

General meetings of companies involved in a division

496. (1) In this section—

(a) a reference to a general meeting, without qualification, is a reference to a general meeting referred to in subsection (2),

(b) a reference to a successor company does not include a reference to a new such company formed for the purposes of the division.

(2) Subject to subsection (6), the subsequent steps under this Chapter in relation to the division shall not be taken unless the common draft terms of division have been approved by a special resolution passed at a general meeting of each of the companies involved in the division, being a meeting held not earlier than 30 days after the date of the publication by the company of the notice referred to in section 494 (2)(b).

(3) Subject to section 497 (2), the notice convening that meeting shall contain a statement of every shareholder's entitlement to obtain on request, free of charge, full or, if so desired, partial copies of the documents referred to in section 495 (1) (and, accordingly, every shareholder has, subject to the foregoing provision, that entitlement).

(4) The directors of the transferor company shall inform—

(a) the general meeting of that company, and

(b) as soon as practicable, the directors of the successor companies,

of any material change in the assets and liabilities of the transferor company between the date of the common draft terms of division and the date of that general meeting.

(5) The directors of the successor companies shall inform the general meetings of those companies of all changes of which they have been informed pursuant to subsection (4).

(6) Approval, by means of a special resolution, of the common draft terms of division is not required in the case of a particular successor company in a division by acquisition if the conditions specified in subsection (7) have been satisfied in relation to that successor company (the “particular successor company”).

(7) The conditions referred to in subsection (6) are the following:

(a) the notice required to be published under section 494 (2)(b) was published in accordance with section 494 (2)(b) in respect of the particular successor company before the commencement of the period (in this subsection referred to as the “notice period”) of 30 days before the date of the passing by the transferor company of the resolution referred to in this section;

(b) the members of the particular successor company were entitled, during the notice period—

(i) to inspect, at the registered office of that successor company, during ordinary hours of business, copies of the documents referred to in section 495 (1), and

(ii) to obtain copies of those documents or any part of them on request;

(c) the right, conferred by subsection (8), to requisition a general meeting has not been exercised during the notice period.

(8) One or more members of the particular successor company who hold or together hold not less than 5 per cent of the paid-up capital of the company which carries the right to vote at general meetings of the company (excluding any shares held as treasury shares) may require the convening of a general meeting of the company to consider the common draft terms of division, and section 178 (3) to (7) apply, with any necessary modifications, in relation to the requisition.