

## **The Companies Act 2006 (2006 Act) - Amendments to Meetings and resolutions**

There are a number of flexibilities that have been introduced by the 2006 Act in relation to meeting and resolutions. Some examples of the changes are as follows:-

- Private companies no longer have to hold annual general meetings (AGMs);
- General meetings can now be held on only 14 days' notice (regardless of the type of resolution being proposed) unless a company's Articles provide for a longer period;
- Companies can include a provision in their Articles allowing the registered member to nominate another person to enjoy and exercise all or some of the member's rights;
- Written resolutions can now be passed with the same percentages as at general meeting (whereas under the Companies Act 1985, written resolutions of members required all members to sign).

To take advantage of some of the changes highlighted above there may be some action that may need to be taken. If your Articles have an express requirement to hold an AGM, this will need to be removed. If your Articles provide for a notice period of more than 14 days for general meetings, you should amend this to take advantage of the new provisions. If you want registered members to be able to nominate another person to enjoy and exercise all or some of the member's rights, you will need to include a provision accordingly in your Articles. Articles of companies formed prior to October 2007 are also likely to have redundant terms in them such as 'extraordinary general meeting'.

## **Electronic communications**

It is now possible for companies to communicate with their shareholders (and debenture-holders) electronically. A company can send a document by e-mail if the shareholder has agreed to the use of e-mail, either in respect of a particular document or in respect of documents in general. A company can also send a document to a shareholder by posting it on its website if the shareholder has agreed to that method of communication, again either in respect of that document in particular or in respect of documents in general. A shareholder will be deemed to have agreed to website communication provided certain conditions are met. It is also now possible for shareholders to send documents to companies by e-mail – including an e-mail address in a notice calling a meeting or in a proxy document is sufficient agreement from the company for this.