voting members. Should both BMX Australia and Cycling Australia members' fail to agree to the formation of AusCycling, the above special resolution remains approved, but will not proceed and therefore fall away, as the precondition has not been met.

END