

Brief Guide: TRF AGM October 2015

Introduction

The AGM has a packed agenda as there is a lot that must be achieved in order to progress the TRF. This guide is produced to give members a brief analysis of the proposals. Professional legal advice was sought on several issues and a summary of this is conveyed. *Legal advice in italics.*

Directors Proposals

1) Standing Orders

These set out the meeting rules for future AGM's. Consists of detail as to what time lunch will be and other life and death matters. The current standing orders are not compatible with company law and should be replaced.

- *Current standing orders have 2/3rds majority to change constitution*
- *Company law requires 75% to change constitution*
- *Current standing orders state that all members are qualified for office*
- *Company law does not allow anyone to be a company director*

2) Strategy: Core Principles

This is a foundation policy for the Fellowship. It provides a base from which to develop new policy and revise existing policy. The Fellowship has never had a policy to guide its operations and the Strategy: Core Principles deliver much needed structure, clarity and safeguards.

3) Articles

These are a legal requirement for a company. The Fellowship is vulnerable to legal action if the Articles are a mess. The current "articles" aren't articles at all, but a list of exemptions from a template prescribed by legislation. The proposed articles have been developed in conjunction with members and with input from a specialist company lawyer.

- *Current "articles" aren't articles at all*
- *Current "articles" described as a "mess", "dangerous"*
- Proposed Articles have massively improved safeguards for members and the TRF as a legal entity
- Improved transparency: Requirement to publish directors meeting minutes
- Improved controls and safeguards on directors service contracts.

Feature	2007 “articles”	Proposed Fellowships Articles
Legal?	NOT LEGAL	LEGAL
Requirement to publish directors meeting minutes?	no	yes
Conflict of interest safeguards?	Inadequate	Robust safeguards. Requirement for non-participation.
Directors paid to be directors?	Yes, with no oversight/transparency/limits	Not under any circumstances at all.
Directors service contracts to undertake officer work for the TRF?	Unlimited and uncontrolled. No oversight/transparency. All directors can have service contracts. No requirement to ensure best value.	Robust safeguards and controls. Transparency via directors meeting minutes. Only minority of directors can have contracts. Directors cannot award themselves contracts. Must be best value.
Non-Executive directors	no	yes
Members reserve power?	no	yes
Drawn up by specialist company lawyer?	no	yes
Minimum number of members that can impose binding rules at an AGM	2	75
Number of members required to call a General Meeting	50	75 or 1/30 th of the membership (116 based on 3500)
Minimum number of directors	2	4
Maximum number of directors	unlimited	9
Quorum for directors meeting	2	1/3 rd of all directors (rounded up) plus one.
Turns TRF into a charity?	no	NO
Described by company lawyer?	“Dangerous” and a “mess”	“Good”

Question:

What happens if the proposed Articles aren't approved, can we go back to the Executive Committee?

Answer:

NO, the Executive Committee cannot lawfully override the directors, who are ultimately responsible for the TRF in law. We can go forwards or stand still. We cannot go backwards.

4) Byelaws and Directors Handbook

	Current	Proposed
Legal?	Not Legal	Legal
Requirement for consultation with all members?	None	Member wide consultation for all major policy development
Democratic?	Not even slightly	All members empowered to influence the Fellowship
Dangerous?	Extremely dangerous to both directors and officers who risk "Falling foul of English Law"	Not dangerous
Representative?	No. Disempowers those that aren't in groups with active group rep and/or don't make it to meetings	Promotes a Fellowship where all members have a say.
Policy development and engagement?	Confined to an undemocratic and unaccountable committee	Involves the entire membership
Values and behaviours?	None. Structure fosters secret society behaviour	Yes. Works to counter secret society behaviour and promote fellowship.
Protects Trail?	no	Yes, and sets it as the benchmark standard for TRF media.
Ensures that Social Media is to same standard as Trail?	no	yes
Optional facility for National Parks?	no	yes
Financial probity?	no	yes
Directors Code of Conduct?	no	yes
Electronic voting?	no	yes
Dispute resolution?	no	yes
Gives incoming directors a sound basis to work from?	no	yes

5) Road Conservation Strategy

	Current	Proposed
Strategy?	No strategy	Adopt Strategy!

6) Membership and Marketing Strategy

See above ;)

7) Code of Conduct and Guidance Strategy

	Current	Proposed
Fallout from October 2014 AGM	Still festering	Draw a line under it and move on
Code of Conduct	Adequate	Could do better?
Guidance	Adequate	Could do better?

8) SPTA Guidance

	Current	Proposed
Official TRF endorsement?	yes	Yes, subject to review at next AGM having due regard to reports on CoC
Did the membership have a say in that?	no	Opportunity for members to have say in how the TRF approaches a significant chunk of the national network
Representative?	no	yes

9) Honorary Directors

	Current	Proposed
Adequate provision for Non-Executive Directors?	No	Yes
Compliant with Best Practice?	No	Yes

10) Match Funding of Conservation Projects

	Current	Proposed
Facility for Match Funding?	No	Yes
Clarity and consistency?	No	Yes

11) LARA Subscription

	Current	Proposed
Custom and practice	Unconditional Approval	Conditional Approval
Protection of responsible trailriders that use appropriate tyres	Poor	Better

Alternative Proposals

Ordinary resolution AB 1

That the marketing and membership director publish for the period 2009-2015 and going forward the number of members (including life members) failing to renew their membership each year.

Ordinary resolution AB 2

The directors to clarify the role of Jonathan Dingle, (who has been described as 'general counsel to the TRF' and 'honorary director' but is not listed on the back of August 2015 Trail with the other officers and contacts).

The directors understand that these proposals have been withdrawn. TBC at the AGM.

Ordinary resolution AB 3

To delay the decision for Trail Riders Fellowship Ltd to become a charity until the 2016 AGM and for the directors to circulate a written proposal for charitable status to members (with advantages and disadvantages) for consideration prior to the 2016 AGM.

This resolution will become redundant if the proposed articles are adopted. TRF cannot become a charity under the proposed articles.

Special resolution AB 4

The minimum number of directors shall be three and the maximum twelve.

Special resolution AB 5

That the quorum for directors meetings shall be one third (rounded up to the next whole number where appropriate) of the total number of directors, but it must never be less than three.

These resolutions threaten to introduce poor governance to the proposed Articles.

Special resolution AB 6

Directors may undertake any services for the company that the directors decide. Directors are entitled to such remuneration as the directors determine for their services to the company as directors, but not for any other service which they undertake for the company.

The drafting of this resolution does not repeal the proposed article that places an absolute bar to directors being paid for being directors.

This means that directors cannot be paid for undertaking any officer work or for undertaking and director work.

Directors that provide "best value" officer services, in accordance with the robust safeguards within the proposed Articles, will be barred from being paid.

The practical effect will be for those tasks that are currently provided on good will unpaid or good will “best value”, being put out to contractors. Contractor cover is insufficient due to a skills shortage. Where TRF contractors can’t cover, then independent contractors/lawyers will have to make up the shortfall.

Special resolution AB 7

All directors shall retire at the close of the AGM each year unless re-elected at that AGM.

If a director is under performing then the membership can terminate their appointment at any time. This demands that those dissatisfied with that director have to make a transparent effort to de-select them.

In contrast the mechanism of annual elections promotes campaigning in the shadows.

Members’ right to call a general meeting

Special resolution AB 8

(1) The directors must call a general meeting at such time and place as the directors shall determine at the request (in writing or electronic form) of fifty members having a right to vote at a general meeting. Such a request shall state the purposes of the meeting.

(2) If the directors do not proceed to call a general meeting within 21 days from the date of the request, or to hold the meeting within 28 days of the request, the members who made the request may call a meeting and hold it within three months of the request, in which event their reasonable expenses are reimbursable by the company.

Quorum at a general meeting

Special resolution AB 9

A quorum at a general meeting shall be twenty-five members present and entitled to vote.

A low threshold for calling a General Meeting allows a small clique of members to call not one, but multiple meetings. Choosing a nominal number of 50 was considered by the company lawyer to have “no logic or obvious reason”.

With regard to setting the quorum at 25, the legal advice was that this “appeared low for an organisation of your (TRF’s) size”. It was cautioned that this would allow 25 members to impose binding rules on the membership at an AGM.

Members reserve power

Special resolution AB 10

(1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

This resolution becomes redundant if the proposed articles are approved, as the provision is already in there.