

Scheme meetings — convening of such by directors and court's power to summon such meetings

450. (1) Where a compromise or arrangement is proposed between a company and—

(a) its creditors or any class of them, or

(b) its members or any class of them,

the directors of the company may convene—

(i) the appropriate scheme meetings of the creditors or the class concerned of them, or

(ii) the appropriate scheme meetings of the members or the class concerned of them.

(2) References in subsections (1) and (5) to the appropriate scheme meetings of creditors or members, as the case may be, are references to either—

(a) separate scheme meetings of the particular creditors or members (as appropriate) who fall into the separate classes that, under the general law, are required to be constituted for the purpose of voting on the proposals for the compromise or arrangement, or

(b) where, under the general law, no such separate classes are required to be constituted for that purpose, a single scheme meeting of the creditors or members (as appropriate).

(3) Where a compromise or arrangement referred to in subsection (1) is proposed and the directors of the company do not exercise the powers under that subsection, the court may, on the application, at any time, of any of the following persons, order a scheme meeting or scheme meetings of the creditors or members (or, as the case may be, the class of either of them concerned) to be summoned in such manner as the court directs.

(4) The persons referred to in subsection (3) are:

(a) the company;

(b) any creditor or member of the company;

(c) in the case of a company being wound up, the liquidator.

(5) Without prejudice to the court's jurisdiction under section 453 (2)(c) to determine whether the scheme meetings that have been held comply with the general law referred to in subsection (2), the court, in exercising its jurisdiction to summon meetings under subsection (3), may, in its discretion, where it considers just and convenient to do so, give directions as to what are the appropriate scheme meetings that must be held in the circumstances concerned.

(6) If the compromise or arrangement is proposed between the company and a class of its creditors or members, then—

(a) the reference in subsection (2) to creditors or members, where it first occurs, is a reference to that class of creditors or members, as appropriate (the “predicate class”), and

(b) the references in paragraphs (a) and (b) of that subsection to separate classes of creditors or members are references to separate classes of creditors or members, as appropriate, who fall within the predicate class.