

Minutes of the Institute of Directors (IoD) Annual General Meeting
 Held on Wednesday 3 July 2024 at 16:00, 116 Pall Mall and via Zoom

Presenters:

Patrick Macdonald	Chair, Institute of Directors
David Langworth	Senior Independent Council Member and Chair of Council
Jon Geldart	Director General
Kate Cooper	Director of Finance

In Attendance

Kristina Lewis	Institute Secretary
Purnoor Grewal	Governance Manager (minutes)

1. Chair of the Institute Welcome

- 1.1 The Chair, Patrick Macdonald, welcomed all members to the Annual General Meeting and thanked them for their attendance and support.
- 1.2 The members of the panel were introduced, and the Institute Secretary was thanked for her support.
- 1.3 The Chair outlined the format of the AGM. It would be held in three parts:
 - i. Update on the previous year
 - ii. Formal business of the meeting and resolutions
 - iii. Moderated Q&A session
- 1.4 The Chair updated that the Institute had enjoyed a stellar year. Firstly, the membership had grown, secondly, the Institute had delivered it's best-ever financial result which underlined the tremendous progress made since Covid.
- 1.5 It was noted that it was important to continue rebuilding the IoD reserves to secure the long-term future of the organisation which would provide the headroom to invest in better services for members and create the resources needed to raise the professionalism of the business leadership and directorship.
- 1.6 The Chair was pleased to report that the record 2023 outturn was due to the hard work and efforts put in by the team to relentlessly deliver value for current and prospective members of the Institute. The upward trajectory continued into the first part of the year and there was momentum for the second part of 2024 due to several new initiatives under way.
- 1.7 The Chair congratulated the Executive, Director General, Jonathan Geldart, and his Management Team for their perseverance and tenacity through the challenges faced.
- 1.8 The Chair reflected on some of the other key achievements including an updated customer experience by using digital channels, exclusive member services like podcasts and the Business Paper series. The finance and customer systems were upgraded, the procedures were streamlined, and the 116 Pall Mall renovations provided a facility to be proud of.
- 1.9 The future plan was to further develop value for members, raise member retention rates, attract new members by building greater external awareness, delivering on events to bring members together and continue to deliver world-class professional development programmes.
- 1.10 The Chair thanked the members of the Board for their time and contribution, for their continued support in setting the direction and strategy for the organisation, and in holding the executive to account. The Board had evolved over the last three years and continued to change.

1.11 The Chair thanked the following members who had rotated off in 2024:

- John Watson, Interim Chair of the Institute (August 2020 -March 2021) and Chair of Audit and Risk Committee
- Alex Simpson, Senior Independent Director
- Deborah Davis, Chair of Remuneration Committee

1.12 It was noted that Dr Beth Ahlering and Julia Marsh, who joined the Board in 2023, had brought in a wealth of experience in Executive Education and Professional Development and were already making an impact on this part of the IoD's work.

1.13 The Chair acknowledged the contributions of David Langworth, Jean Church and the rest of the Council who were responsible for appointing the Non-Executive Directors of the Board. The volunteer network, lying at the heart of the organisation, was also thanked for its support.

1.14 It was noted that the organisation had a somewhat unique governance structure with the Board holding all the legal responsibilities for Directors running the Institute, and some powers residing in the Council who did not hold legal responsibility. The Chair believed that streamlining the structure aligned to best practice would be in line with the ongoing modernisation programme and would bring the organisation closer to the members.

1.15 The Chair expressed his gratitude to serve the organisation after being an ordinary member for more than 20 years. In the past three years the IoD had regained the self-belief in its ability to set the agenda and lead the way. He thanked the members for their support and wished his successor the very best for the future.

2. Director General's Strategic Update

2.1 The Director General was pleased to report on the progress that had been made in the Institute since 2023.

2.2 It was reported that in the past few years the Institute had been through challenging times, however strong foundations had been built. The significant investments to modernise and revitalise the operations, including the revamp and relaunch of the IoD branding, the implementation of a new CRM system, and the refurbishment of the flagship premises at 116 Pall Mall. This had been instrumental in changing the trajectory for the Institute and providing a platform for long-term growth.

2.4 Despite the challenging backdrop for all businesses, membership had grown in 2023, closing the year at 18,405, up from 18,220 at the end of 2022. There had been a positive upwards trajectory and members support was required to maintain this growth.

2.4 It was highlighted that over 5,000 business leaders had experienced the IoD's world leading director development programmes, helping to improve governance standards in the UK and beyond. Increasingly, the IoD was promoting its values beyond its shores, significantly increasing its international footprint. Courses in new places had been delivered in 2023, including to delegates from Australia, Canada, China, Germany, Ireland, Italy, Taipei and the UK.

2.5 It was reported that the Institute's focus remained on ensuring financial stability. The Director General was pleased to report that both revenue and EBITDA were well ahead of 2022, at £18.7m and £3.4m respectively.

2.6 There was a clear need to enhance the professionalisation of directors and responsible business in a manner which rebuilt societal trust whilst avoiding a disproportionate regulatory burden. To address this issue, the Institute had launched a Commission to develop a code of conduct for directors. The Commission was being chaired by Lord (Iain) McNicol of West Kilbride, supported by leading figures from the worlds of business and public affairs. The IoD's vision was for board members from all types of corporate entity to sign up to this code of conduct on a voluntary basis.

2.7 The Director General thanked all members, volunteers, the Board and Council, and the outgoing Chair Patrick Macdonald for their support. Tribute was paid to the work of the Management Team and Institute colleagues, who had all played such an integral part in the growth of the organisation.

3. Council Report

3.1 David Langworth, Council Chair and Senior Independent Council Member (SICM) provided the Council Report.

- 3.2 The SICM provided an update on the Council composition, there were nine extremely diverse and experienced Council members drawn from different professions and geographies, including overseas, who were not Regional Chairs or in other posts appointed by the Board, this had removed all danger of circular governance. It was noted that shortly, a notice to members would be circulated about vacancies on the Council.
- 3.3 In terms of duties, Council was part of the Institute's governance structure and performed a role that was rather like an active shareholder on behalf of members.
- 3.4 The attendees noted Council's responsibilities. These included appointment of Non-executive Directors to the IoD Board, holding the Board to account on the delivery of the Royal Charter Objects, monitoring the levels of stakeholder engagement and reporting Council's opinion on IoD Strategy.
- 3.5 The SICM highlighted that Council members were not Non-executive Directors and had no fiduciary duties, yet they played a critical role to ensure the success of the Institute.
- 3.6 The SICM highlighted the Board and Executive's efforts and achievements in the past year. The team was truly impressive and a credit to the Institute.
- 3.7 The SICM extended thanks to the Non-executive Directors who were stepping down, including Deborah Davis, Alex Simpson, Senior Independent Director, and Patrick Macdonald, Chair of the Institute, for their wisdom, guidance, and clear steer of the Institute onto the right trajectory for the future.
- 3.8 The SICM updated the attendees that John Browett had been appointed as the new Chair of the Institute. He was also an active member of the IoD.
- 3.9 The SICM thanked the members and noted his positive outlook for a new era for the IoD.

4. Formal AGM Business

- 4.1 The Chair confirmed that there were six resolutions that needed to be addressed. They would be covered in the order appearing on the AGM notice.

Resolution 1

- 4.2 That the Annual Report and Accounts for the year ended 31 December 2023 be received and considered.

- 4.3 Resolution 1 was passed.

Resolution 2

- 4.4 That RSM UK LLP be reappointed as external auditors of the Institute until the conclusion of the 2025 Annual General Meeting of the Institute.

- 4.5 Resolution 2 was passed.

Resolution 3

- 4.6 That Dr Eelco Fiole be reappointed as a Council member for a term of three years until 28 February 2027.

- 4.7 Resolution 3 was passed.

Resolution 4

- 4.8 That Andrew Griffiths be reappointed as a Council member for a term of three years until 28 February 2027.

- 4.9 Resolution 4 was passed.

Resolution 5

4.10 That Kahumbya Bashige be reappointed as a Council member for a term of three years until 5 July 2027.

4.11 Resolution 5 was passed.

Resolution 6

4.12 That Anneliese Reinhold's term in office be extended by one year until 9 July 2025.

4.13 Resolution 6 was passed.

5. Questions & Answers

5.1 The Chair and Director General opened the Q&A session. The Members extended questions on the international strategy, training opportunities for members, contract renewal for the hospitality services with Searcys, efforts to diversify the international leadership especially for women and participation by Board and Council members at regional events alongside the Regional Chairs.

5.2 It was noted that the Institute had explored international opportunities for the professional development delivery. The best way forward was being assessed, and efforts were being undertaken to engage with international resellers of courses especially in China and the Middle East. The Institute enjoyed an impressive reputation worldwide.

5.3 It was highlighted that the IoD presented opportunities for members to train by enrolling on various courses. All members of the Institute were eligible to receive a discount which would reduce the cost of these courses. The Institute was engaging with more professional bodies to promote the courses and offer the opportunity to members of other organisations.

5.4 It was reported that the hospitality offering with Searcys in 116 Pall Mall was run as a commercial operation and the contract with the company was due to be renewed. The members' prices were relatively low for the quality of catering being offered. The commercial partnership with Searcys had resulted in a related income of £2m for the IoD over the course of 2023, up from £1.3m in 2022.

5.5 The Director General reported that the Institute was proud to have members based outside England on both the Board and the Council. The brand value of IoD attracted diversity in membership and talented employees. When questioned about the gender composition it was noted that the Management Team composed of 33.3% females and there were 67.9% females across the organisation.

5.6 It was highlighted that the main IoD priority was to increase the resilience of the organisation by continuing to advocate on the strength of good governance and promoting entrepreneurial spirit. The Director General would continue to attend the Charter Director courses and events some of which were also run by the government and held abroad. The Board and the Council were keen to distribute financial resources to other regions which would help attract more members and would continue to attend regional events alongside the Chairs.

6. Close

6.1 The Chair thanked all for their support and closed the meeting.