

- (2) An incorporated association that enters into a contract that would, but for the provisions of subsection (1), be invalid is empowered to carry out the contract.
- (3) This section does not prejudice an action by a member of an incorporated association to restrain the association from entering into or carrying out a transaction that lies beyond the powers conferred on the association by this Act or its rules.

28—Abolition of doctrine of constructive notice in relation to incorporated association

It is not to be presumed that a person dealing with an incorporated association, or an agent of an incorporated association, has notice of the rules of the association, or of any other document registered by, or lodged with, the Commission in relation to the association.

Part 4—Management of internal affairs

Division 1—The committee

29—Management of incorporated associations

- (1) Subject to this Act, the persons who have under the rules of an incorporated association power to administer the affairs of the association constitute, for the purposes of this Act, the committee of the association.
- (2) No person is to be precluded from being appointed as a member of the committee of an incorporated association by reason only of the fact that he or she is a member of a class of persons for whose benefit the association is established.
- (3) Subject to the rules of the association, no employee of an incorporated association is to be precluded by reason of that employment from being appointed as a member of the committee of the association.

30—Certain persons not to be members of the committee

- (1) A person who is an insolvent under administration must not, without leave of the Commission, be a member of the committee of an incorporated association, or be in any way (whether directly or indirectly) concerned in or take part in the management of an incorporated association.

Maximum penalty: \$5 000.

- (2) A person who has been convicted within or outside the State—
 - (a) on an indictment of an offence in connection with the promotion, formation or management of a body corporate; or
 - (b) of an offence involving fraud or dishonesty punishable on conviction by imprisonment for a period of not less than three months; or
 - (c) of an indictable offence; or
 - (d) of—
 - (i) an offence against section 39A; or
 - (ii) an offence against a provision applied by section 41B; or
 - (iii) an offence against section 60,

must not, within a period of five years after his or her conviction or, if he or she was sentenced to imprisonment, after his or her release from prison, without leave of the Commission, be a member of the committee of an incorporated association, or be in any way (whether directly or indirectly) concerned in or take part in the management of an incorporated association.

Maximum penalty: \$5 000.

- (3) When granting leave under this section, the Commission may impose such conditions or limitations as it thinks fit and any person contravening or failing to comply with any such condition or limitation that is applicable to him or her is guilty of an offence.

Maximum penalty: \$5 000.

- (4) The Commission may, at any time, revoke leave granted by it under this section.

31—Disclosure of interest

- (1) A member of the committee of an incorporated association who has any direct or indirect pecuniary interest in a contract, or proposed contract, with the association—

- (a) must, as soon as he or she becomes aware of his or her interest, disclose the nature and extent of his or her interest to the committee; and
- (b) must disclose the nature and extent of his or her interest in the contract at the next annual general meeting of the association (if an annual general meeting is required to be held by the association).

Maximum penalty: \$5 000.

- (2) Subsection (1) does not apply in respect of a pecuniary interest that exists only by virtue of the fact—

- (a) that the member of the committee is an employee of the association; or
- (b) that the member of the committee is a member of a class of persons for whose benefit the association is established; or
- (c) that the member of the committee has the pecuniary interest in common with all or a substantial proportion of the members of the association.

- (3) Where a member of the committee of an incorporated association discloses a pecuniary interest in a contract, or proposed contract, in accordance with this section, or his or her interest is not such as need be disclosed under this section—

- (a) the contract is not liable to be avoided by the association on any ground arising from the fiduciary relationship between the member and the association; and
- (b) the member is not liable to account for profits derived from the contract.

32—Voting on a contract in which a committee member has an interest

- (1) A member of the committee of an incorporated association who has any direct or indirect pecuniary interest in a contract, or proposed contract, with the association must not take part in any decision of the committee with respect to that contract (but may, subject to complying with the provisions of this Division, take part in any deliberations with respect to that contract).

Maximum penalty: \$5 000.