

## SCHEDULES

### SCHEDULE 1

Section 3.

#### QUALIFYING SCHEME OF REORGANISATION

##### *Introductory*

- 1 A scheme of reorganisation is a qualifying scheme if it meets the following requirements.

##### *Form*

- 2 The scheme must be in writing.

##### *Vesting day*

- 3 (1) The scheme must specify a day (“the vesting day”) on which any transfers under the scheme to be effected under section 11 above are to take place and on or before which any other steps necessary to give effect to the reorganisation are to be taken.
- (2) The vesting day must not be later than the day which, under subsection (2) of section 1 above, is the day on which subsection (1) of that section is to come into force in relation to the marketing scheme administered by the board.

##### *Disposition of property, rights and liabilities*

- 4 (1) The scheme must specify, in relation to the property, rights and liabilities of the board on the vesting day—
- (a) which are to be transferred, and
  - (b) which are to be retained by the board.
- (2) The scheme must not provide for the transfer of any right of the board against a milk producer, being a right arising out of dairy production.
- (3) The scheme must not provide for the transfer of any right or liability of the board arising in connection with payment for milk supplied before the vesting day.
- (4) The scheme must not provide for the transfer of any right or liability of the board with respect to the supply of milk on or after the vesting day.
- 5 The scheme must specify what property, rights or liabilities of the board are to be transferred, for the purposes of the reorganisation, before the vesting day.
- 6 The scheme must specify what property, rights or liabilities of a subsidiary of the board are to be transferred for the purposes of the reorganisation, and whether on or before the vesting day.
- 7 (1) The scheme must, in relation to each transfer for the purposes of the reorganisation of property, rights or liabilities of the board, or of a subsidiary of the board, specify

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(either individually or by reference to membership of a class) to whom the transfer is to be made.

- (2) The scheme must not provide for the transfer of property, rights or liabilities of the board, or of a subsidiary of the board, to anyone who is not an eligible transferee.
- (3) For the purposes of sub-paragraph (2) above, the following are eligible transferees—
- (a) in relation to property, rights and liabilities of the board, any body falling within section 11(4)(a), (b), (c) or (d) above,
  - (b) in relation to property, rights and liabilities of a subsidiary of the board—
    - (i) any body falling within section 11(4)(a), (b), (c) or (d) above, and
    - (ii) the board,
  - (c) in relation to property and rights of the board, or of a subsidiary of the board, persons who are, or have been, registered producers.
- 8 The scheme must specify which transfers of property, rights or liabilities of the board, or of a subsidiary of the board, are to have effect under section 11 above.
- 9 The scheme must specify when any transfer for the purposes of the reorganisation of property, rights or liabilities of the board, or of a subsidiary of the board, is to take place if otherwise than on the vesting day.
- 10 Where the scheme provides for the board to retain any property or rights after the vesting day, it must make provision for any surplus assets of the board remaining on the winding up of its affairs to be distributed to the persons who, under the scheme, are entitled to participate in the distribution of assets of the board by virtue of their being, or having been, registered producers.

#### *Transfer of board's undertaking*

- 11 The scheme must make provision for the transfer under section 11 above of all the property, rights and liabilities to which the board is entitled or subject on the vesting day, other than—
- (a) any property or rights to be transferred to persons by reference to their being, or having been, registered producers,
  - (b) any liabilities to be retained by the board,
  - (c) any property or rights to be retained by the board for the purpose of meeting retained liabilities or otherwise in connection with the carrying out by it of functions after the transfer under that section, and
  - (d) any property or rights whose transfer would involve a breach by the board of the restriction imposed by section 47(2) of the Agricultural Marketing Act 1958 (restriction on disclosure of information obtained under the Act).

#### *Nature of new successor bodies*

- 12 The scheme must specify in relation to any body which falls within section 11(4)(b) or (c) above and to which property, rights or liabilities fall to be transferred under the scheme—
- (a) its name, or proposed name,
  - (b) the legislation under which it is, or is proposed to be, registered, and
  - (c) its constitution, or proposed constitution.

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*Other disposals*

- 13 The scheme must include particulars of—
- (a) any other disposals (including part disposals) proposed to be made for the purposes of the reorganisation by the board or a subsidiary of the board, and
  - (b) any issue of shares or securities proposed to be made for the purposes of the reorganisation.

*Rights of existing participants*

- 14 The scheme must specify what rights, if any, will be conferred under the new arrangements contemplated by the scheme on those who, under the existing arrangements, would be entitled to share in any surplus assets on a winding up of the board.

*Disclosure of information*

- 15 (1) The scheme must specify what information to which this sub-paragraph applies is to be disclosed by the board for the purposes of the scheme and to whom.
- (2) Sub-paragraph (1) above applies to information the disclosure of which is (apart from paragraph 33 of Schedule 2 to this Act) restricted by section 47(2) of the Agricultural Marketing Act 1958.
- (3) Where information specified under sub-paragraph (1) above identifies a person as a purchaser of milk from the board, the scheme must provide for the information to be disclosed only with his written consent.

*Residual functions*

- 16 (1) The scheme must specify what functions are intended to be carried out by the board after the vesting day and, in relation to any such functions, include provision with respect to the arrangements for meeting any expenses which may be incurred by the board in carrying them out.
- (2) The scheme must not include provision for the carrying out by the board after the vesting day of any functions other than—
- (a) functions in relation to retained assets and liabilities or the winding up of its affairs, or
  - (b) functions ancillary or incidental to the functions mentioned in paragraph (a) above.
- (3) The functions mentioned in sub-paragraph (2)(a) and (b) above shall not include the purchase or sale of milk.