

Summary Approval Procedure

202. (1) In this Act “Summary Approval Procedure” means the procedure whereby the following conditions are satisfied:

(a) authority for the carrying on of the restricted activity has been conferred by—

(i) other than in the case of a merger, a special resolution of the company; or

(ii) in the case of a merger, a resolution of each of the merging companies which every member of the company entitled to vote at a general meeting of it has voted in favour of (a “unanimous resolution”);

being a special resolution or unanimous resolution passed not more than, subject to subsections (2) and (3), 12 months prior to the commencement of the carrying on by the company, or as the case may be, by each of the merging companies of the activity; and

(b) either—

(i) the company or, as the case may be, each of the merging companies has forwarded with each notice of the meeting at which the special resolution or other foregoing resolution is to be considered, or

(ii) if the written means for passing the resolution is used, the company or, as the case may be, each of the merging companies has appended to the proposed text of the resolution,

a copy of a declaration which complies with subsection (6) and the other relevant provisions of this Chapter as regards its contents or the documents to be attached to it.

(2) In computing the period of 12 months referred to in subsection (1)(a) there shall be disregarded, where an application is made in accordance with section 211 to cancel the special resolution, the period beginning on the date of the making of that application and ending on—

(a) the date of confirmation of the special resolution by the court on that application; or

(b) if such an application so made is withdrawn, the date of that withdrawal.

(3) If the restricted activity is that referred to in paragraph (d) of the definition of that expression in section 200 (1), the reference in subsection (1)(a) to 12 months shall be read as a reference to—

(a) subject to paragraph (b), 60 days; or

(b) if—

(i) one or more members who hold, or together hold, more than 90 per cent in nominal value of each class

of issued shares of the company and entitled to vote at general meetings of the company have voted in favour of the special resolution referred to in subsection (1)(a), or

(ii) that resolution has been passed by the means provided under section 193,

30 days,

but subsection (2) applies as regards computing that period of 60 or 30 days as it applies as regards computing the period of 12 months referred to in subsection (2).

(4) Subsection (1) is, in the case of a merger, without prejudice to the procedures set out in Chapter 3 of Part 9 that must be followed before the resolution referred to in paragraph (a)(ii) of that subsection may be passed.

(5) In the case of a merger, on the delivery, in accordance with section 206, to the Registrar of each declaration referred to in that section, the Registrar shall register the dissolution of the transferor company or companies concerned.

(6) The declaration referred to in subsection (1)(b) is a declaration in writing that is made at a meeting of the directors held—

(a) not earlier than 30 days before the date of the meeting referred to in subsection (1)(b), or

(b) if the written means for passing the resolution is used, not earlier than 30 days before the date of the signing of the resolution by the last member to sign,

and that is made by the directors or, in the case of a company having more than 2 directors, by a majority of the directors.

(7) The terms of the resolution referred to in subsection (1)(a)(ii) (which deals with a case of a merger) shall be that the common draft terms of merger are approved.