

BRIEFING ON COVID-19 ALTERNATIVE MEETING ARRANGEMENTS FOR CO-OPS

**Presentation by Associate Prof Victor Yeo
RCS Webinar
29 May 2020, 3pm**

Abbreviations and Terminology for the Briefing

- Co-operative Societies Act (“COSA”)
- COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Charities, Co-operative Societies and Mutual Benefit Organisations) Order 2020 (“**AAM Order**” / “**Order**”)
 - Primarily : Second Schedule, “**Items 1 to 8**”.
- COVID-19 Alternative Meeting Arrangements for Co-ops - Guidelines (6 May 2020) (“**Guideline(s)**”) – issued by RCS
 - **Guidelines 1 to 38**

Briefing Agenda

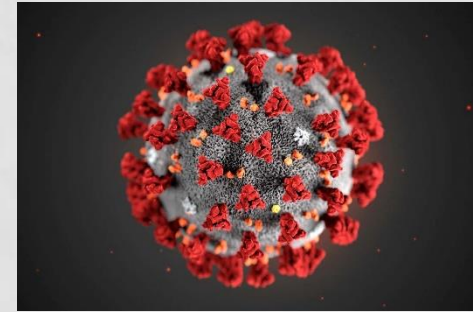
- Rationale for the AAM Order
- General Process for Meetings - Recap
- General Process for Meetings under the AAM Order
(Second Schedule Items)
 1. Meetings: E-meetings permitted (Item 1)
 2. Notice (Item 8)
 3. Laying / Production of documents before members at meeting (Item 7)
 4. Attendance / Quorum (Items 2 & 5)
 5. Right to be heard / speak / raise issues (Items 3 & 4)
 6. Voting (Item 6)

Rationale for the AAM Order

Usual “physical”
meetings



Covid-19 Control
Measures



AAM Order provides for ‘alternative’ arrangements for conducting meetings (i.e. **E-meetings**):

- Compliance with alternative arrangements = compliance with law / by-laws (Guideline 5)
- **Permissive – not mandatory.** But co-ops encouraged to use alternative arrangements (Guideline 6)
- From 27th March to 30th September 2020 (Guideline 4)

Rationale for the AAM Order - Preliminary note: Co-ops may defer AGM up to 30 September 2020

- AGM - Called for by committee of management
 - **'as soon as practicable'** but no later than 6 months after end of financial year' (s53)
-

AAM Order / Guidelines 37 & 38:

Co-operative societies whose annual general meetings are due to be held during the period starting on 27 March 2020 and ending on 30 September 2020, may, if necessary, defer their meetings.

However, deferral under the Order is permitted only to a date no later than 30 September 2020

Rationale for the AAM Order - Preliminary note: to deal with “meetings” NOT “filings”

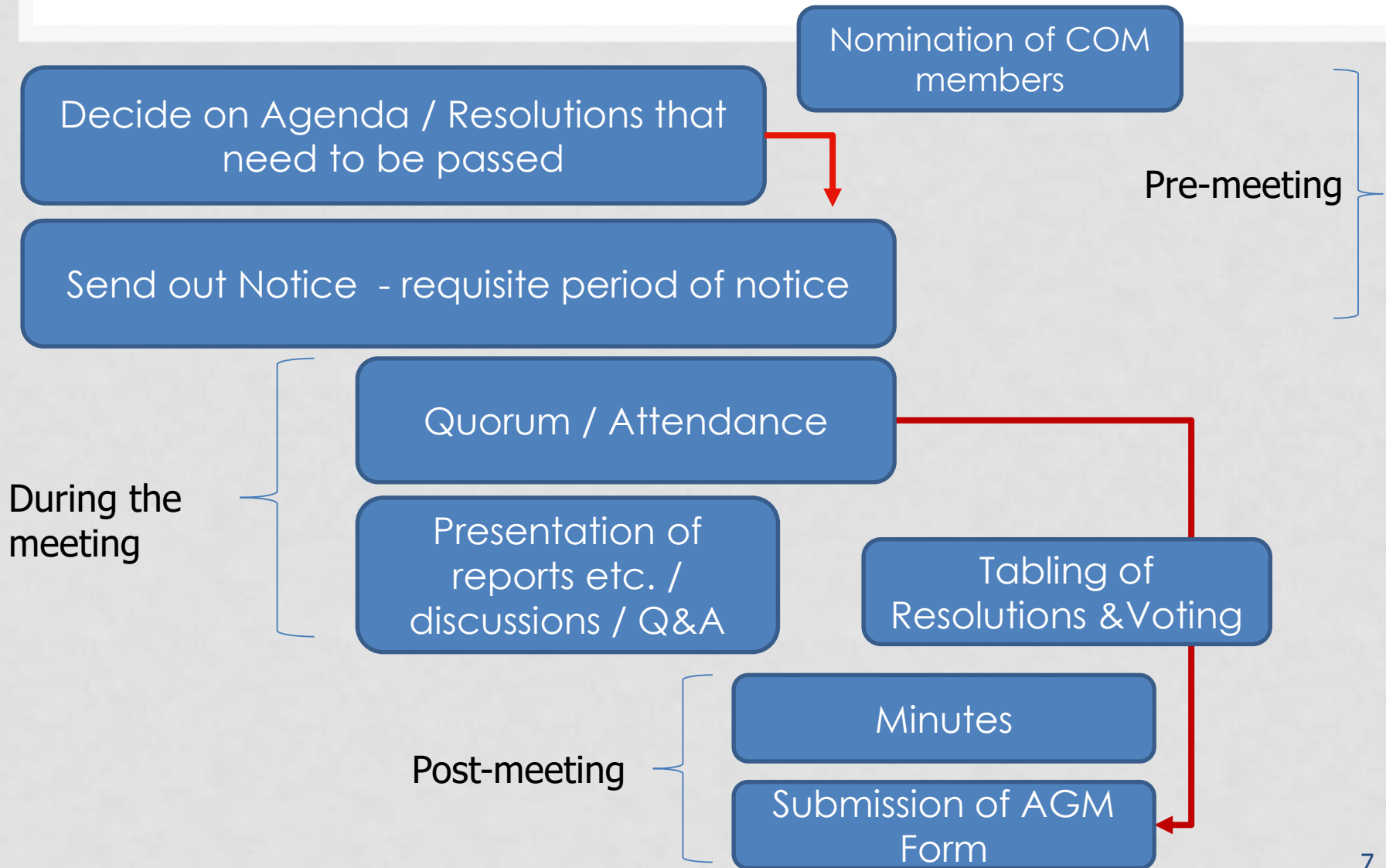


Section 34 COSA - Co-ops must, as soon as practicable, but no later than 6 months after close of FY:

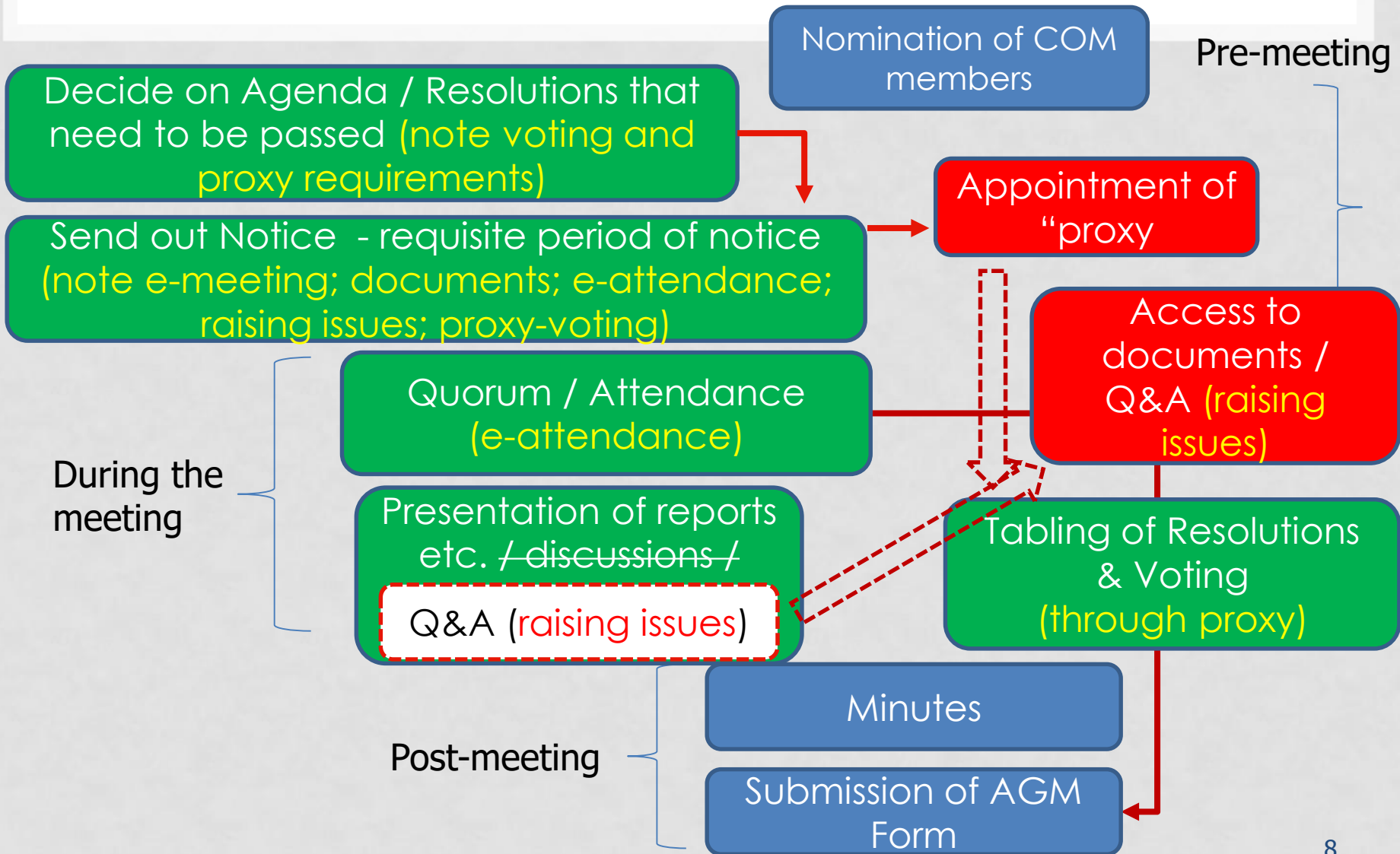
- Prepare and submit financial statements to auditor for audit;
- Submit annual report together with the audited financial statements and audit report to the Registry.

Co-ops must still comply with this requirement even if they decide to defer their AGM (except with Registrar's Approval)

General Process / Procedures for Meetings



General Process / Procedures for Meetings Under AAM Order



General Process / Procedures for Meetings Under AAM Order – Schedule 2 items 1 - 8

1. Meetings: E-meetings permitted (item 1)
2. Notice (item 8)
3. Laying of documents before members (Presentation of reports; minutes of last AGM etc.) (item 7)
4. Attendance / Quorum (items 2 & 5)
5. Right to be heard / speak / raise issues (Q&A) (items 3 & 4)
6. Voting (item 6)

1. E-meetings: Planning for the meeting

- “Wholly or partly by electronic means” - (item 1)
 - Good governance to arrange to allow as many members to attend as possible – hence provision for e-meetings made - note spirit behind Covid-19 control measures.
- **Order Item / Guidelines**
 - Members to have access to **both audio and audio-visual broadcast; (item 2; guideline 22)**
 - Details of arrangements for e-meeting to be provided in Notice of meeting (how to access / register / vote etc..) (**item 8; guideline 23**) (see Notice – Contents)
 - Electronic means = defined in **Order 2 / guideline 24**
 - No extra charge to members (**guideline 21**);
 - Either subscribe for service or use a combination of tools of platforms to achieve the virtual meeting in accordance with AAM Order and guidelines (**guideline 25 & 26**)

1. E-meetings: Planning the Agenda / Resolutions (AGM)

- AGM – Key matters to be dealt with (s54)
 - consider and approve minutes of previous AGM
 - consider reports (annual report / auditor's report)
 - approve financial statements
 - consider and resolve how net surplus is to be distributed (including honoraria)
 - (consider and approve by-laws amendments)
 - elect / (remove) COM members / directors
 - appoint auditors
 - consider and determine limits on 'borrowings'
 - Other matters of which due notice has been given to members

Nomination of COM members – prior to preparation of notice of meeting

2. Notice of Meetings – period and manner of giving notice

- Notice period – check by-laws. Generally, 15 clear days for AGM (No change under AAM Order)
- Manner of giving notice
 - Check by-laws: Usually – by post
 - Under AAM Order (Second Schedule item 8;) – **may be by electronic mail** (see also Guideline 7)
 - Note – practical issues relating to ensuring that email addresses actually belong to members or members have consented to notices etc. to be sent to the email address provided – the general principle is to make sure members are properly notified of the meeting.

2. Notice of Meetings - Contents

- Contents of notice – see earlier slide on key matters for AGM for “Agenda items”;
-

- **AAM - Second Schedule item 8 / Guideline 8:**

- Date and time;
- Resolutions proposed;
- How to access relevant documents (e.g. annual report / accounts)

2. Notice of Meetings – Contents under AAM Order (continued)

- **AAM - Second Schedule item 8 / Guideline 8 (continued):**
 - **How to attend the meeting** including **“links”**; any need **for pre-registration**; how and when to pre-register (e.g. by email / post 72 hours before meeting)
 - **How to raise matters to be addressed** (via sending to chairman of meeting the substantial and relevant matters that member wishes to raise)
 - **How to cast vote** (including how to appoint chairman as proxy; how to complete proxy form; when to submit proxy forms) – see Guidelines 15 – 20.
- Refer to Sample Notice for Guidance

Template for AGM Notice

[Sample Notice of Annual General Meeting Template]

[Name of co-op]

[Date]

Notice of the Annual General Meeting of [name of co-op]

Dear member or delegate,

Notice is hereby given that the Annual General Meeting of the members or delegates of [name of co-op] ('the Co-op') will be convened and held by way of electronic means **at [time] on [date]** to transact the following business:

No.	Proposed Resolutions
	<i>[Note: Refer to Proxy Form Template for sample resolutions.]</i>
1	
2	
3	
4	
5	
6	



3. Laying / Presenting documents to members for the purposes of the meeting (giving members access to documents)

- Documents required to be presented to members at AGM (e.g. annual report; audited accounts);
- **Second Schedule Item 7; Guideline 9;**
 - May be sent together with notice of meeting (physical / soft copy); or
 - Published online with online address stated in notice of meeting or posted on co-op's website.

4. Attendance / Quorum

- Attendance (usually, physical):
 - **Under AAO: Second schedule Item 2**
 - Observing / listening by electronic means;
 - **(Note: Access must be given to both audio and audio / visual broadcast: members can choose how to observe / listen).**
- Quorum – general requirements (s 56 COSA)
 - 20% or 30 of those qualified to vote whichever is less
 - Effect of failing to meet quorum: after 30 mins, meeting can proceed except that
 - by-laws cannot be amended; and
 - resolutions require approval of a majority of two-thirds of the members present

4. Attendance / Quorum – how to determine “attendance” for quorum and reporting

- **Second Schedule item 5 & Guidelines 27 - 29**
 - a) Personally present (*note Covid-19 measures in place at relevant time*);
 - b) Electronically present:
 - “Attends” e-meeting;
 - Verified by secretary or person appointed by COM as virtually attending the e-meeting; **and**
 - Acknowledged by Chairman of the meeting as present at meeting; (guideline 32) **or**
 - c) “Deemed” present:
 - Where member has appointed Chairman as proxy to attend, speak and vote at the meeting

4. Attendance / Quorum – verification and record keeping

- Guidelines - Virtual platform should:
 - have secure login by members - May include verification prior to admission into e-meeting (**guideline 30**)
 - Provide for participation list so that attendance can be counted (**guideline 31**)
- **Practical Note:** members who are “deemed present” by appointing the Chairman as their proxy (*see point (c) in earlier slide*) may overlap with those who are either (a) physically present or (b) electronically present => should not “double count” for purposes of quorum or reporting (AGM Form)

5. Right to be heard / speak / raise issues

- Members generally have a right to be heard / make representations at meetings
-

- **AAM Order Second Schedule Items 3 & 4**

- To allow members to present their concerns / queries – may provide that members may only be heard via the following process (i.e. no questions during e-meeting):
 - Member may send by post / email matters which member wishes to raise;
 - To be sent within reasonable time before the meeting (**guideline 10**);
 - Members to be informed of mode of submission (with reasonable cut-off time prior to meeting) (**guideline 11**)

5. Right to be heard / speak / raise issues & Co-op's response

- **AAM Order Second Schedule Items 3 & 4 (continued)**
 - **Substantial and relevant matters** (sent within a reasonable time before the meeting) to be responded to **at or before** meeting by electronic means.
 - Responses should be made promptly to facilitate voting (e.g prior to meeting on website / virtual information session prior to meeting) (**guidelines 13 & 14**)
 - Matters raised and responses should be recorded in the minutes of meeting (**guideline 33**)
 - Representations submitted by members may be read out at meeting by electronic means

6. Voting – General rules

- General rules governing Voting:
 - Present and voting - (COSA s 57)
 - Individual members: 1 person 1 vote: no proxy (COSA s 42)
 - Institutional members: look at by-laws
 - Chairman has no casting vote
 - Election of officers by secret ballot



6. Voting – AAM Order allows “proxy voting”

- Second Schedule item 6 & Guidelines 15-20:
 - Co-op may require voting through appointment of **Chairman of the meeting** as “**proxy**” to vote (*attend and speak*)
 - Deposit of “proxy appointment” form by post or email address stated in the notice of meeting (**guideline 18**)
 - **Member may not vote otherwise than through this method (if the co-op adopts this method of voting) (guideline 15)**
 - Note: This means that, even those who intend to be personally or electronically present must vote via “proxy” if this mechanism is used.

6. “Proxy” Voting – General procedure

- Proxy Forms – Guidelines 18 - 20
 - Sent together with Notice of meeting
 - Notice of meeting to specify how to submit proxy forms (guideline 19). May be by email or post (in place of physical delivery)
 - Should enable members to vote “for”, “against” or “abstain” on all resolutions to be voted on at meeting (**guideline 16**) (*blank proxies to be invalid – no “general proxy”*)

(see template that is provided by RCS)

Template for Proxy Form

[Sample Proxy Form Template]

Annex B: Proxy Form¹ for Annual General Meeting of [name of co-op] on [date]

*I / We, _____ [name of member or delegate] (*NRIC / FIN / UEN No. _____) of [address] being a member or delegate of [name of co-op] ('the Co-op') hereby appoint the chairman of the meeting as *my / our proxy to attend, speak and vote for *me / us and on *my / our behalf, at the Annual General Meeting of the Co-op, to be convened and held by way of electronic means at [online location] on [date] at [time] and at any adjournment thereof in the following manner:

** delete as appropriate*

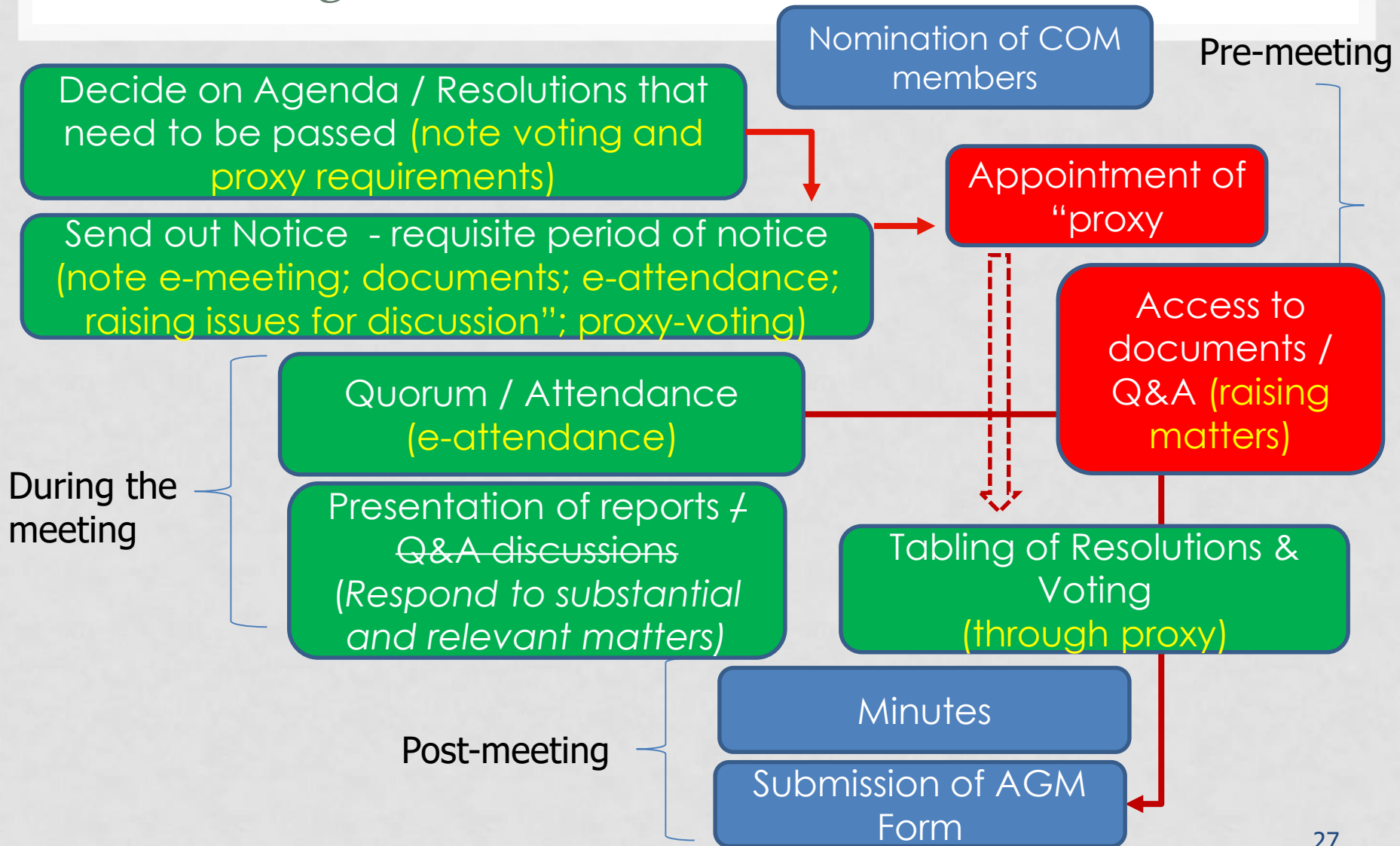
No.	Proposed Resolutions	For	Against	Abstain
<i>[Note: This list is based on the functions of AGM in Section 54 of the Co-operative Societies Act. Please amend the resolutions accordingly and ensure that they are sufficiently clear and detailed. Each resolution must only relate to 1 matter, so that members or delegates can vote effectively.]</i>				
1	To consider and confirm the minutes of the last annual general meeting and of any other intervening general meeting.			



6. “Proxy” Voting – General procedure

- Advised (as part of good governance practices) to appoint independent parties to direct and supervise count of votes (witnessed if possible) (**guideline 20**); tally those “for”, “against” or “abstain”
- Records of proxy forms to be maintained (guideline 20) (submission as well as retention)
- At the meeting, Chairman must cast vote as instructed.
- Practical issues / suggestions:
 - Submission deadline of between 48 / 72 hours – may start count then;
 - Postage paid envelope; pre-determined email address accessible by secretary / scrutineer;
 - Appointment of independent third party scrutineers to assist with compilation (possibly to receive proxy forms as well)

Recap / Summary: General Process / Procedures for Meetings Under AAM Order



Sample Planning Timeline for AGM

	Action Item	Timeline to AGM
	<p>Plan for E-meeting:</p> <ul style="list-style-type: none">• select vendor / choose platform etc;• decide on how members to be notified (by post / email and prepare accordingly);• plan for “AGM pack”; access to documents• decide on how members are to raise issues (by post / email / deadlines)• Etc. <p><i>(Note: Information required in Notice of meeting e.g. how to access documents; how to attend; how to raise issues; proxy form)</i></p>	<p>Approx. T- 30 to 45 days</p>

Sample Planning Timeline for AGM

	Action Item	Days to next Item	Timeline to AGM
1	<p>Nomination of COM members:</p> <ul style="list-style-type: none"> To send nomination forms to members to allow nomination of COM members To indicate final date for submission to Secretary 	14 days	T-43 days
2	Finalisation of COM Nominees	3 days	T-29 days
3	Finalisation / Printing of Notice of Meeting and “AGM Pack”	5 days	T-26 days

Sample Planning Timeline for AGM

	Action Item	Days to next Item	Timeline to AGM
4	<p>Send out Notice of Meeting by E-mail / Post</p> <ul style="list-style-type: none"> Includes making relevant AGM documents available to members either by sending with Notice of Meeting and / or Online with URL included in Notice of Meeting Include Proxy Voting Form; how to “attend” e-meeting (e.g. pre-registration instructions) <p><i>(See sample Notice of Meeting & Proxy Form Templates provided by RCS)</i></p>	21 days	T-21 days
5	<p>Receipt of matters that members wish to raise</p>	<i>(up to 3 days before AGM)</i>	<i>Up to T-3 days</i>

Sample Planning Timeline for AGM

	Action Item	Days to next Item	Timeline to AGM
6	<p>Compile and respond / prepare response to “substantial and relevant” matters that members have raised by posting response online and /or reading out at AGM; ppt presentation etc..)</p> <p><i>(Optional: Arrange for virtual information session prior to AGM)</i></p>	<p><i>(may post online as and when ready and / or respond during AGM)</i></p>	
7(a)	Last day to receive Proxy Forms	<p>3 days before AGM</p>	<p>T-3 days</p>
7(b)	Count number of votes for each resolution in preparation for “voting” at AGM		
8	AGM		<p>Date of AGM (T)</p>

Pros and Cons in Conducting Virtual AGM

Pros

- Co-op can proceed with AGM despite control measures
- Save on venue costs
- Members do not need to travel to AGM venue

Cons

- Members who are less IT savvy may not attend virtual AGM
- IT issues disrupting proceeding of AGM
- Cost for IT platform and/or engage vendor to organise virtual AGM
- Members are unable to raise questions during AGM

Committee of Management will have to consider whether to hold virtual AGM or postpone to no later than 30 Sep 2020; keep members informed

Support from Central Co-operative Fund (CCF)

- To assist with virtual AGM, co-ops can apply for CCF development grant for professional services and IT solutions

**Funding of
up to 80% of
actual expenses**



- Co-ops can contact CCF Secretariat (email: sncf@sncf.org.sg or Tel: 66020747) for more information on CCF grants

THANK YOU