

# Explanatory Memorandum for Special Resolutions

## **Special Resolution One**

*To amend the Constitution to increase the number of Doctors in Training Councillors on Council from 1 to 5.*

It is proposed to amend the Constitution to increase the number of DIT Council positions from 1 to 5, increasing the total number of Councillors from 34 to 38 (noting an interim increase in Doctors in Training Council positions was approved at the Annual General Meeting in 2020).

Please refer to clauses 35.1 and 36.1 of the Constitution as marked on attachment 'A' to this Notice.

## **Special Resolution Two**

*To amend the Constitution with respect to the composition of the Board of Directors such that Board will consist of the President, Vice-President, Chair of Council, Doctor in Training Director, five Directors, and (as required) an independent Director.*

It is proposed to amend the Constitution so that the composition of the Board of Directors will be redefined such that while the persons appointed as Chair of the Hospital Practice Committee and Chair of the Professional Issues Committee may be members of the Board they will not be so by virtue of their positions as Chair of either Committee.

The current requirement to rotate Directors through the positions of Chair of Hospital Practice Committee and Chair of Professional Issues Committee is somewhat artificial and may mean the best candidate to Chair each committee does not have the opportunity to do so.

The Council will continue to appoint the Chairs of Hospital Practice Committee and Professional Issues Committee, however the persons holding those positions would not be Directors of the organisation (unless they were elected to those roles in addition to occupying the position of Chair).

Under contemporary corporate governance arrangements, all Directors are equally responsible for the financial management of the organisation. As such, the position of Honorary Treasurer is no longer required.

Please refer to clauses 42.1 and 57.1 of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Three**

*To amend the Constitution to remove the position of Honorary Treasurer.*

It is proposed that the position of Honorary Treasurer be removed (clause 44). Under the Corporations Laws all Directors are equally responsible for financial matters. To the extent that there is a need for scrutiny of financial matters, this falls within the responsibility of the Audit & Risk Committee. This proposed amendment also follows the proposed amendment to clauses 42.1 and 57.1 of the Constitution.

Please refer to clause 44 of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Four**

*To amend the Constitution to provide the Board of Directors will appoint the Company Secretary, and that persons eligible to be appointed as Company Secretary will a member of the Board of Directors or a senior member of AMA NSW Staff.*

Under the Constitution, the Honorary Treasurer is, by virtue of election as Honorary Treasurer appointed as the Company Secretary. A consequence of the removal of the position of Honorary Treasurer, is that it is proposed that the Board of Directors may either nominate one of the Directors to fill the position of Company Secretary or a senior member of AMA NSW Staff. This is in keeping with contemporary corporate governance practice.

Please refer to clause 47 (new clause 46) of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Five**

*To amend the Constitution to provide that the Council will appoint a Chair to each of the following Committees at the first meeting of Council following the Annual Meeting or following the dismissal of the Council: Hospital Practice, Professional Issues and Audit & Risk.*

Given the proposed change to the composition of the Board whereby the Chairs of Hospital Practice Committee and Professional Issues Committee will no longer be members of the

Board of Directors by virtue of their positions as Committee Chairs, it is proposed that the Constitution be amended to formally reflect that Chairs of the Hospital Practice Committee, Professional Issues Committee and Audit Committee will be appointed at the first meeting of Council following the Annual General Meeting of the Association.

Please refer to clause 52.1 (new clause 51.1) of the Constitution as marked in attachment 'A' to this Notice.

### **Special Resolution Six**

*To amend the Constitution to increase Directors' terms of office from 1 year to 2 years.*

The proposed amendment to increase Directors' terms of office from 1 year to 2 years reflects the current practise that Councillors are elected to each office for at least a second term of one year. The amendment will allow Directors who bring strategic proposals to the Board to have time to advance those proposals as may be appropriate and engage meaningfully in the management of the Association.

Please refer to clause 58.3 (new clause 57.3) of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Seven**

*To amend the Constitution so that all members of the Board of Directors will not vacate office at the one time.*

The rationale for the proposed amendment that all Board members will not vacate office at the one time is to minimise the risks associated with an entire Board vacating office at the one time, particularly noting the negative effects of a loss of corporate knowledge and continuity on the Association and its members.

Please refer to clauses 42.2 and 42.3 of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Eight**

*To amend the Constitution to provide for transitional arrangements to give effect to the amendment providing that all members of the Board of Directors will not vacate office at the one time as follows:*

- a. *In 2021, the persons currently holding the following positions on the Board shall vacate office: the Chair of Council, the Chair of Hospital Practice Committee, and the Chair of Professional Issues Committee and the Honorary Treasurer. An election will be held for the following positions on the Board: the Chair of Council and three Director positions. Those persons will be elected to office for a 2-year term (see clause 42.2).*
- b. *In 2021 the persons elected in 2020 to the positions of President and Vice-President, and appointed to the position of DIT Director, and the two current Director positions shall remain in office for a further year. Those persons will vacate office in 2022 and an election will be held for President and Vice-President, two Directors and the appointment of the DIT Director. Those persons will be elected or appointed to office for a 2-year term. (see clauses 42.3 and 42.6)*
- c. *For the avoidance of doubt, the persons elected to the Board in 2020 shall remain on the Board until first Council meeting following the Annual Meeting of the Association in 2021.*

Under the current Constitution, all members of the Board of Directors will vacate office in 2021 at the first meeting of the Council following the Annual General Meeting of the Association. In order to give effect to the proposed amendments whereby Board terms are to be increased from one year to two years, and half of the Board will vacate office in one year, and the other half of the Board will vacate office in the alternate year, transitional provisions are proposed so as to give effect to this change.

Please refer to clause 57A of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Nine**

*To amend the Constitution to provide that persons elected to the offices of President, Vice-President and Chair of Council may serve in the office for one term and are not eligible for re-election in the term immediately following.*

Under the current Constitution persons elected to any position on the Board may only serve in the office for two terms of one year before they must vacate that office and cannot stand at the following election.

It is proposed that the Constitution be amended, given the proposed amendment that terms of office be increased from one year to two years, such that persons elected to the office of President, Vice-President and Chair of Council may only serve in that office for one

two-year term. Persons will not be able to stand again for the same office in the election immediately following but are not precluded from running again in the future.

The proposed amendment does not extend to those elected to the office of Director noting part of the rationale for the amendments proposed in Resolution Two is the rotation of persons through different offices is somewhat artificial and may result in the best person for those offices not being eligible to hold the office.

Please refer to clause 58.5 (new clause 57.5) of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Ten**

*To amend the Constitution to provide that a Councillor may be elected to serve on the Board for 12 consecutive years.*

Under the current Constitution, a Councillor may serve on the Board of Directors for a total of 12 years. It is proposed to amend the Constitution to provide that a Councillor may serve on the Board for 12 consecutive years noting that the Association is in the fortunate position to have younger members willing and serving on the Board and who, while unlikely to serve for 12 years early in their career, may wish to return later in their career, and perhaps seek a leadership position only to find they have limited time due to previous time served.

Please refer to clause 58.6 (new clause 57.6) of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Eleven**

*To amend the Constitution to replace all references to Chairman with Chair.*

In keeping with the Council's commitment to diversity and equity it is proposed that all references to Chairman have been amended to refer to Chair.

Please refer to various clauses of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Twelve**

*To amend the Constitution such that proxy form will no longer require the details of proxy to be included on the proxy form.*

Under the Corporations Act 2001, the following information must be included on the proxy form:

- The member's name and address
- The company's name
- The proxy's name or office held (e.g., President)
- The meeting/s at which the appointment may be used.

As such, it is proposed that the form be amended so the address details of the proxy are no longer required.

Please refer to clause 33.1 of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Thirteen**

*To amend the Constitution such that Council nominations will no longer have to include the residential details of the nominee of the nominator.*

It is proposed to reduce the information required to make the process simpler. It is proposed that the following be amended:

- The residential address and telephone number of the candidate and the residential address of the nominator are no longer required.
- Only one nominator is required.

Please refer to clause 36.1(d) of the Constitution as marked on attachment 'A' to this Notice.

### **Special Resolution Fourteen**

*To amend the requirements for the format of the candidate information that may be provided by a candidate standing for election to Council.*

Under the Constitution, candidates for election to Council are to submit information on a sheet of paper that is no larger than A4 size. Given that most information is now distributed electronically, this requirement does not necessarily assist candidates to understand what

may or may not be submitted. It is proposed that the agreed format will be determined by the Returning Officer.

Please refer to clause 36.1(g) of the Constitution as marked on attachment 'A' to this Notice.

<INSERT LINK TO COPY OF CONSTITUTION CHANGES ON THE WEBSITE>