
Director Professional Development (DPD) *Guidelines*

Continual improvement of directors' skills and capabilities



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Mandatory Director Professional Development Requirement

Generally, all Australian Institute of Company Directors ('Company Directors') members other than Affiliate Members, Retired Members and Life Fellows are required to undertake 60 units of director professional development ('DPD') over each rolling three year cycle for the duration of their membership ('Mandatory DPD Requirement').

What is DPD?

DPD means activities (including both formal and informal learning) undertaken to improve directors' skills and capabilities within the areas identified in the Company Directors Corporate Governance Framework™ ('Framework') attached as Appendix 1.

A member may fulfil their Mandatory DPD Requirement by obtaining the requisite number of DPD units from:

- (a) activities offered by Company Directors; or
- (b) professional development activities undertaken through external providers of appropriate professional standing (provided the activities relate to the practice of directorship and governance, as identified in the Framework),

or any combination of the two.

Set out in Appendix 2 are the various kinds of DPD activities Company Directors will recognise as contributing towards the fulfilment of a member's Mandatory DPD Requirement, and the DPD units ascribed to each of those activities.

Time-frames and maintenance of DPD

The Mandatory DPD Requirement commenced on 1 January 2013.

All members subject to the Mandatory DPD Requirement start their foundation three year period on their first annual membership renewal occurring on or after 1 January 2013. Members who begin their DPD foundation three year period in 2013 will complete their foundation three years by the end of December 2016. Set out in Appendix 3 is a diagram illustrating the timeframe for engagement in the DPD process with respect to those persons who are members of Company Directors on or after 1 January 2013.

Following the foundation three year period, members are required to maintain at least 60 DPD units on a three year rolling basis: calculated with reference to the current year ending on the date the member's annual membership renewal falls due plus the preceding two years.

Set out in Appendix 4 is a worked example illustrating how a member might comply with their Mandatory DPD Requirement over a rolling three year period.

Recording of DPD units

DPD units for courses and events offered by Company Directors is recorded automatically by Company Directors on completion of each activity. Members can view their personal Company Directors DPD unit tally through their member portal on the Company Directors website (companydirectors.com.au/My-Site). Members are required to keep their own record all DPD units obtained through:

- e-Learning and self-directed activities (including professional reading, and reading the Company Directors magazine).
- activities sourced from external providers. Our Company Directors website (companydirectors.com.au/My-Site) includes an area for the brief recording of this DPD, should a member wish to take advantage of this method.

Members are required to keep sufficient details of the DPD they have undertaken to enable Company Directors to determine whether they have fulfilled the Mandatory DPD Requirement. These details may include receipts (as proof of purchase), papers and/or a log book to record professional reading.

It is a member's responsibility to be aware of the DPD units they have attained, both through Company Directors and through external providers. For more information about how to record DPD units online go to companydirectors.com.au

Random audit process

From January 2016, Company Directors will select, at random, a small number of members, to determine whether, at the time of auditing, the relevant member has fulfilled the Mandatory DPD Requirement.

If, as a result of a random audit, Company Directors determines that a member has not fulfilled the Mandatory DPD Requirement then (subject to the Period of Grace, discussed on page 3) the member will be ineligible for renewal in any membership class other than Affiliate Member.

Membership renewal and DPD units

Members will be reminded of their Mandatory DPD Requirement over the course of their foundation period.

When a member applies to renew their membership after the conclusion of their foundation period, and on subsequent annual member renewals, the member will be required to confirm that they have fulfilled the Mandatory DPD Requirement. The member will also be reminded that they may, at any time, be included in a random audit that will require them to have evidence of their DPD activities.

If at the time of their membership renewal, a member indicates that they have not fulfilled the Mandatory DPD Requirement, then (subject to the Period of Grace, discussed on page 3) the member will be ineligible for renewal in any membership class other than Affiliate Member.

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Breaks in membership and DPD units records

Members carry their accumulated DPD units across any gaps in membership of six months or less. As soon as a person's membership is reactivated financially, their DPD record will also be reactivated. Members whose membership has lapsed for six months or less will still be subject to the Mandatory DPD Requirement.

Past members returning after a gap of more than six months will be required to pay a new membership fee and must satisfy the membership criteria for the class of membership they wish to apply for. Such members will commence a new three year foundation period for DPD, at the end of which they will be subject to a compliance audit.

Period of Grace

Any member who has either indicated at the time of their renewal or been identified on a random audit as having not fulfilled the Mandatory DPD Requirement will be entitled to a 'Period of Grace'. A member is entitled to only one Period of Grace during their association with Company Directors (notwithstanding any lapse of membership at any time or for any period).

During the Period of Grace, a member will be renewed into their existing membership class until a compliance audit is conducted approximately two months before the end of the relevant membership year. This compliance audit will determine whether the member has 'made good' the deficiency in their DPD units and fulfilled their current Mandatory DPD Requirement. The audit will take into account completed DPD units plus any DPD activities that have been formally scheduled and are to take place in the final weeks before renewal.

For example:

A member has acquired 45 DPD units in three years, of which 20 units were in the first year, so there is a 15 DPD unit shortfall. In year four the member retains their member level (Period of Grace), makes up the shortfall of 15 units, and in addition undertakes 20 DPD units such that at the end of the Period of Grace he or she has accumulated 60 units over the previous three years.

During the Period of Grace, a member will receive advice and support from Company Directors to ensure they are properly recording their professional development activity to assist them to fulfil the Mandatory DPD Requirement. The advice and support of a member relations executive will also be available to the member to assist in this process.

If, following a compliance audit, a member is found to have addressed the deficiency in their DPD units and fulfilled their current Mandatory DPD requirement, then the member will be renewed into their existing membership class. Alternatively, if a member is found either not to have addressed the deficiency in their DPD units or not to fulfil their current Mandatory DPD requirement then the member will be renewed as an Affiliate Member.

Exceptions to the Mandatory DPD Requirement

Any member may request Company Directors to renew them into their existing membership class even though they have not fulfilled the Mandatory DPD Requirement. Company Directors may agree to such a request in exceptional circumstances. Such exceptional circumstances may include the following:

- An extended period of illness.
- An outstanding period of work challenge/adjustment (not including being located internationally).
- A personal trauma.
- Full-time study.
- Extended travel overseas (for leisure and not work-related).

Privacy and access to information

Company Directors' privacy policies apply to all aspects of the DPD process. Only members will have access to DPD records. Information with respect to DPD activities undertaken through Company Directors will also be available to member support staff.

Transition and Amendment

Members who completed the Company Director Course, International Company Directors Course, Board Ready or Mastering the Boardroom course in 2012, or in 2013, will have the DPD units for the courses credited to their DPD '60 units in three years requirement.' The DPD units will be amortised over two years with the first units appearing following renewal of membership in 2013. Activities from external providers of an equivalent standing in the same timeframe will also be recognised. Members will need to maintain their own records for these activities.

Company Directors reserves the right to amend these Guidelines at any time.

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Appendix 1:

Company Directors Corporate Governance Framework™*



*Size of segments has no relation to importance.

The values encircle the practices of directors, boards, their organisations and interactions with stakeholders.

Appendix 2: DPD Unit Values table

The DPD units ascribed to particular activities takes into account the depth of participant engagement expected, as well as activity time-frames. DPD activities undertaken externally must relate to the practice of directorship and governance as identified in the Company Director Corporate Governance Framework™. Members must identify the

quadrant of the Framework with which their externally sourced DPD activity aligns. DPD activities undertaken through appropriate external providers attract the same number of DPD units as similar activities offered by AICD. Refer to the Professional Development Handbook for more descriptions of activity.

Our formal programs/courses and informal director development	DPD unit value
Company Directors Course 10 modules of intensive interactive discussion, group work and applied learning. Extensive pre-reading.	40 (amortised over 2 years)
International Company Directors Course 10 modules of intensive interactive discussion, group work and applied learning. Extensive pre-reading.	40 (amortised over 2 years)
Company Directors Course and International Company Directors Course Assessment	10
Mastering the Boardroom Four extended days experiential and intensive discussion based applied learning.	30 (amortised over 2 years)
Mastering the Boardroom Assessment	10
Directing Growth Program (until 6 July 2016) A one-year program with quarterly in-depth seminars, a series of webinars, case study reading material and participation in online Q&A forums.	25
Director Nexus Experienced chairmen-led peer group topical discussion series, delivered over a year.	25
Foundations of Directorship Three one-day courses of interactive discussion and group work.	24
Foundations of Directorship Assessment	5
Company Directors Course Update Facilitator-led intensive, interactive discussion to maintain currency post Company Directors Course.	20
Company Directors conference Three days of presentations, Q&As, discussion and sharing learning and perspectives.	20
Specialist sector conferences Two days of presentations, Q&As, discussion and sharing learning and perspectives.	15
Specialist sector conferences One day of presentations, Q&As, discussion and sharing learning and perspectives.	10

DIRECTOR PROFESSIONAL DEVELOPMENT (DPD) – UNIT VALUES TABLE

Our formal programs/courses and informal director development	DPD unit value
Short Courses – Full-day Intensive interactive discussion, drilling into specific director focused topics	10
The Essential Director Update – Event or webinar Extended expert presentation plus Q&A and resource materials. Free to members.	10
Short Courses – Half-day Intensive interactive discussion, drilling into specific director focused topics.	5
Directors’ briefing Briefings from experts including Q&A session.	5
Seminar or Workshop Expert-led discussions on topics of interest.	5
Luncheon / Breakfast / Dinner Expert speakers provide perspectives on topics of interest including Q&A session(s).	5
Round Table Expert-led small group discussions.	5
eLearning course Self-paced online learning and director-focused topics.	5
Webinar – Discussions and downloads Facilitator and expert-led online discussions on director-focused issues. Selected ones free to members.	5
Professional reading Journals, publications, online materials, Company Director magazine and books. AICD online materials and magazine are free to members. and/or LinkedIn – The Australian Institute of Company Directors Member Group and Member Sub Groups Reading and discussions. LinkedIn Member Group is free to members.	Max 10 each year
In-House Programs and courses delivered to your board.	Unit value per course
Governance Analysis Tool A whole-of-system framework for boards to assess their governance practices against a set of good practice statements and provides informed guidance of where improvements may be made.	Unit value per product / service
Expanding Your Thinking Guidance sought on governance and directorship.	5
Reflecting on valuable experiences Undertaking a reflective post-scenario review.	10
Director Self-assessment Tool Members can self-assess their current director capability against a framework of practice derived from the Company Directors Corporate Governance Framework. Free to members.	5 per completion (Max 10 per year)
Voluntary contribution to director development	
Writing and delivering presentation	15
Writing an article	10
AICD director development activity e.g. mentoring program	5 per meeting
Representation on an AICD professional committee	5 per meeting

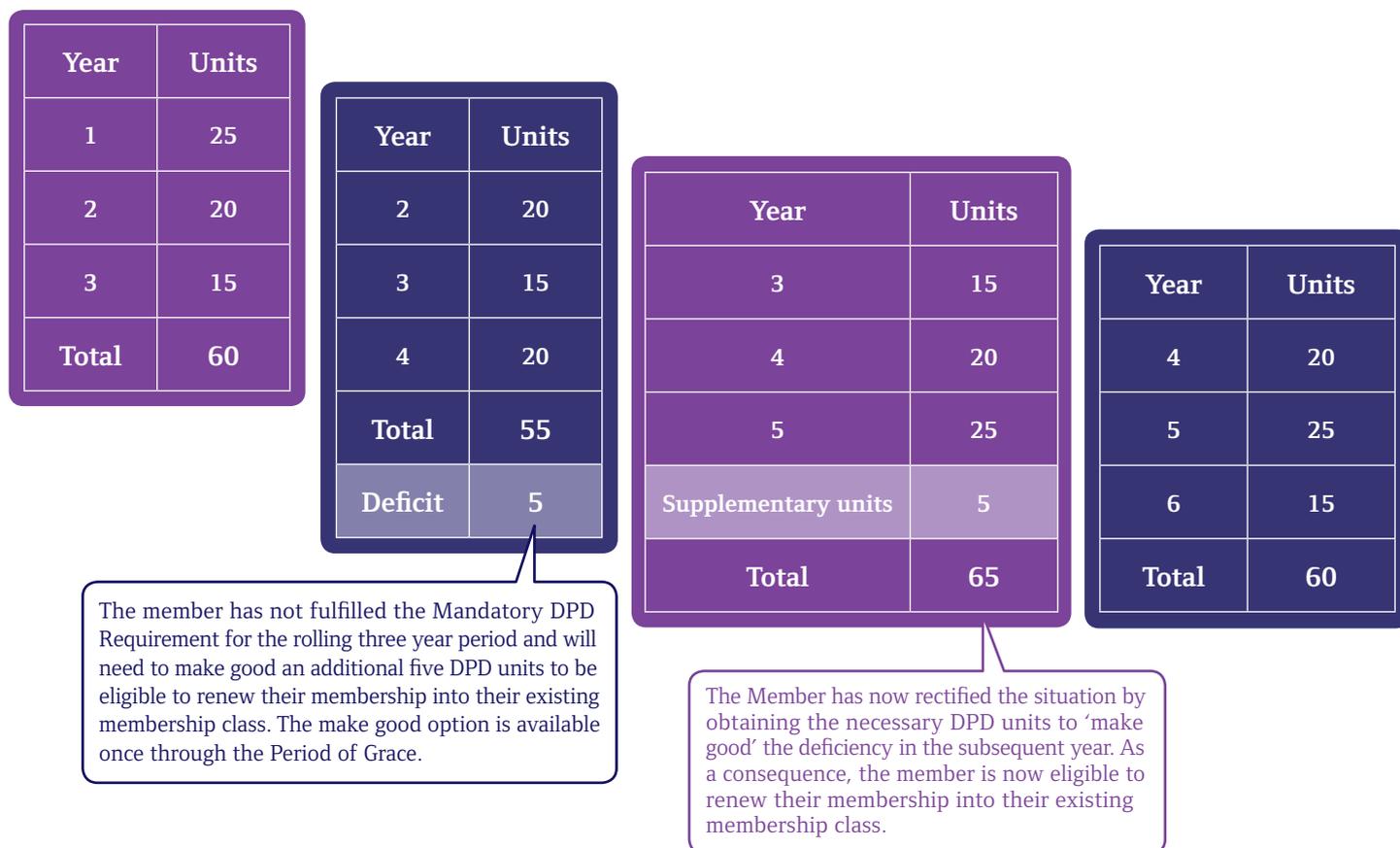
- Automatic recording of DPD units to member DPD record
- Requires member to maintain record of participation in DPD activity
- DPD activity recorded via DPD Coordinator

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Appendix: 4

DPD — hypothetical example of meeting the 60 units requirement



Australian Institute of Company Directors

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