
I – Introduction

Too often meetings are stale, last too long, lack purpose and merely serve to give attendees a respite from their work rather than being beneficial in themselves.

This book is intended to counteract this by providing an operational framework to meeting governance, thus creating a foundation from which effective meetings can be held. Unfortunately, it is not able to deliver the perfect meeting or able to guide in best practice for making the content and output of meetings beneficial. This can only come from the company itself and the attendees, chair and those that support the meeting. However, delivery of effective, efficient and successful meetings relies on three key areas of focus, namely:

- 1 Good groundwork ahead of a meeting in setting an appropriate agenda, limiting discussion topics to fill the allotted meeting time, ensuring meeting invites and meeting packs are correct and distributed in good time.
- 2 Applying good practices in the meeting itself, keeping it on track in terms of agenda topics and timings, engaging all attendees and focussing on deliverables.
- 3 Following up with minutes, clear of deliverables, agreed individual actions and documented next steps.

Each of these three stages will be covered in the two main sections of this book on internal meetings and shareholder meetings.

■ Corporate governance

Convening, holding and documenting meetings effectively not only builds a robust corporate governance structure for a company, but it also acts as an audit trail for the future. Too many times decisions made at board meetings have incorrect minutes, or meetings are not held to ratify ad hoc decisions. Quorums at meetings can be challenged resulting in decisions being overturned and the professionalism of directors can be called into question through imperfect processes.

Ensuring clear guidelines for convening, minuting and following up on all meetings is imperative, as is ensuring that the articles of association are followed in respect of formal meetings and that the requirements of the Companies Act are observed. This book references the Companies Act 2006 and relevant updates. It should be noted that companies incorporated before 2006 may specifically reference the Companies Act 1985.

Throughout this book, examples will be included from model form Articles of Association for:

- private companies limited by shares;
- private companies limited by guarantee; and
- public companies.

The most recent published version, dated 28 April 2013, will be referenced. It should be noted that, when applying these principles to a specific company, the articles of that specific company should be referenced. While model form articles are used for the incorporation of most companies, these articles are fixed as at the date of incorporation. Subsequent updates to model articles will not apply to previously incorporated companies. By default, any company incorporated prior to 28 April 2013 will, if referencing the model articles, be referring to older versions, copies of which can be found on the UK government website (www.gov.uk/guidance/model-articles-of-association-for-limited-companies). This clearly evidences the importance of maintaining robust corporate records, including the articles of association, for future reference as well as their significance when planning to hold meetings.

For reference, Appendix 8 provides a simple guide to the differing sections of model articles for private companies limited by shares between those of the 1985 Table A provisions versus the 2006 model articles versus the 2013 model articles.

The application of these processes can be applied to all companies and can be used to support the governance framework for all forms of companies.

This book is split into sections covering (1) general meeting conventions; (2) meetings of directors; (3) general meetings; and (4) other meetings of a company. Throughout the book, reference to member, the standard legal term, can also be replaced with the term 'shareholder'.

■ Section 1: Introduction to company meetings

After the introduction to this section, Chapter 2 asks whether formal meetings are still required. It then introduces the legal requirements for a company to hold meetings, introducing the relevant requirements under the Companies Act 2006, the articles of association of a company, the UK Corporate Governance Code and other guidelines or frameworks that should be followed. It will also reflect on the prioritisation between each and the impact of subsequent amendments. This general introduction is applicable to all companies and, while UK specific, can be

easily replicated for other jurisdictions. Concluding this chapter is an introduction to the importance of the role of the company secretary, whether formally appointed or not, in underpinning the effective application of legal requirements for formal meetings.

Chapter 3 will introduce general concepts of practicalities in respect of meetings in general. As a first step it explains the various types of directors and the extent of their powers, as well as matters that are reserved for the board to action. Thereafter it reflects on operational versus strategic roles, delegation of the role of the executive and the powers that rest with shareholders. Finally, there is an in-depth review of minutes of meetings, their importance as a record of decisions, the format and content, as well as the requirements for their maintenance.

Chapter 4 starts by positioning the current legal framework for communications both to and from a company, explaining the legal framework within which this sits as well as the specifics that need to be adhered to. Given a proportion of internal board and committee meetings are now held virtually, making the most of technological advances, a checklist for holding virtual meetings is included as a reference for their use. Finally, this chapter concludes with considerations up to the end of 2019 on how annual general meetings could utilise technology in holding virtual meetings and the potential issues around voting. It also includes Covid-19 advice on holding shareholder meetings at a time when social distancing measures are in place, with a view to potentially using at least part of these new ways of working after these measures have been removed.

Chapter 5 provides a concluding commentary to Section 1.

■ Section 2: Meetings of directors

Chapter 6 introduces Section 2 which will focus on internal meetings of directors.

Chapter 7 will specifically cover why and when meetings of the directors should be held, board meeting approvals and delegating authority. The meetings of committees are introduced in more depth in Chapter 21. It also introduces the alternatives to holding a meeting. Written resolutions and their applications are considered in depth, as is the use of informal consent.

Chapter 8 introduces the formal requirements for convening a board meeting including who can call a meeting of directors and the notice requirements such as recipients, content, form and timeline. Setting the agenda is introduced as well as the role of the company secretary when convening a meeting.

Chapter 9 reflects on the actions undertaken at a meeting of the board of directors. Introducing the role of the chair, their role, and duties as well as their appointment. Thereafter, it moves on to quorums, voting and participation in directors' meetings, including the role of alternate directors. The requirements to disclose conflicts of interest is covered as well as the ability to adjourn directors' meetings. Standing orders and internal regulations are introduced as well as the

effectiveness of the board. To conclude, the role of the company secretary at any meeting of the board of directors is included, together with a useful checklist.

Chapter 10 follows through with actions to be taken after a meeting has been held, introducing best practice for the content of meeting minutes, as well as their role in providing evidence of the meeting and approvals. The formal approval and signature of meeting minutes is covered as well as requirements for the maintenance of minute books and their certification. Finally, the role of the company secretary in finalising minutes and noting actions to be taken after each meeting is included as a checklist.

Chapter 11 concludes the section with a reflection on the requirements related to meetings of the board of directors.

■ Section 3: General meetings

Chapter 12 introduces the section and contains an explanation of the difference between shareholders and members as well as the various types of resolutions that could be proposed. It also touches on the use of technology in general meetings. Finally, the conclusion provides a useful reminder of the purpose of general meetings in enabling the board to obtain approval for intended actions through voting on resolutions and the ability of members to challenge the board and hear further about the intentions of the company.

Chapter 13 introduces why and when a general meeting should be convened, firstly introducing the requirements under the Companies Act 2006 and the specific requirements of traded and quoted companies. Thereafter, it recognises that a general meeting is a meeting of members, noting the rights of indirect investors in listed companies, the requirements for written resolutions and unanimous consent. Note is made of when an annual general meeting should be held and the chapter provides further detail of these meetings in general. The ability for members to request inclusion of a specific resolution at the annual general meeting (AGM) is incorporated, including the process to be followed. Finally, the actual business to be covered in the AGM is introduced.

Chapter 14 reflects on the processes and procedures required when convening a general meeting, including its practical organisation, the chair's script and who has the right to attend. Given that meetings of members are an opportunity for disenchanted or activist investors to very publicly raise their personal concerns, whether valid or not, the security of the meeting is covered in detail, including a useful checklist. Notice requirements are noted, including who should receive notice and how, as well as which members are entitled to receive such notice. Special notices are explained as is the content of the notice to be sent, including the specific notice requirements of premium listed companies. Finally, a checklist is provided for company secretaries for convening a general meeting.

Chapter 15 walks through the formalities of the meeting itself, working through the appointment of the chair and their required actions, attendance

records, checking the quorum is in place and maintained throughout the meeting. It explains in depth what corporate representative and proxies are, the difference and who they represent when they attend a meeting. The right to attend the meeting and speak is introduced as well as the practicalities and legal standing of voting methodologies at the general meeting. Shareholder remedies in case of disorder are explained as well as the practicalities of adjournment and other procedural motions while at the meeting. Amendments are touched on as is the process for dealing with common items of business such as shareholder resolutions, voting methodologies, proxy voting and meeting quorums.

Chapter 16 introduces the various remedies available to shareholders after the meeting that could make the holding of the meeting or its content subject to challenge. Thereafter, it moves on to the practical actions that need to be taken, starting with the filing of resolutions and introducing the Public Register of members' dissent. Finally, minutes of general meetings are explained and the role of the company secretary after the meeting. As a final reminder, the resolutions that are required to be registered with Companies House are listed.

Chapter 17 provides a brief recap of the significance of general meetings as well as a reminder that these meetings are more than just the practicalities of the formal framework in which they sit; they are an opportunity for the board to showcase the company and its activities to its shareholders.

■ Section 4: Other company meetings

Chapter 18 reflects on other forms of formal meetings. It briefly refers to dormant companies and special purpose vehicles (SPVs) and their requirements to maintain compliance with the Act and their own articles. It also provides background and insight into meetings of bondholders, which, while following standard company law on the requirements for meetings, also embrace technology to identify bondholders. The Covid-19 pandemic has introduced new meeting methods which may subsequently affect how all companies host meetings. Finally, two other formal meetings are noted: pension scheme boards and employee ownership trust boards.

Chapter 19 sets out the specific requirements for meetings of classes of shareholders, initially explaining the different classes of shares that a company may have and the variation of the rights that may be attached to them. Thereafter, it introduces the special procedural requirements for a variation of class rights meetings and the procedure at these meetings, including notice requirements, the right to call a meeting and member's statements. For the meeting itself, it references the appointment of the chair, quorum requirements, resolutions (including written resolutions), voting, the appointment of proxies and corporate representatives and attendance. Requirements for recording proceedings by keeping minutes and records of class meetings is also incorporated, as well as a section on the classes of members in guarantee companies.

Chapter 20 provides specific insight into sole director and/or sole shareholder meetings. Firstly, it covers sole member meetings which, though it may seem ridiculous, is still a legal requirement, hence the chapter covers general meetings, confirmation of decisions, unanimous consent and written resolutions. It also touches on contracts with sole members who are also a director of a company. The latter part of the chapter focuses on sole director requirements including confirmation of the legal standing of a quorum of one, declaration of interests and minutes of meetings. While sole shareholder and/or sole director companies may see all decision making as part of general company procedures, especially where the two roles are fulfilled by the same individual, it is important to recognise the difference between the two roles and the legislative requirements sitting behind them that must be followed.

Chapter 21 provides specific information on the meetings of committees established by the board which, as a result of their implementation by the board, are meetings of the company. It initially confirms which committees are formal board committees noting their membership, powers and duties. Proceedings at committee meetings are noted including the appointment of a chair, quorum requirements, voting and the disclosure of interests by members. Alternate directors also apply to committees, as do written resolutions, so they are referenced. Thereafter the specifics of the three main committees – audit, remuneration and nomination – are discussed, noting specifically their roles and the requirement to include statements in the annual report of the company.

Chapter 22 provides a brief conclusion to Section 4, reflecting on which meeting principles also apply to other meetings of a company.

■ Conclusion

The conclusion to the book provides a brief reminder of the purpose of legislation but also an expectation that this book can help in providing a framework and reference source for those who work in some way within the governance of a company. It reminds us that there are two main company meetings: those of the directors of the company and those with shareholders. Having an effective and efficient framework for holding these two types of meeting can underpin and support a company, without detracting from the core business that is required to deliver success.