

## Special Resolution - Proposed Constitution Changes

APPA's Board of Directors continue to strive towards good governance and continuous improvement practices and therefore is proposing improvements to the APPA Constitution for the benefit of its members and the Association.

As a reminder, the Constitution is the governing document outlining a set of rules of how our association operates. For example, the Constitution covers agreed processes for the appointment and removal of directors, the powers and responsibilities of directors and the procedures for conducting board, general and special meetings.

The APPA Board are recommending to members to adopt changes to Clause 42 (Number of Directors) and Clause 43 (Election & Appointment of Directors) as explained further below and as highlighted in the attached Constitution using track changes.

The purpose for these proposed changes are to:

- Maintain a balance of supplier & distributor member directors at all times, no matter the size of the board, and to
- Include a preference of having a member director representing our New Zealand members

The Special Resolution proposed to members is:

*That the Australasian Promotional Products Association (Company) adopt the proposed amendments to the constitution of the Company, as presented to the members, to update clauses 42 & 43.*

The proposed new wording to these clauses has been drafted by legal firm Mills Oakley who specialise in drafting Constitutions for associations.

APPA members are encouraged to attend the meeting or submit a proxy and vote to support the proposed changes. As this is a special resolution, these proposed changes require 75% of voting members to vote in favour to enable APPA to adopt these changes.

Kind regards



Robert Williams  
President



## APPA Constitution Proposed Changes - 2023

Constitution Reference	Current Constitution Wording	Proposed Constitution Wording
Clause 42.1 (b and c) - Number of Directors	The composition of the board shall be made up of at least two (2) distributor members or representatives of distributor members and two (2) supplier members or representatives of supplier members.	<p>The composition of the <b>board</b> shall be made up as follows:</p> <p>at least two (2) <b>distributor members</b> or representatives of <b>distributor members</b> (collectively referred to as <b>distributor member directors</b>); and</p> <p>at least two (2) <b>supplier members</b> or representatives of <b>supplier members</b> (collectively referred to as <b>supplier member directors</b>); and</p> <p>if the <b>board</b> is a size of between:</p> <p>five (5) <b>member directors</b> and seven (7) <b>member directors</b>, then:</p> <p>the number of <b>distributor member directors</b> must not exceed the number of <b>supplier member directors</b> by more than one (1); and</p> <p>the number of <b>supplier member directors</b> must not exceed the number of <b>distributor member directors</b> by more than one (1); or</p> <p>eight (8) <b>member directors</b> and nine (9) <b>member directors</b>, then:</p>

		<p>the number of <b>distributor member directors</b> must not exceed the number of <b>supplier member directors</b> by more than two (2); and</p> <p>the number of <b>supplier member directors</b> must not exceed the number of <b>distributor member directors</b> by more than two (2).</p>
Clause 42.4 - Number of Directors	N/A	<p>Notwithstanding anything else contained in this constitution, it is preferable for the board to have at least one (1) member director who:</p> <ul style="list-style-type: none"> <li>(a) resides or works in New Zealand; or</li> <li>(b) is a representative of a body corporate member that has its headquarters in New Zealand or has operations in New Zealand.</li> </ul>
Clause 43.10 - Election & Appointment of Directors	<p>If a casual vacancy occurs in the position of a member director who is either a distributor member or representative of a distributor member or a supplier member or representative of a supplier member, the replacement <u>does not</u> need to be in or be a representative of the same membership category.</p>	<p>For the sake of clarity, if a casual vacancy occurs in the position of a <b>distributor member director</b> or a <b>supplier member director</b>, the replacement <u>needs</u> to be in or be a representative of the same <b>membership</b> category.</p>