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***Legally privileged information***  
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## **WATFORD COMMUNITY HOUSING TRUST**

### **Shareholder Report on Rule Change**

#### **1 Background: WCH AGM 2020**

1.1 The rules (**Rules**) of Watford Community Housing Trust (**WCH**) include provisions for the holding of shareholders meetings in a physical place. The Rules do not currently make provision for “virtual” shareholder meetings (i.e. meetings held electronically, e.g. via video conferencing) or “hybrid” meetings. A hybrid meeting combines both elements of a physical meeting with those of a virtual meeting.

1.2 The government has recently introduced legislation, the Corporate Insolvency and Governance Act 2020 (the **Act**). The Act will allow WCH to hold virtual meetings, in spite of what the Rules say, until 30 September 2020, (this period may be extended by the government but not beyond 5 April 2021).

1.3 At this stage, it is not clear what social distancing restrictions (the **Restrictions**) will be in place when WCH’s Annual General Meeting (**AGM**) is scheduled to take place on 14 September 2020. Therefore this year’s AGM will be a virtual meeting which will allow for the following outcomes to be met:

1.3.1 the safety of all shareholders will not be compromised as a result of attending the AGM;

1.3.2 a virtual AGM will allow for maximum shareholder engagement in the current circumstances;

1.3.3 a virtual AGM will allow WCH to fully comply with the Restrictions in place at the time of the AGM.

#### **1.4 Future AGMS: 2021 and beyond**

1.5 It is not yet clear how long the Covid-19 Restrictions will be in place. We do know that it is not intended that the provisions of the Act will remain in force indefinitely. It is therefore recommended that the Rules are partially amended to enable “virtual” and “hybrid” general meetings to take place in the future, without the need to rely on government legislation.

1.6 We have prepared a partial amendment to WCH’s Rules, which the shareholders are asked to approve. These amendments will allow for the following:

1.6.1 Virtual only meetings: these would be used in circumstances where any Restrictions that are in place at the time of the meeting would mean that it would not be safe for shareholders to attend a physical meeting;

- 1.6.2 Hybrid meetings: these could be used even where Restrictions are not in place. This would give shareholders the option of attending physically in person or virtually. By giving shareholders the option to attend virtually or physically, it is hoped that shareholders can choose their preferred method of participating at a general meeting in the future and will continue to feel that their voice is heard; and
- 1.6.3 Shareholders will continue to have the option of submitting a proxy, whether the meeting is a physical only meeting, virtual only meeting or a hybrid meeting.
- 1.7 We have therefore amended the Rules to make provision for such virtual and “hybrid” general meetings.
- 1.8 WCH’s shareholders are asked at this year’s AGM to consider and approve the proposed changes to the following rules: Rule C20, Rule G15.15, Rule G15.17 and Rule G15.27. A copy of the Notice of AGM, which contains the proposed special resolution to amend the Rules, accompanies this report.

## **Devonshires**