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# Consolidated Rationale for Proposed Changes to Articles of Association



ODG

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Following numerous reviews by the National Council, the Board of Directors and legal advisors of the draft Articles of Association, the rationale behind each change has been given as it arose. This article consolidates the previously published information into one place to make a clear and concise record of the changes to the Articles of Association.

The proposed Articles are at this link:

[www.thebmc.co.uk/media/files/AGM/2019/Item%206%20-%20Proposed%20new%20Articles%202019%20AGM.PDF](http://www.thebmc.co.uk/media/files/AGM/2019/Item%206%20-%20Proposed%20new%20Articles%202019%20AGM.PDF)

A copy of the proposed Articles showing changes compared to the Articles voted into effect at the 2018 AGM can be found here:

[www.thebmc.co.uk/media/files/AGM/2019/BMC%20AoA%202018%20to%202019%20changes.pdf](http://www.thebmc.co.uk/media/files/AGM/2019/BMC%20AoA%202018%20to%202019%20changes.pdf)

There were 3 updates released; the first on 12th Nov 2018, the second on 18th Jan 19 (updated 5th Feb 2019) and the third on 12th Feb 2019.

The original updates can be found at the following links:

[12th Nov 2018 Update](#)

[18th Jan 2019 Update](#)

[12th Feb 2019 Update](#)

# 1st Update Released 12th November 2018:

Published - 12 Nov 18

## Background

While significant, the changes to the Articles of Association (AoA) in 2018 were always recognised as only dealing with the 'time critical' changes and that further changes and updates were to come in 2019 and 2020 as the BMC worked through the review and implementation of the changes recommended in the ORG Review.

The changes detailed in this document have been agreed, in principle, by the Board and are being presented for appropriate scrutiny and discussion by Members and the National Council. There may be additional changes in the final version if other work streams require it.

Throughout the document the exact wording of any change proposed to the AoA will be subject to formal legal review before final inclusion, or not. Any textual changes below are to be considered drafts and included to allow members to understand the intent of the change. All references to Articles below refer to the numbering in the Draft AoA 2019 document which can be downloaded [here](#).

## Proposed Changes for 2019

The changes proposed, in order of their appearance, are:

- Throughout the document. Updating the AoA to remove texts referring to the Transition Period which expires at the 2019 AGM.
- Throughout the document. Clarifications. In reviewing the pre-2018 AoA, and in this review exercise there were some elements where the intent was felt by some to be ambiguous or where a change was suggested.
- Adding a specific object to support GB climbing team and indoor climbing.
- Ensuring the rules on Directors payment are appropriately defensive for the BMC.
- Updating the thresholds at which members can raise resolutions or a General Meeting
- Reducing the defined AGM notice periods.
- Providing for Areas Officers to make use of digital engagement tools to ensure they are able to more fully represent the members in their Areas.
- Clarifying and strengthening Members ability to hold Area Officers and Representatives to account.

Changes currently in Discussion for inclusion are:

- Defining the roles of VP and Treasurer as non Board members

As highlighted above further changes will be required in 2020.

This document does not cover grammatical and typographical corrections that do not materially change the AoA.

## Changes for 2020 AoA

The following changes will NOT be complete in time for the 2019 AGM but are expected to be included in 2020.

- Any potential name change for the National Council.

## Summary of Changes

### Adding an object of the BMC to support GB Climbing Teams and indoor climbing

#### Changes Proposed

Add a new object as Article 4.1.10 "to manage and support the GB Climbing Teams".  
Adding "(including indoor climbing)" to Article 4.1.1 definition of Mountaineering.

## Rationale

The BMC already support our athletes, which is generally supported by the BMC membership, as such it should form an explicit object.

The majority of members climb indoors at times and support is implied in Article 4.1.8, this just clarifies this support. Alternatively an object could be added such as:

*To actively encourage participation in indoor climbing, and support their safe transition to outdoor climbing where the participants wish to do so.*

Members views would be appreciated.

## Ensuring the rules on Directors payment are appropriately defensive for the BMC.

## Change Proposed

It is proposed that a new Article is added to the AoA as Article 6.2 to explicitly define the circumstances when payment of Directors is acceptable.

## Rationale

Legal advice received by the BMC is that it is best practice to define explicitly the circumstances and processes where payment can be made to volunteers. This approach provides better protection to the BMC to prevent unacceptable behaviour.

The BMC procurement policy is currently being updated and will include a specific statement the current draft of which is:

*In principle BMC staff and volunteers should not profit from their association with the BMC; beyond any fair payment for goods or services provided. Where, as the result of an open and transparent procurement process, the best bid would result in a contract being awarded to BMC staff, volunteers or a Connected Person there must be an additional review by the CEO, Chair and President, including advice from the FAC, to ensure that the procurement is not subject to any reasonable perception of bias or unfairness.*

In addition company law requires that any payments to Directors are made public to members in the annual company accounts.

For example this will explicitly allow the payment of a director, who is a professional mountaineer (MIA, Guide etc) to deliver courses on behalf of the BMC.

# Updating the threshold for members to raise a resolution at a General Meeting or requisition a General Meeting

## Change Proposed

Changes to Articles 11.6 and 11.7 and the addition of Articles 11.8 and 17.1.5.

## Rationale

Social media and digital technology have, as shown in the 2018 AGM, made demonstrating Member support for a resolution achievable in a way not envisaged when the 25 member criteria was written. The BMC is also undertaking a Digital Engagement review as part of the Membership Engagement workstream of the ODG that will simplify the process further for members. The key changes below aim to recognise the current and future changes in the ability of members to use the power of digital technologies to engage with each other and the BMC digitally.

### Raising a Resolution

The increase to 0.5% for Members to raise a resolution at a General Meeting is proposed in order to ensure such actions are only taken when there is clear and significant support for this action by the Members. A resolution raised by a 0.5% member vote must be discussed at the next AGM.

The National Council is the representative body of the Members. As such they are the appropriate body through which any resolution, that does not meet the threshold is channelled for wider discussion with the Members and the Board. It is however proposed that to raise a potential resolution to the National Council for review remains at 25 Voting Members. The decision of the National Council is final and the resolution, or materially similar resolutions, will not be considered by the National Council for a minimum of 12 months, but would be raised if the 0.5% of members criteria was reached.

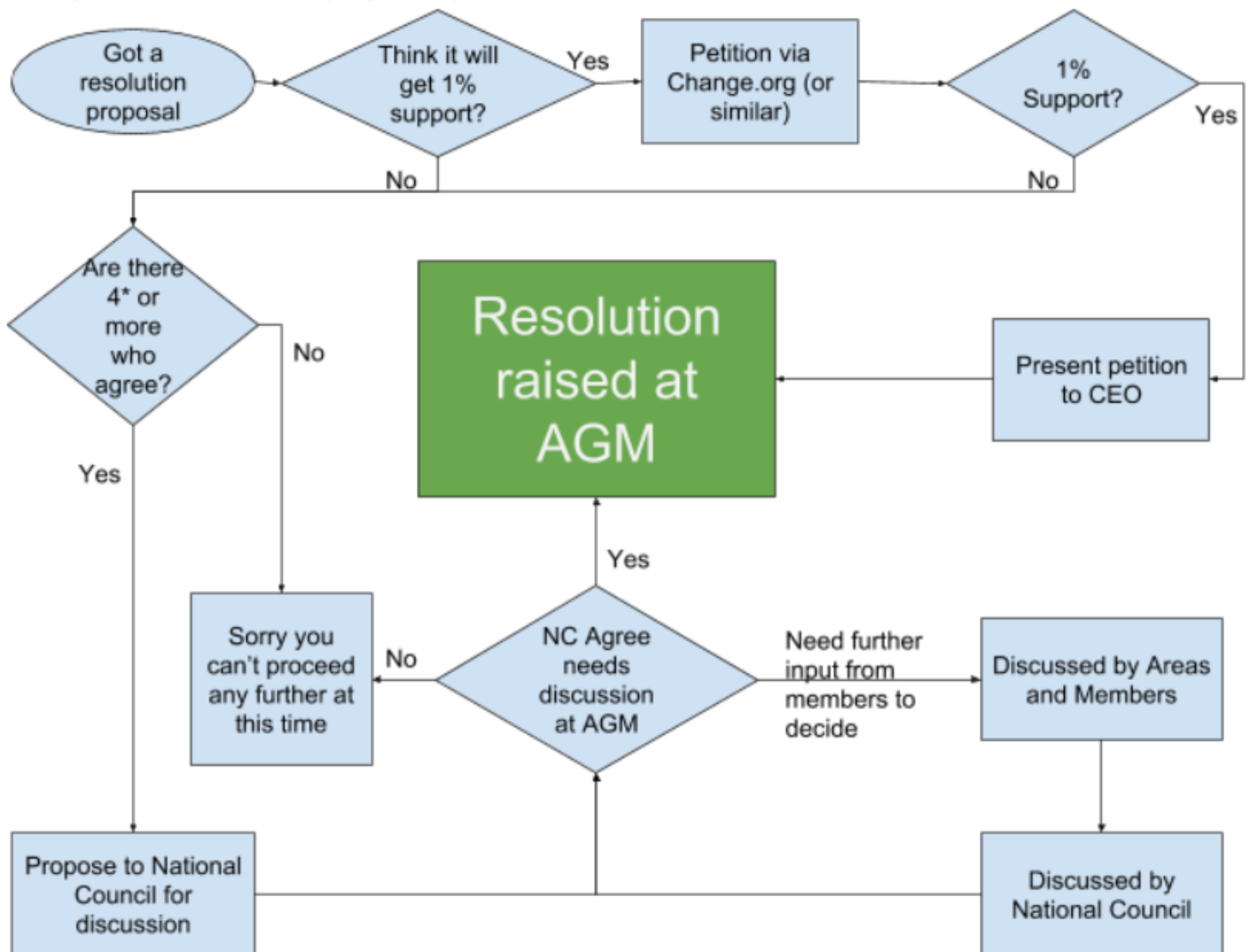
### Requisitioning a General Meeting

Requisitioning a General Meeting, is both costly and disruptive to the BMC. Such an action should only be undertaken when there is significant support from the Members which is proposed as 1% of the Voting Members. It should be noted that the National Council retain the absolute right to raise a General Meeting.

### Who raises a Resolution

It has been seen that groups of 'individuals' raising resolutions can result in issues being personalised, potentially to the detriment of considering the underlying issues. Article 11.7.2 allows that resolutions may be raised by the National Council as opposed to specific named members where agreed by both parties as being appropriate. It is felt that this will, in some cases, help ensure that debates are concentrated on the issues and principles of any resolution.

A simple flow chart of the proposed process is below.



\* Minimum of 5 proposers required.

## Reducing the defined AGM notice periods and methods

### Change Proposed

It is proposed that the notice periods in Article 12.9 and 12.10 are reduced as to the legal requirements of 14 days for General Meetings.

In conjunction Article 31.2 is changed to formally publish all notices through the BMC website as the primary source of information with additional less timely methods available

as a secondary notification method.

## **Rationale**

The current timelines were defined when post was the only means of notification. While the BMC will continue to use the existing processes (Summit, letters and emails) to notify members of the meetings, which will probably mean the BMC will exceed these timelines, the change will allow the BMC to ensure that AGMs do not affect the processes and timelines of Summit publication and that members will be able to know there is a single definitive place for all notices.

## **Providing for Areas Officers to make use of digital engagement tools**

### **Change Proposed**

Add Article 28.2.3 to allow the use of electronic means in influencing area meeting decisions.

### **Rationale**

The Membership Engagement Workstream will provide for far more granular digital engagement tools for members. This change allows Areas to use electronic means to take account of views of members unable to attend meetings.

## **Clarifying and strengthening Members ability to hold Area Officers and Representatives to account.**

### **Change Proposed**

Amend the text of Article 28.5

### **Rationale**

The changes to the AoA in 2018 did not review the Area elements of the Articles. It was recognised that this would need doing in 2019.

Specifically it was recognised that the accountability of Area Officers and Representatives did not reflect the changes to other Officer roles in the BMC.

The changes have 3 main elements:

- To align all appointments terms to 6 years as per other Officer roles in the BMC. Area Officers remain elected annually, Area Representatives are elected for 3 year terms.
- To explicitly ensure that appointments are limited both in individual roles and more generally within Areas. To ensure that the rules on appointments and moving between roles is clear.
- To provide members with clear processes by which their Officers and Representatives can be held to account and where necessary changed prior to completion of the term of office.

To clarify the process when posts become vacant during their terms.

## Clarifications

Article

(as per attached daft)

Change Proposed

Rational

12.2.2 Add "or with the agreement of the National Council defer the resolution to the next scheduled General Meeting"

The intent of Articles 12.2 was to ensure full dialogue between the Board and NC before requisitioning an additional General Meeting, which is costly for the BMC. This change explicitly allows resolutions to be held for the next scheduled AGM

12.2.4 Add text ", where one or both parties feels it is appropriate, " so the sentence reads "Where the National Council does still wish to requisition a meeting, then the matter for which the meeting is sought shall, where one or both parties feels it is appropriate, be referred promptly to expert opinion or mediation."

It may not be appropriate or cost effective to follow mediation or expert opinion routes. Provided both parties agree this it is not sensible to force the BMC to pay for the costs of mediation or expert opinion.

12.25 Change "National Council" to "Board"

This change should have been included in the 2018 AoA as the board are the accountable body within the new AoA.

19.4.4 Add article as 19.3.4 stating

Explicitly details what happens if a



“Where a Director appointed by the National Council, is a Councillor at the time of their appointment and ceases to be Councillor during their term of Office as a Director, the National Council may either retain their nomination until the term expires in line with Article 20.1 or may appoint a new Director.”

National Council Director leaves the National Council.

Note that Article 22.1.2 explicitly allows the National Council to terminate a National Council Director’s appointment to the Board.

23.11 Rewritten to make intent clear

28.7.2 Change text “fourteen days” to “twenty one  
and days”  
28.7.3

Area volunteers have struggled to achieve the 14 day timeline. 21 days is seen as more achievable.

## Remove texts referring to Transition Period

## Changes Proposed

The following Articles should be changed from the 2018 AoA:

- 19.2 - Delete
- 19.3 - “After the Transition Period” - Delete text
- 19.8, 19.8.1 & 19.8.2 - Delete
- 19.8.3 - “After the Transition Period” - Delete text, and Uplift to new Article 19.8
- 20.4 - Delete
- Schedule 2 - Delete

## Rationale

The Transition Period ends with the 2019 AGM where these new articles will be presented to members for approval.

# 2nd Update Released 18th January 2019:

Updated - 5 Feb 19

Published - 18 Jan 19

There have been a number of updates to the Articles of Association to go to the AGM in 2019. Like in 2018, these will be agreed, by special resolution at the AGM, requiring 75% of those members voting, voting in favour.

In addition to tidying up the AoA and removing elements applicable only to the transition period the key changes to the AoA are:

- Adding a specific object to support GB climbing team and indoor climbing.
- Ensuring the rules on Directors payment are appropriately defensive for the BMC.
- Updating the thresholds at which members can raise resolutions or a General Meeting.
- Reducing the defined AGM notice periods. Though these periods are now set at the legal minimums, the BMC will always aim to notify members as early as possible on all AGM matters.
- Updating the National Council membership articles to define the key principles rather than detailed process. The process elements have been moved into the new National Council Terms of Reference which is part of the Memorandum of Understanding document set.
- Providing for Areas Officers to make use of digital engagement tools to ensure they are able to more fully represent the members in their Areas.
- Clarifying and strengthening Members ability to hold Area Officers and Representatives to account.

The document can be found [here](#) (link updated on 5th Feb with the version presented to National Council)

## 3rd Update Released 12th February 2019:

Published - 12 Feb 19

There have been a number of updates to the Articles of Association to go to the AGM in 2019. Like in 2018, these will need to be agreed, by special resolution at the AGM, requiring 75% of those members voting, voting in favour.

In addition to tidying up the AoA and removing elements applicable only to the transition period the key changes to the AoA are:

- Adding a specific object to support GB climbing team and indoor climbing.
- Ensuring the rules on Directors payment are appropriately defensive for the BMC.
  - Our legal advice is that by defining the specific circumstances when Directors can be paid protects the BMC against deliberate actions or accidental mistakes.
  - This is further protected by a requirement in the procurement policy that where a Director is selected to provide a service through the normal process it is subject to an additional review by the President, Chair and CEO with advice from the Finance and Audit Committee.
- Updating the thresholds at which members can raise resolutions or a General Meeting.
- Reducing the defined AGM notice periods. Though these periods are now set at the legal minimums, the BMC will always aim to notify members as early as possible on all AGM matters.
- Updating the National Council membership articles to define the key principles rather than detailed process. The process elements have been moved into the new National Council Terms of Reference which is part of the Memorandum of Understanding document set.
- Providing for Areas Officers to make use of digital engagement tools to ensure they are able to more fully represent the members in their Areas.
- Clarifying and strengthening Members ability to hold Area Officers and Representatives to account.
- Clarifying and simplifying Article 19.8 following legal advice and to make it clear the Article includes the use of proxy votes

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