

Explanation

Re: Practice Guidelines Relating to Service of Limited Company Shareholders Meeting Invitation Notice (No. 2)

Reference is made to Department of Business Development Explanation Re: Practice Guidelines Relating to Service of Limited Company Shareholders Meeting Notice, dated 3rd July B.E. 2552 (2008).

Inquiries are still submitted to the Department of Business Development pertaining to practices relating to the aforesaid service of limited company shareholders meeting notice, as well as inquiries on the progress of the Draft Act to Amend the Civil and Commercial Code (No. ..) B.E. which will amend the current procedure for service of shareholder meetings notice (details can be found in <http://www.dbd.go.th/mainsite/index.php?id=22211>).

In order to clarify and promote a proper understanding on this matter, the following explanation is hereby provided.

1. An invitation notice for a limited company's shareholders meeting must comply with section 1175 of the Civil and Commercial Code, i.e.

1.1 the invitation notice for shareholders meeting must be published in a local newspaper at least once, and

1.2 the invitation notice for shareholders meeting must be sent by registered reply post to all shareholders named in the company's share register.

Nonetheless, when proceeding under 1.2, a company may choose to send the notice directly to the shareholder (in lieu of registered reply post, if accepted by the shareholder). However, if the shareholder rejects such meeting notice, the company must proceed to effect service by registered reply post to the shareholder pursuant to 1.2.

In any event, actions under 1.1 and 1.2 must be undertaken at least seven days or fourteen days (special resolution) prior to the date of shareholders meeting, as the case may be.

2. The Draft Act to Amend the Civil and Commercial Code (No. ..) B.E. was approved by the Council of Ministers on 18th August B.E. 2552 (2009) and is currently under review by the Council of State.

This explanation is hereby given for general notice.

Department of Business Development
8 April B.E. 2554 (2011)