

## SCHEDULE

### THE SHETLAND TOURIST BOARD SCHEME

#### PART III:

#### FUNCTIONS AND POWERS OF THE BOARD

##### **Membership, formation and acquisition of companies**

9.—(1) The Board may, subject to the conditions specified in this paragraph, form, or join with any other person in forming, acquire or become a member of a company within the meaning of the Companies Act 1985<sup>(1)</sup>.

(2) Subject to sub-paragraph (5), the Board shall itself or together with any other area tourist board established or, as the case may be, approved under section 172, 173 and 174 of the 1994 Act hold a majority of the voting rights in any company in which it holds an interest.

(3) The memorandum of any company formed or acquired by the Board shall—

(a) enable the company to carry on only activities relating to tourism or such activities as are reasonably incidental to the principal function of the Board; and

(b) provide that the company shall not, without the express or general consent given in writing of the Secretary of State (or such body as he may direct the Board to consult) carry on activities relating to the promotion of tourism outside the United Kingdom.

(4) In the event that any company formed or acquired by the Board or of which the Board is a member or has an interest of whatsoever nature at any time ceases to comply with the provisions of sub-paragraph (3), the Board shall immediately—

(a) take all steps necessary to ensure that the provisions of that sub-paragraph are complied with; or

(b) resign from or otherwise terminate its membership of the company, sell or otherwise dispose (other than by way of gift) of any interest which it may have in such company.

(5) Sub-paragraph (2) shall not apply in relation to any interest in a company—

(a) transferred to the Board by virtue of paragraph 13; or

(b) limited by guarantee and established for charitable purposes only.

(6) Sub-paragraphs (3) and (4) shall apply in relation to an interest in a company transferred to the Board by virtue of paragraph 13 only where such interest carries the majority of voting rights in the company.

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(1) 1985 c. 6.