CLWB CYCHOD TREFDRAETH CYF
NEWPORT BOAT CLUB LTD

NBC Ltd (Company number 14590433), PRIVATE COMPANY LIMITED BY GUARANTEE

AGM 2023

RHAGLEN / AGENDA at 24th July 2023 at 18.30 in the Commodore's Lounge

Appointment of Tellers

1. Apologies for absence.
2. Minutes of the last AGM.
3. Matters Arising
4. To receive and if considered appropriate, to accept the accounts for the year ending March 31st, 2023.
   A Representative of the Club's Auditors/Accountants 2022/23 will be present for this item (Pritchard and Co.)
5. Commodore's Report.
6. Appointment of Auditors /Accountants.
7. SPECIAL RESOLUTIONS AND MOTIONS:

   a. Proposed by the Commodore and member, Nicola South, and seconded by Management Committee member and member Douglas Williams:

      SPECIAL RESOLUTION: THAT, with effect from the conclusion of the meeting, the articles of association of NBC Ltd (Articles) be amended by deleting Article 8.2(f), which states:

      'Subject to Article 8.2 (g) five Eligible Directors, who are also Officers, shall form a quorum, unless the Members have resolved pursuant to Article 7.1 there is to be only one director in office for the time being, then that director shall form a quorum.'

And replacing Article 8.2(f) with the following wording:
"Subject to Article 8.2 (g) five Eligible Directors, shall form a quorum, unless the members have resolved pursuant to Article 7.1 there is to be only one director in office for the time being, then that director shall form a quorum."

Rationale:
When members approved the Incorporation of Newport Boat Club (NBC) to NBC Ltd, they were informed that the Articles would mirror the existing rules of Newport Boat Club, unless this was contrary to Company Law. The NBC Constitution stated at 7. (b)(v) that five members, including Officers, shall form a Quorum. However, on the resignation of the Treasurer, 9th July 2023, who was both a director and officer, the Management Committee became aware that the previous Management Committee quorum rule had been transferred into the new Articles of NBC Ltd as Article 8.2(f) above. This is different to the old rule, and an incorrect interpretation to it, thus causing a problem on quorum and likely to do so going forward. There is no differentiation in voting rights between the potential seven directors of NBC Ltd who are also officers and the potential six directors and general committee members.
The amendment to the Articles is therefore proposed to mirror the old rule on management committee quorum stated in the constitution rules prior to incorporation on April 1st, 2023, which provided at rule 7. (b)(v) for five members, including Officers, to form a Quorum.

b. Proposed by the Commodore and member, Nicola South, and seconded by Management Committee member and member Douglas Williams:

MOTION: THAT, pursuant to section 239 of the Companies Act 2006, the members ratify any actions of the directors which have been taken in the period following adoption of the Articles (they were adopted on 1 April 2023), and which may be inquorate due to the provision in the Articles on quorum.

Rationale:
Following the immediate resignation of the Treasurer on the 9th of July, the Management Committee was rendered inquorate as outlined above under the changed rule/Article 8.2(f) adopted at incorporation

to NBC Ltd on 1st April 2023. Therefore on realising they were inquorate on the 12th July 2023 , the eight directors remaining on the Management Committee met and called a General Meeting for the 24th August, abiding by Article 8.2 (h) If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision to call a general meeting so as to enable the Members to appoint further directors.

From that point onwards until the upcoming AGM, the Directors were obligated under Company Law to act in the best interests of and to continue to govern and operate the Company Newport Boat Club Ltd. The above motion is brought to minimise any subsequent dispute that the board has acted outside of its authority. Section 239 of the Companies Act 2006 is the section which allows a company to ratify the conduct of directors.

c. **Further motion received 31.7.23 from a member.** Proposed by: Graeme Robinson. Seconded by: Douglas Williams and Gordon South

MOTION: THAT, the management committee or board of the new company - can only consider any proposal to change the new company articles if :

(i) The Member declares his name and Membership Number.

(ii) The Proposal

(iii) The rationale for it

(iv) The Pros and Cons

(v) The Consequences of the proposal and whose interests it would support

(vi) Confirmation that the proposal has been recommended by legal advice

(vii) That the legal advice has been copied/made available to the management committee / Board of Directors and made by a qualified lawyer, with a valid practising certificate, who is adequately insured to professional standards

(viii) the Proposal has also been recommended by the Boat Clubs lawyers, Red Kite at the present time with specific reference to (iv) and (v) above.

Proposals which have not yet met these requirements will be considered at the next Management Committee/ Board Meeting.

Rationale:
I have been involved in Sports Associations transferring to Limited Company status before (Bath Rugby in 1995/6) and found that the number of opinions between members were prolific. To limit the number of proposals to those of a quality nature I would like to propose the motion above.

This motion is common sense as the last thing the club / new company would need would be for individual members putting forward proposals to change the constitution ad hoc - each time requiring costs to the business from Red Kite to validate and opinion any new proposal.

d. **Further special resolution received 3.8.23** from a member. Proposed by: Richard Bagehot Seconded by: Christine Evans and Roy Younger

SPECIAL RESOLUTION: THAT, with effect from the conclusion of the meeting, the following Articles of the Company be amended as set out below.

Article 7.1. Delete this Article and insert Article 7.1. "The Directors of the Company will be responsible for its proper governance and they will have overall control of the Company and its affairs. In doing so the Directors will comply at all times and in all respects with their statutory obligations set out in Sections 171 to 177 of Part 10 of the Companies Act 2006, and they will respect their limitation set out in section 168 of that Part 10."

Article 7.1.2. Insert "Initially there will be no more than thirteen Directors but they will have the power to increase that number if to do so would be in the best interests of the Club and its activities."

Article 7.2. Delete the Article and insert "The Directors shall appoint from the Board such a number of Officers as is necessary to manage the activities of the Club from time to time under Article 7.4 and Article 7.6.

Provided that there will be no less than three Directors who are not Officers."

Article 7.3(a). Add at the beginning "Subject to Article 7.3(c)".

New Article 7.3(c). "Where there is a vacancy in the Board of Directors in between General Meetings they may co-opt other Members onto the Board until the next General Meeting."

Article 7.4. Add second sentence "The Officers will be responsible to the Directors for the management of their respective Club activities."

Article 7.4(a). Delete the first sentence, and substitute it with "The Commodore will be the non-executive Chairman of the Board of Directors."

New Article 7.6. "Where due to the expansion and development of the activities and services of the Club it is apparent to the Directors that it would be of benefit to the Club to restructure the format and the extent of those activities and services and the Officer titles that go with them then they may do so in consultation with those persons at the time who have the responsibility for managing those activities and services."

Article 8.1. Delete "the Directors of the Company shall together form a board (referred to as the Management Committee)." Delete all references to the Management Committee throughout the Articles and replace them with "Directors."

Article 8.2(a). Delete "the Commodore and".

Article 8.2(f). Add at the end of the new Article "The Directors shall have the power at any time to change the number of Directors required to constitute a quorum for the holding of Directors' meetings."

Article 8.2(k). Delete.

Article 8.2(m). Add "but otherwise the Chairman shall not vote on any motion."

Article 23.1. Delete "either by way of a physical meeting in Trefdraeth/Newport or otherwise" and replace it with "by way of a physical meeting in Newport." Delete "as the Management Committee

may deem reasonably necessary from time to time."

Article 23.4. Add "Directors," after "President" in line 3, and delete "Management Committee".

Article 23.5. Delete "or membership of the Management Committee".

Explanation of amendments.

This Special Resolution is to alter deficient Articles of the Company for the removal of ambiguities and anomalies. After the AGM the new Board of Directors will conduct a thorough review of the Articles, as some of the amendments will require adjusting wording throughout. The amendments should be read in conjunction with the full Articles, which are on the Club's website.

Articles are only concerned with the governance of the Company; not with how its business is run. These amendments are not cosmetic; some are necessary to clarify their Article, and others are necessary to make their Article fit for purpose.

Article 7.1. Under the Companies Acts the Directors are the only persons who are legally responsible for running the Company. Their conduct has to comply with sections 171 to 177 of Part 10 of the Companies Act 2006, which sets out in detail the legal obligations of Directors.

Article 7.3(c). This additional wording takes the place of Article 8(2)(k), enabling the Directors to co-opt someone onto the Board temporarily if there is a good reason for doing so.

Article 7.4. The Officers are a minority of the Directors, but the Board as a whole has a collective responsibility for the proper management of their respective Club activities.

Article 7.4(a). The additional wording clarifies the extent and the limits of the Commodore's responsibilities, none of which are executive in that role. The Commodore has no executive power or responsibility by reason of holding that title.

Article 7.6. This a new Article. It is common sense that the Directors should have the flexibility to adapt how on-water activities and on shore services are structured, provided and managed, to make the most

of the Club in a changing world for the benefit of the Members; and where appropriate, for the benefit of the local community. Consulting the Officers is not referred to in this Article, because they are also Directors; and so they are part of the decision making process in any event.

Article 8.1. By the wording of this Article the Board of Directors and the Management Committee are all one and the same people. There is no distinction between the Board and the Committee in the Articles or in practice to make them separate bodies. The Directors cannot form an independent "Management Committee" comprised entirely of themselves; it is a fictitious concept. "Management Committee" is a redundant and unnecessary title duplication that has crossed over in error from the Old Club Constitution. As the "Management Committee" does not exist in its own right, and as the Articles contain references to both "Directors" and to "Management Committee" in conflicting circumstances as if they were separate entities, to avoid confusion that defunct title has to be deleted throughout the Articles and replaced by "Directors." Examples of the confusion are contained in the analysis of Articles 23.4 and 23.5 set out below.

Article 8.2(a). The wording of Article 8.2(a) currently, and incorrectly, implies that the Commodore is superior in executive authority and power to the Directors by stating that the Directors are responsible to the Commodore. This is a nonsense, and in any event the Commodore has no executive power in that role; other than having a 'deadlock' casting vote at Board meetings under Article 8.2(m). The Commodore is one of a number of Directors, and collectively the Directors are responsible to the Members. It is a drafting error. that needs rectifying, to comply with the Old Club Constitution, which said correctly "Overall control of the Club is vested in the Management Committee."

Article 8.2(f). The quorum is an internal matter for the Directors, a change does not affect anybody else. This addition is essential to give the Directors flexibility in deciding upon the quorum to fit in with the then current circumstances within the Board.

Article 8.2(k). This is now the new Article 7.3(c).

Article 8.2(m). This limitation was in the Old Club Constitution, which is normal for an impartial Chairman, but it was omitted in error in drafting the current Article.

Article 23.1. "or otherwise" has been deleted because:

(a). To do so complies with Rule 24(a) of the Old Club Constitution, which states that all General Meetings of the Club will be held in Newport. Which makes sense.

(b). "Or otherwise" is sufficiently vague to enable (as an extreme example) a predominantly London based board of Directors (who may have holiday homes in Newport) to call the AGM in London. This (remote) possibility is a concern of some Members. Article 23.1 states that absent Directors can attend meetings "by remote electronic or other means" if they cannot be in Newport.

Article 23.4. Omits a reference to the election of Directors, which is an inadvertent error. Referring to the election of the Directors and of the Management Committee is a duplication caused by Article 8.1.

Article 23.5. The Directors and the Management Committee are the same people.

8. Election of President, Officers, Management Committee and Sailing and Boating Committee Members.

Handover of the Chair to the new Commodore.

9. Any other Business at the discretion of the Chair

Commodore
10th of August 2023