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Formalities for a Directors' Board Meeting

Epping Forest District Council

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Formalities for a Directors' Board Meeting

Obligation to meet	<p>There is no specific minimum number of board meetings prescribed by law. Directors must meet sufficiently often to ensure that they are discharging their duties as directors. We have proposed in the shareholders' agreement that the board meets once a month.</p>
Calling a meeting	<p>Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice. Notice of a directors' meeting must indicate:</p> <ul style="list-style-type: none">(a) its proposed date and time;(b) where it is to take place; and(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting. <p>Notice of a directors' meeting must be given to each director but need not be in writing.</p>
Chairperson	<p>The Parent Company (if there is one) may appoint, and remove, a person who is a director to chair meetings of the directors and the person so appointed shall be known as the chairperson. Such appointment or removal shall be by notice to the company. If and for so long as the position of chairperson is vacant, the directors may appoint one of their number to be the chairperson and may terminate such chairperson's appointment at any time.</p>

	If the chairperson is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.
Quorum	<p>The quorum for directors' may be fixed from time to time by a decision of the directors, but it must never be less than two. The quorum for a meeting of directors will usually be determined by the articles.</p> <p>A quorum must be present at the start of, and throughout, the meeting. In the absence a quorum, no business should be transacted and any resolutions purporting to be passed will be invalid (except as specifically permitted under the articles). Subject to the provisions in the articles, the board meeting should be adjourned until a quorum can be found.</p> <p>The chairperson is responsible for determining whether there is a quorum.</p> <p>If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:</p> <ul style="list-style-type: none"> (a) to appoint further directors; or (b) to call a general meeting so as to enable the shareholders to appoint further directors. <p>Any alternate director appointed (with the approval of the Parent Company) may be counted as participating for the purposes of determining whether a quorum is participating, may participate in a decision of the directors (only if that person's appointor is eligible to vote in relation to that decision but does not participate) and shall not be counted as more than one director.</p>
Conflicts of interest	Subject to the provisions of the Companies Acts and the articles and provided that a director has previously disclosed the nature and extent of such duty or interest to the directors in accordance with the provisions of the Companies Acts, and provided further that they have obtained the approval of the Parent Company, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement of the company:

	<p>(a) may vote at a meeting of the directors (or any committee of the directors), and form part of a quorum present at that meeting, or participate in any decision making of the directors in relation to such transaction or arrangement with the company;</p> <p>(b) may be a party to, or otherwise interested in, any such transaction or arrangement; and</p> <p>(c) shall not, save as they may otherwise agree, be accountable to the company for any benefit which they (or a person connected to them) derives from any such transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest nor shall the receipt of any remuneration or other benefit constitute a breach of their duty under section 176 of the Companies Act 2006.</p>
Voting	<p>The general rule about decision making by directors is that any decision of the directors must be either a majority decision at a meeting or a unanimous decision.</p> <p>If the company only has one director and no provision in the articles requires it to have more than one director, the general rule does not apply and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision making.</p> <p>A unanimous decision is made when all eligible directors indicate to each other by any means that they share a common view on a matter. Such decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.</p> <p>A director who is an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of this appointor, in addition to his own vote on any decision of the directors.</p>
Casting vote	<p>If the number of votes for and against a proposal are equal, the chairperson or other director chairing the meeting has a casting vote.</p> <p>This does not apply if, in accordance with the articles, the chairperson or other director is not to be counted as participating in the decision making process for quorum or voting purposes.</p>

Duty to take minutes	Every company is required to take minutes of all proceedings at meetings of its directors. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.
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