

Extended notice requirement in cases of certain appointments, removals, etc., of auditors

396. (1) Extended notice shall be required for:

(a) a resolution at an annual general meeting of a company appointing as statutory auditors any persons other than the incumbent statutory auditors or providing expressly that the incumbent statutory auditors shall not be re-appointed;

(b) a resolution at a general meeting of a company removing statutory auditors from office; and

(c) a resolution at a general meeting of a company filling a casual vacancy in the office of statutory auditor.

(2) For the purpose of this section extended notice shall comprise the following requirements:

(a) the company shall be given by the person proposing the resolution not less than 28 days' notice of the intention to move any such resolution; and

(b) on receipt of notice of such an intended resolution, the company—

(i) shall forthwith send a copy of it to the incumbent statutory auditors or the person (if any) whose ceasing to hold the office of statutory auditor of the company occasioned the casual vacancy, and

(ii) shall give its members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, shall give them notice of it, either by advertisement in a daily newspaper circulating in the district in which the registered office of the company is situate or in any other mode allowed by this Act, not less than 21 days before the date of the meeting.

(3) If, after notice of the intention to move such a resolution has been given to the company, a meeting is called for a date 28 days or less after the date on which the notice has been given, the notice though not given within the time required by subsection (2) shall be deemed to have been properly given for the purposes of that subsection.