

PROCEDURES AND DUTIES DURING THE ANNUAL GENERAL MEETING OF THE COMPANY

Quorum

No business shall be transacted at the annual general meeting unless a quorum of members as defined by the company's Articles of Association exists. In the event that no provision is made by the Articles, Table A of the Law provides that in the case of a public company three members shall be a quorum.

Election of chairman and his function

The company chairman presides as chairman at the annual general meeting. In the event of the position becoming vacant or if he is not present within 15 minutes after the time appointed for the meeting or the existing chairman is unwilling to act, the directors present shall elect one of their number to be the chairman of the meeting.

The duties of the chairman are:

- to ensure that the meeting is properly constituted;
- to see that all the formalities are observed and that a quorum is present;
- to ensure that all members wishing to speak are given the opportunity;
- to prevent irrelevant or time-wasting discussion;
- to take the opinion of the meeting by putting resolutions to the vote.

Voting at the annual general meeting

Unless otherwise stated in the company's Articles and unless any other restriction is attached at the time of the vote, then the vote shall be by show of hands and every member present in person has one vote.

Unless the Articles otherwise provide, a proxy cannot vote on a show of hands. The Articles however may provide that a vote may be demanded. Table A provides that a vote may be demanded by the chairman, or at least three members present in person or by proxy or by any member present (in person or by proxy) and representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting. A member need not be present in order to exercise his right to vote. It is therefore possible to vote through a proxy provided that the relevant procedures are observed.

Voting through proxy

A proxy is a person (any physical person) appointed by a member for the purpose of exercising the member's voting rights and in any direction the member may wish.

The instrument appointing a proxy must be deposited at the company's registered office or at the place specified by the notice of the meeting not less than 48 hours before the time set for holding the meeting (see Appendix C for a specimen proxy form).

Corporate shareholders

Where the member is a company, then that company's board of directors may by resolution authorise a person to act as the company's representative at the annual general meeting. The representative can exercise the same power on behalf of the company as if it were a member who is a physical person.

Duties of the Secretary at the meeting

- Ensure that each director is sitting behind his own name card.
- Check that a quorum is present.
- Be ready at the request of the chairman to read the notice convening the meeting. Although the specimen agenda provides for the notice to be read, it is possible for it to be taken as read with the consent of the meeting. The report of the auditors (which must be read) may be read by the secretary instead of the representative of the auditors, as provided by the specimen agenda.
- Be ready at the request of the chairman to read the directors' report. Although the specimen agenda/proceedings provide for the report to be read, it is sometimes taken as read with the consent of the meeting.
- Be ready to ascertain the identity of any member wishing to ask a question, assist the chairman in counting the votes if votes are cast against any resolution and be prepared to advise the chairman on any point of procedure.
- The secretary may decide to intervene if a person known to be a proxy (who is not himself a member) attempts to ask a question or make an observation, because a proxy (not being a member) has no right of speech at a meeting of a public company.
- If a vote is validly demanded, the secretary should advise the chairman whether it can be taken forthwith, i.e. the secretary has anticipated the demand and is prepared with the necessary documentation, or whether the chairman should direct the vote to be taken at a later date (usually not more than a few days after the meeting). The taking of a vote may be avoided if the board has sufficient proxy votes to carry (or defeat) a resolution and the chairman is prepared to disclose this fact coupled with a suggestion that, in the circumstances, the demand might be withdrawn.

The procedures outlined above, constitute the standard procedures to be followed during the annual general meeting of a public company.

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