



## SMTC EGM JULY 30th 2020

### FREQUENTLY ASKED QUESTIONS

#### 1. How do I register to attend the Webinar?

Follow this [link](#) and complete the form. You should receive an auto-email in response confirming your registration and giving instructions on how to dial in to the Webinar just before it starts at 2 p.m. BST on Thursday 30th July.

#### 2. How can I vote on the proposed new Rules & Articles?

- a) **By email:** you should receive an email from Civica ([takepart@cesvotes.com](mailto:takepart@cesvotes.com)) on or around 19th July. This will contain your ballot paper and instructions. All the relevant documents which will be hosted on their website, as well as on the Members' Area of the SMTC website.
- b) **By post:** those Members for whom we do not have an email address will be sent their ballot papers plus hard copy of the relevant documents by post from Civica on 19th July. Members can either return their ballot papers in the post, or vote online. The President's covering letter and the Notice was sent to them on 26th July, well within the required notice period for the meeting.

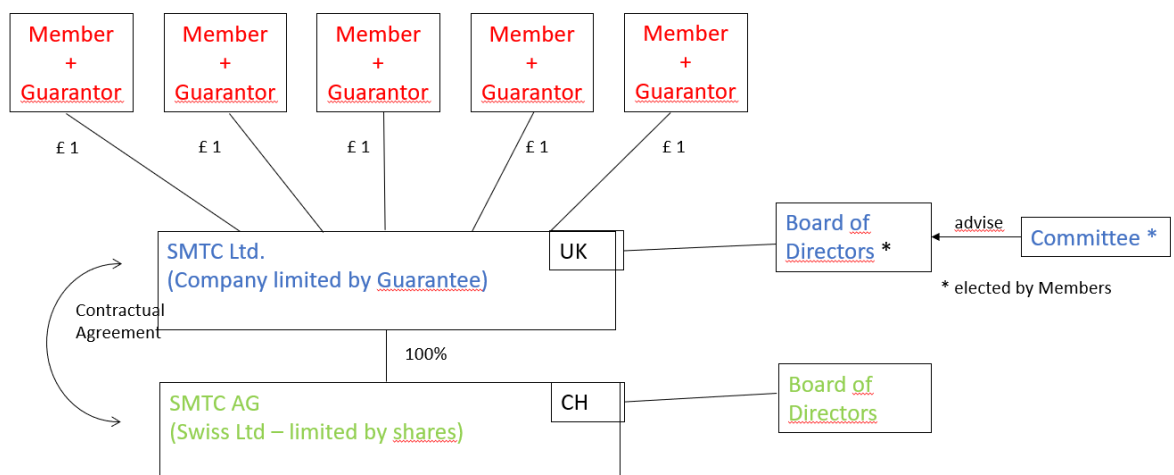
#### 3. I haven't received the email from Civica.

Please check your spam/junk folder, and have a look at email addresses you may not use very often. If you still don't appear to have received it, contact [Harriet](#). She will check your eligibility to vote, and ask Civica to re-send the information to you.

#### 4. Will it be possible to ask questions at the EGM Webinar?

Yes. There will be a 'chat' window where Members can type in their questions. The moderator of the meeting will pass these on to the Panellists to answer.

#### 5. Please explain what the new structure will look like.



**SMTC Ltd:** all assets will belong to the UK entity, current Members will need to pledge a guarantee of £1 and become guarantors of the SMTC Ltd (instead of unlimited liability up to now)

**SMTC AG:** Limited assets apart from operational cash, will operate the Run, members will contract with this entity for the use of the Run, entity bears all legal liability for operational matters, employs the staff, enters into agreement with Seiler, etc.

#### 6. Why is it necessary to change the structure of the Club?

The Club needs to formalise its operations in order to comply with statutory and legal obligations in both the UK and Switzerland. The new Rules replicate, as far as is possible, the existing Rules, while giving the Membership greater liability protection in law.

## **7. Why are we becoming a CLG?**

Limited by guarantee companies are most often formed by non-profit organisations such as sports clubs, workers' co-operatives and membership organisations, whose owners wish to have the benefit of limited financial liability.

A company limited by guarantee does not have any shares or shareholders (like the more common limited by shares structure) but is owned by guarantors who agree to pay a set amount of money towards company debts: in the case of the SMTC Ltd, £1.

Furthermore, there will generally be no profits distributed to the guarantors as they will instead be re-invested to help promote the non-profit objectives of the company.

### **Benefits**

- A company limited by guarantee is a distinct legal entity from its owners, and is responsible for its own debts.
- The personal finances of the company's guarantors are protected. They will only be responsible for paying company debts up to the amount of their guarantees.

### **Requirements**

- All companies limited by guarantee must be registered with Companies House, the Registrar of Companies in the UK.
- A company limited by guarantee must have at least one director and one guarantor. A sole individual may assume both positions, or there can be multiple directors and guarantors. Information about all directors and guarantors will be available on public record.
- All limited companies must provide details of a registered office address during the company formation process. This is the official company address that is displayed on public record. It must be a full postal address in the country where your company is registered.
- Information about People with Significant Control (PSCs) in the business should be provided. Normally, the directors and guarantors will be PSCs.
- All Members must agree to become a guarantor ( £1 liability ) and have their name placed on the Company Register; however, the Company's service address may be used as the postal address.

## **8. Does the Club have any historical obligations?**

The Club and its advisors have been working for some time with the relevant tax authorities in both Switzerland and the UK. Clearance has been provided in both jurisdictions.

## **9. Will the SMTC Ltd operate the Run?**

The Club will form and own a legally separate entity with limited liability in Switzerland, an AG. If the new structure is approved, SMTC Ltd will form the AG and it will operate the Cresta Run. SMTC Ltd will contract with the AG on an annual basis to send Members and guests to ride the Cresta Run. The AG will have its own distinct legal personality and be responsible for compliance with all statutory requirements in Switzerland. The Rules of Racing, Clubhouse etc. and all Notices currently within the SMTC will become part of the conditions of the AG. Most importantly, Members will see no difference in the way the Run operates.

## **10. Why British and not Swiss?**

Historically, the Swiss authorities have viewed assets owned by the Club in St.Moritz as being owned by a 'foreign entity' – British. It is beneficial to the Club to retain the status quo as far as its tax position is concerned. Any transfer of assets, other than from an existing unincorporated Club to an incorporated Club would be very expensive and unnecessary.

## **11. Why isn't 'Abstain' an option in the vote?**

This is to avoid the different understanding of an abstention in the UK and in other countries, including Switzerland. In the UK, an abstention is understood to be neither 'yes' nor 'no'. It is equivocal and therefore abstentions are not included the result of the vote. However, other countries count this as a 'no' vote. Keeping the vote to 'yes' or 'no' prevents potential argument about the result.

**12. I can't log into the Members' Area of the website.**

Email Harriet ([harriet.brabazon@cresta-run.com](mailto:harriet.brabazon@cresta-run.com)) – she needs to tweak your record on the database to give you access and send you the log in instructions.

**13. What currency and to which entity will we pay e.g. Membership and Ridings fees in future?**

We hope that we will be able to retain the SMTC bank accounts within the SMTC Ltd . Therefore we should still be able to offer an option. Membership fees will be paid to SMTC Ltd ( in either currency ).

Riding fees will go direct to AG – again, there should be a choice of currency.

The Member will not notice a difference in that bank details will be supplied.

**14. With whom will riders contract when riding the Run?**

Riders will contract with the AG.

**15. What details are available about the AG?**

The AG will be wholly owned by the SMTC Ltd.; however, there needs to be a legal agreement between the two bodies. We are not as yet able to share details of this work in progress. Members should rest assured, however, that the operation of the Cresta will not be changing as a result of this new structure. The Tower Team and anything operational will be within the Swiss Structure, although the Secretary will work for both entities. Membership and non-Run related affairs will sit in the new CLG.

**16. What impact will these rule changes have on ladies' riding times?**

There will be no change in the arrangements or commitments that have been set out by the Committee and the President of the SMTC.

The relevant notices will be transferred to the operating company, the AG.