

SCHEDULES

SCHEDULE 2

ESTABLISHMENT, INCORPORATION AND CONSTITUTION OF BUILDING SOCIETIES

PART III

MEETINGS, RESOLUTIONS AND POSTAL BALLOTS

Transfer resolutions

- 30 (1) The transfer resolutions required for the purposes of section 97 for the approval by members of a building society of a transfer of its business are two resolutions, of which—
- (a) one is passed as a borrowing members' resolution, and
 - (b) the other (" the requisite shareholders' resolution ") is passed in accordance with sub-paragraphs (2) to (5) below.
- (2) In a case where the successor is to be a specially formed company, the requisite shareholders' resolution—
- (a) must be passed as a special resolution, and
 - (b) must be passed on a poll on which not less than 20 per cent. of the members of the society qualified to vote on a special resolution voted ;
- and the notice of the resolution required by sub-paragraph (a) or sub-paragraph (b) of paragraph 27(1) above, as the case may be, must specify that the resolution will not be effective unless both of the requirements specified in this sub-paragraph are fulfilled.
- (3) Subject to any direction under sub-paragraph (5) below, in a case where the successor is to be an existing company, the requisite shareholders' resolution must be passed as a special resolution and either—
- (a) must be passed by not less than 50 per cent, of the members qualified to vote on a special resolution, or
 - (b) must be passed by the holders, being members qualified to vote on a special resolution, of shares in the society to a value, on the voting date, representing not less than 90 per cent, of the total value of the shares held on that date by the members so qualified to vote ;
- and, in either case, the resolution must be a resolution in relation to which the notice required by paragraph 27 above includes a statement specifying that the resolution will not be effective unless either of the above requirements is fulfilled has been duly given.
- (4) If the Commission considers it expedient, in relation to a transfer of the business of a building society to an existing company, to do so for the purpose of protecting the

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investments of the shareholders of or depositors with the society, the Commission may give a direction under sub-paragraph (5) below.

- (5) A direction under this sub-paragraph is a direction that, for the purposes of the transfer of business specified in the direction, the requisite shareholders' resolution is to be effective if it is passed as a special resolution.
- (6) The Treasury, after consultation with the Commission, may by order amend sub-paragraph (2)(b), (3)(a) or (3)(b) above so as to substitute for the percentage for the time being specified in the sub-paragraph such other percentage as it thinks appropriate.
- (7) The power to make orders under sub-paragraph (6) above is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (8) In this paragraph " voting date ", with reference to a requisite shareholders' resolution, has the same meaning as in paragraph 23(6) above.