

## **2020 AGM Explanatory document for amendment to CCRL (Canberra Christian Radio Ltd) Articles of Association**

In accordance with the Australian Corporations Act 2001, CCRL (Canberra Christian Radio Ltd) hereby advises the following:

An intention to amend several Articles in CCRL's Articles of Association. The articles proposed to be amended are listed below, with the reasons for proposing the amendments and any background information relevant to the Article, all as required by the Corporations Act.

### **Article 10.2.**

#### **Current wording**

10.2 The company may, by resolution, increase or reduce the number of directors, provided that there is a minimum of six directors.

#### **Proposed wording**

10.2 The company may, by resolution, increase or reduce the number of directors, provided that there is a minimum of six directors and a maximum of ten directors.

Historically, there has apparently never been a maximum number of directors set in CCRL's Constitution. Since the formation of the company, 31 December 1990, the number of directors has varied from the minimum as specified to an arbitrary maximum number determined at an AGM. Historically this arbitrary maximum number has been ten, though there has been no legislative basis for such. The number ten has worked well over the years since 1990, and the current board considers the number ten should be written into the Constitution of CCRL, Article 10.2

### **Article 10.3**

#### **Current wording**

10.3 Each director shall, subject to these articles, hold office until the conclusion of the annual general meeting following the date of the director's election, but is eligible for re-election.

#### **Proposed wording**

10.3 A director's term shall, subject to these articles, be a maximum of two continuous years from their election at the Annual General Meeting to the conclusion of the Annual General Meeting at maximum of two years from their election.

At the Annual General Meeting,

10.3.1 If a director has already served two continuous years, at the conclusion of those two years they must renominate if they wish to be a director again.

10.3.2 If a director has only served a one-year term and wishes to continue into a second continuous year, they may continue to serve their second year without renominating or requiring a further vote.

In an ever changing world, new radio technologies, legislation awareness and ongoing operations of the radio station as a whole, especially when a new GM and other new technical support staff are appointed can be quite disruptive to the short and long term operations of a radio station. The current board is of the view that if a director has a one-year term and is not re-elected the following year, then expertise, experience and knowledge of current processes and tasks at hand may be lost to some extent.

A fixed two-year term (subject to re-nomination at the end of two years) would help ensure continuity of directors and continuity of processes and tasks at hand. Experience, rapport with external contacts (Government & private) and knowledge especially of ongoing processes and tasks at hand would be more readily retained.

## Article 26.2

### Current wording

26.2 Five members present in person (being members entitled under these articles to vote at a general meeting) constitute a quorum for the transaction of the business of a general meeting.

### Proposed wording

26.2 Number of Board members plus two (2) members present in person (being members entitled under these articles to vote at a general meeting) constitute a quorum for the transaction of the business of a general meeting.

The Australian Communications & Media Authority (ACMA) suggested at our last licence renewal review (Nov 2019), that we review Article 26.2 and increase the number forming a quorum. ACMA suggested we consider the following: “Consider amending the number required to form quorum from five to double the Board plus one”. The current Board considered this subject as a whole and reviewed the number ACMA asked us to consider. The suggested ACMA total is a number we have frequently not achieved, even at our AGMs. The Board is therefore suggesting for Article 26.2 Quorum number: change to number of board members plus two.

(Current Article 26.2 specifies five, if the new 26.2 is adopted, then for example currently with seven directors a new quorum would be nine; a significant increase, and a number more likely to be regularly achieved. (Community organisations frequently have a very small percentage of their members attend an AGM).)

**END**