

The Complete List of Shareholder Rights

Contents

<u>100% Shareholding</u>	1	<u>25+ % Shareholding</u>	4
<u>90% Shareholding</u>	1	<u>10% Shareholding</u>	4
<u>75% Shareholding</u>	2	<u>5+ % Shareholding</u>	5
<u>50+ % Shareholding</u>	3	<u>Any % Shareholding</u>	5

100% Shareholding - List of Rights

Shareholder Rights	Any Restrictions?	Statutory Position Companies Act 2006
Can do anything.	—	Re Express Engineering Works Ltd [1920] 1 Ch 466

90% Shareholding - List of Rights

Shareholder Rights	Any Restrictions?	Statutory Position Companies Act 2006
Not less than 90% (or such higher percentage, not exceeding 95%, as may be specified by the company's Articles). Hold a General meeting on short notice (i.e. less notice to the members than would normally be required).	—	CA 2006, S. 307(4),(5),(6) & (7)

75% Shareholding - List of Rights

Shareholder Rights	Any Restrictions?	Statutory Position Companies Act 2006
<p>Pass a Special Resolution.</p> <p>A Special Resolution is a resolution passed by a majority of not less than 75% of the members present in person or by proxy and entitled to vote at a general meeting.</p> <p>Not less than 21 days' notice, specifying the intention to propose the resolution as a special resolution, must be given to the members.</p>	<p>Petitioning on the grounds of unfair prejudice (CA 2006 S. 994) i.e. the court has a power to set aside resolutions of members if the members with the majority of the voting power have used their votes for a corrupt or improper purpose.</p> <p>(See Clemens v Clemens)</p>	CA 2006 S.283(1)
The following are examples of matters for which a special resolution is required by CA2006:		
(a) alteration of articles.	—	CA 2006 S. 21(1)
(b) change of name.	—	CA 2006 S. 77(1)
(c) reduction of share capital.	—	CA 2006 S. 641(1)
(d) increase in share capital.	—	CA 2006 S. 617-619
(e) authority for allotment of equity securities by the directors without restriction or subject to modified restrictions.	—	CA 2006 S. 571
<p>(f) re-registration of:</p> <ul style="list-style-type: none"> - an unlimited company as a limited company; - a private company or an unlimited company as a public company; or - a public company as a private company. 	—	<p>CA 2006 S. 105 (1)</p> <p>CA 2006 S. 94(2) & S. 90</p> <p>CA 2006 S. 97</p>
<p>(h) resolution of a company for winding up by the court;</p> <p>or for voluntary winding up.</p>	—	<p>IA 1986 S. 122(1)(a)</p> <p>IA 1986 S. 84 (1)(b)</p>

50+ % Shareholding - List of Rights

Shareholder Rights	Any Restrictions?	Statutory Position Companies Act 2006
Pass an Ordinary Resolution. If the Companies Act requires 'a resolution' and does not specify what type of resolution, this means an ordinary resolution which requires a simple majority (i.e. 50.01%) unless the articles require a higher majority or unanimity.	—	CA 2006 S. 281
Decisions which may be made by ordinary resolution, include:		
(a) any item of routine business where CA 2006 requires approval of the matter by members in general meeting;	—	
(b) exercising authority to alter (but not reduce) the authorised share capital;	—	CA 2006 S. 617 & S. 618(3)
(c) provide or renew the directors' authority to allot relevant securities;	—	CA 2006 S. 551(8)
(d) payment of a final dividend;	—	Para 30 Schedule 1 companies Model Articles
(e) capitalisation of reserves;	—	Article 36 Model Articles
(f) approval of transactions between the company and 'connected' persons;	—	CA 2006 S. 190
(h) approval of certain off-market purchases by a company of its own shares.	—	CA 2006 S. 695, 696 & 697

Shareholder Rights	Any Restrictions?	Statutory Position Companies Act 2006
Ordinary Resolution With Special Notice. Special notice of the intention to propose certain ordinary resolutions must be given to the company.	—	
These resolutions requiring special notice include those proposing:		
(1) The removal of a director.	Requires special notice to be given or the appointment of somebody instead of the director so removed, at the meeting at which he is removed.	CA 2006, S. 168(2)
(2) The appointment as auditor of a person other than the retiring auditor.	—	CA 2006, S. 485-488
(3) The removal of an auditor before the expiration of his term of office.	—	CA 2006, S. 510(2) & S. 511

25+ % Shareholding - List of Rights

Shareholder Rights	Any Restrictions?	Statutory Position Companies Act 2006
Block Special Resolution.	—	CA 2006, S. 283

10% Shareholding - List of Rights

Shareholders Rights	Any Restrictions?	Statutory Position Companies Act 2006
The right to have a company's annual accounts audited.	—	CA 2006, S. 476

5+ % Shareholding - List of Rights

Shareholders Rights	Any Restrictions?	Statutory Position Companies Act 2006
The right to require the circulation of a proposed written resolution and with it a statement.	Any request must be given to the company in writing at least one week before the General meeting to which the resolution relates.	CA 2006, S. 292 - can be less than 5% shareholding required, if stipulated in the articles.
The right to circulate a statement with respect to (a) a matter referred to in a proposed resolution to be dealt with at that meeting, or (b) other business to be dealt with at that meeting.	Any request must be given to the company in writing at least one week before the general meeting to which the statement relates.	CA 2006 S.314 - can be less than 5% shareholding required, if stipulated in the articles.
The right to call a general meeting.	Any request must be valid, given to the company in writing or in electronic format and must be given at least one week before the general meeting to which the request relates.	CA 2006 S. 303

Any % Shareholding - List of Rights

Shareholders Rights	Any Restrictions?	Statutory Position Companies Act 2006
The right to ask the court to call a general meeting.	—	CA 2006, S. 306(2)(b)
The right not to be unfairly prejudiced.	—	CA 2006, S. 994(1)
The right to have the company wound up provided that it is just and equitable to do so.	—	IA 1986 S. 112 (1)(g)
The right to vote on resolutions.	—	CA 2006, S. 284
The right to a dividend if one is declared.	Directors have power (but are not obliged to) declare a dividend. Members cannot vote to pay themselves more than the directors have recommended.	Model Articles, Article 30

The right to a share certificate.	This right depends on the articles of the company.	CA 2006, S. 769
A members' right to have their name entered on the Register of Members.	—	CA 2006, S. 113
The right to copies of the company's accounts and reports.	—	CA 2006, S. 431 & S. 432
The right to an AGM.	Only if an obligation to call AGMs appears in articles.	
The right to inspect minutes of general meetings.	—	CA 2006, S. 248, 355 & 358
The right to inspect the register of members and index of members' names without charge.	Subject to the company's right to go to court to refuse access.	CA 2006, S. 116(1)(a) and S. 117
The right to require a copy of the register of shareholders within 10 days of the request subject to a charge.	—	CA 2006, S. 116(2)
The right to inspect the register of directors service contracts without charge.	—	CA 2006, S. 229(1)
Registers to be maintained at a company's registered office.	—	CA 2006 S. 114
Register of directors and secretaries.	—	CA 2006, S. 162 & S. 275 to record the information required by CA 2006, S. 163 & 277.
Register of members.	—	CA 2006, S. 113
Register of directors' interests in shares.	—	CA 2006, S. 808
Minute books.	—	CA 2006, S. 248