



AGM – PROCEDURES USING INFORMATION TECHNOLOGY AND INTERACTIVE VOTING

Michael Shaw LLM, National Golf Clubs' Advisory Association, gives advice about AGMs.

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This is the time of year when many clubs will be holding their annual general meetings.

Irrespective of whether or not the club is an incorporated association (a limited company) or an unincorporated association, the main items of business of any AGM are usually along the lines of:

- ✎ receiving reports from the current officers;
- ✎ receiving and, if thought fit, approving the club's accounts for the preceding financial year;
- ✎ electing the officers of the club;
- ✎ fixing the subscriptions; and
- ✎ transacting the general business of the club.

The date of the AGM is often fixed in the rules by specifying an actual date (or sometimes the month) which must not be passed in each year without an AGM having been held. Commonly, too, the rules stipulate that an interval of more than 15 months must not elapse between successive AGMs, and this was a mandatory requirement where the club held a registration certificate under the old Licensing Act of 1964 [Licensing Act 1964, Sch. 7, para 2(1)].

The importance of the AGM lies in the fact that it provides the opportunity for the members to receive reports about the club activities during the preceding year and to discuss the way forward for the coming year.

All general meetings, including those held annually, of clubs must be properly convened and to convene a meeting properly notice of the meeting must be given to all those entitled to receive it. Generally speaking the form the notice must take is provided for in the rules of the club, often these provide that notices of meetings must be given in writing and delivered to the members by sending the same in a preaddressed envelope by first class post to the address appearing on the register of members. However in the absence

of any rule to the contrary where clubs are concerned if the regulations of the club do not stipulate the method of giving notice it is within the general function of the committee of the club to say how notices are to be given on any particular occasion.

If the club is a limited company then any specific requirements imposed by legislation must be followed for example s.307 of the Companies Act 2006 provides that general meetings of private companies must be called by notice of at least 14 days (of course the articles may extend this period) and s.308 provides that notice in these circumstances must be given in hard copy form, in electronic form (this must be read

in conjunction with the general requirements of sections 1143–1148 and Schedule 5) or by means of a web site (to which further specific regulations apply) or partly by one means and partly by another.

It is a cardinal principle of these statutory provisions that neither the club nor the member can be compelled to communicate electronically if they do not wish to do so. There must be mutual agreement. Thus the club should consider adding provisions to its rules (or articles if a company) if it wishes to communicate electronically with its members. By adding this facility the club does not preclude itself from communicating with its members by post or other means if it so wishes.

In any event Section 1145 of the Act (in the case of companies) gives a member or debenture holder in the company the right to require that any document received electronically (by that person) be sent by the company in hard copy within 21 days of a request. No charge can be made by the company.

Simply put it is always preferable to have members “sign onto” the right for members to receive communications electronically, although their permission to download say copies of accounts proxy forms and similar does not require positive consent provided these can be obtained in hard copy.

In the case of an unincorporated association for delivery of notices by electronic means or on the web site to apply specific provision should be contained in the rules.

Obviously in every case notice of the meeting should contain the date time and place for the meeting, a statement of at least the general business to be transacted, details of any special business to be transacted and it should be dated and signed on behalf of those authorised to convene the meeting.

A couple of issues arise from these observations. A notice should be distinguished from an agenda. An agenda (let things be done) is a detailed summary of the business to be transacted. In practice notices incorporate the agenda but need not, the agenda can be included in the documentation available on the members’ web site.

The word convene is synonymous with the word call. A meeting is called or convened by notice as above, the meeting is held on the date and at the time and place specified in the notice. It seems obvious but, particularly with regard to requisitioned EGMs, there is often confusion.

Finally on the subject of notices, there is often doubt expressed as to precisely who is entitled to receive notices. A popular view or misconception is that it is only members with voting rights. This is not strictly the case. If the club is an incorporated association, then, in the absence of strict provision in its articles all members of the company are entitled and indeed must be sent the notice and, in addition, every director is entitled to receive notice see s.310. This normally means every shareholder or guarantor in the case of a company whose members’ liability is limited by guarantee. However often in the articles members are often described by reference to categories which would entitle all those members in these categories to attend and thus receive notice of meetings (voting is an entirely separate issue and should be determined by the articles) unless the articles specifically provided otherwise.

The same provisions apply to an unincorporated association and appropriate provisions should be clearly stated in the rules.

On the subject of voting, an interactive voting facility was recently trialled at a general meeting of the members of Guildford Golf Club. Audience Response Systems are both an innovative and original method for collecting instant and accurate data.

Votech's interactive keypads, recently trialled at Guildford Golf Club, are used extensively in both the commercial and public sector to add value to meetings. Thus why use interactive keypads?

The system encourages every member of the meeting to respond. Responses can be tracked or anonymously submitted so for more sensitive issues the keypads allow the participant complete anonymity to respond truthfully. At Guildford Golf Club before using the system to vote on resolutions the member's were surveyed on catering and pro-shop services providing valuable feedback.

All results are available instantly on screen with an accurate tally of yes/no and abstain votes cutting down on the length of the meeting and keeping the participants engaged.

The information is stored so there is a permanent record of how the members (collectively not individually) have answered and data retained for internal validation. This helps to save time and therefore money fitting in with most companies green policies as surveys and questionnaires become paperless. Best of all people enjoy using the keypads and as one member leaving the GGC meeting said "the best meeting I have been to".

In this day and age where technology has been introduced to record and display competition scores handicaps and all sorts of things why not use the technology to transform and make more efficient the management of general meetings? It appears to have worked well at Guildford thus why not at any other club?

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