

Proposals for compromise or scheme of arrangement

539. (1) Proposals for a compromise or scheme of arrangement under this Part in relation to a company shall—

- (a) specify each class of members and creditors of the company,
 - (b) specify any class of members and creditors whose interests or claims will not be impaired by the proposals,
 - (c) specify any class of members and creditors whose interests or claims will be impaired by the proposals,
 - (d) provide equal treatment for each claim or interest of a particular class unless the holder of a particular claim or interest agrees to less favourable treatment,
 - (e) provide for the implementation of the proposals,
 - (f) if the examiner considers it necessary or desirable to do so to facilitate the survival of the company, and the whole or any part of its undertaking, as a going concern, specify whatever changes should be made in relation to the management or direction of the company,
 - (g) if the examiner considers it necessary or desirable to do so to facilitate such survival, specify any changes he or she considers should be made in the constitution of the company, whether as regards the management or direction of the company or otherwise,
 - (h) include such other matters as the examiner deems appropriate.
- (2) A statement of the assets and liabilities (including contingent and prospective liabilities) of the company as at the date of the proposals shall be attached to each copy of the proposals to be submitted to meetings of members and creditors under section 540.
- (3) There shall also be attached to each such copy of the proposals a description of the estimated financial outcome of a winding up of the company for each class of members and creditors.
- (4) The court may direct that the proposals include whatever other provisions it deems fit.
- (5) For the purposes of this section and sections 541 to 543, a creditor's claim against a company is impaired if the creditor receives less in payment of his or her claim than the full amount due in respect of the claim at the date of presentation of the petition for the appointment of the examiner.
- (6) For the purposes of this section and sections 541 to 543, the interest of a member of a company in the company is impaired if—

(a) the nominal value of his or her shareholding in the company is reduced, or

(b) where the member is entitled to a fixed dividend in respect of his or her shareholding in the company, the amount of that dividend is reduced, or

(c) the member is deprived of all or any part of the rights accruing to him or her by virtue of his or her shareholding in the company, or

(d) the percentage of his or her interest in the total issued share capital of the company is reduced,
or

(e) the member is deprived of his or her shareholding in the company.