

Information as to compromises or arrangements with members and creditors

452. (1) Where a scheme meeting is convened or summoned under section 450 there shall—

(a) with every notice convening or summoning the meeting which is sent to a creditor or member of the company concerned, be sent also a circular (in this section referred to as a “scheme circular”)—

(i) explaining the effect of the compromise or arrangement,

(ii) stating any material interests of the directors of the company, whether as directors or as members or as creditors of the company or otherwise, and the effect thereon of the compromise or arrangement, in so far as it is different from the effect on the like interests of other persons,

(iii) where the compromise or arrangement affects the rights of debenture holders of the company, giving the like explanation in relation to the debenture trustees as it is required under subparagraph (ii) to give in relation to the company's directors,

(b) in every notice convening or summoning the meeting which is given by advertisement, be included the scheme circular or a notification of the place at which and the manner in which creditors or members entitled to attend the meeting may obtain copies of the scheme circular.

(2) Where a notice given by advertisement includes a notification that copies of the scheme circular can be obtained by creditors or members entitled to attend the scheme meeting, every such creditor or member shall, on making application in the manner indicated by the notice, be furnished by the company free of charge with a copy of the scheme circular.

(3) Each director and debenture trustee shall provide the company in writing with the information concerning such director or debenture trustee, as the case may be, that is required for the scheme circular.

(4) Subject to subsection (6), if a company fails to comply with any requirement of this section, the company and any officer of it who is in default shall be guilty of a category 3 offence.

(5) For the purpose of subsection (4), any liquidator of the company and any debenture trustee of the company shall be deemed to be an officer of the company.

(6) In any proceedings against a person in respect of an offence under subsection (4), it shall be a defence to prove that the default was due to the refusal of any other person, being a director or debenture trustee, to supply the necessary particulars as to his or her interests.

(7) References in this section to directors include references to shadow directors and to de facto directors.