



## THE FOREIGN CORRESPONDENTS' CLUB, HONG KONG

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2 May 2017

### Memorandum of Explanation

Dear Members,

We are sending you an updated Annual General Meeting Notice and an alternative Proxy Appointment form since an additional resolution has been added to the meeting. This special resolution concerns the position of widows and widowers of deceased former Club members. It is listed as resolution number 8 in the attached documents.

All members who *wish to vote* on this new special resolution should complete in full the attached voting form. They should mark *all* resolutions on the form where they wish to express a view. To be valid, this Proxy Appointment form must be signed and received by mail or handed in at the club office 48 hours before the AGM, i.e. by 6:00pm on Tuesday, 23 May 2017.

On receipt of this new Proxy Appointment form the club officers will remove from the count any earlier voting form that a member may have sent to the club. i.e votes will not be double counted.

Those members who *do not wish to vote* on the new resolution, but have already submitted a Proxy Appointment form should *do nothing*, and their vote will be processed in the normal way.

The Board is submitting this new resolution as it feels the issue is urgent. The resolution was approved by the Companies Registry after the initial notice of the May 25 AGM was sent to the membership.

The reason for the new special resolution is that it recently became clear that Honorary Memberships have been dispensed over many years to the surviving spouses of deceased members on a basis that was inconsistent with the Club's Articles of Association. As such, the Board decided that the practice of dispensing these memberships should be paused, until such time that the Articles explicitly provide for the practice.

Since the Board takes the proper treatment of widows and widowers seriously, it decided that the resolution should be expedited for voting at the Club's AGM on May 25. The new resolution will allow the FCC to continue to honor widows and widowers of members with use of the Club.

Yours

Eric Wishart  
Club President

## Question + Answer

This Q&A seeks to explain why Special Resolution #8 is necessary and how the new policy will work.

**Q1:** What is the problem with the way the FCC currently treats widows and widowers?

**A:** Over many years, the Club established a practice where the surviving spouse of all deceased members was offered honorary membership. When recently considering a review of this policy, it became clear to the Board that this policy had developed in contravention of the Club's Articles of Association. The Board reluctantly decided that that it must stop the practice until such time that the Articles were revised to explicitly allow for this practice.

**Q2:** How does this affect existing Honorary Members who were granted membership after their spouse passed?

**A:** There is no change to their membership status which will continue on a lifetime basis.

**Q3:** Why is this resolution being sent to the membership so late in the day?

**A:** The issue surrounding Honorary Memberships for a surviving spouse became apparent to the board in March. At the Board of Governors meeting on March 18, the proposed change to the Articles of Association included in Special Resolution 8 was approved. This proposed resolution was sent to the Companies Registry for approval as is required with all changes to the Club's Articles of Association. Approval from the Companies Registry was received on April 20, well after the original notice of the May 25 AGM was sent to members.

**Q4:** What will happen if the resolution 8 is not approved?

**A:** The practice of granting honorary membership to a surviving spouse will cease. The issue may be revisited at a future general meeting of the Club. Any change to the Club's Articles of Association requires 75% of votes in favor, and so the board strongly recommends members to support the motion.

**Q5:** Why is Honorary Membership for a surviving spouse being limited to three years?

**A:** The Board wants to provide a home for a member's surviving spouse during their grieving period. Hence, it was felt that membership should be granted with an exemption of fees for a three-year period. Thereafter, it was felt that a surviving spouse could be granted the option to join the Club without paying a one-off joining fee. They would, however, pay monthly fees thereafter in order to achieve a more equitable position with other Club members.

**Q6:** What about the surviving spouse of a Silver Member?

**A:** In this case, the surviving spouse will retain the privileges of an Honorary member on a lifetime basis, providing that they have been the member's designated spouse for a period of at least five years.