



Holding shareholder meetings during the pandemic

Updated as of 22 May 2020

Legislative assistance

On 28 March 2020 the Government announced that it would introduce legislation to assist companies with the holding of their shareholder meetings, in particular their AGMs, during the time that social distancing measures were in place. On 20 May 2020 those provisions were published in the Corporate Insolvency and Governance Bill.

The new provisions cover meetings of “*qualifying bodies*”; that is, not only companies, but also building societies, friendly societies, charitable registered organisations and registered societies. A “meeting” for these purposes includes a meeting of all the members, as well as a meeting of a class of members and a meeting of delegates appointed by members.

The provisions cover the period between 26 March and 30 September 2020 (the “*relevant period*”). Power is reserved for the Secretary of State to shorten the relevant period or to extend it up to 5 April 2021.

Relaxation of rules for conduct of meetings

During the relevant period:

1. A meeting need not be held in any particular place. (In other words, the meeting does not require a venue.)
2. A meeting can be held, and votes cast at it, by electronic means or any other means. (So there is no need to have a physical meeting.)

3. No person participating in the meeting needs to be in the same place as any other person participating in the meeting. (This overrides the assumption at common law that a “meeting” requires at least two persons to be present together.)

4. In relation to a meeting, a member does not have a right:
 - to attend the meeting in person;
 - to participate in the meeting other than by voting (in other words, he has no right to speak or otherwise be heard); or
 - to vote by particular means.

These four rules override any other statutory provisions (such as the Companies Act) and the constitution or rules of the qualifying body (such as the articles of association).

Extension of time for holding AGMs

Where a company (or any other qualifying body) is required by any statutory provision or constitutional provision to hold its AGM by a date which falls between 26 March and 30 September 2020, the company will be able to postpone the AGM up to 30 September 2020. The legislation will have retrospective effect from 26 March 2020 so that if a company has already failed to hold its AGM by a particular required date after 26 March, but holds the AGM by 30 September, it will be treated as having satisfied the requirement.

For further information on the holding of company meetings and corporate governance matters, please contact: Paul Lester on 01892 506 336 or paul.lester@crippspg.co.uk.