

Appointment of liquidator

588. (1) The creditors and the company at their respective meetings mentioned in section 587 may nominate a person to be liquidator for the purpose of winding up the company.

(2) Subject to subsection (4), if—

(a) the creditors and the company nominate different persons, the person nominated by the creditors shall be liquidator, and

(b) if no person is nominated by the creditors, the person, if any, nominated by the company shall be liquidator.

(3) Where a person nominated by the company to be liquidator takes office before the creditors make their nomination and a different person is nominated by the creditors, the first-mentioned person shall, by virtue of subsection (2)(a), vacate office on the second-mentioned person's being nominated but—

(a) this is without prejudice to subsection (4); and

(b) for the period before the holding of the creditors' meeting under section 587, the first-mentioned person's powers as liquidator are restricted as provided for in section 630 (2).

(4) Where different persons are nominated as liquidator, any director, member or creditor of the company may, within 14 days after the date on which the nomination was made by the creditors, apply to the court for the following order.

(5) That order is an order either—

(a) directing that the person nominated as liquidator by the company shall be liquidator instead of or jointly with the person nominated by the creditors, or

(b) appointing some other person to be liquidator instead of the person nominated by the creditors,

and the court, on the making of an application under subsection (4), may make such an order accordingly.

(6) If at a meeting of creditors mentioned in section 587 a resolution as to the creditors' nominee as liquidator is proposed, it shall be deemed to be passed when a majority, in value only, of the creditors present personally or by proxy and voting on the resolution have voted in favour of the resolution.