

## **DRAFT MEMORANDUM AND ARTICLES**

In preparation for the consultation on the Union's proposed new Memorandum & Articles, this note seeks to answer some of the questions that may occur to clubs and their members.

### **Why do we need to change?**

Cricket Ireland intends to transfer the Development Officers whom they currently fund (and the associated funding) and the budget for aspects of the Inter-Provincial programme to Provincial Unions. This will dramatically increase the NCU's financial turnover and its employment responsibilities. In order to protect clubs and Union officers from potential financial liability should anything go wrong, the Board considers it prudent for the Union to become a Company Limited by Guarantee. The other two major Unions are making the same change this year.

### **Why is the document so complicated?**

It is largely based on the NI Charity Commission's *Model Memorandum and Articles of Association for Charitable Companies*. Most of the Articles are standard clauses to meet the requirements of company and charity law and do not affect the way the Union operates from day to day.

### **What are the changes that affect clubs?**

Art 10 – This defines the Members - ie those entitled to vote at General Meetings.

Art 14 – This prescribes the business of the Annual General Meeting, preserving its key existing functions, including the election of Directors and the consideration of proposed amendments to General and Competition Rules.

Art 25 – This defines the eligibility to vote at General Meetings in more detail. It preserves the 'one vote per team' basis for clubs (with the addition of a new vote for each adult women's team) and the two votes for representatives of the affiliated schools.

Art 28 – This defines the composition of the new Board. To comply with recommended best practice for companies and charities it is necessary to reduce the overall size of the Board to 12 and to make room for 3 independent directors to provide additional expertise in areas not already adequately covered. The proposed structure is:

- (a) the Chairman;
- (b) the Vice-Chairman;
- (c) the Honorary Treasurer;
- (d) up to three independent directors (who would be nominated by the Board after an external search process);
- (e) three directors nominated by the Board (who would be the designated heads of the three Directorates); and
- (f) three directors nominated by the Directorates from among their serving members nominated by clubs.

The office of Honorary Secretary would disappear but there would be a Company Secretary who would not be a Director but would attend Board meetings and provide guidance on governance issues. The President would also not be a Director but would attend Board meetings. Assistant Directors would cease to be Board members but could be asked to sit in at Board meetings in the absence of their Director.

Art 33 – In line with recommended best practice, this would require one third of the Directors to retire each year by rotation and set a maximum of nine years' continuous service on the Board (after incorporation), after which the Director would have to stand down for at least three years.

Art 45 – This sets the Chairman's initial term of office at two years, with the possibility of a further term of one year.

### **Why will clubs no longer be able to nominate members for direct election to the board?**

The Board considers that the best preparation for a club member who wishes to serve on the Board is a period of experience on one of the Directorates (to which clubs will continue to be able to nominate members). In that way they will gain a much wider knowledge of the internal working of the Union before being nominated to the Board.

### **What would happen to the existing Rules?**

The intention is for the Articles to replace most, but not all, of what is currently covered by the General Rules. Some other parts of the General Rules - eg subscription levels, rules for the payment of subscriptions, procedures for application for membership, etc - will need to be retained. It is for consideration whether the Rules need to continue to prescribe the composition and responsibilities of the Directorates or the duties of the Officers. These would, in a company setting, be more usually matters for the Board, as they are with Cricket Ireland.

There would be no changes to Competition Rules or the current arrangements for amending them.

### **What happens next?**

Once any substantive matters raised by clubs have been addressed, the final draft will be sent to the Charity Commission for approval. Once approval has been received, the way will be open to convene an Extraordinary General Meeting to adopt the Articles and transfer the Union's existing functions and assets to the new company. This would enable the new company to be registered with Companies House. There would then follow the first Annual General Meeting of the company, which would elect the new Board and consider the reports on the past year and any proposed Rule changes in the normal way.