

Clubs and associations: tips for effective meeting/vote management

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As the debate on corporate governance continues to gain pace, there is increasing pressure on clubs and associations. Nowhere is this more evident than in the management of elections. This article explores a number of issues facing clubs and/or associations (organisations) and canvasses some possible approaches.

It goes without saying that clubs must ensure meetings or ballots conform not only to their own constitution, but also to the various Acts (for example, the *Corporations Act*) and on these particulars, organisations need to source their own legal advice. However, there are a number of practical requirements that should be considered, most of which can be easily supported by professional meeting managers.

The rise of member activism

The voting participation rates for listed companies vary greatly but anecdotal evidence suggests that an average of 10-20 per cent of shareholders vote. However, our experience shows that in organisation meetings it is not unusual to see participation rates in the 40-50 per cent range, or sometimes even higher. We are also seeing a trend where more members are nominating for board positions where, increasingly, demand exceeds supply.

A number of recent examples provide cases in point. In December 2003 Melbourne Football Club had nine nominations for three positions; likewise the Richmond Football Club in January 2004. Another high profile meeting involved the Carlton Football Club, whose financial members first tabled a motion of 'no confidence' in the then board of directors in October 2002. At a subsequent meeting in November 2002, nine Carlton directors were removed and ten directors were elected. The battles are fought just as passionately in other States: in December 2003, Adelaide's popular Norwood Football Club had five nominations for three positions.

Against this trend of heightened activism, the following are some important practical considerations.

Practical considerations

Planning

There are a number of simple issues that can be identified early in planning to ensure the smooth and efficient running of a meeting or ballot. These include:

- determination of dates, times and/or venue
- drafting and design of notice of meeting, proxy form and or ballot paper
- appointment of a returning officer. Computershare offers an independent service to conduct the management of an event of this type, with a specialist team to ensure that all needs and requirements are met
- appointment of a scrutineer (usually the auditor of the club or association)
- access to legal counsel for guidance on anything that requires legal advice
- preparation of the chairman's script
- strategies to deal with the difficulties that often arise in adjourning a meeting.

Defining meeting type

Organisations need to identify the precise type of meeting that will be held and guidance for this will generally be contained in the organisation's constitution. For instance, some constitutions call for secret ballots, with the announcement of the results at the meeting while others offer voting by proxy, post or at the meeting.

Confidentiality and secrecy

To minimise risk, management of the count of any vote needs to be totally confidential and secure. From the outset, organisations must clearly establish who obtains access to the progressive and final vote count. This is important to avoid information being compromised.

Form design

To help ensure members get every opportunity to

take part in an election, it is imperative that organisations pay particular attention to the planning and design of voting documentation. Our experience has shown that inadequately designed forms can create additional costs. For example, an unclear form can lead to an increase in telephone queries from members and possible additional mailings. Confusion can lead to forms being completed incorrectly, which in turn means that organisations may need to produce clarification letters, all of which costs the organisation in time and funds. This last concern is particularly important when a certain percentage of members must vote in order for a motion to be passed.

Delivery of documentation

To comply with the requirements of an organisation's constitution and relevant Acts, the mailing of documentation must be carefully planned and scheduled. Not only will this ensure all delivery dates are met, but with good planning, there are other benefits, such as postage savings. Clubs should allow themselves enough time to plan for the mailings and think carefully about their contents.

Duplicate proxy forms

It is becoming more common in election-based meetings for duplicate proxy forms to be mailed to members. However, we recommend that any party that mails an additional proxy form be placed in contact with the returning officer as early as possible to allow discussion.

Importantly, proxies may be lodged up until the cut-off time. The last-dated proxy overrides anything previously lodged. The party lodging the duplicate proxies should liaise with the vote manager to ensure that processing can occur in the requisite time.

Voting entitlements of members

It is vital that the organisation's register (or list) of members is fully up-to-date and clearly identifies those who are entitled to vote to ensure they receive all documentation within the notice period as defined by the organisation's constitution or relevant Acts and, crucially, to help reduce the risk of challenges after the event.

Role of returning officer

The returning officer is responsible for obtaining results for a meeting or ballot. Wherever possible this person should be able to assist and advise on best practice based on experience. Use of an external, independent returning officer will limit, if not remove the chance for external parties to cast doubt on the impartiality of the vote, which is an extremely important consideration for organisations, especially those in the public eye.

Timing of meeting and venue selection

To ensure an organisation is complying with its constitution or various Acts, most choose to hold their meetings in the evenings so as many members as possible can attend. In our view this certainly has merit.

It is also our experience that when selecting a venue, the following attributes are highly recommended:

- access to public transport
- car parking facilities
- auditorium style seating
- high capacity venue
- lifts and/or access points and facilities for the disabled
- readily accessible toilets
- appropriate registration area to allow for the smooth flow of members
- ISDN line access
- clear signage, ie, 'Please turn off your mobile phone'
- audio visual support
- venue security.

Value of professionals

With so many logistical and procedural considerations and the often accompanying media pressure that follows, the stakes for clubs and associations are high. To reduce the risk of the result being challenged — and having to go through the whole process again — more and more member-based organisations are appointing independent and knowledgeable parties to conduct the processes of a meeting or ballot. Professional meeting managers such as Computershare have the necessary experience, software and materials to conduct such events.



Computershare Investor Services has a wide range of experience in meetings ranging from general meetings of all types, creditor meetings, member meetings, scheme meetings, secret ballots and enterprise agreement voting, as well as providing independent returning officer services. Please contact our specialist meetings team on 1300 132 333 for more information on our 'Quorum' meeting services range. ●