

## **Government alerts companies to agenda item for the forthcoming AGM season**

23 December 2008: The Department of Business Enterprise and Regulatory Reform (BERR) is alerting listed companies who wish to retain their ability to call general meetings (other than AGMs) at 14 days notice to include a motion to this effect in their next AGM agenda.

The EU Shareholders Rights Directive enables companies to call such meetings at 14 days' notice, but only if shareholders have agreed an enabling resolution. The legislation does not come into effect until August 2009, but a shareholder resolution needs to be passed in advance of this date to avoid a period between that date and the company's next AGM where meetings could only be called at 21 days' notice. BERR have indicated that the resolution can be tabled while the regulations are still in draft. To see the BERR advice on this go to <http://www.icsa.org.uk/assets/files/pdfs/Policy/SRD.pdf>

The 14 day notice period was agreed with the European Commission following sustained lobbying by the ICSA prior to the Directive being finalised.

A number of law firms have recommended a possible form of resolution wording which companies can use in their AGM notice. ICSA supports this wording and it is set out below:

'That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.'

David Wilson, Director of Policy and Strategy at ICSA comments: 'In an uncertain economic climate there is a much greater need for flexibility on the part of companies and shareholders. It is imperative that companies include this motion on their next AGM agenda.'

The BERR consultation on implementing the Shareholders Rights Directive will remain open until the end of January 2009. The consultation paper can be found here: <http://www.berr.gov.uk/files/file48662.pdf>  
The final regulations implementing the Directive will not be published until later in 2009, prior to the implementation date of 3 August 2009.

For further details please contact Rosie Hamilton on 020 7612 7062 or [pressoffice@icsa.co.uk](mailto:pressoffice@icsa.co.uk)

## **Editors Notes**

The Institute of Chartered Secretaries and Administrators (ICSA) is the qualifying body for company secretaries and an authority on corporate governance and is one of the advisory bodies working with BERR on the implementation of the Companies Act 2006. It publishes guidance notes and best practice guides and through its subsidiaries provides events, information and training, boardroom performance evaluation and dedicated software. The ICSA has 36,000 members worldwide and is represented in over 70 countries.