

Right of statutory auditors to make representations where their removal or non-re-appointment proposed

397. (1) In this section “relevant meeting” means the meeting at which the resolution mentioned in section 396 (1)(a) or (b), as the case may be, is to be considered.

(2) Subject to subsection (4), where notice is given of such an intended resolution as is mentioned in section 396 (1)(a) or (b) and the statutory auditors there mentioned make, in relation to the intended resolution, representations in writing to the company (not exceeding a reasonable length) and request their notification to be sent to members of the company, the company shall, unless the representations are received by it too late for it to do so—

(a) in any notice of the resolution given to members of the company, state the fact of the representations having been made, and

(b) send a copy of the representations to every member of the company to whom notice of the relevant meeting is sent (whether before or after receipt of the representations by the company).

(3) If a copy of the representations is not sent as is mentioned in subsection (2) (because either they were received too late or because of the company's default) the statutory auditors concerned may (without prejudice to their right to be heard orally) require that the representations shall be read out at the relevant meeting.

(4) Copies of the representations need not be sent out and the representations need not be read out at the relevant meeting as mentioned in subsection (2) or (3) if, on the application either of the company or of 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 those things need not be done.

(5) 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.