BANWO & IGHODALO

Shareholder Representation At Company Meetings: Understanding The Distinction Between Proxies And Corporate Representatives.

July 20, 2026

Introduction

Corporate governance seeks to ensure that companies are managed and operated ethically, responsibly, and transparently, in order to enhance shareholder value, safeguard the interests of other stakeholders, and ultimately foster a healthy environment for a company's business operations to thrive. One of the ways by which this aspiration is achieved is through effective and efficient representation at meetings. This makes the rules surrounding representation at meetings critical to effective oversight, shareholder empowerment, and the integrity of corporate decision-making. Significant decisions are made at shareholder meetings, which have the potential to alter a company's trajectory; hence, the need to effectively regulate such meetings in accordance with statutory provisions.

Due to the concept of legal personality, a corporate shareholder holds essentially the same as the rights of an individual shareholder, subject however to the company's articles of association and any particulars attached to the shares. For instance, both corporate and individual shareholders are entitled to attend meetings personally or through a representative.

This article distinguishes two mechanisms for exercising a shareholder's voting rights in its absence - proxy and corporate representation. It sets out the legal basis for each under Nigerian law, explains how to choose between them, and and clarifies

the confusion that surround the two. Though both involve exercising someone else's voting rights on their behalf, the terms are not interchangeable.

Proxy

A proxy is a person appointed by a shareholder of a company to represent that shareholder at the company's general meetings. The right to appoint a proxy is a statutory right. It cannot be restricted or revoked by companies, though it may be enhanced in the articles of association or a shareholders' agreement. Thus, every shareholder that is entitled to attend and vote at a meeting of the company is entitled to appoint a proxy to attend and vote on his behalf when unable to attend.[1] Consequently, every notice issued to convene a general meeting of a company is required to have a statement confirming the right of shareholders to appoint proxies to attend and vote in their stead and that the

[1] Section 254 of CAMA 2020.

proxies need not be members of the company. Importantly, a proxy has the same right as the appointing shareholder to attend, speak and vote at the meeting[2].

Unless the company's articles provide otherwise, the right to appoint a proxy does not apply to a company without a share capital. For a company limited by shares, shareholders may appoint more than one proxy for a general meeting – a shareholder who holds shares of different classes (e.g. ordinary shares and preference shares) may appoint a different proxy for each share class he holds in the company. For jointly owned shares, the joint holder first named in the register of members in respect of the shares[3] has the right to appoint a proxy. Being the first named shareholder among the joint holders of the shares, he is deemed to be the senior joint holder, and any vote tendered by him whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Upon appointment, a proxy has the same rights as the shareholder for whom he is acting as a substitute. A shareholder can appoint any other person to serve as their proxy. There is no statutory requirement for a proxy to be a shareholder, director, or secretary of the company. A proxy must be appointed by an instrument in writing, signed by the appointer or his attorney. If the appointer is a corporation, then the appointment may be by deed, or under the hand of an officer or duly authorised attorney. Where the appointment is by the shareholder's attorney[4], then the proxy form must be accompanied by written evidence of the attorney's authority. In addition, for an appointment to be valid, the Companies Regulations 2021[5], requires the proxy form to be sent to the director(s) at least Forty- Eight (48) hours before the relevant general meeting and to

a) state the name and address of the shareholder appointing the proxy;
b) identify the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
c) be signed by or on behalf of the shareholder appointing the proxy, or authenticated in such manner as the directors may determine; and
d) be delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate

The appointment instrument and power of attorney or any other relevant authority under which it is signed or a certified true copy (if any), must be deposited at the company's registered office, the head office of the company, or any other place within Nigeria indicated in the notice convening the meeting at least forty-eight (48) hours before the time for the meeting or adjourned meeting as the case may be, or in case of a poll, at least twenty-four (24)

hours before the time appointed for taking the poll. Otherwise, the proxy instrument shall be void.

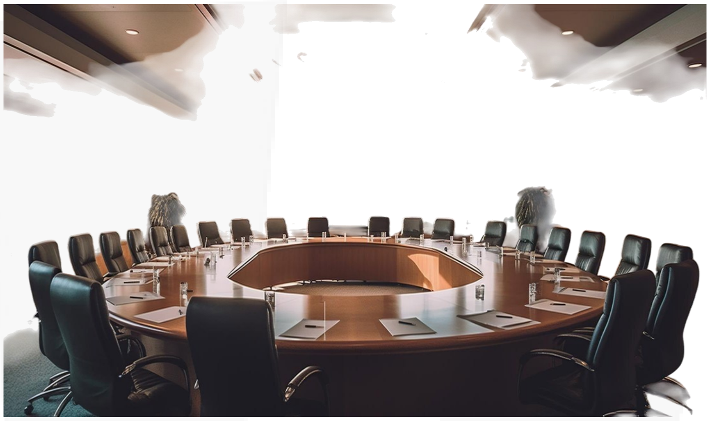
The relationship between the shareholder appointing a proxy and the proxy is that of a principal and agent. Consequently, the proxy as an agent is bound to act according to the instructions of the principal, the member. An appointment may be revoked by delivering to the company a notice in writing given by or on behalf of the appointor. However, a notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

Corporate Representative

Being an artificial person created by operation of law, a corporate entity has no physical presence and needs to operate through a human agent. Consequently, CAMA 2020, permits a corporate shareholder of another company to, by a resolution of its directors or other relevant governing body, authorise such person as it deems fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company to which it belongs[6]. Such representative may exercise the same powers on the corporate shareholder's behalf as the shareholder itself could exercise were it an individual shareholder, creditor or debenture holder, extending beyond attending general meetings of a company, to voting, signing relevant documentation, and representing the corporate shareholder's interests as may arise.

A corporate representative is appointed by a resolution of the corporate shareholder's directors or other governing body, authorising such individual to act on its behalf. There is no statutory filing deadline of the kind that governs proxies. Since the corporate representative may exercise the same powers on behalf of the corporate shareholder as the shareholder could exercise if

[3]Section 244 (4) CAMA 2020.
[4]Section 254 (6) CAMA 2020.
[5]This provision applies to private companies limited by shares, private companies limited by guarantee, and public companies.
[6]Section 255, CAMA 2020.



it were an individual member of the company, he will conduct himself like a shareholder. However, this is limited to acts consistent with the powers granted by the corporate shareholder. Where there are no limitations on the powers of a corporate representative, he has complete freedom to represent the corporate shareholder in any way he sees fit.

Proxy or Corporate Representative?

A corporate shareholder has the choice of either appointing a proxy or a corporate representative. Where it appoints a proxy, the rules discussed above in relation to the appointment of a proxy by an individual would apply. Appointing a corporate representative has the advantage of no strict deadlines for appointing one and the appointment subsists until terminated, so a new appointment is not needed for each general meeting. On the other hand, the requirement of a board resolution may result in a delay in the appointment. Also, differences between the corporate shareholder's board and its appointed representative may give rise to conflict that hampers the representative's functions.

A proxy is recommended when an individual shareholder is unable to attend a meeting, or when a corporate shareholder that already has a corporate representative needs one-off cover for a meeting the representative cannot attend. However, a corporate representative will be appropriate when a corporation needs ongoing representation, for example across a series of meetings or negotiations, or where strategic decisions are to be taken at the meeting, for which a standing representative is better placed to advance the corporate shareholder’s interests. There are no express legal restrictions on a single shareholder appointing a proxy and a corporate representative to attend the same general meeting. In any event, dual attendance does not confer double voting rights on a shareholder.

Conclusion

A shareholder faced with the option of choosing between appointing a proxy or a corporate representative should select the option best suited to its needs. Where the choice is a proxy, it should set out explicit voting instructions for such proxy. Where the choice is a corporate representative, it should define the powers and their manner of exercise. This ensures that each acts strictly within the authority conferred and in accordance with the shareholder’s wishes.

Effective representation, whether by proxy or a corporate representative, is a fundamental element of good corporate governance. A clear grasp of the legal basis, the formalities, and the strategic use of each option allows corporate shareholders to protect their rights, participate effectively and efficiently in decision-making, and reinforce a company’s accountability to its members.

CONTACT PERSONS

Olumide Osundolire

Partner

E: oosundolire@banwo-ighodalo.com

Oluwabusola Ajanaku

Senior Associate

E: oajanaku@banwo-ighodalo.com

Zeenat Oyesanya

Associate

E: zoyesanya@banwo-ighodalo.com