



# Meetings for members

Meetings are an essential part of good corporate governance. A corporation can not run without holding members' meetings for members and members can not have their say as a corporation member without attending them.

Better decisions are made if a meeting is well planned, runs smoothly and different points of view can be properly heard.

The *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) sets out the rules for meetings for members but there are some parts of the law that corporations can change in their rule book.

The parts of the law that you can change in your rule book are identified by \*.

You'll need to check your rule book to see if the rule has been changed.

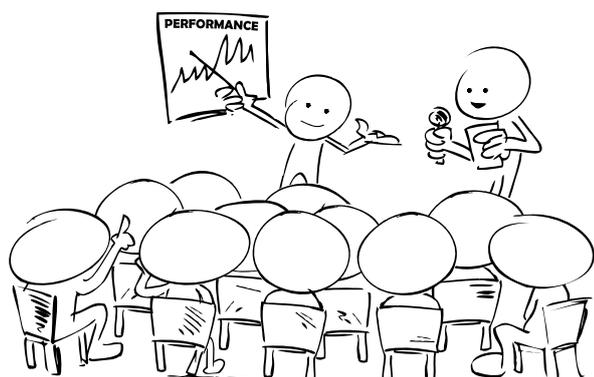


## Types of meetings for members

A corporation meeting for members is called a general meeting. General meetings can be attended by the members, directors, the contact person/secretary, authorised observers, the auditor (if the corporation has one) and proxy holders (if proxies are allowed). There are different types of general meetings:

- corporations hold **general meetings** as required
- all corporations must hold an **annual general meeting** (AGM) every year, unless they have an exemption from the Registrar
- a new corporation must hold its **first general meeting** within three months of registering under the CATSI Act.

Members do not attend directors' meetings, unless authorised by the directors or the corporation's rule book.



## What happens at general meetings and AGMs?

The CATSI Act doesn't stipulate what business must be conducted at general meetings.

Some of the reasons for holding a general meeting may be that:

- the directors want to make decisions about major plans or projects and want to seek the views of members
- some members want to discuss a particular issue, in which case the members can request a general meeting
- the corporation wants to change its name
- the corporation wants to change its rule book
- the corporation wants to wind up voluntarily.

Annual corporation reports are usually provided and discussed at the AGM. Also, the CATSI Act is more specific about some matters that can be dealt with at AGMs. The following may be part of the business of an AGM even if not referred to in the notice of meeting:

- election of directors
- making sure the details on the register of members are correct
- questions
- the appointment and remuneration of an auditor, if required.

## Timing and calling meetings

The directors need to choose a reasonable date, time and place for general meetings. These should be chosen carefully so the most members and other attendees, such as the auditor, can go to the meeting.

Decide if technology, such as telephone conferencing or video call using the internet (e.g. FaceTime or Skype), will be used to allow members to participate. If technology is to be used this must be set out in the notice of meeting.

### When do general meetings have to be held?

General meetings can be held at any time of the year when there is a need for a corporation to discuss and consider an important matter. A new corporation must hold its first general meeting within three months of registering under the CATSI Act.

Other general meetings are usually called for a special purpose to discuss specific matters.

### Who can call a general meeting?

A director of a corporation may call a general meeting unless the corporation's rule book provides otherwise. It is better if all the directors are involved in the decision to call a general meeting and setting the agenda by passing a resolution at a directors' meeting. \*

The directors may decide to call a general meeting on a particular issue but might also call a general meeting in response to a request from the required number of the corporation's members (see table 1).

The Registrar may also call a general meeting if:

- the required number of members (see table 1) has written to the Registrar requesting a general meeting
- a corporation has called a general meeting but it is not held within 14 days of the date scheduled
- a new corporation has not held a general meeting within three months of its registration
- the Registrar is satisfied that circumstances warrant calling the meeting.

The Registrar will chair the meeting or authorise someone else to do so.

### Members requesting a general meeting and proposing resolutions

It is important to note that **members cannot call a general meeting**. Members can request the directors to call one.

A request from members must:

- be in writing
- say why (inserted as resolution/s) the members want the meeting
- be signed by all the members making the request

- nominate a contact member on behalf of the members making the request
- be for a proper purpose (matters that the members can make decisions about and not for purposes not related to the business of the corporation).

TABLE 1: Number of members for a general meeting

No. of members in corporation	No. of members required to ask for a general meeting
2 to 10	1 member
11 to 20	3 members
21 to 50	5 members
51 members or more	10 per cent of members

This same number of required members as in the table above can also propose resolutions to be considered at a general meeting by giving notice to the corporation. The notice must be in writing, set out the words of the proposed resolution/s and be signed by the required number of members proposing to move the resolution/s.

After a notice of a resolution proposed by members has been given to a corporation, it must be considered at the next general meeting as long as it takes place more than 28 days after the notice is given.

### When does an AGM have to be held?

AGMs must be held within five months of the end of a corporation's financial year (usually 30 June)—this means between 1 July and 30 November of each year for most corporations.

A corporation may apply to the Registrar to extend this period if it has a good reason and it does so before the date when the AGM was due to be held.

**It is an offence if a corporation fails to hold its AGM within the specified or extended period.**

### Who can call an AGM?

A director of a corporation may call an AGM, unless the corporation's rule book provides otherwise. It is better if all the directors are involved in the decision to call an AGM and setting the agenda by passing a resolution at a directors' meeting.

The Registrar may also call and hold the AGM if the corporation fails to do so. In this case the Registrar will either chair the AGM or authorise someone else to chair it.



## Preparing for general meetings and AGMs

### Giving notice of the meeting

A notice of a meeting must be given at least 21 days before the day of the meeting.

Notice of a general meeting must be given to the directors, the members and the secretary or contact person of the corporation, any observers entitled to attend and the auditor (if there is one).

A corporation's rule book will specify how the notice can be sent (post, email, by hand or other methods). \*

### What information goes in a notice?

A notice of a meeting must contain:

- the corporation's name and ICN
- the type of meeting—general meeting or AGM
- the date, time and place for the meeting
- how to participate by using phone or video call (if using technology is approved)
- the general nature of the meeting's business—the agenda
- the words of any **special resolutions**<sup>#</sup> that will be proposed (if any)
- whether a member is entitled to appoint a proxy, who may be a proxy and any other rules about proxies (include this only if proxies are allowed).

<sup>#</sup>Some decisions, such as a resolution to amend the rule book, might need to be made by special resolution rather than ordinary resolution. A special resolution can only be passed if 75 per cent of the members voting on the resolution are in favour of it. Ordinary resolutions are passed by a majority of more than 50 per cent of the votes.



### Set the agenda (what the meeting is about)

It is very important that a written agenda or plan of the matters that will be discussed at a general meeting or AGM is sent with the notice of meeting to everyone attending the meeting.

There are certain things that should be included in the agenda. Some may be required by the rule book or the CATSI Act.

These would generally be:

1. welcome
2. apologies and accepting any proxy votes (if the rule book allows proxies)
3. checking the register of members
4. accepting the minutes of the previous general meeting or AGM
5. directors' report to members about the corporation's:
  - a. performance over the past 12 months (AGM)
  - b. financial position and financial performance
6. electing or appointing the directors (AGM)
7. the appointment and remuneration of an auditor for the next year (if required)<sup>#</sup> (AGM)
8. resolutions proposed by members
9. conducting any other business that is covered under the rule book or incidental to the business of the meeting (this includes other business in the notice of meeting)
10. close the meeting.

<sup>#</sup>Before an AGM, the directors should seek quotes from qualified auditors for the following year's audit, if the corporation needs to appoint an auditor—the CATSI Act does not require all corporations to appoint an auditor.

### Copies of documents

The corporation should distribute or make available to all members and attendees copies of any papers or reports that will be discussed at a general meeting or AGM.

### Proxies

If a corporation allows proxies then the corporation must receive any documents appointing a proxy 48 hours before the meeting (check the corporation's rule book because this time could be less). These documents must be given to the corporation. \*

## Postponing or cancelling general meetings or AGMs

Sometimes there are exceptional reasons (such as the death of a community person or a natural disaster) when you might need to postpone or cancel a general meeting or AGM. Postpone means to delay or reschedule the meeting for a later date.

Once notice has been given for a general meeting or AGM the meeting can not be postponed or cancelled unless the corporation's rule book has rules saying this can be done and how. \*

If your rule book has no rule about it then the meeting can not be postponed or cancelled, unless the meeting is opened and a resolution of the members is passed to postpone or cancel the meeting. If the circumstances mean that a quorum is not formed within an hour of the stipulated time for the meeting, most rule books say the meeting is automatically adjourned to the next week at the same time. If no one turns up to the adjourned meeting, the meeting is abandoned.



## Running meetings

### Chairing the meeting

The job of chairing a meeting is to make sure the meeting starts on time and is run in an orderly way, the agenda is followed, the meeting stays on track and is held within the corporation's rules. A good chairperson also makes sure that everyone has a chance to share their views, listen to others and ask questions.

A corporation may have already appointed a person to chair all general meetings but if not the directors will usually nominate someone to chair the meeting. The members can also appoint a chairperson in certain circumstances. It depends on what the corporation's rule book says. \*

### Keeping minutes

A corporation must keep records of its meetings. Minutes are the official record of what happened at a meeting and the decisions made. The chairperson should appoint someone to write down or record what happens at the meeting so that the minutes can be prepared.

The minutes of a general meeting or AGM can be written or recorded. Whichever format is chosen by the corporation, the chairperson of the meeting must sign the minutes confirming that they are an accurate account of what took place at the meeting.

This topic is discussed in more detail in the fact sheet, *Minutes of meetings* available on the Registrar's website: [www.oric.gov.au](http://www.oric.gov.au).

### Attendees list and the register of members

At the entry point to the meeting the corporation should provide:

- an attendance list (book or sheet of paper) for attendees to sign into the meeting—this helps to record in the minutes the names of everyone who was at the meeting. This includes members, directors, the contact person/secretary, authorised observers, the auditor (if the corporation has one) and proxy holders (if proxies are allowed)
- the corporation's register of members—this is so members can check their details in the register of members are correct or make changes if needed.

## Running meetings continued...

### Quorum

A quorum for a general meeting or AGM is the minimum number of members required to start a meeting. The quorum must be present at all times during the meeting. \*

The CATSI Act specifies the following numbers required for a quorum but this can be changed in a corporation's rule book. \*

TABLE 2: Quorum for a general meeting or AGM

No. of members in corporation	No. of members required for quorum
20 or fewer	2
21 to 30	3
31 to 40	4
41 to 50	5
51 to 60	6
61 to 70	7
71 to 80	8
81 to 90	9
91 members or more	10 per cent

Proxies are counted in a quorum, but if a member has appointed multiple proxy holders only one of them should be counted (see [Proxies](#)). If a member is attending both as a member and as a proxy they should only be counted once.

If there are not enough people present to reach a quorum within one hour of the time stipulated in the notice, the meeting is adjourned to the same place, day and time in the next week. \*

### Proxies

A corporation member who is entitled to attend and vote at general meetings may be able to give others the power to vote or attend meetings on their behalf. The process is called appointing a proxy. \*

Proxies must be in writing and be signed by the member giving the proxy. The proxy form must contain the following information:

- the member's name and address
- the corporation's name
- the proxy holder's name or the name of the office held by the proxy holder
- meetings at which the proxy holder will vote.

There is usually a proxy form in the back of a corporation's rule book, if proxies are allowed.

A corporation must receive a completed proxy form 48 hours before a general meeting or AGM takes place.

\* to see if the time is less

A person can be a proxy for a maximum of three members.



### Auditor's right to be heard

A corporation's auditor (if one is required) or their representative is entitled to attend any general meeting or AGM and speak about their work as auditor.

Members are also allowed to ask the auditor questions about how the audit was done and how the corporation's financial statements were prepared.

### Making decisions

One of the functions of a general meeting or AGM is to provide a forum for members to make certain decisions for the corporation.

Every member usually has one vote in either a show of hands or in a poll. This includes the chairperson if they are a member too. The number of votes for each member can be changed in a corporation's rule book. \*

The chairperson should advise members how voting will be carried out at a general meeting or AGM: for example, if there is to be a vote to appoint directors, how will this be done: will votes be carried on a show of hands, or will members need to cast secret ballots.

Before a vote takes place, the chairperson must also inform the meeting if there are proxy votes and how they will be cast. An objection or challenge to a right to vote can only be made at a meeting. The chairperson must rule on it and their decision is final.

The chairperson may have a casting vote if a vote on a resolution is drawn or tied. \*

Generally, a resolution put to the vote at a general meeting or AGM is decided on a show of hands. A poll (a formal count of votes) can be requested by:

- at least five members entitled to vote on the resolution
- members with at least five per cent of the votes that can be cast on the resolution
- the chairperson.

A corporation's rule book can provide for a lower number of members to demand a poll. \*

A poll can be demanded at any time before, during or immediately after a vote on a show of hands is declared. The chairperson decides how the poll will be taken, unless the rule book specifies a process. \*

### How many votes does it take to pass a resolution?

It depends on the nature of the resolution. Any matters brought before the members at a general meeting usually require a majority vote (more than 50 per cent of the votes cast) for an ordinary resolution to be passed.

Certain matters, such as amending the corporation's rule book, may require 75 per cent of the members voting on the resolution to be in favour of it. This is known as a special resolution.

## Making decisions without a general meeting

It is also possible for members to pass a resolution without holding a general meeting. To do this, all the members entitled to vote on a resolution must sign a document stating that they are in favour of the resolution set out in the document. The resolution is passed when the last member signs it. These are called circulating resolutions.

If a resolution is passed in this way it must be recorded in the corporation's minute book within one month and be signed by a director. This is probably only practical for corporations with a small number of members.

## Electing the directors

Unless the rule book says otherwise, the process for electing the directors is as follows:

- ask for nominations for positions as directors
- ask the nominated person if they are willing to hold the position of director, if elected—if the person agrees, they must provide their consent in writing and the corporation needs to keep a copy. A consent template is available on the website: [www.oric.gov.au](http://www.oric.gov.au)
- if the number of directors standing for positions is greater than the number of positions to be filled, an election must take place. \*

Corporations can not have less than three and more than 12 directors, including independent or specialist non-member directors (without an exemption under the CATSI Act from the Registrar). A corporation's rule book will set out the eligibility and other requirements for directors. \*

## Follow up actions arising from the meeting

The corporation and its directors should have processes in place to implement any resolutions or decisions made at general meetings or AGMs.



## CONTACT ORIC

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## Exemptions

A corporation can apply to the Registrar for an exemption from the meeting requirements in the CATSI Act.

Applications must:

- specify the relevant provision
- be authorised by a resolution of the directors
- be in writing and signed by a director.

Exemptions may be given subject to conditions or for a specified period. The Registrar may change or suspend an exemption. The Registrar must give the applicant written notice within 28 days of the change or the suspension of the decision, or its conditions.



## Helpful resources

There are a number of free templates available on the Registrar's website: [www.oric.gov.au](http://www.oric.gov.au) that can help corporations with meetings. See the *Healthy corporation checklist*. Some relevant templates for members include:

- application for membership
- appointment of a proxy
- notice of AGM
- notice of general meeting
- minutes of general meeting or AGM
- register of members and former members.

NOTE: This fact sheet is not a substitute for legal advice. It is intended as a quick overview of the topic. For more detail see the CATSI Act or consult a lawyer.