

## SCHEDULES

### SCHEDULE 8

Section 13.

#### PROVISIONS SUPPLEMENTARY TO SECTION 13

- 1 The provisions of this Schedule explain expressions used in section 13 above and otherwise supplement that section.
- 2 In section 13(9)(a) and (c) the references to the voting rights in a body corporate are to the rights conferred on shareholders in respect of their shares or, in the case of a body corporate not having a share capital, on members, to vote at general meetings of the body corporate on all, or substantially all, matters.
- 3 (1) For the purposes of section 13(9)(a) and (c) the reference to the right to appoint or remove a majority of the board of directors is to the right to appoint or remove directors holding a majority of the voting rights at meetings of the board on all, or substantially all, matters.  
(2) Without prejudice to the generality of subsection (9)(a) and (c) of section 13—
  - (a) an incorporated friendly society shall be treated for the purposes of subsection (9)(a) as having the right to appoint to a directorship if—
    - (i) a person's appointment to it follows necessarily from his appointment as an officer of the society, or
    - (ii) the directorship is held by the society itself; and
  - (b) an incorporated friendly society and some other person together shall be treated for the purposes of section 13(9)(c) as having the right to appoint to a directorship if—
    - (i) in a case where that other person is a body corporate, a person's appointment to the directorship follows necessarily from his appointment both as an officer of the society and as a director of that body or, where it does not have directors, as a member of its managing body, or
    - (ii) the directorship is held jointly by the society and that other person; and a right to appoint or remove which is exercisable only with the consent or concurrence of another person shall be left out of account unless no other person has a right to appoint or, as the case may be, remove in relation to that directorship.
- 4 Rights which are exercisable only in certain circumstances shall be taken into account only—
  - (a) when the circumstances have arisen, and for so long as they continue to obtain, or
  - (b) when the circumstances are within the control of the person having the rights;and rights which are normally exercisable but are temporarily incapable of exercise shall continue to be taken into account.
- 5 Rights held by a person in a fiduciary capacity shall be treated as not held by him.

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*Status: This is the original version (as it was originally enacted).*

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- 6 Rights held by a person as nominee for another shall be treated as held by the other; and rights shall be regarded as held as nominee for another if they are exercisable only on his instructions or with his consent or concurrence.
- 7 Rights attached to shares held by way of security shall be treated as held by the person providing the security—
- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights are exercisable only in accordance with his instructions;
  - (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights are exercisable only in his interests.
- 8 Rights shall be treated as held by an incorporated friendly society if they are held by any of its subsidiaries; and nothing in paragraph 6 or 7 above shall be construed as requiring rights held by an incorporated friendly society to be treated as held by any of its subsidiaries.
- 9 For the purposes of paragraph 7 above rights shall be treated as being exercisable in accordance with the instructions or in the interests of an incorporated friendly society if they are exercisable in accordance with the instructions of or, as the case may be, in the interests of any subsidiary of that society.
- 10 The voting rights in a body corporate shall be reduced by any rights held by the body itself.
- 11 References in any provision of paragraphs 5 to 10 above to rights held by a person include rights falling to be treated as held by him by virtue of any other provision of those paragraphs but not rights which by virtue of any such provision are to be treated as not held by him.