

Remote AGM and Election: Q&As

1. What is an AGM? Is a General Assembly any different?

World Sailing is a not for profit company and, instead of shareholders, has full members. The full members of World Sailing are the Member National Authorities. The full members meet to make decisions at general meetings and this is normally at the Annual General Meeting held at the end of the Annual Conference.

A “General Assembly” is the AGM held in every 4th year at which time the elections are also held. So this year’s meeting is both an AGM and a General Assembly.

Along with full members, World Sailing Classes are permitted to attend and speak (but not vote) at a General Assembly.

2. Where/when is the General Assembly and Annual Conference intended to be held this year?

By decision of the 2018 AGM, the Annual Conference was awarded to Abu Dhabi, UAE. The intended date for the General Assembly is 1 November 2020.

3. Will the General Assembly and Annual Conference proceed this year?

The Board of World Sailing continues to closely monitor the international travel situation in close co-operation with the Abu Dhabi Sports Council. We are aware that many MNAs and Classes will have understandable concerns about the arrangements for the meeting.

The current intention of the Board is to continue to monitor the situation and to make any necessary decisions no later than 1 August 2020.

4. What business will be undertaken at the General Assembly?

The business of the General Assembly is the almost the same as for an ordinary AGM: to receive a report from the President, to receive the annual accounts and a financial report, to appoint the auditors, review any new Members, and to review any changes to the Regulations made by Council.

In addition, the General Assembly will elect the President and seven Vice-Presidents of World Sailing for the next 4-year term.

5. Do we need to have a General Assembly?

Yes. Both the World Sailing Constitution and Isle of Man law requires the company to hold an Annual General Meeting in each calendar year (in this case, the General Assembly).

6. Can the General Assembly be held remotely/electronically?

In principle yes, but only if expressly allowed by the World Sailing Constitution.

At present, the Constitution does not allow for this option.

7. What happens if the General Assembly is not held this year for whatever reason?

The company will be in breach of the Isle of Man Companies Acts and the directors of the company will be in breach of their legal duties to call and hold an Annual General Meeting as required.

As the term of office of the President and Vice Presidents does not end until the General Assembly is held, they will continue in office until one is held. The company cannot have no directors.

8. Why not hold the General Assembly somewhere else or at a different time?

Realistically, the international travel situation will not be different if the meeting is held in another location. Not only must delegates from all countries be able to obtain a visa, enter the host country and stay there safely, but they must also be able to leave and return to their own countries without significant problems.

Legally the meeting must be held no later than 31 December 2020. The Board does not believe that delaying the meeting between 1 November and this deadline will mean there is a different travel situation that can be taken advantage of.

9. What alternatives are there?

There are two alternatives: amend the Constitution to allow for the General Assembly to be held remotely or seek a court order authorising this.

10. How can the Constitution be amended?

Ordinarily, the Constitution is amended at an Annual or Extraordinary General Meeting (EGM) by way of special resolution. However, it is not possible to convene an EGM to make a change for the same reasons that affect the AGM itself.

Under Article 102 of the World Sailing Constitution, it is possible to circulate a written resolution to all MNAs and seek their approval in writing to amend the Constitution. If approved, this will then amend the Constitution.

11. What would the amendment say?

The draft resolution is published on the World Sailing website and the Board is willing to consider feedback on this.

12. The draft resolution is not a permanent change to the meeting procedures. Isn't it better to make all AGMs in the future remote?

The Board knows some MNAs have expressed the view that remote AGMs should be permanent. It was an important part of the Board's Governance Proposal to allow remote attendance and the Board still supports that.

However, it is not appropriate in this exceptional process to make this a permanent position. This is a temporary procedure designed for the current international crisis. If remote AGMs are to be permanent, then that decision must be made by World Sailing under our normal procedures in order that all the consequences can be fully considered.

13. The draft resolution provides for two scenarios – either an in-person meeting or an all-remote meeting. Has a mixed option been considered with some attending in-person and some not?

This has been carefully discussed, but the Board does not favour this. World Sailing has always operated on the basis that delegates must attend in person to debate and vote at meetings. There is a cost to MNAs in doing so, but that is the position that the MNAs have set down and agreed to in the Constitution and the Board must respect that.

This is an unprecedented situation and so the Board is proposing this temporary and unique exception to allow the option of all MNAs not attending in person and instead attending and voting remotely. There must be the same rule for all participants.

As noted above, the Board believes in the longer term that remote attendance should be considered, but this means MNAs agree to a permanent change to the Constitution.

14. How many MNAs would need to agree to the resolution?

As set out in Article 102, 75% of the MNAs who vote must agree to the resolution i.e. 75% of those in favour based on the total of those who vote in favour and against. Abstentions and invalid votes do count.

It is not 75% of the total number of MNAs.

15. Can any MNA vote?

No, if an MNA is suspended or has not paid their annual subscriptions, they are ineligible to vote under Article 12.

16. How long will the vote be open for?

The Board intends to open the vote on Thursday 28 May and close it on Thursday 18 June (a period of 3 weeks).

The state of voting at the close of the vote will determine the result.

17. Why such a relatively quick period of time?

World Sailing does not have the luxury of time. If, for whatever reason, the MNAs do not change the Constitution, World Sailing is still obliged by law to hold an AGM. The Board may then need to seek a court order if the AGM is to be held remotely. This process will take 3-4 months in the best case scenario and will incur additional legal costs.

18. How will MNAs vote?

The Executive Office would circulate a resolution and voting paper to each MNA via its official email address registered with us. The vote must be signed by a senior officer of the MNA and emailed back to the Executive Office. The Executive Office will email the official email address to confirm the vote received within 48 hours.

The process will be very similar as to how submissions are made.

19. Will the vote result be open or secret?

Open – the Executive Office will publish the names of each MNA and how they voted with the results when announced.

20. Can a vote be changed once sent?

No. Once sent to the Executive Office, a vote is final.

21. Who will oversee the voting process?

The President will ask the Chairmen of the Constitution Committee and Audit Committee to oversee the counting of the votes by the Executive Office.

22. Why not seek a court order now?

The Board believes the MNAs should decide this matter in the first instance. From the feedback to date, the Board believes that MNAs are supportive of this option and it is preferable to seek agreement within World Sailing rather than ask the court to intervene.

23. What could a court order do?

As part of its supervisory jurisdiction over companies, the Isle of Man court has the power to authorise alternative arrangements for company meetings as a last resort. This can be used to approve different procedures for the meeting (such as location, time, quorum, notice period, procedure to be adopted etc.).

The court does not interfere with the substantial rights of the MNAs i.e. the right to attend a meeting, or the right to vote.

24. How much would a court order cost?

It is likely a court order would cost several thousands of pounds in legal costs and court fees. The Board would strongly prefer not to have to spend this money.

25. If the amendment is approved, and the Board decide to hold the AGM remotely, when will the procedures for the AGM and the elections be known?

If the AGM and elections are to be held remotely, the intention is the Board and Election Committee will communicate details of the procedures by 1 August.

26. Will the amendment change the election process?

The elections must still be undertaken this year. The amendment allows the Election Committee to proceed with the elections using an electronic process determined by them using an independent third party.

27. When will voting in the elections occur?

The period of voting would be decided by the Election Committee, but would open for a period of time before the General Assembly. The vote would not be held during the General Assembly itself.

The results would be announced during the General Assembly as normal.

28. Can voting be undertaken securely and by secret ballot?

Yes. The Board considers there are a number of options to allow for this and it is appropriate for the Election Committee to decide how it wishes to conduct the election. The use of an independent third party – such as auditors – can allow for the ballot to remain secret.

29. Does this change the dates for submitting nominations for election?

No. This would remain as per the Constitution. If the General Assembly is held on 1 November 2020, the deadline for nominations is 6 September 2020.

The Election Committee will write to all MNAs closer to the time.

30. Does this change the procedures and dates for the election of Council?

No. This would remain as per the Constitution. The election of Council will commence on 2 September 2020 and close on 2 October 2020.

The Executive Office will write to all MNAs closer to the time.

31. Does this change the procedures and dates for nominating Committee members?

No. This would remain as per the Regulations and nominations must be made by 1 August 2020.

The Executive Office will write to all nominating bodies closer to the time.

32. How has the Board decided on these matters? Is there not a conflict of interests if some of the Board are standing for election?

The Board has been very aware of the potential for conflict of interest. Equally, the Board are the directors of the company and have the legal responsibility to deal with these matters. The directors cannot delegate their legal responsibilities to others.

The Board asked the Constitution Committee for its advice and that advice has been published on the World Sailing website.

Following this advice, the Board appointed a committee of the Board to advise it on what course of action to take. This committee was chaired by a Board member who has declared they are not seeking re-election (Gary Jobson) and consisted of two members of the Constitution Committee and two members of the Election Committee. Those members were appointed by the Chairmen of those committees, not by the Board. One member of the Election Committee is entirely independent from World Sailing and the other Election Committee member is its Chairman (who is also the Chairman of the Audit Committee).

The report of the committee has been published on the World Sailing website. The Board has accepted all their recommendations in full without amendment.