Companies Act 1989

1989 CHAPTER 40

PART V

OTHER AMENDMENTS OF COMPANY LAW

De-regulation of private companies

116   Elective resolution of private company

(1) Chapter IV of Part XI of the Companies Act 1985 (meetings and resolutions) is amended as follows.

(2) After section 379 insert—

> "**379A Elective resolution of private company**
>
> (1) An election by a private company for the purposes of—
>
> > (a)   section 80A (election as to duration of authority to allot shares),
> > (b)   section 252 (election to dispense with laying of accounts and reports before general meeting),
> > (c)   section 366A (election to dispense with holding of annual general meeting),
> > (d)   section 369(4) or 378(3) (election as to majority required to authorise short notice of meeting), or
> > (e)   section 386 (election to dispense with appointment of auditors annually),
> >
> > shall be made by resolution of the company in general meeting in accordance with this section.
>
> Such a resolution is referred to in this Act as an "elective resolution".
>
> (2) An elective resolution is not effective unless—

(a) at least 21 days' notice in writing is given of the meeting, stating that an elective resolution is to be proposed and stating the terms of the resolution, and

(b) the resolution is agreed to at the meeting, in person or by proxy, by all the members entitled to attend and vote at the meeting.

(3) The company may revoke an elective resolution by passing an ordinary resolution to that effect.

(4) An elective resolution shall cease to have effect if the company is re-registered as a public company.

(5) An elective resolution may be passed or revoked in accordance with this section, and the provisions referred to in subsection (1) have effect, notwithstanding any contrary provision in the company's articles of association.".

(3) In section 380 (registration of resolutions), in subsection (4) (resolutions to which the section applies), after paragraph (b) insert—

"(bb) an elective resolution or a resolution revoking such a resolution;".