



The constitution for Diabetes Australia Limited has been simplified for compliance purposes (including to account for the introduction of the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth)) and revised to reflect a clear and simple governance structure of a modern-day charity. The new constitution focuses on Diabetes Australia's goals of elevating people living with and at risk of diabetes and providing a national voice on diabetes.

The below table summarises the material differences between the existing constitution and the proposed new replacement constitution. While every effort has been made to provide accurate and complete information material to your decision on how to vote on the resolution, this Explanatory Table is a summary only, and we recommend you read the complete new proposed replacement constitution in full before deciding how to vote.

Topic	Key change
<p><b>Company's Purpose (rule 2)</b></p>	<p>The company's purpose has been simplified to make it clear the organisation's main purpose is supporting people living with and affected by diabetes and providing a national voice on diabetes, including:</p> <ul style="list-style-type: none"> <li>(a) providing information, resources, education and support to people affected by diabetes and those at risk of diabetes in the community;</li> <li>(b) supporting diabetes research;</li> <li>(c) promoting the prevention and early detection of diabetes;</li> <li>(d) advocating for and facilitating equitable access to appropriate and effective treatment and management for all people impacted by diabetes.</li> </ul>
<p><b>Payment to directors (rule 4.2)</b></p>	<p>The constitution has been amended so that the non-executive director fee pool (i.e. the amount in which the company may pay non-executive directors for their services) will be determined by members at a general meeting. Fees were previously set by the Board for all directors within a cap set out in the Constitution (or a higher limit approved by Members).</p>
<p><b>Membership structure and rights (rule 5)</b></p>	<p>One of the main changes with the new proposed Constitution is that the membership structure has been simplified to two classes of 'members':</p> <ol style="list-style-type: none"> <li>1. 'Members' who are fee paying and are entitled to vote – this will include both individual members and corporate members; and</li> <li>2. 'Community Members' who will not be fee paying members and will not be entitled to vote.</li> </ol> <p>The concepts of Honorary Life Members and Founding Life Members (and the fact that they don't have to pay fees) have been retained in the constitution but are not separate categories of members.</p> <p>As a result of the changes, the classes of Member Organisation, Associate Member and Reciprocal General Member have been removed (and consequently the rights of these classes, including for Member Organisations the right to nominate candidates to certain</p>



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	<p>positions on the Board or to the Health Professional Advisory Council, the right to appoint certain alternate directors, and the right to determine where surplus assets will be transferred on winding up). However, those who are members at the time this constitution is adopted (including Member Organisations, Associate Members, Honorary Life Members and Founding Members) will remain a member (under the category of 'Member').</p> <p>Applications to be admitted as a Community Member (or to change member class) must follow the form and process decided by the Board. This will include any DiabetesYOUnted Essential Members that wish to become Community Members under the Constitution.</p> <p>The Board will have the ability to create categories of "membership" through policies outside of the constitution.</p>
<p><b>Membership fees (rule 5.3)</b></p>	<p>Membership fees will continue to be set by the Board, with policies outside of the constitution to dictate fees for different categories of membership.</p> <p>The constitution hardwires in that Community Members, Honorary Life Members and Founding Members will not pay fees.</p> <p>The constitution no longer hardwires that current fee paying members of ADS and ADEA are not required to pay any membership fees.</p> <p>The new constitution allows the Board to send a reminder payment notice in the event members fail to pay membership fees one month after the due date.</p> <p>A member will cease to be a member after failing to pay the membership fee within two months of receiving the reminder notice.</p> <p>The member 'suspension' process has been removed for the purpose of administrative efficiency.</p>
<p><b>Removal of member (rule 5.7)</b></p>	<p>A rule has been introduced to allow the Board to remove a member in certain circumstances (for example if a member breached a company policy, may harm the company's reputation or the Board considers it is in the best interest of the company that they be removed).</p> <p>To remove a member, a meeting must be held where the member will be given the opportunity to provide oral or written evidence. The company must provide the relevant member with two weeks' notice and inform them of the meeting's date, time and location, and the grounds for removal.</p> <p>Following the meeting, a final decision must be made on the removal of the member within six weeks.</p>
<p><b>Changing the constitution (rule 9)</b></p>	<p>Rule 9 has been added to prevent the company from passing a special resolution if it will result in the company no longer being a charity.</p>



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<b>Appointing a Patron (rule 10)</b>	The appointment of a Patron has been updated to be a responsibility of the Board (currently it is a decision of the Company in general meeting).
<b>Power of the chair in meetings (rule 11.5)</b>	A new rule has been included to confirm the ability of the chair to take any action they consider appropriate for the orderly conduct of a general meeting.
<b>Proxy and representatives (rule 12.2)</b>	<p>The ability to appoint a proxy or representative has been clarified with further detail provided to explain this process and the rights of proxy/representatives.</p> <p>Community Members (i.e. non-voting members) will not be able to appoint proxies to attend the meeting under the new constitution.</p>
<b>Board composition, election and re-election (rule 13)</b>	<p><b>Board composition</b></p> <p>The Board composition and director election processes have been simplified. The composition requirements have been updated to reflect a skills-based Board but there is still a requirement for the Board composition to include:</p> <ul style="list-style-type: none"> <li>• one director that is a health professional, that is also a member of Australian Diabetes Society Limited or an equivalent organisation; and</li> <li>• one director that is a health professional, that is also a member of Australian Diabetes Educators Association Limited or an equivalent organisation.</li> </ul> <p>Directors no longer have the ability to appoint an alternate director.</p> <p><b>Election and staggered terms</b></p> <p>To encourage director staggered terms and a natural Board renewal process, the constitution has been updated so that at least one third (rounded to the nearest whole number) of directors will now be required to retire at each general meeting, and an election of directors will be held each year.</p> <p>Directors seeking election will be elected from a pool of nominations with the selection criteria determined by the Board.</p> <p>However, no nomination process will be required for current directors seeking re-election, or for directors filling the positions of 'health professionals' on the Board (the latter who may be subject to a selection process as determined by the Board).</p>
<b>Conflict of interest (rule 13.7)</b>	The conflict of interest regime for directors has been simplified to allow for conflicts to be managed in accordance with the law and any internal policies.



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<b>Director meetings (rule 14)</b>	<p>The minimum notice period for calling a directors meeting has been updated from '48 hours' to giving 'reasonable notice' to provide greater flexibility. The 7-day requirement for certain purpose meetings has been removed, and all director meetings will require 'reasonable notice' now.</p> <p>The quorum for director meetings has been simplified to be a majority of directors.</p>
<b>President (rule 14.3)</b>	<p>The process for appointing and removing a President has been simplified with the President to be elected / removed by the Board from the existing directors (simple majority). The Board will have the flexibility to determine the term of the President.</p>
<b>Circular resolutions of the Board (rule 14.6)</b>	<p>A circular resolution may now be passed on any topic without prior discussion at a Board meeting. To pass a circular resolution, 75% of directors must consent to the resolution (currently only a 'majority' support is required).</p>
<b>Other simplifications</b>	<p>A number of other concepts have been removed for simplicity and modernisation, or because they are no longer relevant or necessary to include:</p> <ul style="list-style-type: none"> <li>• Authorised Deposit-taking Institution</li> <li>• Associate Member</li> <li>• Delegate</li> <li>• Effective Date</li> <li>• Health Professional Director</li> <li>• Independent Directors</li> <li>• Member Organisation</li> <li>• Merging Organisation</li> <li>• Nominee Directors</li> <li>• Nomination Committee</li> <li>• Reciprocal General Member</li> <li>• Special Matters (which require 75% of directors approval for a matter for decision by the Board that may materially affect the operations of ADS or ADEA or diabetes health professionals, their services, financial position or funding)</li> <li>• Staged Unification</li> <li>• Transferring Member</li> </ul>