

PROPOSED NEW CONSTITUTION OF DRESSAGE IRELAND CLG

EXPLANATORY MEMORANDUM

1 Introduction

- 1.1 It is proposed that, at the annual general meeting of Dressage Ireland CLG (the “**Company**”) to be held on 8 November 2023, the members of the Company (the “**Members**”) will pass a special resolution to adopt a new Constitution of the Company in substitution for the existing Constitution of the Company (the “**New Constitution**”). A draft of the New Constitution has been circulated to all Members.
- 1.2 The existing Constitution of the Company was adopted in 2017. Given the passage of time, the board of directors of the Company (the “**Board**”) believed it to be in the interests of the Company to carry out a review of the existing Constitution and to propose certain updates and amendments to ensure that the Constitution of the Company is in line with best practice and fit for the current purposes of the Company.
- 1.3 The purpose of this Explanatory Memorandum is to provide the Members with some additional information and a high-level summary in relation to structure of, and some of the key changes proposed by, the New Constitution. This note is not an exhaustive summary of all provisions of the New Constitution.

2 Structure of the New Constitution

- 2.1 The Constitution of the Company comprises two separate documents, being (i) the Memorandum of Association (which sets out the objects and powers of the Company and (ii) the Articles of Association (which sets out certain rules in relation to the Company). The principal purposes of the New Constitution are:
- (A) to make a small number of updates to the Memorandum of Association of the Company to expressly state that the Company has certain additional powers which are not included in the existing Constitution; and
 - (B) to update the Articles of Association to incorporate certain “optional provisions” of the Companies Act 2014 (the “**2014 Act**”) which already, by default, apply to the Company but which are not expressly set out in the existing Constitution. All optional provisions of the 2014 Act will apply to the Company except to the extent that they are excluded or modified by the terms of the New Constitution. This means that the Articles of Association will be a more comprehensive rulebook of the Company and will dispense with the need to refer to both the Company’s Constitution and to the 2014 Act in relation to those optional provisions.
- 2.2 The New Constitution also incorporates certain updates and clarifications which are believed by the Board of Directors to be warranted, along with drafting changes which have been made in the interests of greater legal certainty.

3 Summary of Other Key Changes

3.1 Membership

The New Constitution provides additional clarity in relation to the categories of Members of the Company and the rights of each category, including with respect to the following:

- (A) Members: The New Constitution removes the arbitrary limit of 5,000 on the number of Members.

- (B) Voting rights: It is proposed that, going forward, both ordinary members and life members will be entitled to attend and vote at general meetings of the Company. The New Constitution also clarifies that junior members and honorary members are entitled to attend general meetings but are not entitled to vote.
- (C) Junior members: The New Constitution clarifies that junior members must have a parent/guardian who is an ordinary member and that junior members will not become eligible to become ordinary members until 1 January in the year following the year in which they reach the age of 18.
- (D) Termination of membership: The New Constitution provides additional certainty in relation to the termination of the membership of any Member who fails to pay his/her annual membership, the right of Members to resign and the right of the Board to terminate or suspend the membership of any Member in specified circumstances.

3.2 General Meetings

It is proposed that the quorum for general meetings of the Company will be increased to 45 Members who are entitled to attend and vote at general meetings. Attendance and voting by proxy will not be permitted.

3.3 Directors

The New Constitution makes certain updates in relation to the composition and proceedings of the Board including:

- (A) fixing the number of directors at a minimum of 4 and a maximum of 10;
- (B) prescribing certain eligibility criteria and a nomination process in respect of the appointment of directors;
- (C) prescribing a process in respect of the election of directors by ballot at general meetings;
- (D) clarifying the position in relation to appointment and removal and term of office of the Chairperson and Vice-Chairperson;
- (E) updating the provisions relating to retirement of directors by rotation; and
- (F) clarifying, for the avoidance of doubt, that directors are not prohibited by their status as directors from being a member of any high-performance committee, advisory council or other committee or counsel of Horse Sport Ireland or Sport Ireland.

3.4 Committees

The New Constitution contains certain provisions which clarify the status and scope of authority of Regional Committees, the Regional Representatives Committee and the Judges' Committee.

3.5 Service of Notices

The New Constitution contains a provision which, in the interests of costs savings, reducing administrative burden and sustainability, will permit notices to be served on Members by email going forward.