
STATUTORY INSTRUMENTS

2009 No. 1632

The Companies (Shareholders' Rights) Regulations 2009

PART 2

AMENDMENTS OF GENERAL APPLICATION

Voting on show of hands

2.—(1) In section 282(3) of the Companies Act 2006⁽¹⁾ (ordinary resolutions: majority required on show of hands), for the words from “a simple majority of” to the end substitute “a simple majority of the votes cast by those entitled to vote”.

(2) In section 283(4) of that Act (special resolutions: majority required on show of hands), for the words from “not less than 75% of” to the end substitute “not less than 75% of the votes cast by those entitled to vote”.

(3) In section 284 of that Act (votes: general rules), for subsection (2) substitute—

“(2) On a vote on a resolution on a show of hands at a meeting, each member present in person has one vote.”.

(4) After subsection (4) of that section add—

“(5) Nothing in this section is to be read as restricting the effect of—
section 152 (exercise of rights by nominees),
section 285 (voting by proxy),
section 322 (exercise of voting rights on poll),
section 322A (voting on a poll: votes cast in advance), or
section 323 (representation of corporations at meetings).”.

Voting by proxy

3. For section 285 of the Companies Act 2006 (voting: specific requirements) substitute—

“Voting by proxy

285.—(1) On a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote.

This is subject to subsection (2).

(2) On a vote on a resolution on a show of hands at a meeting, a proxy has one vote for and one vote against the resolution if—

(a) the proxy has been duly appointed by more than one member entitled to vote on the resolution, and

- (b) the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it.
- (3) On a poll taken at a meeting of a company all or any of the voting rights of a member may be exercised by one or more duly appointed proxies.
- (4) Where a member appoints more than one proxy, subsection (3) does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.
- (5) Subsections (1) and (2) have effect subject to any provision of the company's articles.

Voting rights on poll or written resolution

285A. In relation to a resolution required or authorised by an enactment, if a private company's articles provide that a member has a different number of votes in relation to a resolution when it is passed as a written resolution and when it is passed on a poll taken at a meeting—

- (a) the provision about how many votes a member has in relation to the resolution passed on a poll is void, and
- (b) a member has the same number of votes in relation to the resolution when it is passed on a poll as the member has when it is passed as a written resolution.”.

Members' power to require directors to call general meetings

4.—(1) Section 303 of the Companies Act 2006 (members' power to require directors to call general meeting) is amended as follows.

- (2) In subsection (2)(a) and (b), for “the required percentage” substitute “5%”.
- (3) Omit subsection (3).

Advance voting on a poll

5.—(1) After section 322 of the Companies Act 2006 insert—

“Voting on a poll: votes cast in advance

322A.—(1) A company's articles may contain provision to the effect that on a vote on a resolution on a poll taken at a meeting, the votes may include votes cast in advance.

(2) In the case of a traded company any such provision in relation to voting at a general meeting may be made subject only to such requirements and restrictions as are—

- (a) necessary to ensure the identification of the person voting, and
- (b) proportionate to the achievement of that objective.

Nothing in this subsection affects any power of a company to require reasonable evidence of the entitlement of any person who is not a member to vote.

(3) Any provision of a company's articles is void in so far as it would have the effect of requiring any document casting a vote in advance to be received by the company or another person earlier than the following time—

- (a) in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of the poll;
- (b) in the case of any other poll, 48 hours before the time for holding the meeting or adjourned meeting.

(4) In calculating the periods mentioned in subsection (3), no account is to be taken of any part of a day that is not a working day.”.

(2) In section 282(4) and section 283(5) of that Act (passing of ordinary or special resolution on a poll), for “in person or by proxy” substitute “in person, by proxy or in advance (see section 322A)”.

Representation of corporations at meetings

6. In section 323 of the Companies Act 2006 (representation of corporations at meetings), for subsections (2) to (4) substitute—

“(2) A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the company.

Where a corporation authorises more than one person, this subsection is subject to subsections (3) and (4).

(3) On a vote on a resolution on a show of hands at a meeting of the company, each authorised person has the same voting rights as the corporation would be entitled to.

(4) Where subsection (3) does not apply and more than one authorised person purport to exercise a power under subsection (2) in respect of the same shares—

- (a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way;
- (b) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.”.

Obligations of proxies

7. After section 324 of the Companies Act 2006 insert—

“Obligation of proxy to vote in accordance with instructions

324A. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed.”.

Electronic meetings and voting

8. After section 360 of the Companies Act 2006 insert—

“Electronic meetings and voting

360A.—(1) Nothing in this Part is to be taken to preclude the holding and conducting of a meeting in such a way that persons who are not present together at the same place may by electronic means attend and speak and vote at it.

(2) In the case of a traded company the use of electronic means for the purpose of enabling members to participate in a general meeting may be made subject only to such requirements and restrictions as are—

- (a) necessary to ensure the identification of those taking part and the security of the electronic communication, and
- (b) proportionate to the achievement of those objectives.

(3) Nothing in subsection (2) affects any power of a company to require reasonable evidence of the entitlement of any person who is not a member to participate in the meeting.”.

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