

Purchase of minority shares

499. (1) Where the special resolution referred to in section 496 has been passed by each of the companies involved in the division (or such of them as are required by that section to pass such a resolution), a minority shareholder in the transferor company may, not later than 15 days after the relevant date, request the successor companies in writing to acquire his or her shares in the transferor company for cash.

(2) Where a request is made by a minority shareholder in accordance with subsection (1), the successor companies (or such one, or more than one of them, as they may agree among themselves) shall purchase the shares of the minority shareholder at a price determined in accordance with the share exchange ratio set out in the common draft terms of division and the shares so purchased by any successor company shall be treated as treasury shares within the meaning of section 106.

(3) Nothing in this section limits the power of the court to make any order necessary for the protection of the interests of a dissenting minority in a company involved in a division.

(4) In this Chapter—

“minority shareholder”, in relation to the transferor company, means—

(a) in a case where a successor company (not being a company formed for the purpose of the division) holds 90 per cent or more (but not all) of the shares carrying the right to vote at general meetings of the transferor company, any other shareholder in the company, or

(b) in any other case, a shareholder in the company who voted against the special resolution;

“relevant date” means—

(a) in relation to a minority shareholder referred to in paragraph (a) of the definition of “minority shareholder” in this subsection, the date of publication of the notice of delivery of the common draft terms of division under section 494 (2)(b), or

(b) in relation to a minority shareholder referred to in paragraph (b) of that definition of “minority shareholder”, the date on which the resolution of the transferor company was passed.