

Notice of Annual General Meeting

Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Australian Institute of Company Directors (AICD) will be held at the National Office of the AICD, Level 30, 20 Bond Street, Sydney on Thursday 5 November 2015 commencing at 5.00pm.

Ordinary Business

1. Apologies.
2. To receive the Report of the Chairman and the Managing Director and Chief Executive Officer on behalf of the Board for the financial year ended 30 June 2015.
3. To receive the audited Financial Report for the financial year ended 30 June 2015 together with the Directors' Report and the Independent Audit Report thereon.

Special Business

To consider and, if thought fit, to pass the following resolution as special resolution:

"That the Constitution of the AICD is amended, as set out in the Explanatory Notes to this Notice of Annual General Meeting, with effect from the end of the Annual General Meeting."

Note: a special resolution must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

By order of the Board.



Carmen Fraser
Company Secretary
9 September 2015

Explanatory Notes – Special Business

By way of background, the Constitution was last amended in 2005 to allow for online applications to be made for membership of the AICD and to update the grounds for the expulsion of a member to consistently align with the provisions of Part 2D.6 of the *Corporations Act 2001 (Cth)*.

As the Constitution currently stands, Division Councils are entitled to appoint a representative to the Board, known as a Division Representative. Once appointed as a Director, that Division Representative is required to consider the interests of the AICD as a whole although it is acknowledged that a Division Representative also brings specific Division knowledge and insight to his/her deliberations.

A high performing and effective Board is important for the governance of the AICD and requires the Board to have the composition, skills and commitment to enable it to discharge its duties effectively. The Board's preference is that directors serve two terms of three years subject to performance evaluation.

To ensure Board vacancies are filled by candidates with the appropriate skills, knowledge, experience, independence, diversity and availability to complement the current Board, it is proposed that the Constitution be modified so that the Board and each Division Council will agree on any candidate nominated by the Division Council for appointment to the Board. If agreement is unable to be reached, it is proposed that the Chair appoint an independent third party to determine the most appropriate candidate to be appointed from the relevant Division Council. This independent third party is to be a member of the AICD in the membership class of Life Fellow from a Division other than the Division nominating the candidate. In accordance with By-Law 2.3.5, a Life Fellow is a person who has been eminent in the field of directorship and who has provided distinguished service to the AICD.

In addition, the Board will use this opportunity to propose some minor amendments to the Constitution in order to update existing terminology. The proposed amendments involve changing references from 'Division Representative' to 'Division Director', and making other changes to reflect that the AICD is now registered in New South Wales rather than the Australian Capital Territory (as was previously the case).

A full copy of the Constitution (marked up to show the changes as they will appear if the resolution to modify the Constitution is passed) will be available for inspection at the AGM and at each State Division office.

An extract of the modifications to the Constitution (marked up to show the changes as they will appear if the resolution to modify the Constitution is passed) is contained within these Explanatory Notes below.

...

5.2 Board Composition

- (a) As at the date the Members resolve to amend the Constitution by deleting the previous Article 5 and inserting this Article 5 in its place ("Commencement Date"):
- ...
- (ii) ~~the Division Representative Directors~~ are those persons who are the Division ~~Representative Directors~~ immediately before the Commencement Date; and
- ...
- (b) The Board of Directors shall from time to time comprise:
- (i) ~~the Division Representative Directors~~;
- ...

5.3 Appointment of Division Directors ~~by Divisions~~

- (a) Each Division Council is entitled to nominate a ~~person~~ Division Councillor ("Nominee"), as agreed with the Board of Directors, ~~to be its representative or~~ appointed to the Board of Directors.
- (b) A Division ~~Representative Director~~ will be appointed for a term, not exceeding 3 years, as determined by the relevant Division Council ~~Board of Directors following agreement with the relevant Division Council~~.
- (c) ~~Where a Division Council for the relevant Division has nominated a person to be a Division Representative for that Division under Article 5.3(a), then at the first meeting of the Board of Directors after the Division has notified the Institute in writing of the identity of that nominee, the~~ The Board of Directors must appoint that the ~~Nominee~~ as a Director at a meeting of the Board of Directors and that Director will be taken to have been appointed on the later of the date of that meeting and the date of retirement or resignation of the previous Division Representative Director for that Division (if any).
- (d) In the event that a Division Council and the Board of Directors cannot agree on a Nominee:
- (i) The Chair will appoint a Life Fellow from a Division other than the Division in question ("Appointee") who the Chair reasonably believes to be free from any conflicts of interest regarding the selection of the relevant Nominee;
- (ii) The Appointee will consider the potential candidates in respect of the relevant Division Council and advise the Chair and the relevant President of the most suitable candidate in the opinion of the Appointee; and
- (iii) The Board of Directors must appoint that Nominee as a Director in accordance with Article 5.3(c).
- (e) The Division Council will act through its President and the Board of Directors will act through the Chair in relation to the consultation and agreement referred to in this Article 5.3.

...

5.5 Retirement and re-appointment of Directors

- (a) A Division ~~Representative Director~~ for a Division must at the end of that Division ~~Representative Director's Term, with effect from the date specified by the Division Council,~~ retire as a Director, but will, subject to Article 5.6, be eligible for reappointment for a further Term.
- (b) Subject to Article 5.5(d), a National Director must retire from office at the first meeting of the Board of Directors following the AGM which occurs in the third calendar year following his or her appointment as a National Director by the Board of Directors (or deemed appointment where Article 8.6(d) applies) but will, subject to Article 5.6, be eligible for reappointment for a further Term;

- (c) Subject to Article 5.7(b), if, a Director ceases to be a Director during the Director's Term, then:
- (i) in the case of a Division ~~Representative~~ Director, the same Division Council must nominate, in accordance with Article 5.3(a); or
 - (ii) in the case of a National Director, subject to Article 5.2(b)(ii), the Board of Directors may nominate,
- ~~another Member to be appointed to the Board of Directors to fill that vacancy and upon receipt of a nomination the Board of Directors must appoint that Member as a Director to fill the relevant vacancy.~~
- (d) In the case of a person appointed as a National Director under Article 5.5(c), that Director must retire as a Director at the first meeting of the Board of Directors after the next AGM following the appointment of that Director to fill the vacancy but, subject to Article 5.6, will be eligible for re-appointment for a subsequent Term.

...

5.7 Vacation of office

- (a) A Director may resign from office by giving the Institute notice in writing.
- (b) Subject to the Corporations Act and Article 5.7(c), the Institute in general meeting convened on Prescribed Notice, may, by ordinary resolution, remove any Director and, if thought fit, appoint another person in place of that Director.
- (c) A resolution to remove a Division ~~Representative~~ Director does not take effect until a replacement Division ~~Representative~~ Director has been appointed in accordance with Article 5.3(e).
- (d) A Director (including an Alternate Director) ceases to be a Director if the Corporations Act so provides or if that Director:
 - (i) becomes of unsound mind or a person whose property is liable to be dealt with under a law relating to mental health;
 - (ii) is absent without the consent of the Directors from all meetings of the Directors held during a period of six months and the other Directors resolve that his or her office be vacated;
 - (iii) resigns or is removed under this Constitution;
 - (iv) holds any office of profit under the Institute (except that the Chief Executive Officer will continue in that role whilst a Director);
 - (v) becomes an insolvent under administration;
 - (vi) ceases to be a Member of the Institute; or
 - (vii) being a Division ~~Representative~~ Director, ceases to be a Division ~~Representative~~ Councillor (including where a Division withdraws its nomination of that Director as its Division ~~Representative~~) unless that Director has been elected as the Chair or otherwise appointed as a National Director.

5.8 Alternate Directors

- (a) A Director ("Appointor") may appoint a person as his or her Alternate Director for any period.
- (b) The Alternate Director must be:
 - (i) another Director; or
 - (ii) where the Appointor is a Division ~~Representative~~ Director, a member of the same Division Council ~~that nominated the Appointor~~.

...

8.5 Quorum

- (a) Subject to the Corporations Act, a quorum for a meeting of the Directors is:
- (i) a majority of the total number of Directors which includes a majority of the total number of ~~Division Representative~~ Directors; or

...

8.6 Chairperson

...

- (d) Where the Director elected as the Chair was a ~~Division Representative~~ Director immediately prior to being elected Chair, that person automatically ceases to be a ~~Division Representative~~ Director and is deemed to be National Director on being elected as the Chair and that person's Term as a National Director for the purposes of Articles 5.4(b) and 5.5(b) will be deemed to have commenced on the day on which that person is elected as the Chair.

...

11.2 Application to Supreme Court

If the Members fail to make a determination under Article 11.1 within 20 Business Days of the winding up of the Institute, the liquidator must make an application to the Supreme Court of ~~the Australian Capital Territory~~ New South Wales to make that determination.

...

Schedule 1

Definitions and interpretation

1. Definitions

In this Constitution:

...

"Business Day" means a day except a Saturday, Sunday or public holiday in ~~the Australian Capital Territory~~ New South Wales.

...

"Division Councillor" means, in relation to a Division Council, a member of that Division Council.

"Division ~~Director~~ Representative" means a ~~Director who is nominated by a Division Councillor to be its representative on the Board of Directors and appointed to the Board of Directors under~~ in accordance with Article 5.

...

"Life Fellow" means a Member admitted into the class of membership of the Institute known as 'Life Fellow' determined by the Directors under Article 2.1(a) or any equivalent class from time to time.

...

"National Director" means a Director other than a ~~Division Representative~~ Director or the Chief Executive Officer.

"Nominee" has the meaning given in Article 5.3(a).

...

"President" means, in relation to a Division Council, the person appointed as president of the Division Council at the relevant time or their alternate if such president is unavailable for any reason.

...

"Term" means the term of office of each Director (other than the Chief Executive Officer), being a period:

...

- (c) Article 5.3(b), in the case of ~~Division Representative~~ Directors; and

...

Entitlement to Vote

Each member is entitled to one vote on a show of hands or on a poll.

Voting by proxy

Important information

1. A Proxy Form accompanies this Notice of Meeting.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy.
3. A proxy need not be a member of the AICD.
4. Proxy Forms must be signed by the member or the member's attorney and must be received by the Company Secretary at Australian Institute of Company Directors National Office, Level 30, 20 Bond Street, Sydney.
5. To be effective, the original Proxy Form (and the power of attorney and other authority, if any, under which it is signed or a notarially certified copy of that power or authority) shall be received by the Company Secretary:
 - (a) not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
 - (b) in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll

If you require further information on how to complete the Proxy Form, telephone Carmen Fraser, Company Secretary, on 02 8248 6600.

Your vote is important

Please direct your proxy how to vote

For your vote to be counted, the Proxy Form attached, duly completed, must be received by the AICD's National Office at Level 30, 20 Bond Street, Sydney not later than 5.00pm on Wednesday 4 November 2015.

Guide to completion of Proxy Form overleaf

Follow the numbers on the Proxy Form corresponding to the numbers mentioned below.

- (1) Insert your personal details and your membership number. If you do not know your membership number, please contact your State Division office.
- (2) Insert the name of the person you wish to appoint as your proxy; members cannot appoint themselves. The **Chairman of the meeting will act as your proxy if you do not appoint someone**. You can vote by proxy even if you plan to attend the meeting.
- (3) If you wish to direct your proxy how to vote, place a mark in the appropriate box. The vote will be invalid if a mark is made in more than one box. Your vote is important; please direct your proxy how to vote.
- (4) **Members must sign here.**

This proxy must be signed by the member or under the hand of an attorney. If this proxy is signed by a person who is not the member then the relevant authority (original or notarially certified copy) must be enclosed with this Proxy Form.

- (5) **Members must insert the date here.**

AUSTRALIAN INSTITUTE OF COMPANY DIRECTORS

Proxy form

(1) Your details

(Please print your name, address and other details)

Name: _____

Address: _____

City: _____

State: _____

Postcode: _____

Membership number: _____

Telephone: _____

(2) Appoints

Name: _____

(Please print name of proxy clearly)

or failing the person so named, or if no person is named, the **Chairman of the Meeting** to vote in accordance with the following directions or, if no directions have been given, as the proxy or the Chairman sees fit at the Annual General Meeting of the Australian Institute of Company Directors to be held on **Thursday 5 November 2015** commencing at **5.00pm** and at any adjournment thereof.

(3) Special resolution

“That the Constitution of the AICD is amended, as set out in the Explanatory Notes to this Notice of Annual General Meeting, with effect from the end of the Annual General Meeting.”

For

Against

Abstain

(4) Signature.....

(5) Date.....