

CHAPTER TEN: MINUTES OF MEETING

LEARNING OUTCOME

- To understand the importance of minutes of meetings held.
- Appreciate the principle laid down on the rules of minutes.
- To advise on the effect of minutes and the penalty imposed on failure to produce minutes of meeting.

MINUTES

- A written record of the resolution and business transacted at a meeting and recorded on the minutes books.
- They are records of decisions taken and resolutions passed in a meeting.
- The purpose of minutes is to provide an accurate and objective account of the proceeding of a meeting.
- The minutes record the decisions made and the important things which occurred and were done at the meeting.
- **Minutes of proceeding must be:**
 - a) entered in books kept for the purpose within 14 days of the date upon which the relevant meeting was held;
 - b) signed by the chairman of the meeting or the chairman of the next succeeding meeting.
- Failure to comply with the above pre-condition of a valid meeting will render the resolution passed in the meeting invalid. A maximum fine of RM2,000.00 or in default, penalty for a breach of S156 of CA 1965.

CONTENTS OF MINUTES

- Type of meeting
 - Day, date, time & place
 - Adoption of notice of meeting
 - Attendance & identity of chairman
 - Apologies for absence
 - Minute of the previous meeting (if applicable)
 - Agenda of present proceedings
 - Resolution
 - Closure
 - An accurate account of the proceeding
 - A correct record of those present
 - A correct record of the important things which occurred in the meeting such as poll or ballot taken in the meeting.
-

FORMAT OF MINUTES

- Name of the company;
- The company number;
- Nature and type of meeting e.g. AGM, EGM or GM;
- Place, times and date of meeting;
- Name and number of those present;
- Narration of business - the notice of the meeting was tabled and read;
- the requisite quorum being present;
- Resolution of business;
- Name of proposer and seconder are usually recorded in the case of a meeting with large attendance;
- Chairman's signature.

Minutes must record the exact words of each resolution passed in the meeting. Only the final resolution shall be recorded in the minutes.

- The reason for decision made should not be recorded in the minutes unless the meeting specifically decided otherwise and directions were given accordingly.
- Minutes must be clear and concise.
- Minutes should contain sufficient information to enable an absent member to gain a correct impression of the proceedings.

GOOD MINUTES SHALL BE:

- Authentic, giving precise account of the proceedings of the meeting;
 - Complete, giving sufficient detail to enable a person who was not present to understand fully what had transpired;
 - Free from ambiguity;
 - Minutes should be written as soon as possible after the conclusion of the meeting and in any event not more than 14 days after the meeting.
 - Minutes books of general meetings shall be kept at the registered office. Any member is entitled to inspect the minutes of the general meetings with a charge not exceeding RM1 per every 100 words thereof.
-

EFFECTS OF MINUTES

- A meeting is deemed to have been duly convened and held.
- All proceedings shall have been deemed to have been duly conducted.
- All appointments of directors or liquidators shall be deemed to be valid.

A member has the right to inspect the minutes of the proceeding of any general meeting without charge and shall be entitled to be furnished within 14 days upon written request.

Failure to allow the inspection of minutes will render the officer liable for a maximum penalty of RM5,000.00.

Here, the freedom of inspection will only apply to general meeting not board meeting.

* Thus it's advisable to maintain separate minutes books in respect of general meetings and board meetings.

Minutes books are kept in bound book. However, CA 1965 allows minutes to be kept in any other permanent manner.

If the company is using other than bound book, the company must ensure that reasonable precautions are taken against falsification and proper facilities are provided to enable the minutes books to be inspected.

Failure to comply with the above conditions will render the company and every officer in default of an offence against the CA 1965 and may be liable to a maximum penalty of RM2,000.

Minutes of company meetings are documents that need to be retained permanently and should never be destroyed.

EXERCISES:

1. What are the effects of minutes?
 2. Briefly explain the content of minutes.
-