
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies (OJ L 184, 14.7.2007, p. 17) so far as it is not already given effect in United Kingdom law. Except in one respect (regulation 22), they do so by amendment of Part 13 (Resolutions and Meetings) of the Companies Act 2006. This Note does not indicate where in United Kingdom law the Directive is already given effect.

Regulation 2 enables Articles 10 (proxy voting) and 13.4 (split votes by nominee shareholders) to be implemented by clarifying the relationship between the general voting rules in sections 282 to 284 and the rules about nominee shareholders, proxies, split votes and corporate representatives in sections 152, 285, 322, 322A and 323.

Regulation 3 implements Article 10.1 (shareholders' rights are the same whether exercised in person or by proxy) and 10.5 (proxies for more than one shareholder may split their votes) by replacing existing section 285 with two new sections, 285 and 285A (section 285A restates existing section 285(3) without any change).

Regulation 4 implements Article 6.2 (minimum stake to require a meeting to be called must not exceed 5%) by providing a single percentage, 5%, of the members of any type of company who may require the directors to call a general meeting.

Regulation 5 implements Article 12 (voting by correspondence) by providing for votes to be cast in advance.

Regulation 6 implements Article 13.4 (split votes by nominee shareholders) by enabling corporate representatives to vote in different ways from one another in respect of different blocks of shares.

Regulation 7 implements Article 10.4 (proxies to vote in accordance with instructions).

Regulation 8 implements Article 8 (participation in general meetings by electronic means) by preventing anything in Part 13 of the Companies Act 2006 from being an obstacle to meetings being held electronically.

Regulation 9 implements Article 5.1 (period of notice for general meetings) by amending sections 307 and 360 and inserting a new section 307A. The changes from existing section 307 are that annual general meetings of private companies with traded shares require 21 days' notice, and that other general meetings of companies (public and private) with traded shares also require 21 days' notice unless electronic voting is available and a resolution reducing the period to not less than 14 days was passed at the previous AGM or at a general meeting held since then.

Regulations 10 and 11 implement Article 5.3 and 5.4 (contents of notices of, and website publication of advance information about, general meetings of companies with traded shares): and see also regulation 15 below.

Regulation 12 implements Article 9 (right to ask questions at general meetings).

Regulation 13 implements Article 11 (formalities for proxy holder appointment and notification).

Regulation 14 makes consequential provision in respect of class meetings.

Regulation 15 requires private companies with traded shares to hold AGMs. This implements the obligation to apply the provisions of the Directive about annual general meetings to such companies which arises from the scope of the Directive provided for in Article 1.1.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Regulation 16 implements Article 5.3(b)(i) (notice of rights under Article 6) in respect of annual general meetings by providing for notice to be given of the right to require a company with traded shares to circulate a resolution to be moved at its AGM or to include something on the AGM agenda.

Regulation 17 implements Article 6.1(a), 6.2 and 6.3 (right to put items other than resolutions on the agenda of a general meeting) in respect of annual general meetings.

Regulation 18 implements Article 6.4 (revised agenda to be circulated when right to put items other than resolutions on the agenda of a general meeting exercised) in respect of annual general meetings and ensures that there is no obstacle to enjoyment of Article 6 rights by placing on the company the cost of circulating resolutions for the annual general meeting of a company with traded shares.

Regulation 19 implements Article 14 (determination of voting results and publication on website).

Regulation 20 implements Article 7 (requirements for participation and voting at general meetings).

Regulation 21 defines a company with traded voting shares as a “traded company”, if the shares are admitted to trading by or with consent of the company.

Regulation 22 implements Article 4 (equal treatment of shareholders) by excluding traded companies from the operation of the provision in the amended Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 preserving articles in force before 1st October 2007 which provide for the chairman of a company general meeting to have a casting vote.

Regulation 23 makes transitional provisions.

A Transposition Note has been prepared which set out how Directive [2006/36/EC](#) is transposed into UK law by these Regulations. An Impact Assessment of the effect that the implementation of the Directive by these Regulations will have on the costs of business, charities and other voluntary bodies has also been prepared and is annexed to the Explanatory Memorandum for this instrument. These are available from the Company Law Directorate, Department for Business, Innovation and Skills, 1 Victoria Street, London SW1, and electronically at www.bis.gov.uk. Copies have been placed in the libraries of both Houses of Parliament.