

## CHAPTER 9 Duties of directors and other officers

### Obligation to convene extraordinary general meeting in event of serious loss of capital

1111. (1) Where the net assets of a PLC are half or less of the amount of the PLC's called-up share capital, the directors of the PLC shall, not later than 28 days after the earliest day on which that fact is known to a director of the PLC (the "relevant day"), duly convene an extraordinary general meeting of the PLC.

(2) That extraordinary general meeting shall be convened—

(a) for the purpose of considering whether any, and if so what, measures should be taken to deal with the situation; and

(b) for a date not later than 56 days after the relevant day.

(3) If there is a failure to convene an extraordinary general meeting of a PLC as required by subsections (1) and (2), each of the directors of the PLC who—

(a) knowingly and intentionally authorises or permits that failure, or

(b) after the expiry of the period during which that meeting should have been convened, knowingly and intentionally authorises or permits that failure to continue,

shall be guilty of a category 3 offence.

(4) Nothing in this section shall be taken as authorising the consideration, at an extraordinary general meeting convened in pursuance of this section, of any matter which could not have been considered at that meeting apart from this section.