



Association of Self-Insured Employers of Queensland Inc

PO Box 12046 George Street QLD 4003

ABN 91 158 806 819

ASIEQ CONSTITUTION AND RULES

1. WORDS AND EXPRESSIONS TO HAVE MEANING IN THE ACT

A word or expression that is not defined in these model rules, but is defined in the *Associations Incorporation Act 1981* (the Act) has, if the context permits, the meaning given by the Act

2. NAME

The name of the incorporated association is **Association of Self-Insured Employers of Queensland Incorporated** (“the Association”)

3. OBJECTS

The objects of the association are -

- a) lobby Government to influence policy direction to enable better outcomes through self-insurance and injury management tailored to strategic objectives;
- b) educate Government that:
 - employer based injury management leads to better outcomes for employees;
 - self-insurance is more holistic and not only about workers’ compensation;
- c) provide a forum for the discussion of matters relating to injury management in Queensland, especially in relation to self-insurance matters;
- d) allow the members to be represented in discussions with government departments and any other relevant body on matters relating to the above objects that affect the members in Queensland; and relevant associated matters.

- e) make submissions and representations on matters relating to self-insurance and/or employer based injury management, workers' compensation and related matters to government departments, any other relevant body and any Government inquiry into workers' compensation arrangements in Queensland; and relevant associated matters.
- f) receive and disseminate information about self-insurance and injury management and relevant associated matters to members;
- g) arrange education for members and their staff in respect of self-insurance and injury management; and relevant associated matters.
- h) promote the benefits and role of self-insurance and employer based injury management within the community at large.
- i) do anything necessary for or incidental to the carrying out of the above objects.

4. POWERS

- (1) The association has the powers of an individual.
- (2) The association may, for example -
 - (a) enter into contracts; and
 - (b) acquire, hold, deal with and dispose of property; and
 - (c) make charges for services and facilities it supplies; and
 - (d) do other things necessary or convenient to be done in carrying out its affairs.
- (3) The association may take over the funds and other assets and liabilities of the present unincorporated association known as the 'Queensland Workers' Compensation Self Insurers' Association'.

5. CLASSES OF MEMBERS

- (1) The membership of the association shall consist of:-
 - (a) ordinary members, and
 - (b) associate members
- (2) (a) An entity licensed as a self-insurer under the Queensland workers' compensation legislation, or an employer with over 1000 workers employed in Queensland and who has an interest in the aims of the Association, self-insurance and/or employer based injury management shall be eligible for ordinary membership of the Association.

(b) An entity that has an interest in the aims of the Association, self-insurance and/or employer based injury management including the provision of medical health, safety or Injury Management services to self-insured employers shall be eligible for 'Associate' membership of the Association.

(c) An entity will not be eligible for 'Associate' membership if they are (or potentially are) a provider of services to members of the Association and they do not comply with clause 5(a). For example solicitor and loss assessor firms who may, are and/or have been retained to provide services to members of the Association will not be eligible for membership unless they have an interest in becoming a self insurer.

(3) The Executive of the Association retains the right to refuse any application by an entity for membership to the Association notwithstanding satisfaction of the criteria in clauses 5.(2)(a) and 5.(2)(b), if the Executive is of the opinion that membership of the entity is not in the best interests of the Association.

(4) The number of members is unlimited.

6. MEMBERSHIP

(1) An entity who, on the day the association is incorporated, was a member of the unincorporated association and who, on or before a day fixed by the executive committee, agrees in writing to become a member of the incorporated association, must be admitted by the executive committee to the same class of membership of the association as the member held in the unincorporated association.

(2) A member of the incorporated association who, before becoming a member, has paid the member's annual subscription for membership of the unincorporated association on or before a day fixed by the executive committee, is not liable to pay a further amount of annual subscription for the period before the day fixed by the executive committee as the day on which the next annual subscription is payable.

- (3) An applicant for membership of the association, other than the members of the unincorporated association mentioned in subsection (1), must be proposed by 1 member of the association (the **proposer**) and seconded by another member (the **second**er).
- (4) An application for membership to which 6(3) applies must be-
 - (a) in writing; and
 - (b) signed by the applicant and the applicant's proposer and second
er; and
- (c) in the form decided by the executive committee.

7. INDEPENDENCE OF MEMBERS

- (1) Membership of the Association shall not limit the right of a member to act in their own interests and to act independently of the Association.
- (2) Independent actions of members are not taken to be actions of, or on behalf of, the Association.

8. REPRESENTATIVES OF MEMBERS

- (1) Each member may nominate up to two (2) representatives to attend meetings of the Association and act as a representative of the member for the purposes of the Association's Rules.
- (2) The President, in consultation with the executive, may admit guests to a meeting, or part of a meeting of the Association from time to time.

9. MEMBERSHIP FEES

- (1) The membership fee for each class of membership-
 - (a) is the amount decided by the executive; and
 - (b) is payable annually by each member and associate member.
- (2) Any extraordinary costs must be approved by resolution passed by a majority of ordinary members at a meeting of the Association. All costs incurred shall be shared equally by members.

- (3) The membership fee paid by each 'Associate' member who progresses to the next stage of membership will be transferred as the fee payable under that category of membership for the remainder of the period for which the fee is payable.

10. ADMISSION AND REJECTION OF MEMBERS

- (1) The executive committee must consider an application for membership at the next meeting of the committee held after it receives-
 - (a) the application; and
 - (b) the appropriate membership fee for the application.
- (2) The executive committee must decide at the meeting whether to accept or reject the application.
- (3) If a majority of the executive committee members present at the meeting vote to accept the applicant as a member, the applicant must be accepted as a member to the class of membership applied for.
- (4) The secretary of the association must, as soon as practicable after the executive committee decides to accept or reject an application, give the applicant a written notice of the decision.

11. WHEN MEMBERSHIP ENDS

- (1) A member may resign from the association by giving a written notice of resignation to the secretary.
- (2) The resignation takes effect on-
 - (a) the day and at the time the notice is received by the secretary; or
 - (b) if a later day is stated in the notice - the later day.
- (3) Subject to 11(4) and 11(5), the executive committee may terminate a member's membership if the member -
 - (a) is convicted of an indictable offence; or
 - (b) does not comply with any of the provisions of these rules; or

- (c) has membership fees in arrears for at least 2 months; or
 - (d) conducts itself in a way considered to be injurious or prejudicial to the character or interests of the association.
- (4) Before the executive committee terminates a member's membership, the committee must give the member a full and fair opportunity to show why the membership should not be terminated.
- (5) If, after considering all representations made by the member, the executive committee decides to terminate the membership, the secretary of the committee must give the member a written notice of the decision.

12. APPEAL AGAINST REJECTION OR TERMINATION OF MEMBERSHIP

- (1) An entity whose application for membership has been rejected, or whose membership has been terminated, may give the secretary written notice of the entity's intention to appeal against the decision.
- (2) A notice of intention to appeal must be given to the secretary within 1 month after the entity receives written notice of the decision.
- (3) If the secretary receives a notice of intention to appeal, the secretary must, within 3 months after the day of receipt, call a general meeting to decide the appeal.
- (4) At the meeting, the applicant must be given a full and fair opportunity to show why the application should not be rejected or the membership should not be terminated.
- (5) Also, the executive committee and the committee members who rejected the application or terminated the membership must be given an opportunity to show why the application should be rejected or the membership should be terminated.
- (6) An appeal must be decided by a vote of the ordinary members present at the meeting.
- (7) If an entity whose application has been rejected or whose membership has been terminated does not appeal against the decision within 1 month after receiving written notice of the

decision, or the entity appeals but the appeal is unsuccessful, the secretary must, as soon as practicable, refund the application fee paid by the entity.

13. REGISTER OF MEMBERS

- (1) The executive committee must keep a register of members.
- (2) The register of members must include the following particulars for each member-
 - (a) the full name and address of the member;
 - (b) the date of admission as a member;
 - (c) the date of resignation of the member;
 - (d) details about the termination or reinstatement of membership;
 - (e) any other particulars the executive committee or the members at a general meeting decide.
- (3) The register must be open for inspection at all reasonable times.
- (4) However, before the member may inspect the register, the member must apply to the secretary to inspect it.

14. SECRETARY

- (1) If the association has not elected an interim officer as secretary for the association before its incorporation, the members of the executive committee must ensure a secretary is appointed or elected for the association as soon as practicable after incorporation.
- (2) If a vacancy happens in the office of secretary, the members of the executive committee must ensure a secretary is appointed or elected for the association within 1 month after the vacancy happens.
- (3) The secretary must be an individual residing in Queensland, or in another State but not more than 65 km from the Queensland border, who is -

- (a) a representative of an ordinary member of the association elected by the association as secretary; or
 - (b) any of the following persons appointed by the executive committee-
 - (i) a member of the association's executive committee;
 - (ii) a representative of an ordinary member of the association;
 - (iii) another person.
- (4) The executive committee may appoint and remove the association's secretary at any time.

15. MEMBERSHIP OF EXECUTIVE COMMITTEE

- (1) The executive committee of the association consists of a President, Secretary, Treasurer, Vice-President and any other representatives of ordinary members the association's ordinary members elect or appoint at a general meeting. The Immediate past President will also be an ex officio member of the Executive Committee.
- (2) Members of the executive committee , must be representatives of financial ordinary members of the association.
- (3) At each annual general meeting of the association, the members of the executive committee must retire from office, but are eligible, on nomination, for re-election.
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- (4) The executive may appoint a representative of an ordinary member to act as an executive representative when an executive representative is absent or is unable to perform the functions of office.
- (5) An executive member shall not serve:-
 - a) on the executive for a period exceeding five consecutive years; or
 - b) In the same executive position for a period exceeding three (3) consecutive years.

16. ELECTING THE EXECUTIVE COMMITTEE

- (1) A member of the executive committee may only be elected as follows-
 - (a) any 2 members of the association may nominate another representative of an ordinary member (the **candidate**) to serve as a member of the executive committee;
 - (b) the nomination must be-
 - (i) in writing; and
 - (ii) signed by the candidate and the members who nominated him or her; and
 - (iii) given to the secretary at least 14 days before the annual general meeting at which the election is to be held;
 - (c) each member present at the annual general meeting may vote for any number of candidates but for not more than the number of vacancies;
 - (d) if, at the start of the meeting, there are not enough candidates nominated, nominations may be taken from the floor of the meeting.
- (2) If required by the executive committee, balloting lists must be prepared containing the names of the candidates in alphabetical order.

17. RESIGNATION OR REMOVAL FROM OFFICE OF EXECUTIVE COMMITTEE MEMBER

- (1) An executive committee member may resign from the committee by giving written notice of resignation to the secretary.
- (2) The resignation takes effect on-
 - (a) the day and at the time the notice is received by the secretary; or
 - (b) if a later day is stated in the notice - the later day.
- (3) An executive committee member may be removed from office at a general meeting of the association if a majority of the members present at the meeting vote in favour of removing the member.
- (4) Before a vote of members is taken about removing the member from office, the member must be given a full and fair opportunity to show cause why the member should not be removed from office.

- (5) A member has no right of appeal against their removal from office under this section.

18. VACANCIES ON EXECUTIVE COMMITTEE

- (1) If a casual vacancy happens on the executive committee, the continuing members of the committee may appoint another representative of an ordinary member of the association to fill the vacancy until the next annual general meeting.
- (2) The continuing members of the executive committee may act despite a casual vacancy on the executive committee.
- (3) However, if the number of committee members is less than the number fixed under these rules as a quorum of the executive committee,⁸ the continuing members may act only to-
- (a) increase the number of executive committee members to the number required for a quorum; or
 - (b) call a general meeting of the association.

19. FUNCTIONS OF EXECUTIVE COMMITTEE

- (1) Subject to these rules or in accordance with a resolution of the ordinary members of the association carried at a general meeting, the executive committee -
- (a) has the general control and management of the administration of the affairs, property and funds of the association; and
 - (b) has authority to interpret the meaning of these rules and any matter relating to the association on which the rules are silent.
- (2) The executive committee may exercise the powers of the association -
- (a) to borrow, raise or secure the payment of amounts in a way the association members decide; and

⁸ For the number of members to form a quorum, see section 20(Meetings of executive committee)

- (b) to secure the amounts mentioned in paragraph (a) or the payment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the association in any way,
- (c) to provide and pay off any securities issued; and
- (d) to invest in a way the members of the association may from time to time decide.

20. MEETINGS OF EXECUTIVE COMMITTEE

Ordinary Meetings of Executive Committee

- (1) Subject to subsections (2) to (16), the executive committee may meet and conduct its proceedings as it considers appropriate.
- (2) The executive committee must meet at least once every 4 months to exercise its functions.
- (3) The committee must decide how a meeting is to be called.
- (4) Notice of a meeting is to be given in the way decided by the committee.

Special Meetings of Executive Committee

- (5) If the secretary receives a written request signed by at least 33% of the executive committee members, the secretary must call a special meeting of the committee.
- (6) A request for a special meeting must state-
 - (a) why the special meeting is being called; and
 - (b) the business to be conducted at the meeting.

General

- (7) At an executive committee meeting, more than 50% of the representatives of ordinary members elected or appointed to the executive committee as at the close of the last general meeting of the members form a quorum.

- (8) A question arising at an executive committee meeting is to be decided by a majority vote of executive committee members present at the meeting and, if the votes are equal, the question is decided in the negative.
- (9) An executive committee member must not vote on a question about a contract or proposed contract with the association if the committee member personally has, or is a representative of a member that has, an interest in the contract or proposed contract, and if the committee member does vote the committee member's vote must not be counted.
- (10) The President or, if there is no President or if the President is not present within 10 minutes after the time fixed for an executive committee meeting, the Vice-President is to preside as President at the meeting.
- (11) If the President and the Vice-President are absent from an executive committee meeting, the committee members may choose 1 of their number to preside as President at the meeting.

21. DELEGATION OF EXECUTIVE COMMITTEE POWERS

- (1) The executive committee may delegate the whole or part of its powers to a subcommittee consisting of the association members considered appropriate by the committee.
- (2) A subcommittee may only exercise delegated powers in the way the executive committee decides.
- (3) A subcommittee may elect a chairperson of its meetings.
- (4) If a chairperson is not elected, or if the chairperson is not present within 10 minutes after the time fixed for a meeting, the subcommittee members present may choose 1 of their number to be chairperson of the meeting.
- (5) A subcommittee may meet and adjourn as it considers appropriate.

- (6) A question arising at a subcommittee meeting is to be decided by a majority vote of the subcommittee members present at the meeting and, if the votes are equal, the question is decided in the negative.

22. ACTS NOT AFFECTED BY DEFECTS OR DISQUALIFICATIONS

- (1) An act performed by the executive committee, a subcommittee or a person acting as a member of the executive committee is taken to have been validly performed.
- (2) Subsection (1) applies even if the act was performed when-
 - (a) there was a defect in the appointment of a member of the executive committee, subcommittee or person acting as a member of the executive committee; or

23. RESOLUTIONS OF EXECUTIVE COMMITTEE WITHOUT MEETING

- (1) A written resolution signed by each member of the executive committee for the time being entitled to receive notice of a committee meeting is as valid and effectual as if it had been passed at a committee meeting that was properly called and held.
- (2) A resolution mentioned in subsection (1) may consist of several documents in like form, each signed by 1 or more members of the committee.

24. FIRST GENERAL MEETING

- (1) The first general meeting must be held not less than 1 month, and not more than 3 months, after the day the association is incorporated.
- (2) The executive committee must decide where the meeting is to be held.
- (3) The business to be conducted at the first general meeting must include the appointment of an auditor.

25. FIRST ANNUAL GENERAL MEETING

The first annual general meeting must be held within 18 months after the day the association is incorporated.

26. SUBSEQUENT ANNUAL GENERAL MEETINGS

Each subsequent annual general meeting must be held -

- (a) at least once each year; and
- (b) within 6 months after the end of the association's previous financial year.

27. BUSINESS TO BE CONDUCTED AT ANNUAL GENERAL MEETING

The following business must be conducted at each annual general meeting -

- (a) receiving the statement of income and expenditure, assets, liabilities and mortgages, charges and securities affecting the property of the association for the last financial year;⁹
- (b) receiving the auditor's report on the financial affairs of the association for the last financial year;
- (c) presenting the audited statement to the meeting for adoption;
- (d) electing members of the executive committee;
- (e) appointing an auditor.

28. SPECIAL GENERAL MEETING

- (1) The secretary may only call a special general meeting by giving each member notice of the meeting within 7 days after-
 - (a) being directed to call the meeting by the executive committee; or
 - (b) being given a written request signed by-
 - (i) at least 33% of the representatives of ordinary members of the association presently on the executive committee; or

⁹ This statement is required to be prepared under the Associations Incorporation Act 1981, section 59 (Audit and statement).

- (ii) at least the number of ordinary members of the association equal to double the number of representatives of ordinary members of the association presently on the executive committee plus 1; or
 - (c) being given a written notice of an intention to appeal against the decision of the executive committee-
 - (i) to reject an application for membership; or
 - (ii) to terminate a person's membership.
- (2) A request mentioned in subsection (1) (b) must state-
- (a) why the special general meeting is being called; and
 - (b) the business to be conducted at the meeting.

29. NOTICE OF GENERAL MEETING

- (1) The secretary may call a general meeting of the association.
- (2) The secretary must give at least 7 days notice of the meeting to each association member.
- (3) The executive committee may decide the way in which the notice must be given.
- (4) However, notice of the following meetings must be given in writing-
 - (a) a meeting called to hear and decide the appeal of a member against the rejection or termination of the member's membership by the executive committee; or
 - (b) a meeting called to hear and decide a proposed special resolution of the association.
- (5) A notice of a general meeting must state the business to be conducted at the meeting.

30. QUORUM FOR, AND ADJOURNMENT OF, GENERAL MEETING

- (1) Subject to subsection (5), at a general meeting half the number of ordinary members of the association plus 1 form a quorum.
- (2) No matter may be decided at a general meeting unless a quorum of ordinary members is present when the meeting proceeds to business.

- (3) If a quorum is not present within 30 minutes after the time fixed for a general meeting called on the request of members of the executive committee of the association, the meeting lapses.
- (4) If a quorum is not present within 30 minutes after the time fixed for a general meeting called other than on the request of members of the executive committee of the association, the meeting is to be adjourned to-
 - (a) the same day, time and place in the next week; or
 - (b) a day, time and place decided by the executive committee.
- (5) If at a meeting adjourned in accordance with sub-section 4, a quorum under subsection (1) is not present within 30 minutes after the time fixed for the meeting, the members present form a quorum.
- (6) The President may, with the consent of any meeting at which a quorum is present, and must if directed by the meeting, adjourn the meeting from time to time and from place to place.
- (7) If a meeting is adjourned under subsection (6), only the business left unfinished at the meeting from which the adjournment took place may be conducted at the adjourned meeting.
- (8) The secretary is not required to give the members notice of an adjournment or of the business to be conducted at an adjourned meeting unless a meeting is adjourned for at least 30 days.
- (9) If a meeting is adjourned for at least 30 days, notice of the adjourned meeting must be given in the same way notice is given for an original meeting.
- (10) In this rule -
"member" includes a person attending as a proxy or representing a corporation that is a member.

31. PROCEDURE AT GENERAL MEETING

- (1) Subject to these rules, at each general meeting -
 - (a) the President or, if there is no President or if the President is not present within 15 minutes after the time fixed for the meeting or is unwilling to act, the Vice-President is to preside as President;
 - (b) if the Vice-President is absent or unwilling to act as President, the ordinary members present must elect 1 of their number to be President of the meeting;
 - (c) the President must conduct the meeting in a proper and orderly way;

- (d) each question, matter or resolution must be decided by a majority of votes of the ordinary members present;
- (e) each ordinary member present and entitled to vote is entitled to 1 vote only and, if the votes are equal, the President has a casting vote as well as a primary vote;
- (f) associate members and observer members have no voting entitlements at meetings of the association;
- (g) a member is not entitled to vote at a general meeting if the member's annual subscription is in arrears at the date of the meeting;
- (h) voting may be by a show of hands or a division of members, unless at least 20% of the ordinary members present demand a secret ballot;
- (i) if a secret ballot is held, the President must appoint 2 representatives of members to conduct the secret ballot in the way the President decides;
- (j) the result of a secret ballot as declared by the President is taken to be a resolution of the meeting at which the ballot was held;
- (k) a member may vote through their representative in person or by proxy or by attorney-
 - (i) on a show of hands, each member has 1 vote;
 - (ii) in a secret ballot, each member has 1 vote;
- (l) an instrument appointing a proxy must be in writing; and be signed by the member's representative properly authorised in writing;
- (m) a proxy may be a representative of a member of the association or another person;
- (n) the instrument appointing a proxy is taken to confer authority to demand or join in demanding a secret ballot;
- (o) if someone wants to give a member an opportunity to vote for or against a resolution, the instrument appointing a proxy must be in the following or like form-

ASSOCIATION OF SELF INSURED EMPLOYERS Inc

I, _____ of _____, being a representative of a member of the association, appoint _____ of _____, as my proxy to vote for me on my behalf at the (annual) general meeting of the association, to be held on the _____ day of _____, 20____, and at any adjournment of the meeting.

Signed this _____ day of _____, 20____.

Signature.

This form is to be used * in favour of / *against the resolution.

*Strike out whichever is not wanted. (Unless otherwise instructed, the proxy may vote as the proxy considers appropriate.);

and

- (p) each instrument appointing a proxy must be given to the secretary before the start of the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
 - (q) the secretary must ensure full and accurate minutes of all questions, matters, resolutions and other proceedings of each executive committee meeting and general meeting are kept;
 - (r) the secretary must ensure the minutes for each general meeting are open for inspection at all reasonable times to any financial member who previously applies to the secretary for the inspection.
- (2) To ensure the accuracy of the minutes recorded under subsection (1)(p)-
- (a) the minutes of each executive committee meeting must be signed by the President of the meeting, or the President of the next executive committee meeting, verifying their accuracy;
 - (b) the minutes of each general meeting must be signed by the President of the meeting, or the President of the next general meeting, verifying their accuracy;
 - (c) the minutes of each annual general meeting must be signed by the President of the meeting, or the President of the next meeting of the association that is a general meeting or annual general meeting, verifying their accuracy.

32. BY-LAWS

- (1) The executive committee may make, amend or repeal by-laws, not inconsistent with these rules, for the internal management of the association.

- (2) A by-law may be set aside by a vote of members at a general meeting of the association.

33. ALTERATION OF RULES

- (1) Subject to the *Associations Incorporation Act 1981*, these rules may be amended, repealed or added to by a special resolution carried at a general meeting.
- (2) However an amendment, repeal or addition is valid only if it is registered by the chief executive.

34. COMMON SEAL

- (1) The executive committee must ensure the association has a common seal.
- (2) The common seal must be-
 - (a) kept securely by the executive committee; and
 - (b) used only under the authority of the executive committee.
- (3) Each instrument to which the seal is attached must be signed by a member of the executive committee and countersigned by-
 - (a) the secretary; or
 - (b) another member of the executive committee; or
 - (c) someone appointed by the executive committee.

35. FUNDS AND ACCOUNTS

- (1) The funds of the association must be kept in an account in the name of the association in a financial institution decided by the executive committee.
- (2) Records and accounts must be kept in the English language showing full and accurate particulars of the financial affairs of the association.
- (3) All amounts must be deposited in the financial institution account as soon as practicable after receipt.
- (4) If an amount of \$100 or more is paid by cheque, the cheque must be signed by any 2 of the following-

- (a) the President;
 - (b) the secretary;
 - (c) the treasurer;
 - (d) another member representative authorised by the executive committee for the purpose.
- (5) Cheques, other than cheques for wages, allowances or petty cash recoupment, must be crossed 'not negotiable'.
- (6) All expenditure must be approved or ratified at an executive committee meeting.
- (7) The treasurer must, as soon as practicable after the end of each financial year, ensure a statement containing the following particulars is prepared -
- (a) the income and expenditure for the financial year just ended;
 - (b) the association's assets and liabilities at the close of the year;
 - (c) the mortgages, charges and securities affecting the property of the association at the close of the year.
- (8) If the association is incorporated within 3 months before the end of the association's financial year, subsection (7) does not apply for the financial year in which the association is incorporated.
- (9) The auditor must examine the statement prepared under subsection (7) and present a report about it to the secretary before the next annual general meeting following the financial year for which the audit was made.
- (10) The income and property of the association must be used solely in promoting the association's objects and exercising the association's powers.

36. DOCUMENTS

The executive committee must ensure the safe custody of books, documents, instruments of title and securities of the association.

37. FINANCIAL YEAR

The financial year of the association closes on 30 September each year.

38. DISTRIBUTION OF SURPLUS ASSETS TO ANOTHER ENTITY

- (1) This section applies if the association-
 - (a) is wound-up under part 10 of the Act;¹⁰ and
 - (b) it has surplus assets.
- (2) The surplus assets must not be distributed among the association members.
- (3) The surplus assets must be given to another entity -
 - (a) having objects similar to the association's objects; and
 - (b) the rules of which prohibit the distribution of the entity's income and assets to its members.
- (4) In this section -
"surplus assets" has the meaning given by section 92(3)¹¹ of the Act.

39. NOT FOR PROFIT

The assets and income of the Association shall be applied solely in furtherance of its abovementioned objects and no portion shall be distributed directly or indirectly to the members of the Association except as bona fide compensation for services rendered or expenses incurred on behalf of the Association.

¹⁰ Part 10 (Winding-up) of the Act

¹¹ Section 92 (Distribution of surplus assets) of the Act.