

Explanatory Note – Special Resolution 2 (Amendment to Article 64)

“That, subject to the passing of Special Resolution 1 and subject to the approval of the Charities Regulator, the Constitution adopted pursuant to Special Resolution 1 be amended by deleting the following sentence from Article 64:

‘Should, for any reason, the number of Elected Directors fall below 4 (four), then no Elected Director is required to retire and an election shall be held at the following Annual General Meeting to bring the number of Elected Directors back to 4 (four).’

and replacing it with the following:

‘An Elected Director whose Term expires at an Annual General Meeting shall retire at that meeting but shall remain in office until the conclusion of the election of Elected Directors at that meeting. If the vacancy arising on such retirement is not filled at that meeting, the retiring Director shall continue in office until a successor is elected by the members or appointed by the Board in accordance with these Articles.’

All other provisions of Article 64 shall remain unchanged.”

Special Resolution 2 proposes a **targeted amendment to Article 64** of the proposed new Constitution to improve how the retirement of Elected Directors operates at an Annual General Meeting (AGM).

What is the issue being addressed?

Under the current wording of Article 64:

- If the number of Elected Directors falls below four,
- **no Director is required to retire**, and
- elections are deferred to a future AGM

While this was intended to protect the minimum number of directors, in practice it can:

- prevent normal retirement from taking place
 - disrupt proper board rotation
 - create uncertainty in governance
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What does the proposed amendment do?

The amendment replaces this rule with a more practical approach:

- A Director **still retires at the AGM as normal**, but
 - remains in office until the election process at that meeting is completed
 - If no replacement is elected, the Director **continues temporarily** until a successor is elected or appointed
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Why is this change being proposed?

This change is intended to:

- ensure **orderly retirement and re-election of Directors**
 - avoid situations where Directors cannot retire due to technical restrictions
 - maintain **continuity on the Board**, so that governance is not disrupted
 - align the Constitution with **modern governance practice**
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What does the amendment NOT do?

The amendment:

- does **not extend the length of a Director's term**
- does **not change term limits or eligibility rules**
- does **not reduce member control over elections**

It simply ensures there is **no gap in board membership** during the AGM process.

Regulatory approval

This amendment:

- is **subject to the approval of the Charities Regulator**, and
 - will only take effect once that approval is confirmed
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Dependency on Special Resolution 1

This resolution will only apply if:

- Special Resolution 1 (adoption of the new Constitution) is passed
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Summary

In summary, this is a **technical but important governance improvement** which:

- allows Directors to retire properly
- ensures continuity where no replacement is immediately available
- avoids unintended governance difficulties

The Board believes this amendment is in the best interests of An Óige and recommends that members vote in favour of it.