



National Ice Skating Association of the United Kingdom Limited ("NISA")

PROPOSED

REVISED MEMORANDUM AND ARTICLES OF ASSOCIATION

EXPLANATORY NOTES

Why does NISA need to revise its Memorandum and Articles of Association?

NISA operates as a company limited by guarantee, and **the Memorandum of Association ("the Memorandum") and the Articles of Association ("the Articles") are NISA's primary constitutional documents.** NISA is both a membership association, with key responsibilities to its own members, and NISA is also the officially recognised national governing body ("NGB") for the sport of ice skating in the United Kingdom, with wider responsibilities for all those who participate in the sport in any way.

The United Kingdom Sport Council ("UK Sport") invests large amounts of public funding, from the National Lottery and from taxpayers, into Summer and Winter Olympic and Paralympic Sports, including both figure skating and speed skating.

In June last year, in order to meet NISA's contractual obligations under the Funding Agreement between NISA and UK Sport, the NISA Board agreed to institute a programme of actions to upgrade NISA's corporate governance and operational management.

Later last year UK Sport commissioned Moore Stephens, one of the leading accountancy and consultancy firms in the United Kingdom, to carry out a management audit of NISA. **In October 2016, Moore Stephens very strongly recommended that NISA needed to undertake a thorough review and adopt revised Articles of Association,** which would be fit for purpose in the current environment for national governing bodies of sports and thus also benefit the association's membership.

NISA's Board of Directors accepted Moore Stephens' recommendation, and appointed Wharton Consulting to assist with the revision of NISA's Articles of Association, and also requested Hewitson Moorhead, as NISA's legal advisors, to review the revised Articles from a legal perspective.

In December 2015, the UK Government adopted a new policy for sport: "Sporting Future - A New Strategy for an Active Nation". A key requirement of the government policy is that **all those national governing bodies of sports, which receive public funding, must comply with the mandatory Code for Sports Governance ("the Code").** The Code came into force on 1 April 2017, and Winter Olympic Sports NGBs, such as NISA, are required to be compliant with the Code by 31 December 2017. With this background in mind, **the revised Articles of Association have also been designed to help bring NISA into compliance with the Code.**

How have the proposed revised Articles been developed?

Wharton Consulting and Hewitson Moorhead have drawn on models of good practice for national governing bodies of sports in order to provide the basis for the revised Articles of Association for NISA. The revised Articles have then been "tailored" to the particular needs and circumstances of NISA.

The revised Articles have been extensively reviewed by the NISA Board of Directors, who have also taken account of feedback from NISA's members given through the Information Days, held in Sheffield, Edinburgh and London, and also on-line.

What are the key features of the proposed revised NISA Articles of Association?

The revised Articles of Association are, necessarily, a legal document. **In order to assist with navigation through document, the revised Articles have a Table of Contents and an expanded list of Defined Terms**, which explain terminology used in the Articles.

Key features in various Articles are highlighted below:

Article 3 - Objects

Under the Companies Act 2006, the Memorandum of Association now only needs to contain one sentence recording the initial creation of the company. All other matters are now set out in the Articles of Association.

With this in mind, **the Objects from NISA's 20 November 1991 Memorandum of Association have been included in this Article 3 of the revised Articles.**

Article 5 - Liability of Members

The liability of each member of NISA remains limited to £1.

Article 6 - Directors' general authority

It is usual under company law, and **it is a requirement of the Code for Sports Governance, that the Board of Directors exercises all the powers of the company under its Articles.**

Article 8 - Committees

As part of the corporate governance and operational management upgrade agreed with UK Sport, **the NISA Board of Directors undertook to move away from the structure of Portfolio Directors and Portfolio Sub Groups.**

It was agreed to put in place an enhanced professional staff structure to manage the full range of NISA's activities, and an appropriate set of technical advisory committees which will collaborate with the staff and report to the Board. This Article 8 therefore provides for:

- technical advisory committees to be established, covering each discipline in the sport of ice skating;
- all technical advisory committee members to be elected or appointed, as the case may be, on the basis of their skills and experience;
- a majority of members on each technical advisory committee to be elected by the NISA Voting Members;
- all technical advisory committee members to be limited (in compliance with good practice under the Code for Sports Governance) to a maximum of 2 x 4 years terms of office.

Article 18 - Directors' discretion to make further Regulations and Rules

In order to meet the requirements of the Code for Sports Governance, it is important that the ultimate decision-taking authority to make Rules and Regulations for NISA is directly in the hands of the Board of Directors.

This Article 18 therefore gives the NISA Board the powers to make:

- Regulations - which relate mainly to the way in which NISA operates as a company and a membership association; and
- Rules - which relate mainly to the way in which NISA governs and manages the sport of ice skating.

Please note that, **if the Special Resolution is passed at the 2017 AGM to adopt these proposed revised NISA Articles of Association, then the existing 21 September 2013 NISA General Rules will remain in force** unless and until the NISA Board resolves to make any amendments.

The NISA Audit Committee has instigated a review of NISA's disciplinary and complaints policies, rules and procedures, with the intention of bringing them into line with current good practice in the sports sector and to ensure that they meet current legal and regulatory requirements. The Audit Committee will make appropriate recommendations to the NISA Board in due course.

The Code for Sports Governance requires the Board to have an engagement strategy, under which the Board provides information to NISA's members and stakeholders and takes feedback from them, **in order to ensure that the NISA Board takes into account the views of NISA's members and other stakeholders, in formulating Regulations and Rules which affect them.** This engagement strategy will therefore include, over the next few months, considerations of the appropriate revisions to the disciplinary and complaints policies, rules and procedures.

Article 19 - Composition of the Board

As part of the corporate governance and operational management upgrade agreed with UK Sport, **the NISA Board of Directors undertook to move away from the structure of Portfolio Directors and Portfolio Sub Groups.**

It was agreed to re-structure the NISA Board to consist of non-executive Directors who focus on setting the vision, mission, strategy, and policies of NISA and on overseeing the effective financial and operational management of NISA, both as a membership association and as the UK national governing body for the sport of ice skating.

In order to meet the requirements of the Code for Sports Governance, this Article 19 therefore provides for the Board to have:

- a maximum of 12 Directors (unless a larger number has been agreed with UK Sport and/or Sport England);
- a minimum of 25% Independent Non-Executive Directors;
- a minimum of 30% men or women, as the case may be.

The Code for Sports Governance also requires that:

- the Chair is appointed directly by the NISA Board, after an openly advertised recruitment process which takes into account the experience and skills need to chair and lead the Board; and that
- UK Sport and/or Sport England have a reserve power to require the Chair to be independent.

The NISA Board has made a strong case to UK Sport for agreement that the NISA Chair should continue to be recruited from amongst the ice-skating community. The NISA Board is awaiting a response from UK Sport on this point.

In finalising the proposed Articles, the NISA Board has taken account of feedback from the Information Meetings held for NISA members during May and June in Sheffield, Edinburgh and London, and had made clear that the proposed future Board structure will have a majority of its Directors elected by the Voting Members of NISA.

The composition of the NISA Board proposed in this Article 19 is therefore as follows:

1 x Chair	from any discipline <i>(unless required by the Sport Councils to be independent)</i>	appointed by the NISA Board
1 x Vice Chair	from any discipline	elected by the NISA Voting Members
3 x Nominated Directors	one each from the figure skating disciplines: <ul style="list-style-type: none"> • Ice Dance • Singles/Pairs • Synchro 	elected by the NISA Voting Members
2 x Nominated Directors	one each from the speed skating disciplines: <ul style="list-style-type: none"> • Short Track; • Long Track 	elected by the NISA Voting Members
Up to 1 x Nominated Director	from any new discipline or specialist field of ice skating which NISA may develop	elected by the NISA Voting Members
3 x Independent Directors	to bring expertise in: <ul style="list-style-type: none"> • finance • law/governance • commerce 	Appointed by the NISA Board
Up to 1 x Co-Opted Director	to bring temporary expertise in any field of ice skating or as an independent	Co-opted by the NISA Board

Article 20 - Method of appointing directors and other officeholders

In accordance with the requirements of the Code for Sport Governance, this Article 20 specifies that **all Directors on the NISA Board are to be appointed or elected, as the case may be, on the basis of their skills and experience.**

In accordance with the good practice expectations of the Code, **the process of identifying and recruiting suitable candidates** to be appointed or to stand for election, as the case may be, **is to be managed by the Nominations Committee**, which reports to the NISA Board.

The Nominations Committee has already been set up by the NISA Board, under the Board's powers in the current 14 September 2013 NISA Articles.

As required by the Code for Sports Governance, under this Article 20 **all NISA Board Directors** (including, retrospectively, all those Directors who are currently in post):

- **may hold office for a maximum of 8 years consecutively (usually 2 x terms of 4 years each); and**
- **are not be eligible to be appointed or to stand for election again until at least 4 years have passed.**

In exceptional circumstances, the Chair or a Director who holds a senior position on the International Skating Union may (but will not automatically) be appointed or elected for a third term and thus serve for a maximum of 12 years.

The procedures for elections primarily follow NISA's existing processes, including the involvement of an Independent Scrutineer to oversee the counting of voting for elected positions on the Board and on the technical advisory committees. The existing arrangements for postal ballots have been retained. In addition, allowance is made for the possibility that, at some point in the future, NISA may wish to use a secure electronic ballot process.

Article 24 - Casual Vacancies

This Article 24 gives the NISA Board the necessary powers to fill a vacancy if either a Board Director or a member of a technical advisory committee stands down, for any reason, before the end of his or her term of office.

These proposed Articles do not contain the restriction (which was included in the 14 September 2013 Articles) of holding elections only every two years. Under the proposed Articles, **NISA will be able to hold elections at any and every Annual General Meeting, as and when individual elected Board Directors and/or individual elected members of technical advisory committees reach the end of their terms of office.**

This will also mean that any elected Board Director position, and/or any elected technical advisory committee member position, which has been filled on a casual basis by the NISA Board, will then be subject to election by the Voting Members of NISA at the next following AGM.

Article 27 - Classes of Membership

This Article 27 retains all the existing voting and non-voting classes of NISA membership:

- Full Annual Members (voting)

- Life Members (voting)
- Affiliated Associations (voting)
- Affiliated Clubs (voting)
- Other Affiliates (voting)

- Associate Members (non-voting)

- Honorary Members

This Article 27 **also allows the NISA Board powers to establish, by Regulations approved by the Board, additional classes of voting and/or non-voting NISA membership.**

As has already been explained during the Information Meetings for NISA members held in May and June 2017 in Sheffield, Edinburgh and London, the NISA Board plans to consider in the coming year what additional class(es) of voting membership may be needed in order to extend the franchise more widely across NISA's current total membership.

This Article **also allows for the NISA Board to recognise ice skating associations in the home nations of Scotland, Wales, Northern Ireland and the regions of England as Affiliated Associations.**

As has already been explained during the Information Meetings for NISA members held in May and June 2017 in Sheffield, Edinburgh and London, as the lead national governing body for ice skating within the UK, **the NISA Board has set up a Working Group to review how NISA can assist with re-invigorating the home nations bodies in Northern Ireland, Scotland and Wales and with developing appropriate regional structures in England.** NISA will be engaging with the home nation bodies in Northern Ireland, Scotland and Wales to facilitate ice skating development programmes within the home countries and also regionally within England. This is planned in order to promote better delivery systems, provide opportunities for membership engagement and allow access to local funding sources.

The Code for Sports Governance requires the Board to have an engagement strategy, under which the Board provides information to NISA's members and stakeholders and takes feedback from them. **This engagement strategy will include, during the coming year, the considerations both of any potential additional class(es) of voting membership and of the plans relating to the home nations and regions as Affiliated Bodies of NISA.**

Article 28 - Applications for Membership

The provisions in this Article regarding applications for membership of NISA are based on NISA's existing procedures.

Article 29 - Conditions of Membership

The provisions in this Article regarding conditions of membership of NISA are based on NISA's existing procedures.

Article 30 - Termination of Membership

The provisions in this Article regarding termination of membership of NISA are based on NISA's existing procedures.

Organisation of General Meetings - Articles 31 to 37

These Articles set out the procedures for calling and managing general meetings, and are based on NISA's existing procedures.

Article 38 - Voting: general

This Article 37 retains the existing voting provisions for the current classes of NISA Voting Members:

- Full Annual Members (voting)
- Life Members (voting)
- Affiliated Associations (voting)
- Affiliated Clubs (voting)
- Other Affiliates (voting)

Articles 41 to 43 - Postal Ballots and Proxy Notices

These three Articles make provision for the general use of postal ballots and proxy notices.

The detailed requirements for postal ballots for the election of Nominated Directors and of elected members of technical advisory committees are set out in Articles 19 and 20. These provisions are based on NISA's existing procedures.

Article 50 - Winding-Up or Dissolution

Previous provisions placed the decision, regarding the body to which any remaining NISA assets would be transferred in the event of NISA's dissolution as a company and association, in the hands of UK Sport. This provision has not been retained in the proposed revised NISA Articles.

Instead, this Article 49 places the decision, regarding the body to which any remaining NISA assets would be transferred in the event of NISA's dissolution as a company and association, in the hands of the International Skating Union.

What transition arrangements will be needed?

If the 2017 NISA Annual General Meeting approves the revised Memorandum and Articles of Association, then the following transition arrangements will be put in place:

- The six existing elected Portfolio Directors will transition (on the basis of their existing skills and experience in the disciplines of ice skating) to become Nominated Directors for the remainder of their current terms of office. They may then (if permitted under the Articles relating to maximum terms in office) choose to stand (or not, as their preference may be) as candidates for election for a further term as a Nominated Director.
- Existing elected and appointed Portfolio Sub Group Members will continue in their current positions until the Technical Advisory Committees are set up. Such Portfolio Sub Group Members may then choose to stand (or not, as their preference may be) as candidates for election or

appointment to a Technical Advisory Committee for which they have relevant skills and experience.

- The NISA Board will set out the terms of reference for the Technical Advisory Committees for the ice skating disciplines, and arrange a postal ballot for the NISA Voting Members to elect a majority of the members of each Technical Advisory Committee. It is planned that the postal ballot for elected members, and the appointment by the Board of the remainder of the members, of the Technical Advisory Committees, will be completed before 31 December 2017.

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