
STATUTORY INSTRUMENTS

1986 No. 1032

The Companies (Northern Ireland) Order 1986 (revoked)

PART XIVA

TAKEOVER OFFERS

Effect of notice under Article 422

423.—(1) The following provisions shall, subject to Article 423C, have effect where a notice is given in respect of any shares under Article 422.

(2) The offeror shall be entitled and bound to acquire those shares on the terms of the offer.

(3) Where the terms of an offer are such as to give the holder of any shares a choice of consideration the notice shall give particulars of the choice and state—

- (a) that the holder of the shares may within 6 weeks from the date of the notice indicate his choice by a written communication sent to the offeror at an address specified in the notice; and
- (b) which consideration specified in the offer is to be taken as applying in default of his indicating a choice as aforesaid;

and the terms of the offer mentioned in paragraph (2) shall be determined accordingly.

(4) Paragraph (3) applies whether or not any time limit or other conditions applicable to the choice under the terms of the offer can still be complied with; and if the consideration chosen by the holder of the shares—

- (a) is not cash and the offeror is no longer able to provide it; or
- (b) was to have been provided by a third party who is no longer bound or able to provide it,

the consideration shall be taken to consist of an amount of cash payable by the offeror which at the date of the notice is equivalent to the chosen consideration.

(5) At the end of 6 weeks from the date of the notice the offeror shall forthwith—

- (a) send a copy of the notice to the company; and
- (b) pay or transfer to the company the consideration for the shares to which the notice relates.

(6) If the shares to which the notice relates are registered the copy of the notice sent to the company under paragraph (5)(a) shall be accompanied by an instrument of transfer executed on behalf of the shareholder by a person appointed by the offeror; and on receipt of that instrument the company shall register the offeror as the holder of those shares.

(7) If the shares to which the notice relates are transferable by the delivery of warrants or other instruments the copy of the notice sent to the company under paragraph (5)(a) shall be accompanied by a statement to that effect; and the company shall on receipt of the statement issue the offeror with warrants or other instruments in respect of the shares and those already in issue in respect of the shares shall become void.

(8) Where the consideration referred to in sub-paragraph (b) of paragraph (5) consists of shares or securities to be allotted by the offeror the reference in that sub-paragraph to the transfer of the

Status: Point in time view as at 01/01/2006. This version of this provision has been superseded.
Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Section 423. (See end of Document for details)

consideration shall be construed as a reference to the allotment of the shares or securities to the company.

(9) Any sum received by a company under sub#paragraph (b) of paragraph (5) and any other consideration received under that sub#paragraph shall be held by the company on trust for the person entitled to the shares in respect of which the sum or other consideration was received.

(10) Any sum received by a company under sub#paragraph (b) of paragraph (5), and any dividend or other sum accruing from any other consideration received by a company under that sub#paragraph, shall be paid into a separate bank account, being an account the balance on which bears interest at an appropriate rate and can be withdrawn by such notice (if any) as is appropriate.

(11) Where after reasonable enquiry made at such intervals as are reasonable the person entitled to any consideration held on trust by virtue of paragraph (9) cannot be found and 12 years have elapsed since the consideration was received or the company is wound up the consideration (together with any interest, dividend or other benefit that has accrued from it) shall be paid into the Insolvency Account.

(12) The costs of any such enquiry as is mentioned in paragraph (11) may be defrayed out of the money or other property held on trust for the person or persons to whom the enquiry relates.

F1 Order repealed (prosp.) by [Companies Act 2006 \(c. 46\)](#), ss. 1284(2), 1295, 1300(2), [Sch. 16](#) and the repeal being partly in force, as to which see individual Articles (with savings (with adaptations) by [Companies Act 2006 \(Commencement No. 6, Saving and Commencement Nos. 3 and 5 \(Amendment\)\) Order 2008 \(S.I. 2008/674\)](#), arts. 2(3), {4}, Sch. 2) and subject to amendments (6.4.2008) by [Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), arts. 2(2), 3(1)(b)(2), Sch. 1 paras. 135, 147, 148 {Sch. 2 Note 1} (with arts. 6, 11, 12) and subject to amendments (6.4.2008) by [S.R. 2008/133](#), {regs. 2, 3}

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