



Companies Act 1985

1985 CHAPTER 6

PART XI

COMPANY ADMINISTRATION AND PROCEDURE

CHAPTER V

AUDITORS

391 Right of resigning auditor to requisition company meeting

- (1) Where an auditor's notice of resignation contains a statement under section 390(2) (b) there may be deposited with the notice a requisition signed by the auditor calling on the directors of the company forthwith duly to convene an extraordinary general meeting of the company for the purpose of receiving and considering such explanation of the circumstances connected with his resignation as he may wish to place before the meeting.
- (2) Where an auditor's notice of resignation contains such a statement, the auditor may request the company to circulate to its members—
 - (a) before the general meeting at which his term of office would otherwise have expired; or
 - (b) before any general meeting at which it is proposed to fill the vacancy caused by his resignation or convened on his requisition,a statement in writing (not exceeding a reasonable length) of the circumstances connected with his resignation.
- (3) The company shall in that case (unless the statement is received by it too late for it to comply)—
 - (a) in any notice of the meeting given to members of the company state the fact of the statement having been made, and
 - (b) send a copy of the statement to every member of the company to whom notice of the meeting is or has been sent

Status: This is the original version (as it was originally enacted).

- (4) If the directors do not within 21 days from the date of the deposit of a requisition under this section proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, every director who failed to take all reasonable steps to secure that a meeting was convened as mentioned above is guilty of an offence and liable to a fine.
- (5) If a copy of the statement mentioned in subsection (2) is not sent out as required by subsection (3) because received too late or because of the company's default, the auditor may (without prejudice to his right to be heard orally) require that the statement shall be read out at the meeting.
- (6) Copies of a statement need not be sent out and the statement need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this section are being abused to secure needless publicity for defamatory matter; and the court may order the company's costs on such an application to be paid in whole or in part by the auditor, notwithstanding that he is not a party to the application.
- (7) An auditor who has resigned his office is entitled to attend any such meeting as is mentioned in subsection (2)(a) or (b) and to receive all notices of, and other communications relating to, any such meeting which any member of the company is entitled to receive, and to be heard at any such meeting which he attends on any part of the business of the meeting which concerns him as former auditor of the company.