



FAQs relating to the extraordinary general meeting of the English Table Tennis Association (trading as Table Tennis England) of January 25 2021

The English Table Tennis Association Ltd (trading as Table Tennis England - 'TTE') has asked Bates Wells to prepare this paper for members responding to some questions and issues arising in the context of its upcoming extraordinary general meeting (EGM).

1. Why has the January 2021 extraordinary general meeting been called?

1.1 The directors of TTE were legally obliged to call the EGM.

1.2 Under company law, the company law members of a company have certain rights. Note that the company law members of TTA are those members entitled to vote at general meetings of TTE and in this note when we refer to 'members' we mean the company law members. These include rights in relation to general meetings (formal meetings of the members of the company). Usually, general meetings are called by the directors of a company (often annually, known as a company's AGM or Annual General Meeting). However, it is also possible for a minimum number of members to themselves request that the directors call a general meeting. That minimum number is enough members who, together, hold at least 5% of the total voting rights in the company. There are certain requirements for a request by the members to call a general meeting to be valid. Requests may include the text of a resolution (a proposed decision) to be put forward to the members to vote upon at the meeting. There are restrictions in company law on the types of decision that members can request are put to the meeting. Resolutions cannot go against the law or a company's governing documents (usually its Articles of Association), cannot be defamatory of any person and cannot be submitted without a proper reason or simply to cause hurt or annoyance.

1.3 If enough valid requests are received to call a meeting then the directors of the company have to go ahead and organise the meeting, by law. They have to call the meeting within 21 days of enough valid requests being received and the meeting has to be held on a date not more than 28 days after notice of the meeting is given.

1.4 We understand that in December 2020 the directors of TTE received requests from enough members to trigger the requirement to hold a general meeting. The directors of TTE took advice to ensure they complied with the relevant company law requirements and accordingly called the upcoming January EGM and sent formal notice of that meeting out to the membership, as required.

2. Why can't TTE cancel the EGM?

2.1 We understand that many members of TTE may question the helpfulness or utility of the EGM at this time. Legally, the directors were obliged to call this meeting when they received sufficient requests from members. Once the notice is sent out, it is not possible to cancel a general meeting or change the date of the general meeting. It is also not possible to

change the contents of the notice which has already been sent out. The directors do not have the power to cancel the general meeting or to change or strike out resolutions that have been set out in the notice. The meeting has to be held and the members can then choose to vote for or against the resolutions proposed.

3. Why are the resolutions proposed as special resolutions

3.1 We understand that the requests from member holding at least 5% of the voting rights in the company, which triggered the calling of this EGM, included a request for three resolutions to be put to the meeting or referred to correspondence that set out these resolutions.

3.2 In accordance with their legal obligations, the directors included these resolutions in the notice of the meeting, to be decided at the meeting.

3.3 It is important to note that a vote of no confidence alone would be an ordinary resolution but has no legal effect in law, even if validly passed by the members of a company. However the resolutions proposed were a vote of no confidence coupled in each case with an instruction to the board to remove the individuals in question from various positions.

3.4 Under TTE's Articles, there is a specific procedure to be followed where the members want to direct the board to take or refrain from taking action. This is under Article 11. It provides that where the members want to exercise this right, they have to do so by special resolution. A special resolution is a type of member decision that requires at least 75% of votes held by members at the meeting to be cast in favour of it. Other types of member decision can be made by ordinary resolution which requires a lower percentage of votes to be cast in favour of the decision (a simple majority).

3.5 Because of the wording of the resolutions, which included directions to the board to take a specified action these had to be presented as special resolutions to be effective under Article 11.

4. Why can't the resolutions proposed at the EGM be amended?

There are limited circumstances in law (and under TTE's Articles) where resolutions as set out in the notice of the meeting can be amended. Special resolutions (the no confidence resolutions have been proposed as special resolutions for the reasons set out above) can only be amended if the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error, following a specific process set out at Article 46 of TTE's Articles. Other types of resolution can be amended a little more easily, at the general meeting with the consent of the members, if the amendment does not materially alter the scope of the resolution.

5. What about circulating a written statement from a member?

5.1 Note that members also have the right to require circulation of a written statement to the membership, ahead of the general meeting they request under company law. The statement can be no more than 1,000 words and can relate to a resolution proposed at the meeting or other business of the meeting. In order to trigger this right, the directors of TTE need to have received requests to circulate such a statement from members representing at least 5% of the total voting rights of all the members who have a right to vote at the general meeting.

5.2 The directors must have received sufficient valid requests to circulate a written statement before this right applies. It is not enough for just one or two members to request a statement be circulated (unless they together held 5% of the total voting rights in the company). This is strictly set out in company law.

5.3 It is our understanding that the directors have not received such a request from sufficient number of the members of TTE.

6. ***Why is the EGM and voting being run in the way proposed?***

6.1 Due to the ongoing COVID-19 pandemic, the government has introduced laws and regulations to help companies to conduct their business whilst ensuring they comply with social distancing laws and protect public health and the health of staff and members. These give the board quite a bit of flexibility to depart from usual general meeting procedures.

6.2 TTE organised the general meeting relying upon the flexibilities under these legal provisions, meaning that the meeting is to be held electronically and votes either cast by proxy or by voting by email during the meeting. These are valid voting methods under the current legal measures and were chosen by TTE to help ensure members could all participate even if they couldn't attend the meeting. The COVID-19 legislation does allow directors to choose other methods of voting, but given the complexity of TTE's weighted voting this was felt to be practical. Voting after the meeting has closed would not be possible, in particular due to the requirement in TTE's Articles that a poll vote (the type of voting that would be necessary to give effect to different voting rights and use of proxy voting) has to be taken immediately.

Bates Wells

13 January 2021