

RESPONSIBLE INVESTMENT ASSOCIATION AUSTRALASIA

SPECIAL RESOLUTION

At the 2020 Annual General Meeting, a special resolution “that the members adopt the revised Constitution of the Association” will be considered and voted on. The proposed change to the constitution is in Section 17 (3), to increase board directors’ terms from two to three years.

Proposed text change in Section 17(3):

Each member of the board is, subject to this Constitution, to hold office until the conclusion of the annual general meeting **three** ~~2~~ years following the date of the member’s election but is eligible for re-election.

Explanation of the proposed constitution change from the Chair

The board of RIAA is grateful to all nominees for their interest, and pleased that the number of members nominating for the RIAA Board grows each year, as shown in the table below.

The Constitution currently requires directors to stand for re-election every two years. With increasingly contested elections, this means it is possible that half of RIAA’s Board could turn over *each year*.

The Board sees renewal as important, but views a situation where half of the Board is new to the organisation as one that compromises its ability to properly carry out its duties, and its ability to provide the RIAA team with confidence in the continuity of strategy. Consequently, we see this as a contrary to the interests of the RIAA membership as a whole.

The RIAA Board therefore recommends that members APPROVE a change to the RIAA Constitution, to require director re-election every three years instead of two.

This change would first take effect for existing and new directors elected at the November 2021 AGM. The existing 10 year limit on tenure remains unchanged.

In addition, it is our intention to actively manage Board renewal to the extent possible, with the aim of

- Minimising the occasions where more than a third of the Board stands for election at one time.
- Increasing the spread of director tenures on the Board at any one time.

	2012	2013	2014	2015	2016	2017	2018	2019	2020
	Vote held	Vote held	Vote held	No vote	No vote	Vote held	Vote held	Vote held	Vote held
Nominations received	6	7	6	4	7	9	9	14	18
Directors renominating	2	6	3	3	6	4	4	3	5
Directors re-elected	2	6	3	3	6	4	4	2	
New directors elected	3	1	2	1	1	2	2	4	