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Navigating Shareholder Disputes: Recent Developments in Irish Law

This factsheet examines recent Irish and UK case law and sets out practical approaches to managing and resolving shareholder conflicts efficiently.

Minority shareholder remedy

Section 212 of the Companies Act 2014 allows any member to seek relief where company affairs or directors' powers are exercised oppressively or in disregard of members' interests. The remedy is particularly important in closely held and owner-managed businesses without a shareholders' agreement. Available relief includes a share purchase, management directions, constitutional amendments and compensation.

"Oppression" in section 212 proceedings requires conduct that is burdensome, harsh or wrongful, but not necessarily illegal. As a result, otherwise legal conduct that disadvantages minority shareholders can potentially create significant exposures for the company.

Recent oppression proceedings – parameters clarified

- The Court of Appeal's decision in [Mascarenhas v Karim & Anor \[2022\]](#) has confirmed that section 212 proceedings can be brought against individuals who are neither directors nor registered shareholders provided they indirectly control or influence company affairs oppressively.

The respondent had acted as if controlling the company; giving instructions, making demands and seeking board control. The Court focused on substance over formal status and held that a person who purports to conduct the affairs of a company or exercise directors' powers is not automatically excluded from the scope of section 212 proceedings.

Practical implication: Companies should be mindful that de facto control by shadow directors, investors or family members may trigger oppression claims against those individuals notwithstanding a lack of formal office.

- In [THG Plc v Zedra Trust Company \(Jersey\) Ltd \[2026\]](#), the UK Supreme Court held that unfair prejudice petitions under section 994 of the Companies Act 2006 (UK)

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have no statutory limitation period. It overturned the Court of Appeal's application of a six-year limitation period.

Practical implication: This decision is persuasive in Ireland and may influence how Irish courts approach statutory limitation issues in oppression proceedings.

Interim protection for minority shareholders

In [*DAF Truck Services \(Cork\) Ltd v Companies Act 2014 \[2025\]*](#), the High Court granted an interlocutory injunction restraining the majority shareholders from removing a minority shareholder as director pending section 212 proceedings, despite the general right of company members to remove a director by majority vote.

The minority shareholder, who held 30% of the shareholding, had served as a director of the company for 40 years. The Court stressed that injunctive relief restraining the director's removal would only be granted on an exceptional basis. Here, injunctive relief was found to be appropriate given the evidence that the company was a quasi-partnership, creating a legitimate expectation for the minority shareholder of participation in management. The injunction preserved the minority shareholder's board position and access to company information pending trial.

Practical implication: Courts may grant interlocutory relief against the company's normal operations in cases where a minority shareholder evidences a credible case of oppression through such normal operation. Companies should obtain early advice before seeking to remove directors who hold a minority shareholding.

Abolition of the Shareholder Rule

In [*Globoforce Group Plc v Luxembourg Investment Company 276 SARL & Others*](#) [2026], the High Court held that shareholders are not entitled to inspect privileged legal advice obtained by a company on the grounds that they have a proprietary or joint interest in that legal advice, abolishing the historic "shareholder rule".

In litigation arising from a collapsed acquisition, the Court confirmed that the shareholder rule is no longer applicable in Ireland, following the reasoning of the UK Privy Council in [*Jardine Strategic Ltd*](#) [2025].

Practical implication: This decision gives companies greater certainty that privileged advice will remain protected. Companies can expect stronger privilege protection, while shareholders face narrower discovery options. Further information is available in McCann FitzGerald LLP's recent briefing "[Shareholder Rule' abolished](#)" (available at mccannfitzgerald.com).

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The Growing Role of Mediation and Alternative Dispute Resolution (ADR)

Shareholder litigation is costly and damaging to both businesses and relationships. Alternative dispute resolution (ADR) offers confidentiality and commercial flexibility to companies in contentious disputes, and Irish solicitors are required to advise clients to consider mediation before proceedings are taken. This is an evolving area of dispute resolution in Ireland:

- **Walls Construction Holdings Limited (2023)** settled after the Court encouraged mediation when a 20% shareholder challenged a proposed growth share scheme on the basis that it would dilute and oppress its interests. Following the Court's encouragement to mediate, the matter was successfully settled without a full hearing.
- Similarly, the widely-publicised **Web Summit** litigation, which comprised five separate sets of proceedings between its three principal shareholders, was also mediated before a scheduled nine-week Commercial Court hearing.

Both examples show that high-profile disputes can settle without trial through mediation and ADR. In some cases, however, the courts will mandate mediation or arbitration in the middle of proceedings:

- In *J Burke & Associates Ltd v Patrick O'Connell* [2026], the High Court held that it has an inherent jurisdiction to order parties to mediate. Mr Justice Twomey cited twenty factors, including the public interest in efficient dispute resolution, the prohibitive costs of litigation, the Mediation Act 2017 and persuasive UK authorities, while stressing that compelled participation in ADR does not compel settlement.

Practical implication: A detailed review of this judgment and its implications for commercial parties is available in McCann FitzGerald LLP's recent briefing "[Mandatory Mediation: High Court confirms power to order mediation in civil proceedings](#)" (available at mccannfitzgerald.com).

- In *O'Callaghan v O'Callaghan and Ors* [2026], the High Court held that an arbitration clause in a shareholders' agreement was separable from the main contract. In a family dispute over hotel-group control, it rejected the argument that alleged misrepresentation invalidated the arbitration clause, applied the "one-stop shop" presumption and referred all but one claim to arbitration.

Practical implication: Clear, carefully drafted mediation and arbitration clauses help to prevent parties bypassing agreed mechanisms.

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Conclusion and Key Takeaways for Companies

Recent decisions reflect a clear judicial preference for flexible protection for minority shareholders and efficient dispute resolution. Companies should assess control arrangements, protect shareholder interests and address mediation and arbitration expressly in shareholders' agreements.

How Can McCann FitzGerald Help?

For further information or assistance, please reach out to one of the key contacts below, or your usual contact at McCann FitzGerald LLP.

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Further information is available from:

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