



CONSULTATION PAPER FOR ACCREDITED PROBUS CLUBS

Issued 22 April 2016

Changes to the Constitution of Probud South Pacific Limited

Background:

The current PSPL Constitution was adopted some years ago following an agreement between Rotary and PSPL under which Rotary transferred the “Probud” trademarks to PSPL. The current Constitution is an amalgam of earlier versions which met the needs of PSPL at the time.

In view of PSPL’s critical role as a service and support centre with a renewed focus on membership growth, the PSPL Board has resolved to update the PSPL Constitution in order to:

- provide accredited Probud Clubs with the opportunity to become members of PSPL;
- more clearly outline PSPL’s responsibilities towards its accredited Probud Clubs;
- change the nomination criteria for Representative Members/Directors which may encourage a greater number of skilled Probudians to nominate to serve on the PSPL Board;
- facilitate a smaller, more experienced Board of Directors, with the possibility of longer terms of office for senior officer bearers, and
- correct some minor administrative errors and ambiguities within the current PSPL Constitution and remove clauses and/or words that are no longer relevant.

After the PSPL Board has had an opportunity to review the feedback from Probud Clubs and the Rotary Council of Governors, a special General Meeting of the current PSPL members will be held on a date to be determined to consider the proposed changes to the PSPL Constitution.

Currently the members of PSPL are the 9 representative Directors being Douglas Geekie, Bruce Cameron, Peter Carroll, Margaret Drake, Roger Goldstone, Philip Marley, Winston Marsh, Eric Penfold and Eean Thorne as well as two of the Foundation Members being Messrs Bob Burnett and Paul Henningham.

Proposed Changes

The major proposed changes to PSPL’s current Constitution are outlined below. To assist your understanding of these changes, enclosed with this Consultation Paper is a copy of the proposed revised PSPL Constitution which incorporates the proposed changes.

If you wish to view the current PSPL Constitution highlighting the proposed changes and indicating omissions/deletions from the original, this document is available in the secured administration section of the PSPL website at www.probusouthpacific.org

Provide accredited Probus Clubs with the opportunity to become members of PSPL

All Probus Clubs, (including new Clubs, immediately upon their accreditation), will be invited to become Members of PSPL. As such, they will attract the same responsibilities from PSPL's Directors as do members (shareholders) of other public companies from their Directors. Provided the proposed changes to the Constitution are adopted, all accredited Probus Clubs will be free to accept in writing PSPL's invitation to become a Member of PSPL.

1. As Members of PSPL, accredited Probus Clubs will undertake to contribute a nominal amount of up to \$10.00 per club to the assets of PSPL in the unlikely event that PSPL is wound up. This is a standard constitutional requirement for companies limited by guarantee such as PSPL;
2. Accredited Probus Clubs are currently represented at PSPL Board Meetings by their respective Representative Members, all of whom are Probus Club members and Directors of PSPL. This will not change. However, to facilitate a closer relationship between Probus Clubs and their Representative Members, notice of all Members' meetings will be made available electronically to the Probus Clubs that become PSPL Members so that they have the opportunity to contact their respective Representative Members beforehand and make known their views.

Responsibilities of PSPL towards accredited Clubs

1. PSPL will take on more responsibility than it previously had for the *formation* of Probus Clubs, thus reducing the pressure on Rotary (which will continue to sponsor all new Clubs). Although the Rotary relationship is critical to Probus' continued success, these changes facilitate more of a partnership between PSPL and Rotary in the formation of Probus Clubs than was previously the case;
2. There will be a clearer focus on semi-retired persons in the target group of PSPL's activities;
3. The revised Constitution will remove the reference to PSPL having the objective of helping members of the community by relieving the 'isolation and loneliness' associated with ageing. Although it is clear that Probus does in fact assist many retirees who do feel isolated or lonely, either as a result of retirement or the loss of a partner, the reference to "isolation and loneliness" has caused some concern amongst members and has accordingly been removed

4. As is presently the case, our Foundation Members, Messrs Bob Burnett and Paul Henningham (both members of Probus Clubs) will remain Members of PSPL and together with the Representative Members (i.e. the Probus Club representatives) will be able to vote at all general meetings of Members. Each of these Members has one vote.

Facilitate a smaller, more experienced PSPL Board

1. A Board of Directors is a body of elected or appointed people who oversee the activities of a company. Over the years, most companies have moved away from the traditional model of a large Board towards installing smaller and more efficient Boards. With this objective in mind, the number of Representative Members/Directors of PSPL will be changed to one per geographic area (NSW/ACT, NZ (incorporating the Pacific islands), Qld/PNG/The Solomons/Nauru , Vic/Tas, SA/NT, and WA);
2. As every Representative Member is also a Director of PSPL, this will reduce the number of Representative Members/Directors from nine to six. Together with the proposed reduction in the number of Rotary-appointed Directors (see 5. below) the overall size of the Board will be reduced from a maximum of 14 to a maximum of 11 Directors;
3. Currently, to be able to nominate as a Representative Member/Director of PSPL, a Probus Club member is required to have been a club member for at least 5 years and within that 5 years, to have served on the management committee of a Probus club for at least 3 years. The new provisions provide that all Representative Members need only have served for at least 12 months on a Probus Club Management Committee. In addition, they must have Board-level or similar experience in the likely business of PSPL or in some similar business, as well as experience working in a team. Nominees for appointment to Nominating Selection Committees will also be required to possess the level of experience needed in order to properly evaluate the candidates for the positions of Representative Member/Director. These proposed changes will allow a greater number of skilled Probus members to nominate to serve on the PSPL Board and will assist in ensuring that only the most appropriate candidates are appointed to the role of Representative Member/Director of PSPL.
4. The maximum term of office of a Representative Member/Director will remain limited to two terms of 3 years. However, a Representative Member/Director whose term of office is about to expire, may nominate for reappointment, without repeating all of the formalities required of new nominees. Nevertheless, they will still need to face screening by a Nominating Selection Committee, in the same way as other nominees.

5. The number of Rotary appointed Directors will be reduced from two to one and the Council of Governors will be asked to certify that every appointee has Board-level or similar experience in the likely business of PSPL or in some similar business, as well as experience working in a team.
6. Should any casual vacancy occur from the inability of a Director or Directors who are Representative Members to complete their term(s) of office, the vacancy or vacancies must be filled by a person or persons with the requisite level of knowledge and experience who come(s) from the same geographic area as the person being replaced
7. An additional provision allows every Director, including those who are Representative Members/Directors, to appoint one of the other Directors as an alternate Director, where for any reason the appointing Director is unable to attend and vote at a Board meeting.
8. The current Constitution allows for the Chairman to serve a one year term, unless reappointed to the Board as a Representative Member/Director in which case he/she could serve a further term as Chairman. The proposed Constitution provides that the Chairman of the PSPL would, in normal circumstances, be appointed to the role *for at least two years*. This gives the Chairman the opportunity to implement and see through new policies and ideas while providing some stability and consistency at the highest level. The term of office of the Immediate Past Chairman has been adjusted accordingly.
9. Currently the PSPL Constitution allows for the PSPL Board to appoint two additional Directors to assist them with the functions of the Board. Such appointments are normally utilised to attract specialist skills such as accounting, finance, legal etc. The proposed Constitution allows the Board to appoint three additional Directors rather than two.
10. Currently, the PSPL Constitution requires the Treasurer of PSPL to be appointed from the Representative Member/Directors. The proposed Constitution allows the Treasurer of PSPL to be appointed from among the ranks of *all* Directors, not just from among the Representative Member Directors. This provision will allow the Board to appoint one of the specialist Board-appointed Directors as Treasurer if required.

Correction of minor administrative errors, ambiguities and irrelevant provisions

Various definitions have been amended or updated and a number of new ones have been added to improve the accuracy and the understanding of the proposed revised Constitution. Also:

1. All references to PSPL's predecessor "Probus Centre South Pacific Inc." and related matters have been deleted.
2. A new provision dealing with the cessation of membership by Probus Clubs has been included. In addition to the usual reasons for a Member ceasing to be a Member, it includes the loss of accreditation by PSPL.
3. Consistent with the *Corporations Act*, the indemnity provisions of the Constitution have been extended to cover all "Officers" of PSPL.
4. Quorums and other consequential provisions have been adjusted accordingly. The number of Board members necessary for the transaction of business by the Board has been increased from five members to six.

How to provide your feedback?

If you have any comments or any suggestions which you would like to offer for our consideration in relation to the proposed changes outlined above, please send them by email to Silvana Martignago, CEO, PSPL, at: silvanam@probussouthpacific.org; or by post to PO Box 1294, Parramatta, NSW, 2124 to be received at the PSPL office no later than 5.00 pm AEST on Thursday 30 June 2016.

All feedback will be considered provided that it is received from a Probus Club Management Committee on behalf of its members.