

SCHEDULES

SCHEDULE 11

AUDITORS : APPOINTMENT, TENURE, QUALIFICATIONS

Resignation of auditors

- 7 (1) An auditor of a building society may resign his office by depositing a notice to that effect at the principal office of the society ; and any such notice operates to bring his term of office to an end on the date on which the notice is deposited, or on such later date as may be specified in it.
- (2) An auditor's notice of resignation shall not be effective unless it contains either—
- (a) a statement to the effect that there are no circumstances connected with his resignation which he considers should be brought to the notice of the members of, or depositors with, the society, or
 - (b) a statement of any such circumstances as are mentioned above.
- (3) Where a notice under this paragraph is deposited at the principal office of a building society it shall within fourteen days send a copy of that notice—
- (a) to the central office, and
 - (b) if the notice contains a statement under sub-paragraph (2)(b) above, to every person who under section 76(8) is entitled to receive a copy of the summary financial statement.
- (4) The building society or any person claiming to be aggrieved may, within fourteen days of the receipt by the society of a notice containing a statement under sub-paragraph (2)(b), apply in accordance with sub-paragraph (5) or (6) below to—
- (a) the High Court; or
 - (b) the Commission,
- for an order that copies of the notice need not or, as the case may be, shall not be sent out.
- (5) An application under this sub-paragraph is an application to the High Court on the ground that the auditor is using the notice to secure needless publicity for defamatory matter, and if the court is satisfied that the auditor is using the notice for that purpose it may by order direct that copies of it need not be sent out; and the court may further order the society's costs on the application to be paid in whole or in part by the auditor, notwithstanding that he is not a party to the application.
- (6) An application under this sub-paragraph is an application to the Commission on the ground that the sending out of the notice would be likely to diminish substantially the confidence in the society of investing members of the public ; and if the Commission is satisfied that the sending out of the notice would be likely to have that effect it shall by order direct that copies of it shall not be sent out.
- (7) The building society shall, within fourteen days of the decision of the High Court or of the Commission, send to the persons mentioned in sub-paragraph (3)—

Status: This is the original version (as it was originally enacted).

- (a) if the court makes an order under sub-paragraph (5) above or the Commission makes an order under sub-paragraph (6), a statement setting out the effect of the order; and
 - (b) if not, a copy of the notice containing the statement under sub-paragraph (2) (b).
- (8) If default is made in complying with sub-paragraph (3) or sub-paragraph (7) the building society shall be liable—
- (a) on conviction on indictment to a fine ; or
 - (b) on summary conviction to a fine not exceeding the statutory maximum and, in the case of a continuing offence, to a fine not exceeding one tenth of the statutory maximum for every day during which the offence continues ;
- and so shall any officer who is also guilty of the offence.