

ANNEXURE A

TKD SPORTS TAEKWONDO AUSTRALIA LTD CONSTITUTION CHANGES - EXPLANATORY TABLE

The following table summarises the material changes proposed in each Motion to be made to the TKD Sports Taekwondo Australia Ltd Constitution, and the rationale for pursuing such changes.

| Motion | Clause(s) | Summary of change | Rationale |
|----------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 1.1 5.1 5.3 (previous) 13.2 (new) 13.7 15.7 26 | <ul style="list-style-type: none"> • Removal of references to previous transitional provisions, including references and clauses relating to: <ul style="list-style-type: none"> ○ "First Directors" ○ "First State Members" ○ "Independent Chair" ○ "Transitional Period" ○ "Transitional Arrangements" | <ul style="list-style-type: none"> • The previous transitional provisions, which related to the identity of the first directors and members of the organisation under the new Constitution, came to an end at the first AGM following the 2016 Olympics, and therefore no longer apply and subsequently have no operation or use • The identity of the directors, chair and members are now determined in accordance with the standard provisions in the Constitution • As the previous transitional provisions no longer have any effect, they are redundant and there is no need for them to be included in the Constitution |
| 2 | 11.15 | <ul style="list-style-type: none"> • Insertion of ability to vote electronically at general meetings | <ul style="list-style-type: none"> • The ability for member states to vote electronically at general meetings assists in easily facilitating general meetings by telephone or video, which decreases the administrative burden arising from convening and holding a general meeting, particularly one at short notice and separate to the AGM |
| 3 | 12.2 | <ul style="list-style-type: none"> • Change from exhaustive ballot to 'first past the post' system of voting for elected directors | <ul style="list-style-type: none"> • As evidenced at the AGM in 2017, voting by exhaustive ballot can be extremely time consuming, particularly where there are a large number of candidates • The 'first past the post' system is the simplest and most time-effective method of the various voting systems that could be implemented • Changing to this voting system minimises the time spent administering the election of directors at AGMs, and also minimises the risk there is a mistake in the calculation of the votes received, as the previous exhaustive ballot method required numerous rounds of voting before reaching a conclusion • Under these changes, an elected director will need to have majority support (ie a majority of the voting members actually voting in the election, in favour of his/her |

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| | | | appointment), to be elected even if they were the only person to nominate for that position |
| 4 | 13.1(b) | <ul style="list-style-type: none"> Changing description of the total number of directors from "not more than" to "up to" | <ul style="list-style-type: none"> This change recognises that not all appointed and elected Director roles will necessarily be filled |
| 5 | (new) 13.2(f) | <ul style="list-style-type: none"> Insertion of a restriction on the ex-CEO from acting as a director for at least three years after ceasing to be CEO | <ul style="list-style-type: none"> In accordance with the Sport Australia (SA)'s mandatory governance principles, a CEO needs to be able to work freely to drive the sport forward. The presence of a former CEO on a board can inhibit the ability of a new CEO to implement any necessary change, meaning a prohibition on this person being elected/appointed as a director for at least three years after their role ceases is recommended |
| 6 | (previous) 13.5 | <ul style="list-style-type: none"> Removal of duplicated clause | <ul style="list-style-type: none"> The term length for elected directors was already set out in (what was previously) clause 13.7 (now 13.5), meaning this clause represents duplication and can therefore be removed |
| 7 | (new) 13.5 | <ul style="list-style-type: none"> Clarification that election of directors at general meeting does not extend to filling casual vacancies Clarification that the term of an elected director expires at the <i>conclusion</i> of the third AGM after their election | <ul style="list-style-type: none"> The change to (a)(ii) clarifies that the board has the sole power to fill casual vacancies arising amongst directors, which simply solidifies the position already set out at (what was previously) clause 13.9 Under Australian case law, a director's term expires at the <i>commencement</i> of the relevant AGM unless the constitution specifically provides that the term expires at the <i>conclusion</i> of that meeting. It is preferable to expressly provide that a director's term expires at the end of their last AGM, to ensure the retiring directors can remain in the meeting and answer questions from the floor in relation to the directors' and financial reports from the previous financial year, during which they were directors |
| 8 | (new) 13.6 | <ul style="list-style-type: none"> Introduction of a new staggered rotation system where in every three year period, two elected directors retire in the first year, two in the second year and three in the third year | <ul style="list-style-type: none"> SA recommends in its <i>Sports Governance Principles</i> that a board has a staggered rotation system for directors, to ensure board renewal while retaining corporate memory A system where 2, 2 and 3 elected directors retire in every three year period represents the most even and consistent staggered rotation available for a board |

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| | | | <p>comprising 7 directors, which contrasts with the current rotation where once in every three years no elected directors are elected in that particular year</p> <ul style="list-style-type: none"> Incorporating an evenly staggered rotation system is important to ensure the board retains corporate memory and an understanding of the medium and long term goals of the organisation, while allowing continual refreshment to allow for new ideas and perspectives Under the current rotation, a significant amount of corporate memory could be lost in a 2-year period if each of the existing 7 elected directors either retire or fail to be re-elected within that period |
| 9 | (new) 13.13 | <ul style="list-style-type: none"> Clarification that a casual vacancy arises where an elected director candidate does not receive a simple majority in favour of their election | <ul style="list-style-type: none"> This is a consequential amendment required by the proposed insertion at clause 12.2(a), whereby a nominee for an elected director position must achieve a simple majority with the member states prior to being elected, even where they are the only candidate for that position As this introduces a further circumstance in which a vacancy in a director position arises, it must be included in this clause |
| 10 | 20.1(b) | <ul style="list-style-type: none"> Change to the date a policy implemented by the directors becomes effective to the date specified in the policy as the effective date, or the date approved by the board if no date is specified | <ul style="list-style-type: none"> This change allows the board to adopt and implement policies that specify a known future date as the date the relevant policy becomes applicable and binding (ie at the start of a particular membership, financial or sporting year). This provides increased flexibility, and allows the board to draft, debate, update and implement a policy at any time, while still allowing the directors to determine an appropriate future start date on which the policy becomes binding on members |
| 11 | 26 | <ul style="list-style-type: none"> Introduction of new transitional arrangements to facilitate a more evenly staggered rotation system for elected directors (see clause 13.6 above) Deletion of previous transitional arrangements that no longer apply | <ul style="list-style-type: none"> The insertions at (a) and (b) are consequential amendments necessary to facilitate the more evenly staggered rotation system for elected directors introduced at clause 13.6 Due to the rotation and term lengths of the current elected directors, there will need to be at least one director (in the short term) who is elected for a term less than 3 years, to move from the existing to the proposed staggered rotation The proposed transitional provisions inserted at clause 26 achieve the 2, 2, 3 rotation with the minimum possible changes to the standard 3-year terms for elected directors |

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| | | | <ul style="list-style-type: none">As set out in the first row of this table, the existing transitional provisions in clause 26 are now redundant, and because they no longer have any force can be deleted |