

Guide to general meetings of social business members

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Social Business Wales
Busnes Cymdeithasol Cymru



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Please note that this is guidance specifically for social businesses registered as private limited companies.



Annual General Meetings

A social businesses' Annual General Meeting (AGM) is a meeting of its members held after the businesses' financial year-end to vote on and make decisions on various matters, otherwise referred to as passing resolutions, which is to resolve / decide to something.

Private companies (as opposed to public limited companies) are not required by law to hold AGMs unless this requirement is stipulated in its Articles of Association. However, we do encourage organisations to hold AGMs as the good practice provides an opportunity to directly connect with your members, bring them up to speed on what the social business is doing and planning. You must hold your AGM within nine months of the businesses' financial year-end.

Matters to include at an AGM

It is generally the Board members that decide on the matters (agenda items) to include at AGM. However, members with at least 5% of the total voting rights can insist the business circulates a resolution to be voted on at the AGM.

A typical agenda will include the following items:

- receipt of the Chairperson's report
- receipt of the accounts
- appointment/re-appointment of Directors
- appointment/re-appointment of auditors.

The standard AGM items will be ordinary resolutions that only require more than 50% of those voting for them to be approved.

Please see [Example AGM agenda](#)

Voting at the AGM – Quorum

Voting at a general meeting will either be on show of hands or by poll as specified in the businesses' articles of association. The quorum needed for a general meeting of the members will also be stipulated in the articles of association. It is the Company Secretary's responsibility to ensure the necessary quorum of members is present. Should a meeting not be quorate, the articles of association will outline the process that should be followed for reconvening the meeting.

Extraordinary General Meetings

An Extraordinary General Meeting (EGM) is any general meeting of the members other than an AGM. EGMs are often used where member approval is needed before the next AGM to approve, for example:

- a change to the businesses' objects
- any other change to the businesses' articles of association
- a change to the businesses' name
- removal of a Director before the end of his/her term
- to dissolve the business.

To reduce the need for multiple general meetings, companies will try to include all the necessary resolutions needed for the year ahead at their AGMs.

Matters brought to an EGM typically need to be passed as “special resolutions” and need the approval of 75% of those voting for them. However, many businesses’ articles of association stipulate that certain changes to be passed require the unanimous approval of members (100% of those voting).

Please see [Example special resolution](#)

Notice of general meetings

For private businesses at least 14 days’ notice is required for any general meeting of the members unless the articles of association require a longer period. This can be reduced if 90% of the members consent to the short notice. The notice should include the following details:

- date and time of the meeting
- place of the meeting
- general nature of the business to be dealt with at the meeting

Please see [Example AGM notice](#)

Attendance at general meetings

All members can attend and vote at general meetings in person. Members unable to attend can appoint a proxy to attend the general meeting and vote for them. The proxy can either be instructed how to vote on each resolution, including to abstain, or allowed to vote as they want. To do this a proxy voting form needs to be completed. It is a legal requirement to offer a vote by proxy for all private companies.

A general meeting can be held electronically or a mixture of in person and electronically, provided that all attendees can hear and participate fully in the meeting.

Please see [Example proxy form](#)

Chairing of meetings

The Chairperson of general meetings will normally be any person appointed as Chairperson of the Board of the members and this is often set out in the articles of association. The Chairperson controls the meeting and decides if a resolution has or has not been passed or has been passed with the necessary majority. It should be noted that whilst a Chairperson may be entitled to a casting vote at Board meetings, it is legally not permitted at general meetings.

Records of general meetings and member decisions

Every company must keep records of all general meetings and the decisions of members. The records must be kept for at least ten years from the date of the resolution, meeting or decision (as appropriate).

Want to discuss your AGM or any EGMs further?

Contact sbwenquiries@wales.coop or your dedicated Business Advisor.

Further guidance

[Third sector support guide: effective Annual General Meetings](#)

Want to discuss topics in this guide further?

Contact sbwenquiries@wales.coop or your dedicated Business Advisor.

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