

Chapter 7 — what it does

201. (1) This Chapter sets out the way in which a company can, by—

(a) its members passing a special resolution, and

(b) its directors making a certain declaration,

either—

(i) permit the carrying on of a restricted activity (not being a merger) that is otherwise prohibited,
or

(ii) fulfil the requirement specified in the provision concerned for the restricted activity (not being a merger) to be authorised,

as the case may be.

(2) In a case where the restricted activity is a merger, this Chapter sets out the way in which each of the merging companies can, by—

(a) every member of it entitled to vote at a general meeting of the company voting in favour of a resolution at such a meeting, and

(b) its directors making a certain declaration,

authorise, as provided in section 464 (1), the merger to be put in effect without certain procedures under Chapter 3 of Part 9 having to be employed.

(3) The provisions of this Chapter shall be read and shall operate so that a restricted activity may be carried on at a time falling before compliance with the requirement, 204, 205, 206 or 207 as the case may be) that a copy of the appropriate declaration be delivered to the Registrar; however — should a failure to comply with that requirement occur — that failure then invalidates the carrying on of the activity, but this is without prejudice to the power of validation conferred subsequently by this Chapter on the court.