

Resignation of statutory auditor: requisition of general meeting

401. (1) A notice served by statutory auditors on a company under section 400 which contains a statement in accordance with subsection (3)(b) of that section may also requisition the convening by the directors of the company of a general meeting of the company for the following purpose.

(2) That purpose is the purpose of receiving and considering such information and explanation of the circumstances connected with the statutory auditors' resignation from office as they may wish to give to the meeting.

(3) Where the statutory auditors make such a requisition, the directors of the company shall, within 14 days after the date of service on the company of the foregoing notice, proceed duly to convene a general meeting of the company for a day not more than 28 days after the date of such service.

(4) Subject to subsection (5), where—

(a) a notice served on a company under section 400 contains a statement in accordance with subsection (3)(b) of that section, and

(b) the statutory auditors concerned request the company to circulate to its members—

(i) before the next general meeting after their resignation, or

(ii) before any general meeting at which it is proposed to fill the vacancy caused by their resignation or convened pursuant to a requisition referred to in subsection (1),

a further statement in writing prepared by the statutory auditors of circumstances connected with their resignation that the statutory auditors consider should be brought to the notice of the members, the company shall—

(i) in any notice of the meeting given to members of the company state the fact of the statement having been made, and

(ii) send a copy of the statement to the Registrar and to every person who is entitled under section 338 to be sent copies of the documents referred to in that section.

(5) Subsection (4) need not be complied with by the company concerned if, on the application either of the company or any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this section are being abused to secure needless publicity for defamatory matter and orders that that subsection need not be complied with.

(6) The court may order the company's costs on such an application to be paid in whole or in part by the statutory auditors concerned notwithstanding that they are not a party to the application.

(7) If default is made in complying with subsection (3) or (4), the company concerned and any officer of it who is in default shall be guilty of a category 3 offence.

(8) In subsection (7) "officer" includes any shadow director and de facto director.