

22 October 2021

Dear Member,

Australian Institute of Company Directors – 2021 Annual General Meeting

On behalf of the Board, it's my pleasure to invite you to the 2021 Annual General Meeting (**AGM**) of the Australian Institute of Company Directors (**AICD**), which will be held at 5.00pm (AEDT) on Wednesday 17 November 2021 as a virtual meeting.

Participating in the meeting

Although we would prefer to be able to meet with members in person, having regard to the health and safety of our members and staff and the uncertainty regarding public health restrictions that may apply at the time of the meeting, we have determined that the AGM will be held virtually rather than as a hybrid meeting at a physical location. Members will be able to participate in the meeting online, including asking questions or making comments and voting on resolutions using the online platform. Members who prefer to do so will also be able to join the meeting by telephone.

The AICD's Notice of Meeting and Virtual Meeting User Guide, which are also available to view and download at aicd.companydirectors.com.au/about/2021-annual-general-meeting include further details on how to participate in the meeting online or by telephone.

Proposed New Constitution

This year has been one of extraordinary challenges for our members, the governance community and the nation as a whole. We are mindful of the significant difficulties brought on by the pandemic, and the continuing impact on our members and their communities.

While I will speak more at the meeting about the steps taken by the AICD to support directors and build the governance capability of a community of leaders, as an organisation whose vision is to strengthen society through world class governance, it is important that our own governance documentation is fit for purpose and reflects good governance practices.

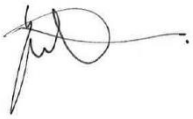
Over the past 12 months the AICD has been undertaking a review of its own governance framework. The review has focussed on key governance documents - including our Constitution, Board Charter and Division Council Charter - as well as the ways in which the Board, Division Councils and management engage to advance the affairs of the AICD.

The AICD's current Constitution was last amended in 2016. It has not been comprehensively reviewed for many years. Rather, it has been the subject of a series of specific amendments which have made it very cumbersome. We engaged Gilbert + Tobin in early 2021 to prepare a new draft of the constitution that does not alter the basic structure of the AICD but is appropriately modernised and, amongst other changes, now reflects the registration of the AICD under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth).

The draft constitution was subject to a consultation process with Division Councils and members of the AICD in June and July 2021. The Board is grateful for the detailed and thoughtful comments and suggestions provided by Councils and members. Members who responded overwhelmingly endorsed the initiative to modernise and simplify the constitution. The feedback received has been taken into account in updating the draft constitution for consideration by members.

I encourage you to read the summary of changes included as Annexure A to the Notice of Meeting, which sets out key differences between the proposed new constitution and the AICD's current Constitution.

I look forward to welcoming you to the AICD's 2021 AGM and presenting the draft constitution to you at the meeting.

A handwritten signature in black ink, appearing to be 'John Atkin', with a long horizontal stroke extending to the right.

John Atkin FAICD
Chair

Notice of 2021 Annual General Meeting

Notice is hereby given that the 2021 Annual General Meeting (**AGM**) of the Australian Institute of Company Directors ABN 11 008 484 197 (**AICD**) will be held on Wednesday 17 November 2021, commencing at 5.00pm (AEDT).

To enable as many members as possible to participate in the meeting (and given the continuing uncertainty in relation to public health restrictions that may apply as a result of the COVID-19 pandemic), the 2021 AGM will be held as a virtual meeting.

Members will not be able to physically attend the AGM but can participate in the meeting online through a platform provided by Link Market Services (**Link**) which will allow members to view the AGM, vote and ask questions or make comments. Members who wish to do so will also be able to attend the meeting by telephone. Information on how to participate in the meeting is included on page 3 and at the following web address: aicd.companymembers.com.au/about/2021-annual-general-meeting.

Items of Business

1. Reports of Chair and Managing Director & Chief Executive Officer

To receive the Reports of the Chair and the Managing Director & Chief Executive Officer for the financial year ended 30 June 2021.

2. Adoption of New Constitution

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

"That the new constitution tabled at the meeting and signed by the Chair of the meeting for the purposes of identification (and which was made available through the notice calling this meeting), be adopted as the Constitution of the Australian Institute of Company Directors in full replacement of the current Constitution, with effect from the close of the meeting."

Note: a special resolution must be passed by at least 75% of the votes cast by members present (including by proxy) and entitled to vote on the resolution.

3. Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2021.

By order of the Board



Helen Wild FAICD
Company Secretary

Sydney
22 October 2021

Information for Members

Voting by Poll

Voting on the proposed resolution at this meeting will be conducted by poll. If the poll results are not available prior to the end of the meeting, they will be published on the AICD website and communicated to members as soon as practicable following the meeting.

Appointment of Proxies

A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on their behalf. A proxy need not be a member of the AICD.

Members are encouraged to submit a proxy even if they plan to participate in the meeting online, so that their vote will be counted if for any reason they are unable to attend or to vote at the meeting. If a member submits a proxy and then attends the meeting, the proxy will not be permitted to vote on that member's behalf.

If a member appoints a proxy (other than the Chair of the meeting) and directs them how to vote on a resolution and their named proxy does not attend the meeting or does not vote on the resolution on a poll, the Chair of the meeting will be their proxy and will vote on their behalf on a poll as they have directed on the proxy form. If a member has not directed their proxy how to vote, then the proxy may vote as the proxy determines.

If a member appoints the Chair of the meeting as their proxy (or the Chair is appointed by default if the member has not filled in the name of their proxy in their proxy form) and no direction is provided in relation to a resolution, the member authorises the Chair to exercise their proxy as the Chair sees fit in relation to that resolution. **The Chair of the meeting intends to vote all available proxies in favour of the proposed resolution.**

Lodgement of Proxies

To be effective, a proxy form or other instrument appointing a proxy must be signed by a member or a member's attorney and must be received (along with the power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority) by the AICD by **5.00pm (AEDT) on Monday 15 November 2021.**

Completed proxies may be submitted:

1. by hand delivery to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000;
2. by post to the Australian Institute of Company Directors C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW, 1235; or
3. by lodging the proxy online at <https://investorcentre.linkmarketservices.com.au/voting/AICD>. To use the online proxy appointment facility, members will need their AICD Member ID number and postcode, or can access the facility using the personalised link sent to them by email.

(If the proxy form is signed by an attorney, the original power of attorney or certified copy of it must be received by post or hand delivery no later than 48 hours prior to the AGM, unless it has been previously given to the AICD.)

How to participate in the AGM

Details on how to participate in the meeting are set out below and are also available in the Virtual Meeting User Guide at aicd.companydirectors.com.au/about/2021-annual-general-meeting. Registration to participate and to vote at the meeting opens at 4.00pm (AEDT) on Wednesday 17 November 2021.

Members can participate in the AGM in the following ways:

1. **online:** members and proxyholders can view a live webcast of the AGM, submit a written question or comment online and vote while the meeting is in progress through an online platform at <https://agmlive.link/AICD21>. **Members** will require their AICD Member ID number and postcode to register for the meeting. **Proxyholders** will require a proxy number provided by Link 24 hours prior to the meeting and should call the help line on +61 1800 990 363 on the day of the meeting if they have not received their proxy number by email.

The online platform will provide details on how to ask questions, make comments and vote. Further information, including browser requirements, is also available in the Virtual Meeting User Guide at aicd.companydirectors.com.au/about/2021-annual-general-meeting.

2. **by telephone:** members who wish to join the meeting by telephone, or to speak at the meeting to ask a question or make a comment, will need to pre-register for the meeting by contacting Link on +61 1800 990 363 **by 5.00pm (AEDT) on Tuesday 16 November 2021**. Link will provide details of a unique PIN to be used to attend the meeting. Members should call 1 800 941 125 (Australia Toll Free) or +61 2 9189 8865 (International) and provide their PIN to join the meeting by telephone. Members participating by telephone can follow the prompts to ask a question during the meeting. **Members cannot vote by telephone during the meeting and are encouraged to consider appointing a proxy or voting online during the meeting.**

Instructions will also be provided by the Chair at the commencement of the meeting on how to vote and how to ask questions or make comments, if members are attending online or by telephone.

Please note that there may be a 15-30 second delay when attending online or watching the webcast live.

Submitting questions in advance of the meeting

Members may submit questions prior to the AGM relating to the business of the meeting. Please submit questions by:

- emailing the Company Secretary at AGM@AICD.com.au by 5.00pm (AEDT) on Monday 15 November 2021; or
- submitting a question by email to aicd@linkmarketservices.com.au or online through Link's website <https://investorcentre.linkmarketservices.com.au/voting/AICD> (after entering your AICD Member ID number and postcode) by 5.00pm (AEDT) on Monday 15 November 2021; or
- emailing the AICD or Link or submitting the question online through Link's website, as set out above, by 5.00pm (AEDT) on Wednesday 10 November 2021 if the question is to the auditor in relation to their independence, the conduct of the audit, the auditor's report or the accounting policies of the AICD.

While the Chair will endeavour to respond to as many questions as possible during the meeting, it may not be possible to respond to all questions individually or to address all topics raised.

Technical difficulties

Technical difficulties may arise during the course of the meeting. The Chair of the meeting will consider the impact of these technical difficulties on members and may continue or adjourn the meeting if the Chair determines it is appropriate to do so.

Individual members who are experiencing technical difficulties with registration, or with the online platform during the meeting, should call the Link help line on +61 1800 990 363.

Notice of Meeting - Explanatory Notes for Items of Business

Item 2: Adoption of New Constitution

The current Constitution of the AICD was last amended in 2016 but has not been comprehensively updated for many years. As a result, the Constitution incorporates a series of piecemeal amendments that were approved by members as the AICD's operating and governance structure has been developed and refined, but it has not been updated to reflect modern methods of communication and the registration of the AICD under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth).

Earlier in 2021, the AICD commissioned Gilbert + Tobin to review the Constitution and prepare a new draft constitution which was appropriately modernised but which did not alter the basic governance structure of the AICD, including the relationship between the Board of Directors and the Division Councils and the processes for the appointment of Directors.

This draft constitution was made available to Division Councils and members for review and comment in June and July 2021. Comments from members and Councils have been considered and amendments to the draft have been made in finalising a proposed new constitution for adoption at this meeting.

A summary of the key changes between the proposed new constitution and the current Constitution of the AICD is set out in **Annexure A** to this Notice of Meeting. Given this is a summary of key changes only, members are encouraged to read the proposed new constitution in addition to this summary.

A copy of the proposed new constitution is available to view and download from the AICD website at aicd.companydirectors.com.au/about/2021-annual-general-meeting and will be made available on the online platform for the AGM. Printed copies of the constitution will be sent to any member on request by emailing AGM@AICD.com.au or aicd@linkmarketservices.com.au.

For Item 2 to be passed as a special resolution, at least 75% of the votes cast by members present (including by proxy) and entitled to vote on the resolution must be in favour of the resolution.

The Board recommends that members vote in favour of Item 2 in the Notice of Meeting. The Chair of the meeting intends to vote all undirected proxies in favour of this resolution.

Item 3: Financial Statements and Reports

The Financial Report, Directors' Report and Auditor's Report of the AICD for the year ended 30 June 2021 will be put before the meeting. (The reports, along with the 2020/21 Annual Review, are available at aicd.companydirectors.com.au/about/annual-reports and are also able to be viewed and downloaded at aicd.companydirectors.com.au/about/2021-annual-general-meeting.)

While there is no requirement for a resolution on this item of business, members will be given a reasonable opportunity to ask questions about, or make comments on, the operations and management of the AICD.

Members will also have the opportunity to ask the auditor questions regarding the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the AICD in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Proposed changes to constitution of Australian Institute of Company Directors

18 October 2021

The table below summarises the primary differences between the proposed new constitution and the current constitution of the Australian Institute of Company Directors (ACN 008 484 197) (**AICD**). This table does not include every single minor change, and instead summarises the key changes. We therefore encourage you to read the new constitution in addition to this summary table.

New Rule	Topic	Description of change	Reason for change
Purpose, activities and not-for-profit			
3	Purpose and activities	<p>The current constitution blends the AICD's purpose and activities. The purpose of the AICD can be thought of as the 'why', i.e. the core fundamental reason for the AICD's existence, whilst the activities can be thought of as the 'what', i.e. what the AICD will do to help further / advance / fulfil its purpose.</p> <p>The proposed constitution separates the purpose (described in rule 3.1) and the activities (described in rule 3.3) and also includes a set of guiding principles (see rule 3.2). The listed activities are indicative only. That is, the list is not exhaustive and does not restrict what the AICD can or cannot do in furtherance of its purpose.</p>	<p>The articulation of the AICD's purpose is an important aspect of the constitution and is relevant in determining (and maintaining) the AICD's registration as a charity. We have modernised and simplified our statement of purpose in a way that aligns with our aspiration of "<i>Strengthening society through world class governance</i>". These changes have been made to help ensure the AICD's purpose of advancing education in organisational governance is clear, whilst also reflecting the AICD's guiding principles and activities, particularly our focus through member services of promoting professional peer led learning – "<i>by directors for directors</i>".</p>
7	Not-for-profit	<p>We have removed the requirement found in article 1.4(b)(ii) of the current constitution which prohibited the AICD from subscribing to, supporting with its funds, or amalgamating with, any organisation that does not, to the same extent as</p>	<p>The requirement in article 1.4(b)(ii) of the current constitution has been removed as it is not legally required and fetters the AICD's activities.</p>

New Rule	Topic	Description of change	Reason for change
		<p>the AICD, restrict the application of its income and property and prohibit the making of distributions to its members.</p> <p>We have also broadened the list of permitted payments to members to include payments in good faith to members:</p> <ul style="list-style-type: none"> • by way of a grant (or similar contribution) awarded in furtherance of the AICD's purpose; and • as a result of the member's participation in a social bond or similar program of the AICD. 	<p>We have broadened the list of permitted payments to members to provide greater flexibility and clarity in terms of when members can receive payment from the AICD, whilst maintaining compliance with the AICD's charity registration and related concessions.</p>
-	ASIC Licence	<p>The proposed constitution does not contain a stand-alone rule relating to the ASIC Licence permitting the AICD not to use the word 'Limited' in its name.</p>	<p>Since the requirements of the ASIC Licence are imposed elsewhere in the constitution (e.g. by rules relating to remaining as a registered charity and prohibiting fees to directors), including a standalone rule about the requirements of the ASIC Licence (as is found at article 1.6 of the current constitution) is not required and leads to unnecessary duplication.</p>
Members and membership			
4.2	Becoming a member	<p>Membership eligibility criteria is now included in the constitution, whereas the current constitution only provides that this may be determined by the directors.</p>	<p>Including general membership eligibility criteria in the constitution allows for transparency for members, with the detail around the criteria and ongoing requirements for different classes of membership to be detailed in a separate document.</p>

New Rule	Topic	Description of change	Reason for change
5.3	Automatic stopping of membership	We have added that a member's membership will automatically stop if the member no longer complies with the membership requirement described at rule 4.2(a)(iii), being the requirement to not be ineligible to be a director under the <i>Corporations Act 2001</i> (Cth) (Corporations Act) or <i>Australian Charities and Not-for-profits Commission Act 2012</i> (Cth).	This addition is beneficial as it aligns with the stated membership eligibility criteria and helps ensure membership ceases in appropriate circumstances.
5.5	Appeal of member expulsion	The timings and process for appealing a decision to expel a member have been clarified. The threshold required for the members to overturn an expulsion decision has also been updated, so a special resolution of 75% of members present in person or by proxy and entitled to vote on that resolution is required.	The greater clarification will provide more certainty for those involved in a disciplinary process resulting in expulsion.
6.1	General meetings	The proposed constitution clarifies that the AICD must hold meetings of members (including general meetings) in accordance with the constitution and the Corporations Act, despite the fact that the provisions of the Corporations Act dealing with members' meetings may not be directly applicable to the AICD.	<p>Given section 111L of the Corporations Act 'switches off' the provisions relating to general meetings for charities (meaning these provisions do not apply to charities), it is helpful to specify the intention of the company to follow the Corporations Act requirements despite the inapplicability of these provisions.</p> <p>Given the AICD's history of holding annual general meetings, this practice has been hardwired into the constitution despite no longer being strictly necessary under the ACNC Governance Standards.</p>

New Rule	Topic	Description of change	Reason for change
6.7(e) and 6.11	Meetings conducted using technology	<p>We have added rules to:</p> <ul style="list-style-type: none"> confirm the directors may make policies and procedures relating to the process for using technology to hold general meetings (see rule 6.11(e)); and outline what is to occur if technological problems exist at the meeting e.g. the meeting can continue despite a member being unable to participate due to technical difficulty (so long as the meeting is quorate) (see rule 6.11(c)). 	We have included these rules to add clarity.
Directors, Secretary and Chief Executive Officer			
-	Transitional provisions	We have removed the historical transition provisions (e.g. articles 5.2(a) and 6.2(a) in the current constitution).	These have been removed as they are no longer required.
8.4	Qualifications and requirements of directors	The current constitution does not contain clear director eligibility criteria. We have added rule 8.4 in the proposed constitution which sets out the eligibility requirements of all directors and the specific requirements for Division Directors, National Directors and the CEO Director.	This rule has been introduced to add clarity in relation to the eligibility requirements of directors.
8.6(a)	Directors' term of office and term limits	We have included a provision that the term of office of a Division Director and National Director commences on the date that person is appointed as a director and continues for a period determined by the directors at the time of appointment – such appointment not to exceed three years.	We have made this change to provide simplicity and to allow a National Director to be appointed for a period that is shorter than three years if desired.

New Rule	Topic	Description of change	Reason for change
		Under the current constitution National Directors must retire at the first meeting of the Board of Directors following the AGM which occurs in the third year following his or her appointment as a National Director.	
8.6(d)	Directors' term of office and term limits	We have included scope for the directors to resolve by special resolution to allow a Division Director or National Director to serve a further term of one year, where they have already held the position for six consecutive years.	This gives flexibility in the case of exceptional circumstances that may require a person to serve for longer than six consecutive years, with a special resolution threshold to ensure this is not used too frequently.
8.8	Payments to directors	The proposed constitution includes a rule stipulating that whilst directors cannot receive any payment for acting as a director they can be reimbursed in certain circumstances (such as for reasonable travelling expenses and goods or services rendered to the AICD). Under the current constitution the rules relating to payments to directors are split up requiring the reader to refer to article 1.5(b) to determine when payments to directors are permitted.	Setting out the rules about payments to directors in one location provides greater clarity about when directors can be paid by the AICD without having to refer to other sections of the constitution.
8.9	Interested directors	The proposed constitution includes rules about interested directors and the requirements of directors where conflicts of interest exist.	These rules have been included to help ensure conflicts are front of mind and to facilitate good governance.
8.10	Powers and duties of directors	The proposed constitution sets out the general directors' duties, including those arising under ACNC Governance Standard 5 .	We have included this rule, and in particular the list of directors' duties, as it is a legal requirement for directors to uphold these duties and listing these in the constitution serves as a helpful reminder of these duties.

New Rule	Topic	Description of change	Reason for change
8.11	Directors' meetings	The current constitution does not require the directors to meet a minimum number of times per year. Under the proposed constitution, directors must hold meetings no less than four times per year.	Requiring a minimum number of directors' meetings each year helps facilitate good governance practices.
8.12	Convening of meetings of directors	Under the current constitution, a single director can convene a directors' meeting (see article 8.3). Under the proposed constitution, a meeting of directors may be convened by the Chair or any two directors.	We have increased the number of directors required to call a directors' meeting to help safeguard against unnecessary meetings being called.
8.14	Quorum for directors' meetings	Both the current and proposed constitution set quorum at a majority of all directors provided this includes a majority of all current Division Directors. However, under the current constitution the directors have the ability to make quorum a larger amount (i.e. greater than a majority). The option to set quorum as something higher has been removed in the proposed constitution.	We have removed the ability for the directors to increase quorum to provide certainty.
8.19 and 8.20	Committees and delegation to individuals	<p>The proposed constitution includes rules allowing directors to establish committees and to delegate their powers to committees or individuals (including individuals who are members). Whilst the current constitution includes similar provisions, the proposed constitution confirms:</p> <ul style="list-style-type: none"> • directors may continue to exercise all of their powers despite any delegation; and 	The provisions around delegation have been amended to provide greater clarity.

New Rule	Topic	Description of change	Reason for change
		<ul style="list-style-type: none"> a delegation need not be to a specified person but may be to any person from time to time holding, occupying or performing the duties of a specified office or position. 	
9	Secretaries	The proposed constitution includes a section on secretaries, including the duties of the secretary.	It is common to include the duties of the secretary within a constitution.
Divisions and winding up			
8.18	Divisions	The proposed constitution includes simplified rules relating to Divisions.	This change has been made as more detailed provisions relating to Divisions are better placed in the Division Council Charter.
10	Winding up	<p>The proposed constitution contains updated rules relating to winding up and the distribution of assets on winding up, including that winding up can occur other than through a liquidator.</p> <p>The proposed constitution also contains language around winding up any deductible gift recipient (DGR) funds.</p>	<p>These amendments have been made to ensure legal compliance and therefore to help ensure eligibility for charitable registration.</p> <p>Whilst the AICD is not currently endorsed as a DGR and its current charity registration does not bring it eligibility for such endorsement, including rules relating to winding up a DGR fund helps futureproof the constitution should the AICD establish a scholarship fund or similar DGR fund in the future.</p>

New Rule	Topic	Description of change	Reason for change
Miscellaneous			
-	Show of Preference	We have replaced the phrase 'show of hands' with 'Show of Preference'. Show of Preference (as defined in rule 6.8(c)) means an indication of preference by a means appropriate to that member or director (as applicable) and is readily interpreted and understood by the Chair.	This change has been made as it reflects inclusive practices and also provides greater flexibility if the AICD is required to hold meetings by electronic means.

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