

SCHEDULE 1

Regulation 12.

COMPANY CONTROLLERS: FURTHER PROVISIONS

Transfers of entitlements held by a primary company controller effected by the company

1.—(1) A company may at any time effect a transfer of any entitlements to units of an uncertificated security of the company held by a primary company controller (in his or its capacity as such controller) to another primary company controller appointed by the company, to hold those entitlements for those persons for whom they were held by the first mentioned controller. The transfer may be effected by the company amending its record of entitlements so as to debit the first mentioned controller and credit the second mentioned, without the necessity of the company obtaining any notification of a transaction or consent from the first mentioned controller.

(2) It shall be the duty of the first mentioned controller, and (where a body corporate) of any officer of it (and of any insolvency practitioner appointed in relation to that controller), to preserve and deliver up to the company as soon as practicable a copy of the record of account holders relating to the entitlements transferred together with all other records and documents held by the controller which relate to those entitlements (in particular copies of any instructions received by the controller under regulation 34).

It is also the duty of such a person to notify the company of any entitlements to which regulations 34, 51, 52 or 53 apply.

(3) Any transfer under this paragraph shall be without prejudice to any claim the first mentioned controller may have for breach of contract or to any claim that may exist against that controller.

Transfers of entitlements held, by an alternative company controller at the direction of the company

2.—(1) A company which has appointed an alternative company controller may at any time give notice to the Operator that it is terminating that appointment.

(2) The Operator shall, within 5 working days of its receipt of such a notice or such other time as the Operator may have agreed with the company, effect a transfer of any entitlements to units of an uncertificated security of the company held by the alternative company controller concerned (in his or its capacity as such controller) to such other alternative company controller as may have been nominated by the company or (failing such a nomination) to a primary company controller, such controller having a duty to hold those entitlements for those persons for whom they were held by the first mentioned controller.

The transfer may be effected by the Operator amending its record of entitlements so as to debit the first mentioned controller and either:

- (a) (where the transfer is to another alternative company controller) crediting the controller to which the entitlements are being transferred; or
- (b) (where the transfer is to a primary company controller) notifying the company of the debiting of the first mentioned controller,

without (in either case) the necessity of the Operator obtaining a notification of a transaction or any consent to the transfer from the first mentioned controller.

Having received a notification under (b), the company shall forthwith amend its own record of entitlements so as to credit the entitlements concerned to a primary company controller.

(3) It shall be the duty of the first mentioned controller, and (where a body corporate) of any officer of it and of any insolvency practitioner appointed in relation to that controller, to preserve and deliver up to the company as soon as practicable a copy of the record of account holders relating to the entitlements transferred together with all other records and documents held by the controller

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which relate to those entitlements (in particular copies of any instructions received by the controller under regulation 34).

It is also the duty of such a person to notify the company of any entitlements to which regulations 34, 51, 52 or 53 apply.

(4) Any transfer under this paragraph shall be without prejudice to any claim the first mentioned controller may have for breach of contract or to any claim that may exist against that controller.

Effect of transfer of entitlements

3.—(1) Where under paragraph 1 or 2 of this Schedule a company or (as the case may be) the Operator transfers entitlements from one company controller to another, any instructions received by the first mentioned controller with regard to those entitlements prior to the transfer which have not been acted upon at the time of transfer may (and in the case of instructions received under regulation 34 shall) be treated as instructions received by the other controller, to the extent that satisfactory evidence of them is obtained by the other controller and the other controller is satisfied that he or it has established the number of entitlements to be held for the account holder concerned.

Where the other controller has reason to believe that an entitlement transferred is or may be one to which regulation 34, 51, 52 or 53 applies, it shall take reasonable steps to ascertain whether or not the entitlement is subject to the regulation in question.

(2) A company or, as the case may be, the Operator may treat consents and notifications of transactions with respect to an entitlement given by a replaced company controller before the transfer as being given on behalf of the replacement controller.

Where this sub-paragraph is taken advantage of by a company or the Operator, the replacement controller shall not be liable for any defect in, or lack of authority for, the giving of the consent or notification.

(3) A standing instruction to register given by a replaced company controller shall be treated as having been given on behalf of the replacement controller; the replacement controller shall not, however, be liable for any defect in such an instruction to register solely by reason of the provisions of this sub-paragraph.

(4) For the purposes of these Regulations, a company controller's appointment shall be deemed to continue until a transfer of entitlements held by him or it has been effected.

(5) It shall be the duty of any replacement controller which has received any records, or copies of records, under this Schedule, to permit their inspection and copying by any person who is an officer of the replaced controller or any insolvency practitioner who is appointed in relation to that controller or the official receiver.

(6) As soon as practicable after a transfer under this Schedule has been effected, the company concerned shall inform any account holders concerned of the transfer and the identity of the controller to whom the entitlements have been transferred.