

SCHEDULES

SCHEDULE 16

MERGERS : SUPPLEMENTARY PROVISIONS

PART II

NOTIFICATION OF PROPOSALS FOR MERGER

Preliminary

2 In this Part of this Schedule—

" merger " means an amalgamation of building societies under section 93 or a transfer of all the engagements of one building society to another under section 94 ; and " merge " has a corresponding meaning ;

" merger proposal", in relation to a building society, means a proposal in writing, by another building society desiring to merge with it, for the societies to merge, with or without terms for the merger ; and " proposer " has a corresponding meaning ;

" merger resolutions ", in relation to a building society, means the resolutions required for the approval of a merger of the society with another building society under section 93(2) or 94(2);

" merger statement" means a statement containing the requisite particulars of a merger proposal; and

" requisite particulars ", in relation to a merger proposal, means the particulars required by paragraph 3(2) below to be given in a merger statement.

Duty to notify members

3 (1) Subject to sub-paragraph (3) below, it shall be the duty of a building society receiving a merger proposal to send, in accordance with this Part of this Schedule, a merger statement in respect of the proposal to every member entitled to notice of a meeting of the society.

(2) A merger statement must contain the following particulars—

(a) the fact that a merger proposal has been made, and

(b) the identity of the proposer ;

with or without other particulars regarding the proposal.

(3) Sub-paragraph (1) above does not require a merger statement to be sent to members if the proposer has requested in writing that the requisite particulars are to be treated as confidential; and, where such a request is made and is at a later date withdrawn in writing, the society receiving the proposal shall, for the purposes of this Part of

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this Schedule, treat the proposal as having been received on that date instead of any earlier date.

- 4 (1) A building society shall include in or with every notice of its annual general meeting a merger statement with respect to any merger proposal, other than a proposal of which notice has already been given under this paragraph.—
- (a) received by it during the period of 12 months ending with the ninth month of the last financial year of the society before that meeting ; or
 - (b) treated by paragraph 3(3) above as having been received by it during the last three months of that financial year;
- and the society may also include, under this sub-paragraph, a merger statement with respect to any proposal received, or treated as received, by it after the end of either period.
- (2) In any case where merger resolutions are to be moved at any meeting of a building society, every notice of the meeting shall have included in or with it a merger statement with respect to any merger proposal, other than a proposal of which notice has already been given under this paragraph, received by it more than 42 days before the date of the meeting.

Duty to notify central office

- 5 (1) Where a building society sends a merger statement to its members under paragraph 4 above in connection with a meeting of the society, it shall send a copy of the statement to the central office at least 14 days before the date of the meeting.
- (2) The central office shall keep the copy of a merger statement received by it from a building society in the public file of that society

Penalty

- 6 If default is made by a building society in complying with paragraph 4(1), 4(2) or 5 above, the society shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale ; and so shall any officer who is also guilty of the offence.