

## **New ICSA guidance deals with practicalities of Shareholder Rights Directive**

28 July 2009: With the Shareholder Rights Directive coming into force on 3 August, the Institute of Chartered Secretaries and Administrators (ICSA) has today published a new guidance note on the topic which explains the key changes with added practice notes and recommendations. The changes apply in relation to shareholder meetings of which notice is given on or after 3 August 2009. Some changes affect all companies, but the majority of the changes only apply to traded companies.

The guidance, which is designed for those who need to implement the new regulations within their organisations, has a practical focus and where changes to the articles are recommended these are highlighted.

One change which affects all companies is the resolution of the uncertainty around the validity of the voting of corporate representatives appointed in respect of different shares in the same holding. As a result the 'designated corporate representative' procedure which was formulated in the ICSA guidance on Corporate Representatives and Proxies in 2008 becomes redundant for meetings of which notice is given on or after 3 August.

The changes generally are wide reaching, amending many critical sections in Part 13 of the Companies Act on Resolutions and Meetings and affect most aspects of shareholder meetings, from the time notice is given to the publication of poll results after the meeting.

Chairmen will need to be well briefed, in particular, on the new rules on proxies voting on a show of hands (all companies) and the new codification of the right of shareholders to have questions answered at general meetings (traded companies). Chairmen will need to be fully conversant with this new section of the Companies Act when deciding how to answer a particular question.

Bridget Salaman, Joint Head of Policy (Corporate) comments:

'This note has been produced with the assistance of an industry working group of company secretaries, lawyers and registrars so it should answer most of the questions associated with the practicalities of the new regulations.'

To download the guidance note click [here](#)

A pro-forma circular for article changes (for SHRD and Co Act final implementation) is now on the City of London Law Society website and can be found [here](#). It has been reviewed by the UKLA and the ABI.

For further information please contact Rosie Hamilton on 020 7612 7062 or [pressoffice@icsa.co.uk](mailto:pressoffice@icsa.co.uk) or Bridget Salaman on [bsalaman@icsa.co.uk](mailto:bsalaman@icsa.co.uk) or 020 7612 7039.

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#### **Editor's notes**

The ICSA would like to thank the working group which was comprised as follows:

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The Institute of Chartered Secretaries and Administrators (ICSA) is the qualifying body for company secretaries and a leading authority on corporate governance. 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.