

## Adjournment of AGM and Virtual AGM explanation

In reviewing the actions required in respect of the AGM and the impact of Coronavirus the Directors have consulted both the Company Articles and the guidance notes issued by the Chartered Governance Institute as well as advice from the Society's Legal Assistant

Note: there is no provision in the Articles for circumstances like a pandemic and the decisions taken are extraordinary and move us outside of the established "Rule Book". The provisions and actions herein described shall only apply during the period of the current pandemic restrictions.

The key issues that we have had to consider are:

- There is no provision for Cancellation or Postponement in the Articles
- There is a requirement under the Companies Act that an AGM is held
- 25 members are required to establish a quorum.
- The Venue for the AGM is not available
- It is exceedingly unlikely that a gathering such as the AGM will be permitted by Government Public Health regulation by May.

In respect of adjournment the Articles of Association state:

*32(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.*

*32(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—*

*(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.*

*32(4) When adjourning a general meeting, the chairman of the meeting must—*

*(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and*

*(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—*

*(a) to the same persons to whom notice of the company's general meetings is required to be given, and*

*(b) containing the same information which such notice is required to contain*

Under the circumstances above, were the meeting to be held, it would have to be adjourned under Article 32(1) as the meeting would not be Quorate. Should the meeting be able to commence the Chairman would adjourn the meeting under 32(2)(b) (Safety of the Members).

We are advised that, as currently envisaged, the meeting cannot take place and the doctrine of impossibility of Performance would apply. This makes it reasonable for the Chairman to declare the AGM summarily adjourned in advance on the presumption that the meeting is impossible to hold and would have to be adjourned if it were.

On this basis we have formally declared the meeting summarily adjourned so that members do not attempt to attend, even though the Articles do not make such a provision.

In accordance with Article 32(4)(a) the Chairman/ Directors must determine where and when the AGM will take place.

The Directors consider that this crisis may be protracted, and the Chartered Governance Institute suggests either a Virtual or Hybrid AGM.

In respect of the AGM the Articles state:

*28(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.*

*28 (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.*

*28(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.*

These clauses allow for a Virtual or Hybrid AGM where members are geographically remote.

The Directors consider that a Hybrid AGM (where the Directors assemble for a webcast or similar) is unlikely to be practical as the Directors and Officers cannot gather in one place. As the Society has no employees, does not pay dividends and has no resolutions tabled other than those on the proxy voting form, the majority of the business is to accept the Accounts and elect the Directors, a Virtual AGM should satisfy these requirements

The Company will publish the AGM pack online which will include Directors and Officers report together with other Company business for scrutiny by the Membership. The Virtual AGM meeting will commence on 6<sup>th</sup> April, though not all reports may be available on this date.

In submitting their proxy voting form members have exercised their right to vote and appointed the Chairman (or another) as their proxy. In respect of the requirement for a quorum the receipt of 25 proxy votes will be considered equivalent to the required 25 members being present.

In order to exercise the right to speak, questions/ comments/ responses to the Directors/ Officers may be sent to the Secretary, who undertakes to post them on the website for all to view, together with the response from the Directors/ Officers (where a response is required). All questions/ comments/ responses must be received by 19<sup>th</sup> June 2020. In order to ensure clarity only one question should be submitted per email or sheet of paper in a letter, failure to adhere to this requirement may result in your question/comment/response being considered ambiguous and disregarded. Please note that Directors and Officers will not respond to questions/ comments/ responses or engage in correspondence by letter post for reasons of timescale and expense.

The acceptance of the Accounts and election of Directors will take place in accordance with the proxy votes cast.

The Directors and Officers will consider the proceedings on 22<sup>nd</sup> June and if they are satisfied the Chairman will declare that the business of the Virtual AGM to be dated 27<sup>th</sup> June is closed and the minutes thereof will be published online. Should the Directors and Officers not be satisfied the period between 22<sup>nd</sup> June to 27<sup>th</sup> June will be used to resolve any outstanding items so that the Meeting may be declared closed on the 27<sup>th</sup> June.

These are extraordinary arrangements and are not anticipated to be repeated in future years. Should any member object to these arrangements they should email or write to the Secretary by 10<sup>th</sup> June 2020 presenting the basis of their objection for consideration by the Directors.

The Minutes of the Virtual AGM will be presented for approval by the members at the next AGM.