

Parkour UK – Summary of Changes to Mem & Arts for Tier 3 requirements

A brief summary of the changes made to the articles to ensure compliance with [Tier 3 of the Sports Governance Code](#) (**Code**).

The Code seeks to ensure a high standard of governance due to the nature of the investments being made at this level. There are five core principles which include mandatory requirements and suggestions, which we have taken into account and reviewed alongside our [current articles](#) (5 Nov 2014) and feature within the proposed [articles of association](#), there is also [a compassion between the proposed and current articles of association](#) .

The principles are broken down into the following: Structure, People, Communication, Standards and Conduct and Policies and Procedures. We have highlighted a few key areas of change; please let me know if you require any more detail.

1. Structure

The Code expects organisations to have a clear and appropriate governance structure, led by a board that is collectively responsible for the long term success of the organisation.

Provisions regarding the transitional arrangements in order to reduce the number of the board from 12 to 9. Under paragraph 1.13(B) of the Code, a director may serve for a maximum of two terms of four years, however there are some exceptions to the rule, which we have catered for in articles 20.1 (CEO is an ex officio board member) and 20.3 (one year extension in exceptional circumstances).

The board shall appoint one of its independent non-executive directors to be the 'Senior Independent Director' – we have inserted a new definition and provisions under article 25 to comply with this. The Code also requires the board to maintain an audit committee and a nomination committee, which are now both accommodated for under articles 7.5, 8.9 and 8.10.

2. People

There is a strong message that the Code is seeking to support changes regarding gender parity and ethnic diversity on boards, which sits alongside ensuring that there is an element of independence and the right individuals are appointed with the appropriate skills and experience in order to take effective decisions.

Please see article 19.2.4, which addresses section 2 of the Code in relation to this respect. Provisions to ensure that we are compliant and inserted an article empowering a member of the board to act as the 'Duty of Care' guardian, following the 'Duty of Care in Sport' report to the Government in April this year. This goes over and above the requirements set by the Code, however shows your commitment to duty of care in sport and that it will be a consideration for the board by having a member specifically appointed to review this.

As stipulated by the Code, no individual shall be appointed a director unless s/he provides a declaration of good character (article 16.12) and appointment of the independent directors and Chief Executive must be recruited through an open, publicly advertised recruitment process (articles 25.2 and 27.8).

3. Communication

Organisations should be transparent and accountable, engaging effectively with stakeholders and nurturing internal democracy. As an organisation we are already

transparent in the way we work, however we inserted article 22.7 which complies with section 3.2 of the Code with regard to publicising remuneration & expenses paid to any directors and to the Chief Executive. This will also feature in our annual accounts from 2016/17 onwards.

4. Standard and Conduct

Within this particular principle, the Code is concerned with development of the board, integrity and conflicts of interest. At articles 21.3 and 21.4, provisions have been inserted with deal with the requirements for the board to undertake an annual evaluation of its skills and performance, from an external perspective. The board must arrange for a qualified external organisation to review this every four years and the board must implement a plan to take forward actions resulting from such evaluation.

With regard to integrity, we satisfied this requirement through inserting provisions at article 16.10 to 16.12 dealing with the adoption of a [Code of Conduct for directors](#), which should be followed and reviewed.

5. Policies and Processes

The Code expects all organisations to comply with all applicable laws and regulations, undertake financial strategic planning and have appropriate controls and risk management procedures in place. As already mentioned, there is now a provision in place with regards to setting up an audit committee; of which one member must have relevant and recent financial experience.

In order to comply with the Code's requirements regarding financial policies, we inserted article 18.2 which highlights the fact that the board will adopt appropriate and proportionate finance policies and procedures (as previously adopted), which are to be updated at least once every two years and the board must actively plan and monitor the financial position and performance of the organisation against an annually approved budget and at least a four year financial forecast.