

**Introduction**

This guide is about different types of resolutions and the differences between them. It explains what they are and the resolutions need to be filed at Companies House.

explains what they are and the resolutions need to be filed at

Please note that this is only a guide and you should read it in conjunction with the Companies Act 1985 (as amended).

tion to the subject, so you should find the relevant law in the

**Resolutions - the basics**

**1 What is a resolution?**

A **resolution** is an agreement made by a class of members (or the whole company) which the company is bound by it.

the directors or members (or the company) is passed, the company is

A **proposed resolution** is one that has not yet been passed. If a majority is not obtained, it is not a resolution.

ty majority is not obtained,

**2 How is a vote taken?**

The vote on a resolution (by the directors or members) is taken as set out in the company's articles of association. Generally it is by a simple majority. The company's articles may require a higher majority for a resolution to be passed. The number of votes each member has is also set out in the articles.

in a meeting of a class of members (or the company's articles of association). The chairman may demand a poll unless otherwise provided by the chairman that the majority required for a resolution to be passed is not to be counted.

**3 Who must receive notice of a resolution?**

Notice of the intention to pass a resolution must be sent to all members of the company. If a company has more than 20 members, it must also be notified of the content of the resolution.

**What happens after approval?**

Companies House must be notified of the resolution. The resolution must be sent to Companies House in printed form.

must be sent to company members. Copies must be sent to company members (or otherwise notified of the content of the resolution).

in printed form.

olution listed in question 4

delivered to Companies House (or the Registrar of Companies) and passed by the company.

Companies House); and

of the date it was made or

**4 What resolutions need to be filed at Companies House?**

ouse?

A copy of every resolution passed at a meeting of the House within 15 days of the meeting must be described more fully

Special resolutions or agreements passed which would otherwise have been ordinary or extraordinary resolutions

Elective resolutions.

Class resolutions passed by all the members of a class of shareholders but which require a specific majority or which effectively bind all the shareholders though they have not been agreed by

Directors' resolutions

Ordinary resolutions

Resolutions for voluntary winding up or 'Liquidation and Insolvency'

how must reach Companies Act. Some of the resolutions are

s. Also, resolutions or agreements passed by all the members but which require special resolutions or as

e resolutions.

all the members of a class of shareholders but which require a specific majority or which effectively bind all the shareholders though they have not been agreed by

2

2.

Liquidation and Insolvency' (see also 'Liquidation and Insolvency' for more information on this.)

## Resolutions - different types

There are eight types of resolutions:

### 1 Directors' resolutions

These are only used for resolutions which must be passed by the directors

- a resolution to alter the company's articles of association from the Section 1(1) of the Companies Act 1985;
- a resolution to reduce the company's share capital;
- a resolution to authorise the company to acquire its own shares;
- a resolution to authorise the company to re-register as a public company;
- a resolution to authorise the company to issue shares on a non-preferential basis (i.e. shares which do not carry any special benefit from ownership) to be evidenced by a certificate.

s. The following directors' resolutions must be passed:

in response to a direction from the Secretary of State under section (2) of the Companies Act 1985.

association of a company to acquire its own shares; a resolution to authorise the company to re-register as a public company;

benefit from ownership) to be evidenced by a certificate.

### 2 Ordinary resolutions

These are used for all matters which do not require another type of resolution and which are entitled to vote at a meeting

company's articles of association and by a simple majority of members who are entitled to vote at a meeting

**This document has total 6 pages. Here preview is shown for first 2 pages only.**