



MEMO

To: Board of Directors
From: Company Secretary
Subject: **WITHDRAWAL OF RESOLUTIONS – GENERAL MEETING**

Between the time when a motion/resolution is placed on the agenda for a general meeting and the time when it is actually voted on it may be withdrawn – and therefore not put to the vote of shareholders.

For whatever reason the proposer/mover of a resolution has the right to withdraw that resolution from that agenda of a general meeting. Quite often the actual proposer of a resolution is the ‘board of directors’ collectively – not an individual [director or shareholder] who might have originally introduced the idea – as they are the ones who put the agenda together. Where a resolution has been withdrawn before the start of the meeting, at the start of the meeting the chairman should announce to shareholders that the resolution has been withdrawn. It is also ‘appropriate’ that shareholders be informed that the resolution has been withdrawn – and the reasons why – in writing, if there is sufficient time, before the meeting.

In the case of a stock exchange listed company that information must be announced to the market as soon as it is known, and certainly no later than the time when the information is to be posted to shareholders.

If the resolution has not been withdrawn before the meeting, and there is a request from the proposer to withdraw it at the meeting – before it is put to the vote – then it is up to the shareholders to agree to it being withdrawn. The proposer should be prepared to speak to the meeting and explain the reasons for requesting withdrawal.

It is customary that unanimous consent to withdraw a resolution be given. This can be achieved by the chairman simply asking shareholders if anyone objects to the withdrawal, and if no-one dissents then it can be taken as unanimous agreement. The chairman then announces that the resolution is withdrawn and this fact would be recorded in the minutes of the meeting.

If there is not unanimous consent to withdrawal it is open to the proposer of the original resolution, or the seconder, to move a [procedural] motion for withdrawal.

A request for withdrawal may arise because the proposer does not want the original resolution to proceed for some [stated] reason, or because a better or alternative proposal has arisen.

The chairman should exercise diplomacy in dealing with a request or motion for withdrawal. If the chairman can sense that a large majority would prefer the



resolution to be withdrawn, rather than be put to a vote, it may be prudent to just allow the request and 'formally' withdraw the resolution.

And if, for whatever reason, the motion is not withdrawn and is passed by the shareholders, it could then be the case that the resolution is just not actioned if the parties – who wanted it withdrawn – still don't want the matter to happen.

Sample Record for Minutes

Wording such as the following examples should be entered into the minutes of the meeting:

Resolution 5

The Chairman introduced the resolution "THAT shareholders approve". Discussion ensued and the general opinion was negative. Before the matter was put to the vote Mr Xxxxxx, the proposer of the motion, withdrew the motion and discussion ceased. The Chairman acknowledged the situation and agreed to accept the request for withdrawal.

Election of Directors:

The Chairman advised shareholders that as Mr David B_____ had not yet been appointed to the Board as a Director of the Company he was withdrawing Resolution 7 to ratify Mr B_____’s appointment as there was nothing for shareholders to confirm.

He also advised that Mr Henry M_____, who was the Director to retire by rotation at this AGM as set out in Resolution 8, had decided just this morning not to stand for re-election, so he was also withdrawing this motion. Mr M_____’s term as Director therefore comes to an end at the close of this meeting. The Chairman thanked Mr M_____ for his contribution to the Company over several years.

Sample ASX Announcement of Meeting

And where the company is stock exchange listed the results of the meeting must be announced to the market straight after the meeting, with wording covering the withdrawal of a motion to read like in the following:

ASX Announcement

ANNUAL GENERAL MEETING: RESULTS OF MEETING

The Company is pleased to announce that all resolutions put to the members at the AGM were passed on a show of hands.

We also advise, however, that:



- Resolution 7 (Election of Director Mr David B _____) was withdrawn by the Chairman as the proposed new director has not yet been appointed by the Board; and
- Resolution 8 (Re-election of Director Henry M _____) was withdrawn by the Chairman as the Director to be re-elected by rotation announced that he would not stand for re-election.

A schedule of proxy votes received is attached.

The Board would like to publicly thank Mr M _____ for his contribution to the Company over several years.

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.