

Proposed Change to the Constitution

Purpose

The Board proposes amendment to the Clause 38.5 of the Constitution. The purpose of the change is to address ambiguity about the powers of Directors in cases where there are less than the minimum required number of Directors on the Board.

Background

The Constitution of the Castlemaine State Festival states that:

The company must have **at least six directors** and no more than twelve directors. (Clause 37).

The Constitution currently also states that if [for some reason] there were less than three directors on the Board, they would have limited powers to act. That is, only for the purpose of calling a general meeting, or for the purpose of increasing the number of directors to **“three (or higher if required for a quorum)”**. (Clause 38.5).

Reasoning

This sub-clause (38.5) does not sit well with the Clause that states that the minimum number of Directors is six.

Clause 38.5 is also unclear because the definition of a quorum for a directors’ meeting is “a majority (more than half) of Directors” (Clause 51). That is not a definite number, so it is not clear how many directors a reduced number of Directors are empowered to appoint.

Proposed solution

The simple amendment proposed makes it very clear that if the number of Directors falls below the minimum required under the Constitution (six), they may act for the restricted purposes of calling a general meeting, or for the purpose of increasing the number of directors to six.