

Minutes of KPS Extraordinary General Meeting

**Held at the Plast Domivka in Essendon, Victoria
on Saturday 28 May 2011 at 10:15am**

Present

Refer to attached attendance lists and proxy forms

1. Commencement of proceedings

Meeting commenced at 10.23am and was opened by st. pl. Philip Botté with the Plast salute “SKOBI!” and a minute’s silence in memory of those who had passed. St. pl. Philip Botté informed those present that the extraordinary general meeting was a duly constituted meeting convened to consider and endorse the incorporation of an associated entity for KPS Australia. He further thanked all members and delegates from near and afar for their attendance at the General Meeting.

2. Appointment of Chairperson

The following persons were appointed to preside over the meeting:

Chairperson: st. pl. Symon Kohut
Minutes Secretary: st. pl. Sonya Radywyl

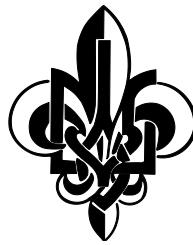
3. Confirmation of Agenda

Pl. sen. OIia Dudinski proposed to add an additional agenda item at the end of the meeting to award “Kadra Vyhkovnykiv” stupeni. The Chairperson accepted the proposal.

It was **MOVED** by pl. sen. Yuri Nestor and **SECONDED** by pl. sen. Bohdan Woiewidka:

“That the minutes from these proceedings be completed and distributed within a month and sent to all delegates via their stanytsia.”

On the voices, the Chairperson declared the resolution **CARRIED**.



4. To receive and consider the disclosure document proposal to incorporate a Plast KPS associated entity

St. pl. Philip Botté presented the contents of the Proposal to incorporate a Plast KPS Associated Entity as distributed to Plast members before the General Meeting.

It was advised that the initial impetus for incorporating a KPS Associated Entity was to enable membership of the Karpaty Foundation Board. A founding Director of the Karpaty Foundation Board, pl. sen. Slawko Ivanets was invited to provide background context on the formation, structure and operation of the Karpaty Foundation.

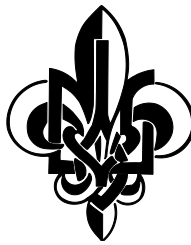
Pl. sen. Slawko Ivanets noted that he was presenting information to the General Meeting in an unofficial capacity. Pl. sen. Ivanets reported that the Karpaty Foundation was formed when the Karpaty Credit Union merged with the Sydney Credit Union allowing \$1M of grant funding to be directed to Ukrainian organizations and community groups in Australia.

The meeting was then opened to questions.

Bohdan Woiewidka, Plast Adelaide President, enquired whether the Karpaty foundation was registered. Slawko Ivanets advised that the Foundation was in the final stages of registration. Philip Botté advised that Plast's lawyers had completed a due diligence of the draft Karpaty Foundation Constitution and Trust Deed documents before release of the Disclosure Document and were satisfied with the Foundation's operation.

Yuri Nestor, KB UPS from Adelaide, enquired as to the involvement of other bodies on the Karpaty Foundation Board (i.e. why KPS and not stanytsi). Slawko Ivanets provided clarification that the Karpaty Foundation was seeking board members from National organizations only.

Mykola Pyk, Head of Victoria's Stanychna Rada, enquired whether there were any restrictions on the use of grants. Slawko Ivanets explained that bodies seeking grant funding would be required to submit a detailed application form. Slawko Ivanets further explained that there would be a restriction on the value of the grants – not more than 20% of the total funding allocated for that calendar year may go to one individual application [meaning an organisation can put in multiple applications (for different projects) which in total can exceed 20%]. The value of funding available would be based on the amount earned by the principle seed capital in that year. State based bodies would also be eligible to apply for grants.



Olia Dudinski, a member of the KPS Executive, enquired whether the 20% total funding ceiling was based on quarterly rollovers or total annual earnings. Slawko Ivanets reported that the 20% would be based on yearly totals.

Valentyn Mykytenko, a delegate from Victoria, enquired as to the timeframe relating to the appointment of Karpaty Foundation Trustees. Slawko Ivanets advised that trustees hadn't yet been appointed, however he envisaged the appointments would be made within two months of registration of the Karpaty Foundation.

There were no further questions for Slawko Ivanets.

St. pl. Philip Botté resumed his Proposal presentation detailing the rationale and mechanics of incorporating an Associated Entity. It was advised that the incorporation was made possible pursuant to Article 12.1 of the Plast Constitution (1977) and expressly limited by Articles 1.3, 1.4 and 2 of the same Plast Constitution.

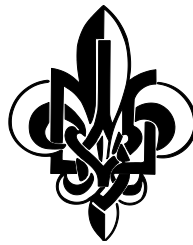
Philip Botté further noted that Pavuk Legal, Plast KPS's external legal advisers who had prepared the Disclosure Document, were unable to complete the proposed Associated Entity's Constitution and Service Agreement in time for the General Meeting. He advised, however, that the documents would be finalised and provided to Plast members for review within six weeks of the General Meeting.

Upon completion of his presentation, st. pl. Philip Botté summarised the rationale for incorporating an associated Entity to three salient arguments as follows:

- I. There were clear benefits and cost savings associated with aggregation (e.g. for public liability insurance purposes etc.);
- II. Without incorporation of an Entity, members of the Plast Federal Executive were exposed to significant risks which could be minimised with office bearer's liability coverage only accessible via incorporation; and
- III. Eligibility to access grant funding and bequests previously unavailable without incorporation.

The Chairperson opened the meeting to questions.

Hryts Huzij, past Stanychnyi of Sydney, enquired as to the availability of group insurance cover once the Associated Entity had been incorporated. Philip Botté responded that it would be possible to aggregate public liability insurance cover across all Plast members in Australia under the new Entity. This would provide significant cost savings for all Stanytsi, as well as ensure that all members were insured for activities throughout Australia. Hryts Huzij asked whether Stanytsi would need to ensure that there were no conflicts with their state constitutions or public liability policies. Jeremy Semkiw, KPS internal legal counsel, advised that



Stanytsi Constitutions should already be compliant with the KPS Constitution, and that the insurance coverage related to members and not Stanytsi directly.

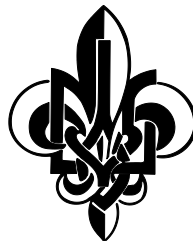
Yurij Nestor, KB UPS from Adelaide, enquired as to the reason why KPS could not simply incorporate under the current Plast Constitution (1977) as this was a good document and had already been ratified at the 14th KPZizd. He argued that there was no need to establish another entity. Philip Botté explained that due to changes in State and Federal Legislation and Corporations Law requirements, the Plast Constitution (1977) could not simply comply for a modern incorporation. Furthermore, the Plast Constitution (1977) had not been translated into the required English language.

Tomas Miljenovic, a delegate from Brisbane, enquired as to the eventuality of any issues or problems with the management of the Entity and how its directors could be held accountable. Philip Botté explained that if there were issues with the management of the Entity there would also be parallel issues with the KPS Executive (as the same people would be involved in both administrations). Philip Botté explained that there was a failsafe should serious concerns arise from the Plast membership: a KPS Ziizd could be called to remove the KPS Executive and concurrently the Directors of the Entity would be automatically removed.

Chairperson Symon Kohut, also a member of the KPS Executive, further clarified that the proposed Entity's operations and scope would be limited by Articles 1.3, 1.4 and 2 of the Plast Constitution (1977), and as such there was very little opportunity for problems to arise with the management of the Entity.

Olia Dudinski, a member of the KPS Executive, enquired as to the possibility of further narrowing the scope of governing Article 2 of the Plast Constitution (1977) to specifically limit the Entity's operation only to financial matters. She explained that in her opinion, Article 2 was extremely broad and effectively allowed the Entity to undertake all of the same activities as Plast KPS. Olia Dudinski requested that only the relevant sub clauses of Article 2 be used to limit the proposed Entity's operation, as it was her understanding that the purpose of the Entity was specifically to engage in financial administration and fundraising.

Philip Botté responded by explaining that the constitutional boundaries set for the Entity's operation were already extremely narrow. Mr Botté further reasoned that inclusion of the entire Article 2 simply allowed the Entity to gather funding to support the full range of activities Plast currently undertakes as detailed in the Plast Constitution (1977). As explained in the proposal document and presentation, Philip Botté reiterated that the Service Agreement would act to further limit the activities of the Entity, and it was not necessary to limit the Entity by further narrowing the scope of the governing Articles. Larissa Radion, a member of the KPS Executive subcommittee, noted that the three governing Articles cover what the Entity CAN do, not what the Entity MUST do.



Symon Kohut stated that governing Article 2 of the Plast Constitution (1977) describes the full scale of Plast activities that potential funding can be collected for. Furthermore, Symon Kohut reasoned that certain subclauses of Article 2 relied on other subclauses, and as such could not be precluded from inclusion as governing principles for the proposed Entity. Jeremy Semkiw stated that as long as the membership was satisfied by the outer limits of Entity's operation, then it would be too limiting to further narrow the scope of the abovementioned governing Articles.

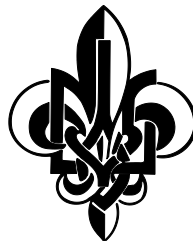
Olia Dudinski enquired as to whether the three governing Articles referred to in the Disclosure Document were also cited in the Service Agreement (between KPS and the Entity) or in the Constitution of the Entity. Chairperson Symon Kohut advised that his is something that needed to be raised with Plast's legal advisors, as these documents were still unavailable for review.

Olia Dudinski asked if the requirement of needing to hold separate meetings, keep separate minutes and conduct separate AGMs had been considered with the proposed incorporation. Philip Botté responded that reporting requirements were stipulated by Corporations Law and would have to be adhered to. He further noted that Entity meetings could be conducted as required via inclusion at the end of current KPS Executive meetings, and that the AGM would have to be conducted on an annual basis similar to the way in which Stanytsi currently conducted their affairs.

Valentyn Mykytenko, a delegate from Victoria, enquired as to the real objectives of creating the Entity being membership of the Karpaty Foundation or acting to limit the financial liabilities of the KPS directors. Philip Botté advised that membership of the Karpaty Foundation was the main catalyst for incorporation, however the incorporation of KPS had been on the agenda for some time due to the potential legal and financial benefits afforded Plast. Philip Botté further added that the creation of a separate associated Entity provided a better solution given the limited timescale driven by Karpaty. Philip Botté stated that a relevant incorporation had to be in place by end of July 2011 to satisfy the Karpaty Foundation's Board eligibility requirements.

Valentyn Mykytenko further enquired as to whether the responsibilities, obligations and liabilities of a KPS director on the Karpaty Foundation Board had been fully considered by Plast KPS. More specifically, Mr Mykytenko asked what the potential backflow of risk for Plast would be if a KPS director was exposed by way of participation on the Karpaty Foundation Board. Chairperson Symon Kohut and Philip Botté both advised that further legal opinion would be sought on this matter.

Bohdan Woiewidka enquired as to whether different models/structures had been considered for incorporation with respect to different regulatory requirements and different administrative burdens, for example a proprietary limited company has far greater reporting requirements in comparison to an incorporated association.



Philip Botté stated that the KPS Executive had been relying on the legal advice of Andrew Pavuk of Sydney based corporate practice Pavuk Legal, who had recommended a proprietary limited company structure as the best vehicle for incorporation given the prevailing requirements. Philip Botté added that other company structures would further be examined should they provide significant benefits. Chairperson Symon Kohut further added that when KPS incorporation was considered several years ago, some structures only existed at a state and not federal level and that this may still be relevant.

Valentyn Mykytenko enquired in which State or Territory the associated Entity would be incorporated. Philip Botté advised that this is still unknown and will be based on the advice of Pavuk Legal.

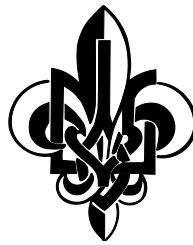
Yurij Nestor stated that he still did not understand why the current Plast Constitution (1977) could not be used to incorporate KPS. Olia Dudinski responded that the Plast Constitution (1977), while an excellent document, would not stand up to the requirements of Corporations Law or modern Corporate Governance Standards and as such even if translated could not be used without further revision.

Hryts Huzij stated that he agreed with the notion of incorporating an Associated Entity, however questioned how the membership could vote on a proposal where important details were not fully known and crucial documents unavailable for review.

Philip Botté reiterated that the Entity's Constitution and Service Agreement, while not technically necessary for incorporation, would be released within 6 weeks of the General Meeting and that any comments would be fully considered prior to any incorporation.

Jeremy Semkiw explained that the first proposed Resolution was an in principle agreement for the proposal to incorporate an Associated Entity as presented in the Disclosure Document. The second Resolution would then give the authority for KPS to proceed with the incorporation as detailed. Jeremy Semkiw advised that an incorporation of an Associated Entity was constitutional and did not need any ratification as it did not affect the current Plast Constitution (1977). The KPS Executive decided to call the General Meeting in order to inform and garner support from its membership. Jeremy Semkiw further advised that the worst case scenario would be to call a member-initiated Extraordinary General Meeting should the membership not agree with the contents of the Service Agreement and Entity Constitution once they were released.

Bohdan Woiewidka stated that he agreed with Hryts Huzij's comments and added that he had further reservations about the proposed Entity being the appropriate model for incorporation. Philip Botté replied that the Entity would only be an interim measure, and that adjustments could be easily made later or the entity simply



wound up. Philip Botté further advised that other corporate structures would be examined as possible alternatives to a proprietary limited company for the purposes of incorporation.

Tomas Miljenovic enquired as to the mechanics of calling another Extraordinary General Meeting should the need arise. Jeremy Semkiw advised that one third of the votes of all delegates and administrative members of the Ziizd would be required in order to call another Extraordinary General Meeting.

Eugene Buczma, kurinnyi of Karpatski Orly, requested that a document outlining how the new Entity would function (eg. Meetings, AGM) be distributed to members before incorporation. Jeremy Semkiw advised that to a large extent this would be covered by ASIC regulations. Philip Botté advised that the administrative operation of the Entity would be detailed in the Constitution to be released within six weeks from the General Meeting.

The Chairperson closed the meeting to questions.

5. To adopt the disclosure document proposal

It was **MOVED** by the Chairperson as a member of the KPS Executive and **SECONDED** by st. pl. Philip Botté as President of KPS:

“That the proposal to incorporate a Plast KPS associated entity be adopted.”

On a show of hands, 34 members voted **FOR** the resolution, one member voted **AGAINST** the resolution, and no members abstained from voting on this matter.

The Chairperson declared the resolution **CARRIED**.

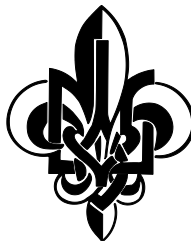
6. To approve the incorporation of the associated entity

It was **MOVED** by the Chairperson as a member of the KPS Executive and **SECONDED** by st. pl. Philip Botté as President of KPS:

“That approval be given for Plast KPS to undertake the incorporation of the associated entity as detailed in the disclosure document and under the provisions of the Plast Australia Constitution and the Corporations Act only.”

On a show of hands, 19 members voted **FOR** the resolution, 13 members voted **AGAINST** the resolution, and 3 members abstained from voting on this matter.

The Chairperson declared the resolution **CARRIED**.



St.pl. Philip Botté addressed the meeting regarding the process going forward after the General Meeting. He made an undertaking that the proposed Entity's Constitution and Service Agreement would be drafted and distributed to members via Stanytsi and the Plast Website for further feedback and comment. St. pl. Philip Botté further invited any interested parties who would be able to provide specialist input on the proposed incorporation to contact him.

In regard to the current Plast Constitution (1977), Philip Botté advised that he would initiate a project to have the document translated by a registered translator, and subsequently undertake a detailed gap analysis to identify any regulatory shortcomings that would need to be addressed to fulfil modern legal and corporate governance requirements. Philip Botté proposed that the document would then be amended and presented for endorsement at an upcoming Annual General Meeting before exploring the best way to incorporate Plast Australia for the future longevity of the organisation.

Pl. sen. Yuriy Nestor advised the meeting that he knew of a registered translator in Adelaide and would notify the KPS Executive in due course should the translator be willing to complete a translation of the Plast Constitution (1977) into English on a pro bono basis.

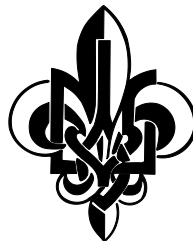
7. General information regarding the Plast UMPZ in Canberra and Plast Centenary celebrations in 2012

Pl. sen. Bohdan Huzij updated the General Meeting on the facilities at the campground and activities for the upcoming UMPZ in Canberra 2011-2012. He also outlined the Taborova Bulava and possible activities for parents travelling to Canberra for the event.

St. pl. Larissa Radion presented information regarding the upcoming Plast Centenary celebrations in 2012 culminating in the UMPZ in Ukraine in August. She reported that out of a worldwide HPB call to action, the 100-littia badge design competition was won by pl. se.n Ihor Osidacz and the 100-littia flag design competition was won by st. pl. Adrian Neugebauer all from Australia. The badge design would be the official emblem of the Centenary and would be worn by all Plastuny around the world. The Flag would travel around the world before being used at the UMPZ in Lviv. Larissa Radion requested that any kurini or groups planning to organise an event in commemoration of the Plast Centenary contact her.

8. Additional agenda item – Kadra Vyhkovnykiv Stupeni

Pl. sen. Olya Dudynski awarded the stupin' of "KB I" to st. pl. Sonya Radywyl and st. pl. Philip Botte for qualifying with the relevant amount of experience and learning.



Olia Dudinski also provided further notification of the upcoming vyshkil leadership workshops being held in Victoria.

9. Closure of Meeting

There being no further business, the Chairperson declared the meeting closed at 1:43pm with the Hymn Zakarpatskyhk Plastuniv and the Plast salute SKOB!

Signed as a true and correct record.

St. pl. Symon Kohut
Chairperson

Dated: 19 June 2011