



Directors Association

DUVERA'S RULES

The Meeting Rulebook

A practical guide to effective meeting procedure for boards, shareholders and members

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This rulebook is provided for general guidance only and does not constitute legal advice. Every organisation's circumstances differ, and its own founding document, MOI, trust deed, constitution or founding legislation, should be checked before these rules are relied on for a specific decision.

About This Rulebook

These rules are a single, continuous guide to meeting procedure for boards, shareholders' meetings and members' meetings. The rules are numbered once, in one sequence from Rule 1 to Rule 196, and the numbering does not start over in each Part. Therefore, every rule can be cited directly, for example "Rule 47", without needing to know which Part it falls under. Some rules are best read together with the ones immediately before or after them, where they form part of a continuous sequence rather than standing alone.

While this rulebook is grounded in South African company law, its procedural guidance applies equally to the governance of trusts, councils and other board structures. Rules that restate the law (marked with a citation) apply specifically to companies under the Companies Act. For a trust, council or other non-company board, the equivalent legal requirement should be checked against its own trust deed, founding legislation or constitution.

Order of Authority

1. The law
2. The organisation's founding document (MOI, constitution, trust deed, etc.)
3. The board's own charter, terms of reference, or rules
4. These rules.

Key Principles

- These rules fill gaps only. They never override the law or a founding document.
- A board, a shareholders' or a members' meeting may adopt these rules as its rules of procedure by a single resolution, to the extent consistent with law and its own founding document.
- A rule that restates the law ends with a citation, for example (Law: s73(5)(b)). The law cited is the Companies Act 71 of 2008.
- Every other rule is recommended good practice.

Rulebook Map

The rules follow the natural flow of a meeting. Use this map to locate the right part quickly.

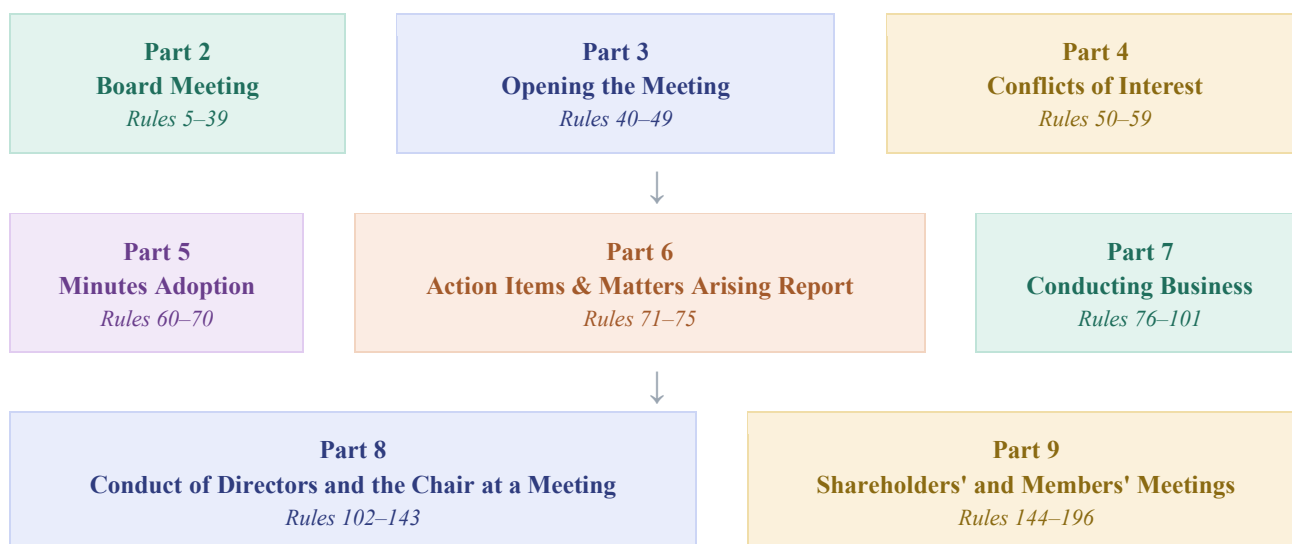


Table of Contents

Rules.....	4
PART 1 Foundation	4
PART 2 Board Meeting.....	5
Meeting Frequency	5
Calling a Meeting.....	5
Notice	5
Meeting Invitees.....	6
Board Pack.....	6
Agenda	6
PART 3 Opening the Meeting	7
PART 4 Conflicts of Interest.....	7
PART 5 Minutes Adoption.....	8
PART 6 Action Items & Matters Arising Report.....	9
PART 7 Conducting Business	9
Items for Voting and Deciding	9
Methods of Deciding	9
Decision by Voting - Resolutions.....	9
Decisions Made Informally - Consensus	10
Items for Discussion.....	10
Items for Noting.....	10
PART 8 Conduct of Directors and the Chair at a Meeting	11
The Chair.....	11
Directors' Conduct at a Board Meeting	12
Attendance and Preparation	12
Appearance and Presence.....	12
Speaking and Order	12
Respect and Courtesy.....	12
Disagreement and Order	13
Confidentiality and Integrity.....	13
Committee Meetings.....	13
PART 9 Shareholders' and Members' Meetings	13
How These Meetings Differ	13
Shareholders Agreement Meeting.....	14
Shareholders' Meeting Under the Act.....	14
Before the Meeting.....	14
Shareholder Pack.....	14
Meeting Notice.....	14
At the Meeting	15
Quorum.....	15
Meeting Procedure	15

Adoption of Minutes	15
Reports to the Shareholders	16
Resolutions	16
Voting.....	16
General.....	16
Shareholders' Meeting Minutes	17
Annual General Meeting	17

Rules

PART 1 Foundation

Rules 1–4

1. The purpose of a formal gathering of people in what is generally called a meeting, is to make a decision.
2. A meeting that produces no decision has not accomplished its objective.
3. Even where the substance cannot be decided on the day, a meeting still succeeds if it produces a way forward, a follow-up date, a person assigned to gather more information, or a deadline for the decision.
4. Rules 1 through 3 apply equally to board, shareholders', and members' meetings.

PART 2

Board Meeting

Rules 5–39

Meeting Frequency

5. A board should meet often enough to properly oversee the company; four to six times a year is a reasonable minimum for an active board.
6. A board may meet whenever necessary, at the call of the chairperson or as these rules or the company's own rules provide.
7. Board meetings may be conducted virtually, whether by telephone, video conference or other electronic means, unless the MOI restricts it. (*Law: s73(3)(a)*) The board charter may restate this rule.
8. A meeting may be conducted with some directors attending in person and others attending virtually, unless the MOI restricts it. (*Law: s73(3)(b)*) The board charter may restate this rule.
9. A board that meets frequently by virtual means should nonetheless meet in person at least once a year, where practicable, commonly at the start of the financial year or before the annual general meeting.

Calling a Meeting

10. A board meeting may be called at any time by a director whom the board has authorised to do so. (*Law: s73(1)(a)*)
11. It is recommended that the director authorised to call meetings be the chairperson of the board, so that there is one clear point of authority for convening them.
12. The board must call a meeting if required to do so by at least 25% of directors on a board of twelve or more, or by two directors on a smaller board (*Law: s73(1)(b)*), unless the MOI (or, where the MOI allows, the board charter) sets a different threshold. (*Law: s73(2)*)

Notice

13. No board meeting may be convened without notice to every director.
14. The notice must be given in the form, and within the notice period, that the board itself decides.
15. A meeting notice should be sent at least seven days before the date of the board meeting.
16. A board may adopt notice periods longer than seven days, and may specify whether these are calculated in business days or calendar days.
17. A notice must be clear, stating the date, commencement time, and estimated duration of the meeting, together with the agenda, the resolutions to be considered, the presenters, any registers to be completed, and any other material item concerning the meeting.
18. A board meeting may still proceed despite defective or missing notice if every director acknowledges receipt, attends, or waives notice. (*Law: s73(4)–(5)(a)*)
19. For a special meeting called to address an emergency or other unscheduled matters, the standard notice period may be waived or significantly reduced.

Meeting Invitees

20. A board meeting may be attended by people who are not directors.
21. A non-director may attend only with the chairperson's permission.
22. A person invited to present on a particular agenda item should be admitted to the meeting only for the duration of that presentation.
23. An invitee need not remain for the entire meeting, nor be given the board pack or the meeting agenda.
24. The company secretary, or another designated person, must create and maintain an attendee register of invitees.
25. Invitees must be recorded in a register separate from the directors' attendee register.

Board Pack

26. For a board meeting to be effective, the supporting papers for that meeting (the board pack) should be properly prepared.
27. The board pack should be circulated at least seven days before the meeting, to give directors enough time to read and prepare.
28. The board may adopt a board pack circulation period that is longer than seven days.
29. A board pack should include, where relevant: the previous board meeting's minutes, financial reports, committee reports, an executive report, recommendations for decision, and the agenda itself.
30. To allow the company secretary, or another designated person, enough time to compile the board pack, material for it should be submitted at least three days before the date set for circulation to directors.

Agenda

31. The chairperson sets the agenda for each board meeting.
32. The chairperson should invite suggested agenda items from every director ahead of each meeting. A director may also request, at any time, that an item be added. In both scenarios, the chairperson decides whether or not to include suggested agenda items.
33. The chairperson should set the agenda in consultation with the chief executive officer, so that it reflects current operational and strategic developments.
34. Board committees should submit their resolutions to the chairperson for inclusion in the agenda as committee recommendations.
35. Each agenda item should be placed in one of three agenda categories, showing directors the intended outcome for that item:
 - I. **For decision**, a resolution is required for all agenda items in this category.
 - II. **For discussion**, deliberation is invited, but no resolution.
 - III. **For noting**, information only; discussed only on an exceptional basis.
36. Each agenda item should be allocated an estimated amount of time, so the meeting can keep to schedule and use its time well.
37. For a meeting to be effective, discussion should follow the agenda; any matter not on the agenda should not be given substantial time.
38. Should a matter arise that is not on the agenda, the board may discuss it, however, the chairperson decides whether it requires immediate attention.
39. Where such a matter requires immediate attention and warrants discussion at the meeting, no decision should be taken on it, so as to give directors adequate time to consider it.

PART 3

Opening the Meeting

Rules 40–49

40. A board meeting may not begin without a quorum.
41. A quorum for a board meeting is a majority of the directors; more than half must be present when a vote is called. (*Law: s73(5)(b)*)
42. The MOI may set a higher quorum than the default stated in Rule 41. The board charter may restate the rule or set a higher quorum where the MOI permits it.
43. The quorum should never be set below a majority of the directors, even where the MOI would allow a lower figure. A majority keeps decisions representative of the board. A higher quorum, such as 80%, suits boards that want broader participation and input from more directors.
44. A board may decide that quorum is a set number of directors, plus the chairperson or the deputy chairperson, so that one of them is always present to lead the meeting. This is recommended practice.
45. A board may also decide that, should neither the chairperson nor the deputy chairperson be present, the directors in attendance may elect one of them to chair the meeting. This is not recommended, since the individual elected would not have prepared to chair.
46. If the chairperson determines that quorum will not be reached because too many directors have sent apologies, the chairperson must call off the meeting.
47. The company secretary should keep an attendance register recording the directors present and absent at every meeting, and at the meeting, all directors present must sign it.
48. The chairperson must read out any apologies received from directors who have indicated that they cannot attend the meeting.
49. A meeting must remain quorate for its entire duration; if quorum is lost, the meeting may continue but no resolutions may be decided.

PART 4

Conflicts of Interest

Rules 50–59

50. At the start of the meeting, the chairperson should ask whether any director has a personal interest in anything on the agenda.
51. Personal interest is not limited to financial interest. It can also include, a family or close personal relationship with a party to the matter, a position held in another organisation that is involved in the matter, and any other circumstance that could reasonably be seen to influence the director's judgment.
52. A director with a personal financial interest in a matter, or who knows that a related person has one, must disclose the interest and its general nature before the matter is considered. (*Law: s75(5)*)
53. A director should disclose any other personal interest, such as those described in Rule 51, in the same way, even though the Act's disclosure duty applies only to personal financial interests.
54. A director with a disclosed conflict must not take part in considering that matter. (*Law: s75(5)(e)*)
55. The director should leave the room while that matter is being considered. (*Law: s75(5)(d)*)

56. A director who has left the meeting while the matter is being considered still counts toward quorum, but not toward whether the resolution on that matter has enough support to pass. (*Law: s75(5)(f)*)
57. The company secretary should keep a Disclosure Register in which all disclosures are recorded.
58. If one person holds all the company's shares and is its only director, the disclosure and recusal rules above do not apply to that person. (*Law: s75(2)(b)*)
59. A sole director who does not hold all the shares may not approve anything in which they have a personal financial interest without shareholder approval. (*Law: s75(3)*)

PART 5

Minutes Adoption

Rules 60–70

60. The minutes of each board meeting must be adopted at the next board meeting.
61. The minutes of the previous meeting should be the first item of business after the opening formalities and declarations of interest, so that earlier decisions are confirmed before the board builds on them.
62. Adoption of the previous minutes should take only a few minutes. The draft should reach directors before the meeting, directors should arrive having read it, and discussion should be limited to errors of fact or omissions in what was recorded.
63. Adoption should be by agreement of the directors who were present at the meeting the minutes record, once any corrections have been recorded.
64. Once adopted, the minutes must be signed by the chairperson of the meeting at which they were recorded or, if that chairperson is unavailable, by the chairperson of the next meeting.
65. Minutes signed by the chairperson of the meeting, or by the chairperson of the next meeting, are evidence of the proceedings of that meeting, including the resolutions adopted at it. (*Law: s73(8)*)
66. If the board rejects the minutes, the chairperson should instruct the company secretary to review the items raised as inaccurate and, where the board agrees, to correct them and present the revised minutes for adoption at the next meeting.
67. Where the decisions and resolutions recorded are accurate, minutes should not be rejected over wording, style or tone, such as being too conversational. Points of that kind may be raised with the company secretary for future minutes without delaying adoption.
68. A director who still disagrees with the minutes after the revised version has been checked, against the recording where one exists, may have their dissent recorded in the minutes. A recorded dissent should not prevent adoption and should not be re-argued.
69. Where the dispute is about what was decided rather than how it was worded, the minutes should reflect the decision as it was taken, and the underlying issue should go on the agenda as its own item.
70. For this reason, every board meeting should be recorded, by audio alone or by video and with the knowledge of everyone present, so that any disputed account can be checked against the recording.

PART 6

Action Items & Matters Arising Report

Rules 71–75

71. The action items report is the chairperson's feedback to the board on whether the actions and decisions of previous meetings have been carried out, and on the progress of those still open.
72. Matters arising are any issues that result from the decisions and actions taken at previous board meetings, whether carried out or not.
73. The action items report should state, for each open item, who is responsible, the agreed due date and the current status. Overdue items should be flagged so that the board can decide whether to extend, reassign or close them.
74. Matters arising should be limited to following up earlier decisions and should not be used to reopen a decision the board has already taken. A director who wants a decision reconsidered should ask for it to go on the agenda as its own item.
75. The company secretary should keep an action items register and update it continually as items are carried out or progress is made.

PART 7

Conducting Business

Rules 76–101

76. Following the categories in Rule 35, the agenda should be run in this order: items for decision first, then items for discussion, and finally items for noting.
77. The items that are most important and material to the company should be dealt with first. There is a tendency to save the best for last, but decisions taken at the end of a long meeting are usually made by tired minds who can no longer give their full attention.

Items for Voting and Deciding

78. All resolutions put to the directors should come as a recommendation from a board committee, the executive, a consultant, a director, or any other party proposing a course of action for the company.
79. Every recommendation put to the directors should be framed for adoption or rejection and should state clearly what the directors are being asked to decide.
80. A resolution put to the directors for adoption should first be presented verbally by the party proposing it.
81. After the presentation, the chairperson should give the directors an opportunity to discuss it before the vote.

Methods of Deciding

Decision by Voting - Resolutions

82. A decision made by a vote is called a resolution.
83. Every resolution adopted by the board must be dated and sequentially numbered, and takes effect on its date unless it states otherwise. (*Law: s73(7)*)
84. In a vote, each director has one vote on any resolution. (*Law: s73(5)(c)*)
85. A board resolution is passed by a majority of the votes cast. (*Law: s73(5)(d)*)

86. A director who abstains has not cast a vote, so an abstention counts neither for nor against a resolution; only the votes cast decide the outcome.
87. If the vote is tied, the chairperson may cast a deciding vote only if the chairperson did not vote in the first count. *(Law: s73(5)(e)(i))*
88. If the chairperson already voted in the first count, the tied resolution fails. *(Law: s73(5)(e)(ii))*
89. Instead of voting by a show of hands, voting may be conducted electronically, on a platform the board determines, unless the MOI provides otherwise, provided the platform lets every participant communicate concurrently and take part effectively.
90. A chairperson may call for a decision to be taken by round-robin written resolution instead of at a meeting, such as by email, provided every director receives notice of the matter. The decision is adopted once a majority of the directors have cast their votes in favour of the resolution. *(Law: s74)*

Decisions Made Informally - Consensus

91. Certain decisions may be made by general consensus, without a formal vote.
92. A decision by consensus does not require each director to vote but rather a verbal or physical sign of agreement or disagreement may suffice.
93. Such decisions should not be of great importance to the company. For example, the chairperson may suggest deferring an item to the next meeting or asking the company secretary to circulate a document. A general agreement, spoken or by nodding, settles the matter without a vote.
94. Any director may require that a matter proposed for decision by consensus be put to a formal vote instead.
95. The minutes should record each decision taken by consensus, noting that no vote was taken.

Items for Discussion

96. Agenda items for discussion are items such as a report by the executive, a budget item, or an idea proposed by a director.
97. Items for discussion may also include invitees who present to the board, such as the Human Resources Manager or a consultant giving feedback on a feasibility study that the board commissioned. Invitees attend only for their item and leave once it has been dealt with.
98. Invitees to a board meeting should be reminded that board papers and discussions are confidential.
99. A discussion item that needs a decision should be tabled as an item for decision at the next board meeting, or decided by round-robin vote under Rule 90 if the matter cannot wait until then.

Items for Noting

100. Agenda items for noting cover general information, such as updates to the directors. For example, the board is informed of a change to the date and time of the next meeting, and the directors respond by saying "noted".
101. Items for noting are not debated unless a director raises something material to the item. In the example in Rule 100, a director could raise a scheduling clash caused by the unforeseen change of the next board meeting date.

PART 8

Conduct of Directors and the Chair at a Meeting

Rules 102–143

The Chair

- 102.** A meeting is only as effective as the person chairing it.
- 103.** For a board meeting to be effective, the chairperson must be in control of the meeting at all times. This is the chairperson's first and most basic responsibility, prior to any other skill or contribution the chairperson brings to the role.
- 104.** The chairperson should set the tone of the meeting from the beginning. For example, the chairperson could instruct participants to raise a hand before speaking in discussion.
- 105.** The chairperson must be authoritative, even where that causes friction or leaves the chairperson disliked by other board members. Being liked is not the chairperson's job, and an effective chairperson sometimes has to be firm to keep the meeting serving its purpose.
- 106.** However the chairperson's authority is exercised, it must be exercised respectfully; authority used harshly, or to humiliate other directors, undermines a chairperson's leadership. A chairperson who leads through intimidation rather than respect will not keep the board's confidence for long.
- 107.** Because the chairperson sets the agenda, the chairperson bears particular responsibility for preparing it thoroughly. This means understanding not just the board pack but the agenda as a whole, and going into the meeting with a clear plan for which decisions must be reached that day.
- 108.** The chairperson should be able to adjust the meeting as it runs. This may mean moving more quickly through an item that proves less significant than expected, giving more time to one that proves more significant, or deferring an item altogether, in service of what the meeting most needs to achieve that day.
- 109.** The chairperson should be neutral in conducting the meeting, favouring no director's view over another's in how discussion is managed.
- 110.** The chairperson should not dominate the meeting; the chairperson's role is to conduct it, not to perform in it.
- 111.** The chairperson must act ethically, mindful of the power and influence the role carries, and must not use that influence to advance a personal agenda.
- 112.** The chairperson should manage participation by the directors actively and fairly. This means inviting a quieter director to speak before closing a discussion, and curtailing a speaker who is repeating a point already made.
- 113.** Before a decision is called for, the chairperson should summarise the proposal and the discussion, so that everyone present shares the same understanding of what is being decided.
- 114.** In a virtual or hybrid meeting, the chairperson carries a heightened administrative load; muting and unmuting participants, admitting or removing someone from the meeting, granting permission to share a screen, and confirming that video or audio is working as intended. Because of this additional load, the chairperson should be more attentive than in an in-person meeting, managing turn-taking explicitly since visual cues are reduced, and checking whether anyone has been unable to speak before moving on.

Directors' Conduct at a Board Meeting

Attendance and Preparation

- 115.** A director should attend every board meeting, in person or electronically, and should arrive on time.
- 116.** A director who cannot attend a board meeting should tell the chairperson as early as possible, preferably at least 48 hours before the meeting, so that the chairperson can decide whether the meeting should proceed and how the agenda is affected.
- 117.** A director should arrive having read the board pack and should be ready to discuss every item on the agenda.
- 118.** A director should contribute actively to the discussion and speak up on any matter where the director has relevant experience or a concern.

Appearance and Presence

- 119.** A director should dress professionally, whether the meeting is held in person or online. If in doubt, a director should dress more formally rather than less.
- 120.** Phones and other devices should be silenced and used only for the business of the meeting. A director should not read messages or take calls while the meeting is in progress.
- 121.** In an online meeting, a director should join from a quiet place where no one else can see or hear the meeting, keep the camera on where possible, and mute the microphone when not speaking.

Speaking and Order

- 122.** A director who wishes to speak should signal the chairperson by raising a hand or by using the hand-raise function in an online meeting, and should wait to be recognised before speaking.
- 123.** Remarks should be addressed to the chairperson, who calls on speakers in the order in which they signalled.
- 124.** A director who wishes to put a question to another director should ask it through the chairperson.
- 125.** Only one director should speak at a time, and a director who is speaking should not be interrupted, except by the chairperson.
- 126.** A director should keep to the item under discussion and be concise. Where a point has already been made, it is enough to say that the director agrees.
- 127.** To manage meeting time and avoid lengthy or repetitive deliberation, the chairperson may set a time limit for each speaker and for each item.

Respect and Courtesy

- 128.** Directors should engage in discussion and debate respectfully, addressing fellow directors with courtesy and by name or appropriate honorific, and addressing the chairperson by the title "Chairperson," in every meeting, whether formal or informal.
- 129.** Debate should be about the issue, not the person. A director may criticise a proposal in strong terms but should not make personal remarks about another director.
- 130.** A director who makes an inappropriate remark should withdraw it and apologise promptly.
- 131.** A director should listen to colleagues and should not hold side conversations, whisper, or show impatience or disrespect while another director is speaking.

Disagreement and Order

- 132.** Disagreement is healthy and expected. A director should state an honest view, even an unpopular one, and should accept that others may disagree.
- 133.** A director may question whether a proposal serves the interests of the company, including where another director may have a personal or related-party interest in it, provided the question is put respectfully and is based on facts.
- 134.** Once the board has taken a decision, every director should support it, including a director who voted against it.
- 135.** A director who voted against a board decision may ask for the dissent to be recorded in the minutes, but should not undermine the decision.
- 136.** Where a discussion becomes heated, the chairperson should call a short break, or ask the directors involved to restate their points calmly, or defer the item to a later meeting.
- 137.** Where a director's conduct is disruptive, the chairperson should first remind the director of these rules. If the conduct continues, the chairperson may ask the board to decide whether the director should be excused from the rest of the meeting.
- 138.** Directors should comply with the chairperson's rulings on order during the meeting. A director who disagrees with a ruling may raise it after the meeting or ask for the objection to be recorded in the minutes.

Confidentiality and Integrity

- 139.** Board papers, discussions and decisions are confidential. A director must not disclose them outside the board unless the board gives permission or the law requires disclosure.
- 140.** The duty of confidentiality continues after a director has left the board.
- 141.** A director must act in good faith, for a proper purpose and in the best interests of the company, and with reasonable care, skill and diligence, including in how the director conducts themselves at meetings. (*Law: s76(3)*)
- 142.** A director should take ownership of errors and misjudgements and accept constructive feedback.

Committee Meetings

- 143.** A committee of the board conducts its meetings in the same way as the board. The rules in this document apply to a committee meeting as they apply to a board meeting, with the necessary changes.

PART 9

Shareholders' and Members' Meetings

Rules 144–196

How These Meetings Differ

- 144.** A shareholders' meeting is a meeting of the holders of shares issued by the company, not of its directors. The board runs the company; shareholders decide the matters that the law or the MOI reserves to them.
- 145.** In a non-profit company with voting members, the MOI decides who the members are and how they vote. Where the MOI is silent, this Part may be used as the default procedure for members' meetings.

Shareholders Agreement Meeting

- 146.** A shareholders agreement meeting is a meeting where shareholders meet among themselves, without the company or the board, usually to discuss their shareholders' agreement or to coordinate their positions.
- 147.** A shareholders agreement meeting is not a shareholders' meeting under the Act, so its decisions are not decisions of the company.
- 148.** Decisions taken at a shareholders agreement meeting bind the shareholders, but not the company or the board unless adopted as a resolution in the way the Act or the MOI requires.
- 149.** A director appointed or nominated by a shareholder owes the director's duty to the company, not to that shareholder. A decision reached amongst shareholders does not oblige the director to vote in a particular way at the board. (*Law: s76(3)*)

Shareholders' Meeting Under the Act

Before the Meeting

- 150.** Before any meeting is called, the company secretary should check the MOI for who may call the meeting, the notice period, the quorum and the voting threshold for each item, because the MOI may vary the Act's defaults.
- 151.** A shareholders' meeting may be called by the board or by any other person named in the MOI or rules. (*Law: s61(1)*)
- 152.** Shareholders may also request a meeting. The board, or the person named in the MOI, must call a meeting when requested in writing and signed by holders of at least 10% of the voting rights on the matter. Each demand must state the specific purpose of the meeting. (*Law: s61(3)*)

Shareholder Pack

- 153.** The company secretary or a designated person should collect everything that must go into the shareholder pack and send it to the shareholders before the meeting.
- 154.** A shareholders' meeting exists largely so that shareholders can understand the state of the company, so the board is responsible for the content of the shareholder pack.
- 155.** The shareholder pack should include the meeting agenda, documents, reports, financial statements and any other relevant information that will help shareholders make informed decisions at the meeting.
- 156.** The shareholder pack should be sent together with the notice of the meeting, so that shareholders have it for the whole notice period.

Meeting Notice

- 157.** Each shareholder is invited to a shareholders' meeting by a notice of the meeting, which must be sent at least 15 business days before the meeting for a public company or non-profit company that has voting members, or 10 business days before the meeting in any other case. The company's MOI may state a longer minimum notice period. (*Law: s62(1)-(2)*)
- 158.** A shareholders' meeting should not take place without proper notice, except as Rule 159 allows. (*Law: s62(1)*)
- 159.** A meeting may proceed without proper notice only if every shareholder entitled to vote on each item on the agenda acknowledges receiving the notice, is present at the meeting, or waives notice. (*Law: s62(4)*)
- 160.** A notice must be in writing and must state the date, time and place, the record date, the general purpose of the meeting, each proposed resolution with the percentage of voting rights needed to adopt it, and the right to appoint a proxy. (*Law: s62(3)*)

- 161.** Each proposed resolution should be written clearly and specifically and accompanied by enough explanation for shareholders to decide whether to attend and how to vote. (*Law: s65(4)*)
- 162.** A shareholder who does not attend may appoint a proxy, who need not be a shareholder, by delivering a signed proxy form to the company. The proxy form may name the chairperson, a director or any other person as proxy and must mark how the proxy is to vote on each resolution. The proxy then votes as instructed at the meeting. (*Law: s58*)

At the Meeting

- 163.** Unless the MOI prohibits it, a meeting may be held entirely or partly by electronic communication, and the notice must instruct how to join. (*Law: s63(2)–(3)*)
- 164.** Unless the MOI provides otherwise, the chairperson of the board should preside at a shareholders' meeting.

Quorum

- 165.** A quorum at a shareholders' meeting is persons present who hold or represent at least 25% of the voting rights that may be exercised on at least one matter on the agenda, unless the MOI sets a different percentage. If the company has more than two shareholders, at least three shareholders must also be present. (*Law: s64(1)–(3)*)
- 166.** A shareholders' meeting may not begin until sufficient persons are present to form a quorum, whether in person or online. (*Law: s64(1)*)
- 167.** Subject to Rule 162, a proxy present at the shareholders' meeting counts towards the quorum.
- 168.** Before anyone attends or votes, the presiding officer of the shareholders' meeting must be reasonably satisfied of that person's identity and right to vote, whether as a shareholder or a proxy. (*Law: s63(1)*)
- 169.** The presiding officer should confirm that a quorum is present before the shareholders' meeting begins and again before each matter is considered, and the minutes should record it. (*Law: s64(1)*)
- 170.** If no quorum is present within one hour of the appointed time, the shareholders' meeting is postponed for one week without further notice. The MOI may set a different time for either period, and the presiding officer may extend the one-hour period for a reasonable time on specific grounds, such as weather, transport or communication difficulties, or shareholders who are delayed but would meet quorum if given more time. (*Law: s64(4)–(6)*)
- 171.** At a postponed shareholders' meeting, the shareholders present form a quorum, even if the normal quorum number is not met. (*Law: s64(8)*)

Meeting Procedure

- 172.** The presiding officer should open by confirming that notice was properly given and a quorum is present, state the order of business, and take the items in agenda order.

Adoption of Minutes

- 173.** The first item of business, once the presiding officer has opened the meeting, should be the adoption of the minutes of the previous shareholders' meeting.
- 174.** The minutes are adopted on the motion of a proposer, supported by a seconder. A vote of all shareholders is not needed unless the minutes are challenged.
- 175.** The proposer must be a shareholder or proxy who attended the previous meeting, and the seconder a different shareholder or proxy who also attended it.
- 176.** The company secretary must record the names of the proposer and the seconder.

177. A shareholder or proxy who attended the previous meeting may object to the minutes, and the presiding officer must allow the objection to be heard.
178. The shareholders should discuss the objection and try to agree the correction. If agreement cannot be reached, the presiding officer should put the disputed correction to a vote.
179. Once any corrections are agreed, the presiding officer should call for adoption of the minutes as corrected, again on a proposer and a seconder.

Reports to the Shareholders

180. After the adoption of minutes, the next item of business at a shareholders' meeting should be the board's reports to the shareholders.
181. The board should present each report and answer shareholders' questions on it.

Resolutions

182. After the board presents its reports, the next item of business at a shareholders' meeting should be voting on the resolutions on the agenda, such as amending the MOI, electing directors, approving directors' remuneration, and any other matter reserved to shareholders by law or the MOI.
183. An ordinary resolution is approved by more than 50% of the voting rights exercised on it, and a special resolution by at least 75%. (*Law: s65(7), (9)*)
184. The MOI may set a higher percentage for an ordinary resolution, or a lower percentage for a special resolution, but there must always be a margin of at least 10 percentage points between the two. This does not apply to an ordinary resolution to remove a director under section 71, which is passed by a simple majority regardless of the MOI. (*Law: s65(8), (10)*)

Voting

185. If a resolution is voted by a show of hands, each shareholder present and entitled to vote has one vote, regardless of the size of their shareholding or the number of shareholders they represent as proxy. (*Law: s63(4)*)
186. If a resolution is voted by a poll, each shareholder or proxy exercises all the votes attached to the shares they hold or represent. (*Law: s63(5)*)
187. The presiding officer should call a poll, before declaring the result of a show of hands, if the result is contested or the size of shareholdings could change the outcome. Once the presiding officer has declared the result of a show of hands, that result stands; a poll may not be used to reopen it.
188. The presiding officer should announce the result of each resolution, stating whether it is adopted and the votes for and against.

General

189. A shareholder wishing to speak at a shareholders' meeting, should address the presiding officer, stating their name and the shareholding or proxy they represent. The presiding officer should give every shareholder a fair opportunity to speak within the time available.
190. A meeting, or the consideration of a matter, may be adjourned to a fixed time and place, or until further notice, on a motion supported by a majority of the voting rights held by those present. (*Law: s64(10)–(11)*)
191. The conduct rules in Part 8 apply, with the necessary changes, to everyone attending a board meeting, a shareholders' meeting, or a members' meeting.

Shareholders' Meeting Minutes

- 192.** Minutes must be kept of every shareholders' meeting. (*Law: s24(3)(d)*)
- 193.** The minutes should record the quorum, who attended, each resolution, and the result of each vote, and should be signed by the chairperson.

Annual General Meeting

- 194.** A public company must hold an annual general meeting initially, no more than 18 months after the company's date of incorporation, and no more than 15 months after the previous AGM. (*Law: s61(7)*)
- 195.** Private companies and non-profit companies are not required by law to hold an annual general meeting. A company with several shareholders, or a non-profit company with voting members, can require one through its MOI.
- 196.** The business of a public company's annual general meeting must at minimum include the presentation of the directors' report, the audited financial statements and the audit committee report; the election of directors as required; the appointment of the auditor and the audit committee; and any matters raised by shareholders, with or without advance notice. (*Law: s61(8)*)
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— End of Rulebook —

These rules fill gaps only and never override the law or a founding document.

Authored by Munya Duvera

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