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SCHEDULES

SCHEDULE 3

Section 49(10)

MEANING OF ASSOCIATED UNDERTAKING

- 1 For the purposes of section 49 (power to make arrangements for risk mitigation) of this Act an “associated undertaking” of TfL means an undertaking in which TfL has a participating interest and over whose operating and financial policy it exercises a significant influence, and which is not—
- (a) a subsidiary undertaking of TfL (within the meaning of section 1162 of the Companies Act 2006 (c. 46)), or
 - (b) a joint venture.
- 2 Where TfL holds 20 per cent or more of the voting rights in another undertaking, it shall be presumed to exercise such an influence over it unless the contrary is shown.
- 3 The voting rights in an undertaking means the rights conferred on shareholders in respect of their shares or, in the case of an undertaking not having a share capital, on members, to vote at general meetings of the undertaking on all, or substantially all, matters.
- 4 The provisions of paragraphs 5 to 11 of Schedule 7 to the Companies Act 2006 (c. 46) (rights to be taken into account and attribution of rights) apply in determining for the purposes of this Schedule whether TfL holds 20 per cent or more of the voting rights in another undertaking.
- 5 In this Schedule a “participating interest” means an interest held by TfL in the shares of another undertaking which it holds on a long-term basis for the purpose of securing a contribution to its activities by the exercise of control or influence arising from or related to that interest.
- 6 A holding of 20 per cent or more of the shares of an undertaking shall be presumed to be a participating interest unless the contrary is shown.
- 7 The reference in paragraph 5 to an interest in shares includes—
- (a) an interest which is convertible into an interest in shares, and
 - (b) an option to acquire shares or any such interest;
- and an interest or option falls within paragraph (a) or (b) notwithstanding that the shares to which it relates are, until the conversion or the exercise of the option, unissued.
- 8 For the purposes of this Schedule an interest held on behalf of TfL shall be treated as held by it.