

Constitutional Matters

A. The Resolutions

1. THAT the Articles of Association in the form produced to the Meeting and signed by the Chairman for the purposes of identification be adopted as the Articles of Association of the Company in place of the existing Articles of Association.
2. THAT the Game Fee Bye Laws in the form produced to the Meeting and signed by the Chairman for the purposes of identification be adopted as the Game Fee Bye Laws in place of the existing Game Fee Bye Laws.
3. THAT the Procedural Bye Laws be amended by:
 - (a) inserting as paragraph 9.7: "Paragraphs 9.1 to 9.6 are without prejudice to rules of law restricting the amendment of special resolutions."; and
 - (b) inserting at the end of article 12.3 the following sentence: "The advertisement shall include a statement from the incumbent of each relevant Post as to the likelihood of the incumbent standing for re-election".
4. THAT the Direct Members Bye Laws be amended by:
 - (a) in the definition of each of "Bronze Concessionary Members", "Gold Concessionary Members" and "Silver Concessionary Members" replacing the word "criteria" with "criterion";
 - (b) in deleting "(£1.50)" as the cost of the per-event FIDE rating fee in section 3;
 - (c) replacing the existing sentence in section 4 with "Direct Members shall be admitted to membership under procedures approved by the Membership Director.";
 - (d) inserting the following sentence at the end of section 5.2: "No person may hold more than one post of Direct Members' Representative at any one time."; and
 - (e) inserting as a second sentence in section 5.3: "Candidates may nominate themselves."

B. Commentary on the Resolutions

The Governance Committee has undertaken a review of the Company's constitutional documents with a view to updating them in light of changes in ECF practice (particularly in relation to game fee), as well as to make a limited number of substantive changes detailed below and to make clarificatory changes in a number of instances; the exercise did not involve any across-the-board consideration of substantive changes that might be desirable. The proposed amendments to the Articles of Association and various of the Bye Laws are the product of this review.

The most extensive changes are to the Game Fee Bye Laws which have been substantially abridged in light of changes in recent years to game fee (a version of the proposed new Bye Laws accompanies this paper) and to the articles of association largely reflecting game fee changes but also making other amendments (a revised mark-up of the articles of association accompanies this paper).

In greater detail, the principal changes are as follows:

Articles of Association

1. There are significant deletions and amendments simply reflecting changes that have been made to game fee in recent years. Such non-substantive changes are not highlighted in this paper.
2. Article 3 is being amended so that it will take 72 hours after receipt for notification of a change in Representative Member to take effect; this avoids the administrative difficulties that arise if a change is made in the 48 hours prior to a Council meeting.
3. Article 8 is being amended so that a Membership Organization will be exempt from paying a membership fee to the extent it is credited with 25 or more graded standard play games (and/or the rapidplay equivalent) in the preceding grading year. (The previous wording was based on game fee).
4. Article 18 is being amended to reflect that Finance Council will receive the most recent audited accounts of the Company.
5. The changes to Article 26 specifying who has the right to demand a poll are to include in the Articles of Association the relevant provisions of the Companies Act 2006.
6. The changes to Article 54 and Article 61 are to remove the existing duplicative wording.

Game Fee Bye Laws

7. As indicated above, the majority of the changes merely reflect the changes in recent years to game fee practice.
8. The deletion of the current paragraph 3 (relating to the power of the Board to delegate the power to admit leagues and congresses to membership) is because the Board does not, in practice, exercise such power.

Procedural Bye Laws

9. A provision is being added to the effect that the notification sent out two months before an AGM in relation to elections must include a statement from incumbent holders of Posts as to the likelihood of their standing for re-election.

Direct Members Bye Laws

10. Paragraph 4 is being amended to reflect actual practice in relation to the admission of Direct Members.
11. It is being clarified that:
 - (a) no person may hold two or more Direct Members' Representative Posts concurrently; and
 - (b) candidates to be Direct Members' Representatives may self-nominate.