

Finance Council 2023 – Proposed Constitutional Amendments

C38.11

1. This note offers a brief explanation of the proposed constitutional amendments to be considered at Finance Council 2023. This note does not deal with the Board's proposed amendments to the Financial Bye Laws, which are dealt with in a separate paper, but with three other resolutions. The resolutions referred to in paragraphs 2 and 3 below amend the articles of association and so are special resolutions. As a result, they require a majority of 75% of votes cast in order to be passed; and are incapable of substantive amendment at the Meeting. The resolution referred to in paragraph 4 is an ordinary resolution and so requires a simple majority of votes cast in order to be passed.
2. The most substantive of the three further resolutions is resolution 3 of item 11 of the agenda and this amends the regime in the articles of association relating to the Governance Committee and the Finance Committee (the "Standing Committees") by:
 - (a) removing the President as an ex officio member of each of the Standing Committees – this is because the role of President is an outward-facing role and committee membership is inconsistent with this;
 - (b) removing the power of the Board to fill casual vacancies and giving this power to the relevant Standing Committee itself – this is because it is felt to be inappropriate that the Board should make appointments to a committee part of whose remit is to monitor the Board;
 - (c) precluding Directors from being a member of a Standing Committee – this is because of the conflict inherent in being a member of a committee that monitors the Board.
3. There is a further resolution amending the articles of association, namely resolution 1 of item 11, which removes the word "chairman" and related masculine pronouns and replaces them with wording that is not gender specific.
4. Resolution 2 of item 11 performs a similar function in relation to the Procedural Bye Laws.

The Governance Committee, 27th March, 2023