



## MEMO

To: Board of Directors

From: Company Secretary

Subject: **SHAREHOLDERS CALLING A MEETING (PTY LTD COMPANY)**

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A Shareholders Meeting can be called by either a Director\* or the Shareholders, such meeting being duly convened by giving proper notification (ie, Notice) of the meeting to all those entitled to receive notification.

*\*some Constitutions may require 'the Directors' (ie, not just one Director) agree to call a meeting, in which case a suitable resolution would be passed by the Board to that effect, although in theory this does not prohibit 'a Director' from calling the meeting on his own.*

Shareholders can call a meeting in either of 2 ways:

1. Shareholders (at least 100 of them or such lesser number controlling at least 5% of the votes) request in writing that the Directors call a meeting – at the company's cost (ie, printing/postage, etc) – and state the resolution(s) being proposed. In this case, Section 249D of the Corporations Act requires that the Directors then convene the meeting within 21 days.
2. Alternatively, those Shareholders may call the meeting themselves at their cost, as provided for in Sec. 249F. The convening and holding of the meeting is done in the same way as if it had been called by the Directors. Shareholders in this case will need to draft – and provide to the company (or share registry) for mailing, unless they are doing it themselves – any Notice of Meeting, Explanatory Memorandum and Proxy Form, plus cover letter to all Shareholders if required. Directors are entitled to also send some form of explanatory letter to Shareholders if they so desire.

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### DISCLAIMER

*The comments in this memo reflect some commercial aspects and observations on the matter experienced or observed by the writer in practice as he understands them. The information is given as a guide only and does not represent a definitive or legal view of any of the issues raised, covered or referred to and the reader is urged to seek his own professional advice on all aspects of, or pertaining to, this and any related matter.*

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