

SCHEDULES

SCHEDULE 2

PROVISIONS RELATING TO CARRYING OUT OF APPROVED SCHEME OF REORGANISATION

Transfers relevant to flotation

16.—(1) Where—

- (a) an approved scheme provides for the taking of steps with a view to securing the quotation of a company on the Stock Exchange; and
 - (b) the Board makes under the scheme a qualifying transfer of shares in a subsidiary of its, then, if the shares transferred were subject in the hands of the Board to a resulting or constructive trust, they shall by virtue of the transfer cease to be subject to that trust.
- (2) For the purposes of sub-paragraph (1), a transfer is a qualifying transfer if—
- (a) it takes place in connection with the carrying out of the provision mentioned in paragraph (a) of that sub-paragraph; or
 - (b) the transferee is a qualifying person and the shares transferred are of the same class as other shares in the subsidiary which fall to be transferred as mentioned in that paragraph.
- (3) For the purposes of sub-paragraph (2), the transferee is a qualifying person if the shares are transferred to him—
- (a) by virtue of his being, or having been, a registered producer; or
 - (b) as trustee for persons who are entitled to participate in the trust by virtue of their being, or having been, registered producers.
- (4) For the purposes of this paragraph, shares of a company shall not be treated as being of the same class unless they are so treated by the practice of the Stock Exchange or would be so treated if dealt with on the Stock Exchange.