

NEW OBLIGATIONS FOR TRADED COMPANIES TO PROVIDE CONFIRMATION OF VOTING TO SHAREHOLDERS

New regulations, which come into force on 3 September 2020, will require traded companies to provide a confirmation of receipt of votes cast on a poll by electronic means. In addition, shareholders will have the right to request information from the company to help them determine that, where they have cast their vote on a resolution by way of poll at a general meeting, their vote has been validly recorded and counted.

The Companies (Shareholders' Rights to Voting Confirmations) Regulations 2020 (**Regulations**) implement certain provisions of the EU Shareholder Rights Directive 2007 (as amended). The Regulations apply to traded companies (i.e. companies whose shares carry voting rights and are admitted to trading on a regulated market within the EEA – this will include, by way of example, a company with shares listed on the main market of the London Stock Exchange but not a company with shares traded on AIM as it is not a regulated market). The Regulations amend the Companies Act 2006 (**Act**) by the insertion of new sections 360AA and 360BA.

Confirmation of receipt of electronic voting (section 360AA)

New section 360AA requires a traded company, where a vote is cast on a poll by electronic means, to provide confirmation of receipt of the vote cast. The receipt must be sent as soon as reasonably practicable after the vote has been received and must be sent by electronic means to the person casting the vote (whether the member, proxy or nominated representative).

The requirement in section 360AA applies to any vote cast at a meeting (including an electronic meeting¹) or in advance of any such meeting and has effect in relation to votes cast on or after 3 September 2020.

Right to request confirmation of vote after a general meeting (section 360BA)

New section 360BA requires a traded company to provide information to a shareholder to enable them to determine that their vote has been validly recorded and counted on a resolution at a general meeting where a poll has been taken on that resolution. A shareholder seeking such information will need to submit a request to the company within 30 days of the date of the

Key issues

- New regulations which impose obligations on traded companies come into force on 3 September 2020
- Traded companies will be required to provide confirmation of receipt of electronic voting in respect of votes cast on or after 3 September 2020
- Shareholders of traded companies will be able to request confirmation that their vote on a resolution at a general meeting taken by way of poll has been validly recorded and counted. This applies in respect of votes cast at a general meeting held on or after 3 September 2020
- Companies should liaise with their registrars to ensure they are ready to comply with these new obligations

¹ Where conducted in accordance with section 360A of the Act.

general meeting and have no other reasonable means by which to determine that their vote has been validly recorded and counted.

The company must provide the requested information to the shareholder as soon as reasonably practicable and, in any event, within 15 days of whichever is the later of the first working day after (i) the result of the poll is declared for that resolution or (ii) the request for information is received by the company.

This requirement has effect in relation to votes cast at a general meeting which takes place on or after 3 September 2020.

What action do traded companies need to take now?

Given that the Regulations come into force imminently, companies are advised to act now to ensure that they are ready to comply with these obligations with effect from the beginning of September. Companies should speak to their registrars and any other third parties who manage the logistics for their poll voting and/or provide the technology to enable electronic voting both ahead of a general meeting and at the general meeting to ensure that those third parties will be ready to help the company comply with its obligations for any votes cast on or after 3 September 2020.

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