

## **MINUTES OF AN EXTRAORDINARY GENERAL MEETING OF BRITISH ROWING**

held on Saturday 20<sup>th</sup> December, 2014 in the Di Ellis Room, 6 Lower Mall, London W6 9DJ at 10.00am.

### **PRESENT –**

**Directors:** Mrs. A. Phelps (Chairman), N. Chugani (CEO), G. Harris (Deputy Chairman), A. Crawford, M. Blandford-Baker, A. Johnson, Mrs F. McAnena, M.D. Williams.

**Company Secretary:** Mrs H. Mosienko

**Council Members:** C. Anton, A. Blit, P. Clements, J.C. Davies, C. Eales, C. Edwards, Dame Di Ellis DBE (Hon President), C. Harrison, M. Humphrys, P. Knowles, Mrs L. Lion, F. Ljubicic, G. Nicholls, M. Teale, S. Worley (HRSA).

**In attendance:** Ms K. Adams (Substitute TL-6), C. George (for Devil's Elbow RC, Leicester RC, Nottingham & Union RC, Trent RC), N. Hubble (Substitute Chairman East Region), O. Kimberley, (Substitute Chairman West Region), D. Townsend (UL Tyrian BC), Mrs P. Randolph.

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### **I. CHAIRMAN'S WELCOME**

The Chairman thanked everyone for their attendance, and gave a particular welcome to those who had not attended a General meeting before, including two new members, Chris Harrison (TL-7) and Nick Hubble who would be taking up his role on Council on 1<sup>st</sup> January 2015.

Mrs Phelps introduced Tom Bruce, from Farrer & Co., invited to the meeting to help clarify any legal questions. He worked with sports governing bodies on commercial corporate and constitutional matters and was an expert on NGB constitutional reform. T. Bruce had drafted the amendments to the revised articles and provided an independent sounding board to test the proposals as requested at the EGM and Council meeting on 29<sup>th</sup> November. He was well placed to comment on the articles and answer any questions on the legality of the meeting and proposed revisions.

Those at the last EGM and Council meeting on 29<sup>th</sup> November would recall this Extraordinary General Meeting has been called for the purpose of addressing revisions to the proposed articles and rules presented to that meeting. Mrs Phelps hoped that this meeting could be conducted in an orderly and respectful manner. She asked those who wished to speak keep questions relevant to the business at hand.

There were two resolutions for the EGM. The first set out the changes to the articles presented in November with some revisions. This resolution was subject to agreement of the Rules of British Rowing in the following Council meeting. Those attending the EGM who were not members of Council were invited to stay as observers at the second meeting.

Since November there had been a number of documents circulated which had had no input from British Rowing, a vast quantity of emails and phone calls had taken place many of which had sought to undermine the process to approve the revisions to the articles. Mrs Phelps hoped the sport could move forward today. This was a serious moment for our sport and there was no denying the serious consequences to many Members of not reaching agreement today. She hoped all would aspire to leave today with a set of robust articles and good foundation for the future.

With regard to the issue of the legality of this meeting, Farrer & Co had advised that the meeting was correctly constituted. The Chairman thanked all those who had responded to confirm their consent so that this could happen. She also thanked Mr Townsend (UL Tyrian BC) for pointing out that further steps had to be taken to ensure that the meeting was properly constituted.

Turning to the matter of the Articles, she gave a little of the history of the changes undertaken over the last three years to put some context around the recent issues that have been raised.

In September 2011 after a period of much consultation and debate a revision to the macro structure of British Rowing was proposed as follows; to establish a Sport Committee that would focus on the sport of rowing in England; to reduce the board size from around 22 to 15; to reduce Council from about 55 to 30 and review the role of the regions in the light of regional rather than divisional representation. These changes were made in an attempt to better align the structure across the sport and integrate the regions into the constitution and, to an extent, pre-empt expected demands by funding partners.

In June 2012 the Regional Rowing Council standard constitutions were updated. In September 2012 these significant revisions to the articles and rules were brought into the articles and rules and implemented at the AGM. Rosemary Napp, the then Development Director, stated at that time to the Council that there would be a requirement to further reduce the board size to 12 by September 2013. Our then Chairman, Di Ellis, gave Council notice that Sport England had stated if this was not done by the end of 2014 Sport England was clear that funding would be withdrawn.

Discussions on board size and composition have continued with UK Sport and Sport England throughout this period, working closely together to ensure there is a consistent approach to governance requirements, and the Board has sought to find a proposal that would be as acceptable as possible to Council, the Members and other stakeholders. More importantly that would provide an appropriate structure to safeguard the Members' interests and to provide a board size and composition appropriate for the future of the sport.

In September 2013, a year on from the initial changes, Council agreed to a review of the new articles to address some anomalies, tidy up some inconsistencies and Council further noted the requirement to reduce board size. A working group was established to look at some 'in principle' changes and a timetable was drawn up.

In November 2013 Council was again reminded of the requirement to cut the board size and a working group was convened to oversee a tidy-up of the articles and rules. The working group also recommended at this time that Council review the constitutional arrangements between British Rowing and the Regional Rowing Councils, and between British Rowing and the Members. Since then governance and rules have been on the agenda and debated at the February, June, and September Council where in principle resolutions were agreed, and last month at the EGM when the proposed articles failed to gain the 75% required. Members of the Working Group took on the task of contacting each region to discuss the proposals throughout the summer.

Contrary to some claims, there had been no attempt to disguise the proposals as all Sport England requirements; these were equally requirements of UK Sport, and under Council's guidance additional safeguards for the members have been proposed. An example being the immediate installation of a fourth independent director as requested by Council, in order to provide a skills based and independent oversight of the finances. There has been considerable discussion and a number of opportunities to input to any changes over the course of the four General meetings held during the last 15 months. The current revisions were generally focused on board governance and compliance matters. The larger issues of structure have only been in place for two years and are therefore not yet, given most Council terms are three years, through a full cycle.

Returning to the issue of the representation of the Members of British Rowing; a request was received at the last meeting to consider the representation of the Members of British Rowing, and the registered individuals. This is closely related to the recommendation made by the working group in 2013. The Board has considered whether it was appropriate to bring this matter to the EGM at this time, deciding that it was not appropriate for a number of reasons. However, that was not to say that it should not be reviewed and debated.

The Chairman was committed to asking the Board and Council to review this matter. She suggested that a discussion on the matter was opened at the June Council meeting, after which a

period of discussion could take place. She would then ensure there was an opportunity for review and debate at the biennial conference to be held next Autumn where there will be a wider cross section of the sport in attendance.

It was noted for the record that the Meeting had been called at short notice with the approval of Members entitled to vote and that the meeting was quorate.

## **2. APOLOGIES FOR ABSENCE**

R. Bayliss (proxy vote with C. Anton), A. Cawood (proxy vote with H. Mosienko), L. Dillon (substitute recorded above), B. Hawden (substitute recorded above), M. Morrice (proxy vote with H. Mosienko), Mrs N. Palios (proxy vote with H. Mosienko), P. Hill (proxy vote with N. Chugani), M. Laing, (proxy vote with O. Kimberley), R. Mallett (proxy vote with O. Kimberley), Mrs B. Millns (proxy vote with O. Kimberley).

## **3. DECLARATIONS OF INTEREST**

### *Non pecuniary*

G. Harris : Coupe de la Jeunesse President

Mrs A. Phelps : BPA Vice Chairman

M.D. Williams : FISA Treasurer

### *Pecuniary*

N. Chugani : UK Sport Board

A. Crawford : Assessor

G. Harris : Coach Educator & Assessor

G. Nicholls : Assessor

S. Worley : Coach Educator

## **4. MINUTES OF THE LAST MEETING**

The minutes were agreed, with the addition of an amendment to clarify that the decision to hold the Extraordinary General Meeting at short notice was taken after the EGM, at the Council meeting held immediately afterwards on 29<sup>th</sup> November, 2014.

## **5. SPECIAL RESOLUTION**

Council invited T. Bruce to comment on the changes from a legal and governance perspective. He confirmed that the proposed changes met best practice requirements as laid out in the Moore Stephens Audit report.

With regard to the Board composition and the roles and responsibilities of Council and the Board, he pointed out that Council had controls in place with regard to the appointment of nine members of the Board; the Chairman and Deputy Chairman who were elected by Council, the Chairman (and currently Deputy Chairman of the Sport Committee), elected by Council, two Council members, elected to the Board by Council, and there were to be four independent directors, appointed by the Nominations Committee under the Terms of Reference controlled by Council and on which there would be two members of Council. The remaining appointments were the CEO, appointed by the Board, the Athlete Director, elected by the GB Rowing Team and the Home Nations director who would be appointed by Scottish Rowing and Welsh Rowing.

He believed that the proposed composition of the Board was well balanced, with appropriate limited terms of office. The Nominations Committee would ensure that appointments were made in keeping with best practice.

The Board had a duty to inform Council of significant matters but must also have the ability to run the organisation on a day to day basis. He said there were more powers for Council than he would normally expect to see in a sport's NGB. He felt that there were adequate checks and balances in place to protect the Members that Council represented. Every Director had certain statutory duties and must act for the benefit of the organisation. They had to exercise independent judgement at all times and there were statutory punishments in place for Directors who breach those requirements.

The Board was required to act on the decisions of Council and with the inclusion of the Audit and Risk Committee, and the Nominations Committee in the Rules of British Rowing he believed that the Articles were all that he would hope to see. He outlined the minor changes that were proposed, having worked very closely over the past weeks with O. Kimberley and the Company Secretary, with input from others. These were as follows:

- There were minor changes to be made to cross-references in the document.
- The reference to the Memorandum of Understanding with Scottish Rowing and Welsh Rowing had been removed because the updated Memorandum had not yet been finalised.
- Matters for the Board now appeared in the Articles.
- Subscription rates would be presented to and approved by Council.
- There would be four independent directors as required by Council, one of whom would be appointed as Senior Independent Director.
- There would be 13 members of the Board until September 2014 and this had been agreed by the funding partners.

There were some other minor amendments for clarification, none of which were substantial changes.

C. George queried the use of ‘solely’ in Matters Reserved to the Board in its reference to communication with Members. T. Bruce said it was crucial that the different powers of the Board and Council were distinguished and that the Matters Reserved to the Board were clearly defined in the Articles. He did not believe that the wording prevented Council going about its normal business and the Board must have the required powers to carry out its statutory duties.

It was confirmed that there was no intention to prevent Council from communicating with its members in the usual way.

D. Townsend asked about the members of Council on the Nominations Committee and it was confirmed that the two Council members on the appointments panel would not be Board members. A. Blit and L. Lion had been agreed as the two members on the panel for the appointment of a Chairman of the Audit & Risk Committee.

With Council’s approval the Chairman proposed that the meeting should agree the schedule of changes below and move to the Special Resolutions:

<b>Definition/Article</b>	<b>Proposed Revision</b>
Home Nations Director	The Director appointed pursuant to Article 14 (b) ii
Home Nations Representative	The person appointed by Scottish Rowing to be a Member of Council when the Home Nations Director has been appointed by Welsh Rowing, or the person appointed by Welsh Rowing to be a Member of Council when the Home Nations Director has been appointed by Scottish Rowing. The Home Nations Representative shall be a member of the Audit and Risk Committee.
Article 9(f)	The Board may from time to time call upon Clubs to provide certified accounts showing such details as to membership of the Club as the Board shall require.
Article 14(b).iii	the Chief Executive Officer (appointed in accordance with Article 14(c)
Article 14(b).v	subject to Article 14(j) below, the Deputy Chairman of the Sport Committee (appointed by Council in accordance with the Rules);

Article 19(e) The Council may on a simple majority vote of Council Members present and voting restore to membership of British Rowing any Member who ceased to be a Member in accordance with Article 19(d).

The proposal was seconded by M. Humphrys and agreed by a clear majority.

The Company Secretary advised that with 32 voting Members a majority of 24 votes for was required to pass a special resolution. Dame Di Ellis and D. Townsend agreed to act as scrutineers.

The meeting had been called for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as Special Resolutions, that –

- 1) Subject to the approval of updated Rules by Council on 20<sup>th</sup> December 2014, the Memorandum and Articles of Association of British Rowing Limited be amended in accordance with the revised schedule with effect from 31<sup>st</sup> December 2014.

Approved unanimously.

Before moving to the second resolution the Chairman asked if Council wished for any further discussion.

A. Blit said he was not instinctively in favour of the second resolution and would welcome the views of other members. M.D. Williams explained that regionally appointed members, if appointed to the Board, were obliged to behave as Directors, and therefore could not represent their regions at Board or Council meetings. T. Bruce confirmed that an individual on the Board could not act as a representative of a particular constituency.

A discussion followed where it was acknowledged that a region such as Yorkshire would effectively lose representation whilst there may be concerns that larger regions may be over-represented. Mrs Phelps said that this had not been a particular problem in the past and she believed the Board was always mindful of all areas of the sport, but Council had asked the Working Group to look at the issue.

- 2) Council moved to a vote on the second special resolution:

(a) Article 14 (b) (vi) be amended (as highlighted in **bold**) to 'two Council members (elected for a 3 year term by Council) **who shall, immediately following their election to the Board, stand down from their positions on Council but who shall, in any event, be eligible for re-election to the Board at the end of their first 3 year term;**'; and

(b) Article 15(i) be amended (as highlighted in **bold**) to 'At least one-third of the Regional Chairmen and Regional Representatives shall be elected annually in the manner provided in Article 16. Each Council Member shall retire at the end of his third year in office, but shall be eligible to stand for re-election subject to Article 18. On the retirement of a Council Member at the end of his period of office **or following his election to the Board in accordance with Article 14(b)(vi)** his successor shall be duly elected by the Affiliated Members in the Region which the retiring Council Member represented. For the purposes of these elections a year shall be deemed to run from 1st January to 31st December.'

The scrutineers recorded two abstentions and three votes against; the second resolution was therefore carried by a clear majority, with 27 votes in favour.

## 6. ANY OTHER BUSINESS

There was none.