

**BMC**

**ARTICLES OF ASSOCIATION COMPARISON**

**1. BACKGROUND**

- 1.1 The tables below set out how the proposed new Articles of Association (the **New Articles**) compare to the existing Articles of Association (the **Existing Articles**).
- 1.2 The first table sets out each of the provisions of the Existing Articles, in the order that they appear in the Existing Articles, together with details of where those provision can be found (if at all) in the New Articles (**Table One**).
- 1.3 The second table sets out the provisions of the New Articles which do not appear in the Existing Articles (**Table Two**).
- 1.4 For further details about the new Articles, please refer to the plain English guide on the New Articles.

**2. TABLE ONE**

Provision	Existing Articles	New Articles	Material Changes / Comments
Name and office	Paragraphs 1 & 2 Memorandum of Association <sup>1</sup>	Article 2	None.
Objects	Paragraph 3 Memorandum of Association, and Article 2	Article 4	The objects remain as per the Existing Articles but those provisions which are more akin to powers have been moved to Article 5.
Powers	Paragraph 3 Memorandum of Association	Article 5	The new Articles cover all of the powers in the Existing Articles but have been updated, and added to, to ensure the Company has a broad range of powers which may be exercised in furtherance of the objects.
Application of income and property	Paragraph 4 Memorandum of Association	Article 6	<p>The Existing Articles permit payments for services rendered, payment of interest, and "any other payment made in good faith". The new Articles expand upon what might constitute a payment made in good faith at Articles 6.1.3 to 6.1.10.</p> <p>The Existing Articles do not permit payments to a company/firm connected with a director of the BMC, save for payment of expenses and interest. Payments to directors and those persons/companies/firms connected with them are permitted in certain circumstances now under the Articles. Those circumstances are set out in Article 6.2.</p>

<sup>1</sup> By way of reminder, at law, the provisions contained in the Memorandum of Association are now deemed to be part of the Articles of Association.

<b>Provision</b>	<b>Existing Articles</b>	<b>New Articles</b>	<b>Material Changes / Comments</b>
Liability of members	Paragraph 5 Memorandum of Association	Article 8	None.
Dissolution	Paragraphs 6 and 7 Memorandum of Association, and Article 69	Articles 3 and 34	None.
Interpretation and definitions	Article 1	Article 1	New definitions have been added where necessary to incorporate new terminology as appropriate. However, many definitions remain as per the Existing Articles.
Objects	Article 2	Article 4	None.
Members – unlimited number	Article 3	Article 9.1	None.
Members – applications	Article 4	Article 9.5.5	None.
Members – classes, acceptance, affiliated clubs subscriptions, non-payment	Articles 5 to 8	Articles 9.5 to 9.9	None  Note – awaiting confirmation from Sport England in relation to National Council power to determine admission to membership.
Non-voting individual members	N/a	Article 9.10	Under the new Articles, ability exists to establish informal or supporter categories of non-voting membership.
Expulsion of members	Article 9	Articles 10.2 and 10.7	None.  Note – awaiting confirmation from Sport England in relation to National Council power to determine termination of membership.
Resignation of members	N/a	Article 10.1	The new Articles clarify that members may resign from membership by giving written notice to the BMC.
Board reserve power to remove members	n/a	Article 10.8	Board now has a power to remove from membership where behaviour or actions are contrary to the interests of the BMC or detrimental to its reputation.
Rights of members – not transferrable	Article 10	Article 9.3	None.
Members' voting	Article 11	Articles 14.1	Note new Article 14.13 which permits electronic

Provision	Existing Articles	New Articles	Material Changes / Comments
rights - eligibility		and 14.2	voting.
Right to attend area meetings – creation of Areas	Article 12	Consolidated into 28.2	
Officers – elected officers: positions and term	Articles 13.1, 13.2 and 13.5	Articles 18.1, 18.2, 19.2 and 19.3.	Under the new Articles, the elected officers shall be appointed for a three year term, for a maximum of three consecutive terms. Those who have served for 9 consecutive years shall not be eligible for re-election until at least four years has lapsed. This has been brought into line with terms of office for directors.
Officers – CEO	Article 13.3	Article 27.1	
Officers – appointment of employees and volunteers by the board	Article 13.4	Article 5.1.12 is general power to employ staff	No express reference to volunteers in New Articles, but implied under 5.1.27
Officers – non-executive vice presidents	Article 14	Articles 18.3 and 18.4.	None.
National council – purpose and composition, eligibility, disqualification	Articles 15 to 17	Articles 16.2, 16.7 to 16.9, 16.14 and 16.15	Name of National Council and composition remains unchanged, but role is re-defined. Please refer to plain English guide.
Powers and duties of CEO and Treasurer – including appointment of, and reporting lines of, all staff	Article 18	Article 27	<p>The new Articles provide that the Board will appoint the senior executive team, including the Chief Executive and the Finance Director (and any other person designated by them to be a member of that team). Otherwise, all staff are appointed by the Chief Executive Officer.</p> <p>Note – awaiting comment from Sport England in relation to appointment by Board of any post other than CEO</p>
Powers regarding areas	Article 19	Article 28.2.1	None.
Executive committee – composition and management responsibilities, and independent directors	Articles 20 and 21	Article 19	<p>The "Executive Committee" has been renamed as the "Board of Directors" and its composition changed. Fundamentally, the changes to this section ensure that the Board has a mix of member representation and also independent directors , together with the CEO and has ultimate legal responsibility for the management and administration of the Company.</p> <p>Please see the plain English guide to the new</p>

Provision	Existing Articles	New Articles	Material Changes / Comments
			Articles for further information.
Finances – formation of finance committee	Article 22.1	Articles 23.4.1 and 23.5	Under the new Articles, any committee established by the Board (including the finance committee) must have at least one director on it at all times.
Finances – powers of the BMC to borrow etc	Article 22.2	Article 21.2	None.
Finances – signing, endorsing etc of cheques	Article 22.3	Article 5.1.9	None.
Contingency fund	Article 23	Article 5.1.7	
Information and reports – directors' obligation to keep minutes etc	Article 24.1	Articles 23.13 and 23.14	None.
Information and reports – preparation of annual accounts and report.	Article 24.2	Articles 11.2 and 30.1	The new Articles do not provide for the prior approval by the National Council of the annual report and accounts prior to presentation at the AGM.
Information and reports – report to the National Council	Article 24.3	Article 30.2	None.
Information and reports – Treasurer and CEO duties to report	Articles 24.4 and 24.5	Articles 12.4 and 30.2	The existing Articles provide for the Treasurer and CEO to report at every National Council meeting. However the new Articles provide that the finances will be reported at the AGM and that the Board as a whole shall submit a report to the National Council in advance of each National Council meeting.
Minutes	Article 25	Article 23.13	None.
Access to records – location of records and conditions of inspection	Articles 26.1, 26.2 and 26.4	N/a	The law already requires companies to keep certain records available for inspection at its registered office (or such other place notified to Companies House) for ten years. Members of the company are entitled to inspect those records free of charge.
Access to records – confidential items	Article 26.3	Article 23.14	None.

Provision	Existing Articles	New Articles	Material Changes / Comments
The seal – including execution of documents	Article 27	Article 25	None.
Powers and duties of Councillors	Articles 28 to 31	Articles 16 and 17	Please see the plain English guide for further details on the new role of the National Council.
Proceedings of the National Council – meetings and voting	Article 32	Articles 16.1 and 16.13	The new Articles clarify that the National Council's role is to act as a representative body of the Members and to hold the Board (formerly the Executive Committee) to account on their behalf. Reference to the Councillors regulating the Board's affairs and making regulations to control its proceedings have been removed.
Proceedings of the National Council – extent of powers	Article 33	N/a	Removed in consequence of providing Board with ultimate legal responsibility.
Proceedings of the National Council – quorum	Article 34	Article 16.10	None.
Proceedings of the National Council – working parties	Article 35	Article 16.19	None.
Proceedings of the National Council – committees – proceedings and reports	Article 36	N/a	The National Council no longer has the authority to set up committees and delegate powers to those committees in excess of the powers available to it under the new Articles. Instead, the power to establish committees and delegate authority to them rests with the Directors under new Article 23.4.
Proceedings of the National Council – validity of actions	Article 37	Article 16.18	None.
Proceedings of the National Council – written resolution	Article 38	Article 16.17	The existing Articles simply provide that a resolution signed by all Councillors shall be valid. To facilitate decision making by written resolution the New Articles permit a written resolution to be passed by 75% of Councillors to be valid, and that agreement can be given in electronic form. This also reflects a relaxation in company law relating to members' rights to pass written resolutions by the requisite majority required to pass them at a meeting.

Provision	Existing Articles	New Articles	Material Changes / Comments
Proceedings of the Executive Committee – proceedings	Article 39.1	Articles 23.12 and 23.16	The existing Articles provide that a resolution in writing need be agreed by all directors. The new Articles provide that such a resolution need only be agreed by a majority of directors for it to be passed (and directors can signify their agreement (or otherwise) by electronic means). Again, this provides more flexibility in relation to decision making.
Proceedings of the Executive Committee	Article 39.2	Article 30.2	None.
Powers of National Council to delegate – specialist committees	Article 40	Article 16.19	The New Articles provide that National Council may set up working parties or groups in order to assist or advise it in relation to carrying out its role. It no longer has the power to establish and delegate powers of the Company to a committee, as this is reserved to the Board (as the body with ultimate legal responsibility for the Company)
Area meetings – purpose, Areas, attendance, meetings, officers and representatives, proceedings, minutes and reports, regulations.	Articles 41 to 48	Article 28	<p>The term of office of the two persons from the Area to serve on the National Council has increased from up to 5 consecutive years to up to 9 consecutive years under the new Articles (see Article 45.2 of the existing Articles compared with Article 28.5.2 of the new Articles).</p> <p>The minutes of the Area Meetings, under the new Articles, will be sent to the directors and National Council, not just the CEO and members. Those may also be circulated in electronic form.</p>
General meetings – annual general meeting	Article 49	Article 11	Please see the plain English guide in relation to this.
General meetings – extraordinary meetings	Articles 50	Article 12.5	Unlike the Companies Act 1985, the Companies Act 2006 (which supersedes and replaces the 1985 Act), does not refer to "extraordinary general meetings". Therefore, a general meeting which is not an AGM is simply a general meeting, hence the removal of extraordinary meetings.
General meetings – notices and resolutions	Article 51	Articles 12.1 to 12.4 and 12.6	Note change to Existing Article 51.2 in New Article 12.2 which increases the number of Members able to requisition a resolution to 100, rather
Proceedings at general meetings – business to be transacted and classification	Article 52.1	Articles 13.1 to 13.4	Reference in the existing Articles to "extraordinary meeting" is now a reference to a "general meeting", to reflect the current law.

Provision	Existing Articles	New Articles	Material Changes / Comments
Proceedings at general meetings – amendments to motions for general meetings	Article 52.2	Articles 12.21 and 12.22	None.
Proceedings at general meetings – no valid nomination for an elected officer / director	Articles 52.3 and 52.4	Articles 12.23 and 12.24	None.
Quorum for general meetings	Articles 53.1 and 53.2	Articles 12.10 and 12.11	In the new Articles, if a general meeting is adjourned because it is not quorate, if the meeting is still not quorate when reconvened, the Voting Members present shall be a quorum.
Chairman of the general meetings	Article 54	Article 12.12	None.
Adjournments of general meeting	Article 55	Article 12.13	None.
Voting procedures at general meetings – method	Article 56	Articles 12.14 to 12.15	None.
Voting procedures at general meetings – polls	Article 57	Article 12.19	None.
Voting rights and eligibility to vote	Articles 58 and 60	Article 14.1	None.
Proxies	Article 59	Articles 14.1, 14.6, 14.7 and 14.12	<p>In relation to eligibility of a Voting Member to appoint a proxy, the existing Articles simply provide that the Voting Member need not be less than 18 years, whereas the new Articles also require the Voting Member to have paid any subscription due and payable.</p> <p>Under the New Articles, and at law, a proxy need not be a Member.</p> <p>In relation to the form of the proxy, the existing Articles provide that this is approved by the National Council whereas the new Articles provide that the directors (formerly the executive committee members) shall determine the form.</p>
Voting rights and eligibility to vote	Articles 58 and 60	Article 14.1	None.

Provision	Existing Articles	New Articles	Material Changes / Comments
Accounts and audit – annual accounts	Article 61	Articles 11.1 and 29	None.
Accounts and audit – appointment of auditors	Article 62.2	Article 11.1	None.
Accounts and audit - audit	Article 62	Article 29	None.
Notices – method, address and deemed receipt	Articles 63 and 65	Article 31	Slight amendments made to modernise these provisions e.g. inclusion of right to serve notices in electronic form, and removal of serving notices by second class post.
Notices – length of notice	Article 64	Articles 12.8 and 12.9	None.
Notices – effect of non-notification of a meeting	Article 66	Article 12.7	None.
Indemnity	Article 67	Article 32	The indemnity in the new Articles only covers directors and officers, not employees. It is also broader to reflect a change in the law since the existing Articles were drafted so as to permit the BMC to provide directors/officers with payments up front, as well as to reimburse after the event.
Alteration of Articles	Article 68	Article 33	Article 33 makes clear that only voting members can vote on alterations to the Articles.
Dissolution	Article 69 (and paragraph 7 Memorandum of Association)	Article 34	None.

### 3. TABLE TWO

Provision	New Articles	Comments
Powers	Article 5	<p>The list of powers in the new Articles is slightly more extensive and now includes the power to:</p> <p>5.1.7 – set aside funds for special purposes/reserves</p> <p>5.1.9 – delegate management of investments to Financial Expert.</p> <p>5.1.10 – arrange for investments etc to be held in the name of a nominee</p>



Provision	New Articles	Comments
		<p>5.1.14 –insure the BMC property and assets</p> <p>5.1.18 – use any form of media and communication</p> <p>5.1.20 – undertake research and publish the results of that</p> <p>5.1.22 – hold seminars, lectures, training courses etc.</p> <p>5.1.24 – make applications for consent under bye-laws or regulations</p> <p>These powers can only ever be exercised in furtherance of the Objects.</p>
Conflicts of interest	Article 7	It is a legal requirement under the Companies Act for directors to avoid conflicts of interest. Please see the plain English guide for further information about this new provision.
Members	Articles 9.2 and 9.4	These provide that members shall be those persons who are admitted in accordance with the Articles and whose names are entered on the register, and that each member shall be bound by the provisions of the Articles.
Polls	Articles 12.16 to 12.18 and Article 12.20.	The existing Articles simply provide that the procedure for conducting a poll shall be determined in accordance with Regulations. These new provisions add clarification on the procedure.
Voting at general meetings	Articles 14.3 to 14.13	These provide further details in relation to proxy voting and provide for members being able to vote electronically.
Written resolutions of members	Article 15	This provides a facility for members to pass resolutions in writing and reflects the current legal position. Please see plain English guide for further details.
National Council	Articles 16.3 to 16.6, 16.11, 16.12, 16.16 and 16.20	These new provisions clarify the term of office of the Councillors. They also provide that Councillors are under a duty to manage conflicts of interest, and that the President shall preside over the meetings (unless unable or unwilling to do so). There is also provision for the Councillors to be permitted to act for the purpose of admitting additional persons as Councillors where there numbers are reduced to less than the quorum. Provision has also been made to enable meetings of the Councillors to take place electronically to facilitate attendance.
Board of directors	Article 19	The provisions relating to the board of directors have fundamentally changed. Please see the plain English guide for further details on the Article 19.
Terms of office and retirement of directors	Article 20	The provisions of Article 20 reflect key requirements of Sport England and also the legal position regarding terms of office. Please see the plain English guide for further details on this Article 20.
Powers and duties	Article 21	This article is fundamental to the position that directors have legal responsibility for the management of the company. Please see the

Provision	New Articles	Comments
of the directors		plain English guide for further details on this Article 21.
Disqualification of directors	Article 22	Article 22 sets out the circumstances in which a director's office shall come to an end.
Proceedings of the directors	Article 23	Please see the plain English guide for further details on Article 23, and the table above for details of which provisions of Article 23 have been taken directly from the existing Articles.
Secretary	Article 24	This provides clarification on the appointment and term of office of the secretary (if any) of the BMC.
Patrons	Article 26	The existing Articles are silent as to the removal of patrons. New Article 26 therefore provides for this by the Board, in consultation with National Council, in certain circumstances.
Reserved matters	Schedule 1	Schedule 1 sets out provisions relating to decisions of the directors that cannot be made without either consulting with or seeking the approval of National Council.  These are subject to further comments from Sport England.
Arrangements for the transitional period	Schedule 2	Schedule 2 sets out what will happen between the AGM in June and the subsequent General Meeting of the BMC.

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