

**PROPOSED AMENDMENTS TO ARTICLES AND BYE LAWS**

The ECF rulebook as it currently stands is relatively cumbersome as it reflects both the pre- and post-1 September 2012 position in respect of membership. It also has an amount of significantly out of date material (e.g. references in the Articles to the Game Fee rates at the time that the ECF was established, and transitional provisions concerning the shift from the BCF to the ECF).

It is envisaged that there will be an Extraordinary General Meeting in January or February 2013 to consider the rule changes necessary to enable the organisation to be split into its charitable and non-charitable elements if an application for charitable status is to be pursued. That meeting can also address the tidying up of the rules generally and the elimination of out of date material. However, there are a number of specific changes that it would seem appropriate to deal with at the present meeting, and this paper draws these together and provides Council with a self-contained series of yes/no votes.

**1. Amendment to Article 13 in respect of the maximum number of direct members' representatives.**

The October 2011 AGM approved changes to the Direct Members' Bye Laws which aligned the direct members' representatives to the new membership categories and increased the total number from eight to ten. Unfortunately, the corresponding change to Article 13, which refers to a maximum of eight representatives, was not made at the same time. This is a clear anomaly that needs to be resolved.

The relevant sentence of Article 13 currently reads "Direct Members shall elect a maximum of eight Direct Members' Representatives in categories to serve on the Council for a period from the end of the next following Annual General Meeting of Council to the end of the next Annual General Meeting of Council after that in accordance with the Direct Members Bye Laws". The proposal, which requires a 75% majority, is to change "maximum of eight" to "maximum of ten".

**2. Amendment to Article 13 in respect of categories of membership**

Article 13 currently states that "Such Direct Members' Representatives shall cease to be Direct Members' Representatives if they do not remain Direct Members in the category in which they have been elected throughout their period of office." This seems to be a less appropriate restriction in the post-1 September membership world when mobility between categories is much more likely as an individual may need to upgrade from bronze to silver or gold in order to participate in particular events. Given the regular difficulty in obtaining candidates to fill the available positions, its retention makes it more likely that categories will lack their full quota of representatives. The proposal, which requires a 75% majority, is to delete the words "in the category in which they have been elected."

### **3. Amendment to the Membership Bye Law in respect of the organisations able to enter into framework agreements**

The Membership Bye Laws currently enables Constituent Units, County Associations and Chess League to enter into Framework Agreements, whereby the organisation will collect membership fees from its members and participants and remit these to the ECA in bulk, with a prompt payment discount of £1 per member (other than platinum members) being available for amounts paid to the ECF by 31 October. Some Congresses have expressed an interest in entering into Framework Agreements, and if such agreements are regarded as desirable by the ECF from the perspective of the efficient processing of memberships, there seems no good reason to preclude them from doing so. The proposal is therefore to relax the Bye Laws to enable any type of Member Organisation to enter into a Framework Agreement. The changes needed to the Bye Laws to achieve this are:

(a) The relevant part of paragraph 2 currently reads.

“Basic Members’ and Basic Junior Members’ ECF Membership Fees shall, and with effect from 1<sup>st</sup> September 2012 all membership fees may, be collected as agent for the Company by the respective Constituent Units, County Associations and Chess Leagues that have entered into Schemes which comply with the appropriate Framework agreement set out in the Schedule hereto and remitted to the Company by them on 31st October in each year and any subsequent payments shall be remitted at the end of each following quarter. Such payments shall be deemed to be ECF membership fees for such Constituent Units, County Associations and Chess Leagues for the purpose of Article 35 of the Articles of Association (no member shall be entitled to vote at any General Meeting unless all Membership Fees presently payable by him to the Company have been by the date on which the Secretary shall publish a register of voting entitlement for that General Meeting.)”

It is proposed to replace “Constituent Units, County Associations and Chess Leagues” with “Member Organisations”.

(b) The second part of the Schedule to the Bye Laws has the heading:

Framework Agreement for Scheme entered into by the Company with a Constituent Unit or a County Association or a Chess League (“The Member Organisation”) on or after 15<sup>th</sup> October 2011 to take effect from 1<sup>st</sup> September 2012.

It is proposed to replace “a Constituent Unit or a County Association or a Chess League (“The Member Organisation”)” with “a Member Organisation”.

Part (1) of the preamble to the Framework Agreement itself (downloadable from <http://www.englishchess.org.uk/wp-content/uploads/2012/04/Framework-Agreement-for-MOs.doc>) will need to be amended if the proposal is passed to change “Constituent Units, Counties and Leagues” to “Member Organisations”.

### **4. Variation of due payment date for organisations entering into a Framework Agreement**

Paragraph 4(4) of the Game Fee Bye Laws prescribes as the due dates for payment of membership fees 15 December for Winter Leagues, 30 June for Summer Leagues and 30 days after the conclusion of Congresses and other events. However, a Member

Organisation that has entered into a Framework Agreement is required by that Agreement to pay its residual Game Fee (which should be a relatively small amount, as the Organisation undertakes by signing the Agreement to use its best endeavours to ensure that all its members and participants become direct members) within 30 days of the receipt of an invoice from the ECF following the submission of its results. It is unsatisfactory that there should be an inconsistency between the Bye Law and the Agreement, and it is proposed to amend the Bye Law to reflect the terms of the agreement.

The paragraph currently begins with the words "Membership fees shall be payable as follows". The proposed change is to replace these words with: "Game Fee payable by a Member Organisation that has entered into a Framework Agreement with the ECF under the Membership Bye Laws in respect of the results of non-members, shall be payable within 30 days of the receipt of an invoice from the ECF following the submission of the results of its registered graded events. Membership fees for all other organisations shall be payable as follows:"

#### **5. Variation of payment dates for organisations that have not entered into a Framework Agreement**

The grading team has suggested amending the due date of payment for winter leagues from 15 December to 15 January. The only way of forming a sensible estimate mid-season of the amount of Game Fee due is to keep track of the games played by non-members. The grading system will provide this information automatically once the half yearly grading submission has been processed. It seems inappropriate for counties and leagues to carry out such an exercise in December, in the circumstances, but a 15 December payment date is too early if the information from the grading system is to provide the basis of the amount paid.

The proposed change is to amend the references to 15 December in paragraphs 4.4.1 and 4.4.3 of the Game Fee Bye Laws to 15 January.

John Philpott, Chairman of the Governance Committee on behalf of the Board

18 September 2012