

General meetings of companies involved in a division

1159. (1) In this section a reference to a general meeting, without qualification, is a reference to a general meeting referred to in subsection (2).

(2) Subject to subsections (7) and (10) and without prejudice to section 1161, 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.

(3) In addition, where the division is a division by formation of new companies, those subsequent steps shall not be taken unless the constitution or draft constitution of each of the new companies has been approved by a special resolution of the transferor company.

(4) Subject to section 1160 (2), the notice convening the general meeting referred to in subsection (2) 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 1158 (1) (and, accordingly, every shareholder has, subject to the foregoing provision, that entitlement).

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

(a) the general meeting of that company, and

(b) the directors of the successor companies,

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

(6) On being so informed of them, the directors of each such other company involved in the division shall inform the general meeting of that company of the matters referred to in subsection (5); this and the preceding subsection operate subject to subsections (10)(c) and (11).

(7) Approval, by means of a special resolution, of the common draft terms of division is not required in the case of a successor company (in subsections (8) and (9) referred to as the “particular successor company”) if the conditions specified in subsection (8) have been satisfied.

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

(a) the provisions of sections 1157 and 1158 are complied with at least 30 days before the date of the general meeting of the transferor company; and

(b) the right, conferred by subsection (9), to requisition a general meeting of the particular successor company has not been exercised during that period of 30 days.

(9) 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.

(10) Approval, by means of a special resolution, of the common draft terms of division is not required in the case of the transferor company if the following conditions have been satisfied:

(a) the successor companies together hold all of the shares carrying the right to vote at general meetings of the transferor company;

(b) the companies involved in the division comply with the provisions of sections 1157 and 1158 at least 30 days before the earlier of the dates specified in paragraphs (f) and (g) of section 1153 (2); and

(c) the condition specified in subsection (11).

(11) The condition referred to in subsection (10)(c) is that the directors of the transferor company shall inform—

(a) the members of that company, and

(b) the directors of the successor companies,

of any material change in the assets and liabilities of the transferor company that has occurred since the date of the common draft terms of division and subsection (6) shall be read, as regards the information to which it applies, as referring to the foregoing information.