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## SCHEDULES

### SCHEDULE 16

#### MERGERS: SUPPLEMENTARY PROVISIONS

##### Modifications etc. (not altering text)

C1 Sch. 16 excluded by S.I. 1986/2168, art. 9(2)(b)(3)

#### PART I

##### ISSUE OF STATEMENTS TO MEMBERS

- 1 (1) A building society which desires—
- (a) to amalgamate with one or more other building societies, or
  - (b) to transfer its engagements to another building society, or
  - (c) to undertake to fulfil the engagements of another building society,
- shall, unless the [<sup>F1</sup>Authority], in the case of a society desirous of undertaking to fulfil another's engagements, has consented under section 94(5) to its proceeding by resolution of the board of directors, send to every member entitled to notice of a meeting of the society a statement concerning the matters specified in sub-paragraph (4) below.
- (2) A building society shall include the statement referred to in sub-paragraph (1) above in or with the notice to be sent to its members of the meeting of the society at which the resolutions require for the approval of the amalgamation or, as the case may be, the transfer are to be moved.
- [<sup>F2</sup>(2A) Where a statement is required to be sent to a member in or with the notice of the meeting under sub-paragraph (2)—
- (a) in a case where notice of the meeting is given to that member electronically in accordance with paragraph 22A of Schedule 2, the statement may be sent to him electronically only if it is sent to the same electronic address, and at the same time, as the notice;
  - (b) in a case where notice of the meeting is given on a web site in accordance with paragraph 22B of Schedule 2, the requirement to send it shall also be treated as satisfied if the conditions set out in sub-paragraph (2B) are satisfied.
- (2B) The conditions of this sub-paragraph are satisfied in the case of a statement if—
- (a) the society and that member have agreed that information that is required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the statement in question;

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- (c) at the same time and in the same manner as the society notifies that person of the publication of the notice of the meeting, it notifies him of—
    - (i) the publication of the statement on a web site,
    - (ii) the address of that web site,
    - (iii) the place on that web site where the statement may be accessed, and how it may be accessed; and
  - (d) the statement is published continuously on that web site throughout the period beginning with the giving of that notification and ending with the decision of the Authority whether to confirm the amalgamation or transfer of engagements pursuant to section 95.
- (2C) Where, in a case in which sub-paragraph (2A)(b) above is relied on for compliance with a requirement under sub-paragraph (2)—
- (a) a statement is published for a part, but not all, of the period mentioned in subparagraph (2B)(d), but
  - (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,
- that failure shall not invalidate the proceedings of a meeting or prevent the requirements of sub-paragraph (2B) from being treated as fulfilled in relation to section 95(4)(c).]
- (3) No statement shall be sent unless its contents, so far as they concern the matters specified in sub-paragraph (4) below, have been approved by the [<sup>F1</sup>Authority].
- (4) Those matters are the following, namely—
- (a) the financial position of the building society and that of the other building society or societies participating in the amalgamation or transfer;
  - (b) the interest of the directors of the building society in the amalgamation or transfer of engagements;
  - (c) the compensation or other consideration (if any) proposed to be paid to or in respect of the directors or other officers of the building society and of the other building society or societies participating in the amalgamation or transfer;
  - (d) the payments (if any) to be made to members of the building society and of the other building society or societies participating in the amalgamation or transfer by way of a distribution of funds in consideration of the amalgamation or transfer;
  - (e) the changes (if any) to be made, in connection with the amalgamation or transfer of engagements, in the terms governing outstanding [<sup>F3</sup>loans made by the building society which are secured on land];
  - (f) any other matter which the [<sup>F1</sup>Authority] requires in the case of the particular amalgamation or transfer of engagements.

<sup>F4</sup>(5) .....

(6) Any expression used in this paragraph and in section 96 has the same meaning in this paragraph as in that section.

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### Textual Amendments

- F1** Word in Sch. 16 para. 1 substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 211(a)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F2** Sch. 16 para. 1(2A)-(2C) inserted (20.3.2003) by The Building Societies Act 1986 (Electronic Communications) Order 2003 (S.I. 2003/404), arts. 1(1), **25**
- F3** Words in Sch. 16 Pt. I para. 1(4)(e) substituted (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of S.I. 1997/2668) by 1997 c. 32, ss. 43, 47(3), **Sch. 7 para. 66(1)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxviii)**
- F4** Sch. 16 Pt. I para. 1(5) repealed (1.12.1997) by 1997 c. 32, ss. 43, 46(2), Sch. 7 para. 66(1)(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. I(j)(k)(l)(xx)(o)(ix)**

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