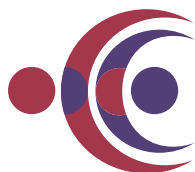


# Annual General Meetings



Oifig an Stiúrthóra um  
Fhorfheidhmiú Corparáideach

Office of the Director  
of Corporate Enforcement

## Quick Guide



## Plain English

Approved by NALA

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# Annual General Meetings

## A Quick Guide

### Contents

<b>About this guide.....</b>	<b>2</b>
<b>What is an AGM?.....</b>	<b>2</b>
<b>Who are members?.....</b>	<b>2</b>
<b>How does a person become a member?.....</b>	<b>2</b>
<b>How many members are companies obliged to have?.....</b>	<b>2</b>
<b>Can some companies choose not to hold an AGM?.....</b>	<b>3</b>
<b>What is the purpose of an AGM?.....</b>	<b>3</b>
<b>Who can call an AGM?.....</b>	<b>3</b>
<b>Where are AGMs held?.....</b>	<b>3</b>
<b>When do members find out about an AGM?.....</b>	<b>4</b>
<b>How do members receive notice?.....</b>	<b>4</b>
<b>What should I get with the notice?.....</b>	<b>4</b>
<b>How many members need to attend for an AGM to be valid?....</b>	<b>5</b>
<b>Who runs the AGM?.....</b>	<b>5</b>
<b>How are decisions taken at an AGM?.....</b>	<b>5</b>
<b>How is voting carried out?.....</b>	<b>6</b>
<b>What if a member cannot attend an AGM?.....</b>	<b>6</b>
<b>Who keeps a record of what happens at an AGM? .....</b>	<b>6</b>
<b>What if the directors do not call an AGM? .....</b>	<b>6</b>

## About this guide

We have produced this information booklet to explain why companies must – by law – hold an Annual General Meeting (AGM). The laws which cover AGMs are known as the Companies Acts.

This guide gives only a summary of the rules for AGMs. If you have a concern about the AGM of a particular company, you should get independent legal advice.

## What is an AGM?

An AGM is a meeting of members of a company at which the members can ask questions and get information about the company. A company must hold an AGM every calendar year. The length of time between one AGM and the next cannot be more than 15 months.

## Who are members?

The members of a private company limited by shares are its owners. The members of a public company limited by shares (PLC) are also its owners. For companies limited by shares, members are also known as shareholders. However, the members of a public company limited by guarantee such as a charity or voluntary company may not necessarily be its owners.

## How does a person become a member?

There are two ways:

- When a company is first set up, the people who set it up automatically become members of the company, even if their names are not entered in the register of members.
- Other people can choose to become members. The company's rules set out who can become a member and how to become a member. Their names are entered in the register of members.

## How many members are companies obliged to have?

A private company limited by shares can have a minimum of one member and a maximum of 99.

A public limited company (PLC) must have a minimum of seven members with no maximum limit.

The same rule applies for companies limited by guarantee.

A company owned by one person has one member and is known as a single member company.

### **Can some companies choose not to hold an AGM?**

A single member company can decide not to hold an AGM. The sole member must put this decision in writing and send it to the company. The accounting documents that a company would normally give to members at an AGM must instead be sent to the sole member within the time limits set out in the law.

### **What is the purpose of an AGM?**

The purpose of an AGM is to give members an opportunity each year to meet the directors, to ask questions and receive information about the company. The main business conducted at AGMs is:

- reviewing the company's financial statements;
- filling vacancies on the board of directors;
- appointing auditors; and
- declaring a dividend (a payment to members).

Other matters may also be discussed and voted on.


### **Who can call an AGM?**

The board of directors will normally call an AGM and will ask the secretary to send a written notice to members. The notice must follow the rules laid down in company law.

### **Where are AGMs held?**

Every AGM ordinarily must be held in the State, unless:

- all the members entitled to attend and vote agree in writing to hold the AGM elsewhere; or
- the members voted at the previous AGM to hold the next meeting outside the State; or
- the company changes its internal rules, to allow the AGM to be held outside the State. (A company's rules are also known as its 'articles of association'.)



The law does not say that the AGM must be held in any particular place in the State. The directors can decide where to hold the AGM or the company's rules may say where the AGM shall be held.

### **When do members find out about an AGM?**

Members of a company have the right to receive notice in writing of an AGM. The notice must state:

- the date, time and place of the meeting;
- the agenda (what will be discussed and voted on at the meeting); and
- that a member may appoint someone to attend and vote instead of the member (this person is known as a proxy, see below).

The company must send the notice at least 21 days before the AGM is held (not including the day the notice is sent or the day of the meeting). This period is called the 'notice period'. A company is only allowed to give shorter notice if the company auditors and all the members entitled to attend and vote at the meeting agree.

### **How do members receive notice?**

The company may:

- hand the written notice to a member in person;
- send the notice by post; or
- if the company's rules (or Articles of Association) allow, send the notice electronically.

If the company's rules do not allow the company to send notice electronically of an AGM, the members may change the rules. To change the rules, a proposal must be put before members to vote on at an AGM or Extraordinary General Meeting (EGM). Such changes require a 75% majority in order to be passed (see Special Resolutions below).

### **What should I get with the notice?**

The notice will normally include:

- the agenda (this is a list of all of the matters to be discussed and voted on at the AGM); and
- the financial statements for the year, including copies of the directors' and auditors' reports.

## How many members need to attend for an AGM to be valid?

The minimum number of members who must attend an AGM for it to be a valid meeting is called the quorum. The law says that the quorum for a public company is three members and the quorum for a private company (other than a single-member company) is two members. However, the company can set a higher quorum in its rules.

If there is not a quorum at the AGM, the members who are present cannot conduct any company business. If a quorum is not present half an hour after the scheduled start time, the chairperson must stop the meeting for a week. The directors may also decide to call another meeting for a different time and place. If a meeting is adjourned for thirty days or more, notice of the adjourned meeting must be given. Again, this must be 21 days' notice. Only the business left unfinished at the adjourned AGM can be transacted at the adjourned meeting.

## Who runs the AGM?

The chairperson makes sure the meeting runs smoothly. The rules for appointing a chairperson are normally set out in the company's rules. Usually, the chairperson is one of the directors, but it does not have to be a director.

## How are decisions taken at an AGM?

The members vote and decide on the items listed on the agenda. The decisions taken by vote are called resolutions.

There are two types of resolutions: ordinary and special resolutions.

- An ordinary resolution needs a simple majority of the votes cast at a meeting to pass. Most of the standard business conducted at AGMs is carried out by way of ordinary resolutions.
- A special resolution needs the approval of at least 75% (three-quarters) of the members entitled to vote at the meeting. Special resolutions are used for important decisions such as making changes to the company's rules or deciding to wind up the company.

## How is voting carried out?

Voting at an AGM is either by a show of hands or a poll (a count of votes). Normally, members raise their hands to vote and the general rule is 'one member, one vote'. A member can also ask for a poll. The rule for a poll is one vote for each share held. This means that the more shares a member has, the more votes that member has.

To vote at an AGM, a member's name must be entered in the register of members. This is a document kept by the company which lists all of the members of the company who have the right to vote at the AGM. Every member is entitled to see the register of members.

## What if a member cannot attend an AGM?

The member can ask someone else to attend, speak and vote in place of the member. This person is called a proxy and has the same rights as the member to speak and vote at the meeting.

## Who keeps a record of what happens at an AGM?

Records of company meetings are called minutes. Every company must keep a minute book to record what happens at its general meetings. The company nominates the person who will keep the minutes.

Members have the right to inspect and get copies of the minutes of general meetings and resolutions. The official minutes of a meeting are those approved either by the chairperson or by the members at the beginning of the next AGM. There can be only one set of official minutes, which are a formal record of decisions taken at the AGM.

## What if the directors do not call an AGM?

If the board of directors does not call an AGM, any member of the company may ask the Director of Corporate Enforcement to call, or order the calling of, an AGM. To do this, the member must fill out a formal complaint form and send it to ODCE. You can download this complaint form from the 'Forms and Procedures' section of [www.odce.ie](http://www.odce.ie).

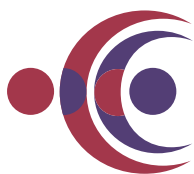


## Notes



## Notes

# Notes



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Tá leagan Gaeilge den leabhrán seo ar fáil.  
An Irish version of this booklet is available.