



NELA National EGM Thursday 29 September 2022

Proposed Constitutional Amendments

| Proposal | Rationale | Proposed wording |
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| <p>1. Operational change – increasing the number of Directors on the NELA Board from a minimum of 8 and a maximum of 10 to a minimum of 9 and a maximum of 13</p> | <p>The amendment will afford the Directors additional capacity to achieve the aims of NELA’s Strategic Plan.</p> <p>The amendment will also enable NELA to expand its geographical reach in line with NELA’s aim to have a Board consisting of members drawn as far as possible from each State, the Australian Capital Territory and the Northern Territory.</p> <p>The proposed number of Board Directors requires expansion to reflect the continuing growth of NELA, particularly the growth of NELA’s six operational Portfolios, each of which would benefit from having two co-convenors drawn from the Board.</p> | <p>17.1 The Board will consist of a minimum of 8 <u>9</u> and a maximum of 10 <u>13</u> Directors, drawn as far as is possible from each State, the Australian Capital Territory and the Northern Territory.</p> <p>Note: A consequential amendment is required to cl 17.4.1, replacing “8” with “9”.</p> |

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| | <p>The proposed number of Board Directors will also assist in succession planning and the sustainability of the Board's workload.</p> | |
| <p>2. Operational change – clarifying that the quorum for meetings must be greater than half</p> | <p>The amendment improves the robustness of the quorum requirements.</p> <p>The current wording “A quorum for meetings of the Board is half of the Directors” does not require a majority of votes to pass resolutions which is not reflective of good governance practice.</p> <p>The current wording “or if the number is not a multiple of 2, then the odd number nearest to and greater than half of the Directors” is not required if the quorum requirements are changed to a majority.</p> | <p>19.3.2 A quorum for meetings of the Board is <u>greater than</u> half of the Directors, or if the number is not a multiple of 2, then the odd number nearest to and greater than half of the Directors.</p> |
| <p>3. Operational change – reducing the quorum required for the passing of written or “flying/circular” resolutions of the Board</p> | <p>The amendment enables the Board to respond more efficiently to urgent matters and deadlines for matters such as submissions. The transparency of the resolution process is ensured by clause 19.5.1 of the Constitution which requires resolutions in writing to be recorded in the relevant book of minutes.</p> <p>The current wording “If all Directors” is too strict of a requirement and is not sustainable for urgent matters. Reducing the quorum for flying/circular resolutions</p> | <p>19.5.1 If all <u>at least 75% of the</u> Directors (other than a Director on leave of absence approved by the Directors) have approved a document containing a statement that they are in favour of a resolution of the Directors in terms set out in the document, a resolution in those terms will be deemed to have been passed at a meeting of the Board held on the day on which the resolution was approved and at that time at which the document was last approved by a Director or, if the Directors approved the</p> |

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| | <p>to 75% enables flying/circular resolutions to be addressed more efficiently. A simple majority of Directors for quorum is not preferred as flying/circular resolutions do not have the benefit of synchronous discussion during a formal Board meeting for resolution.</p> | <p>document on different days, on the day on which, and at the time at which, the document was last approved by a Director.</p> |
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