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CATSI Act Review

# Part 11—Independent directors

**Items 174 to 177—Independent Directors**

The CATSI Act Review final report recognised the value and contribution that independent directors can bring to a corporation.

Recommendation 40 stated:

*It is recommended the CATSI Act be amended to allow corporations to appoint independent directors without an explicit rule in their rule book.*

Items 174 to 177 give effect to this recommendation by allowing directors to appoint independent directors noting that the proposed new section 246-17 is a replaceable rule and corporations can change this rule to prevent the appointment of independent directors if they so wish.

Item 177 (also a replaceable rule) restricts the term of independent directors to 1 year, although a director can be reappointed under subsection 246-25(3).