

of shares, or the total number of shares, of the company held by a shareholder is not more than the value or number specified in the letters patent or supplementary letters patent for this purpose, he shall not be deemed to be associated with any other shareholder and no other shareholder shall be deemed to be associated with him.

2. (1) The directors of a constrained-share company shall refuse to allow a transfer of a share of the company to be made or recorded in the register of the company

- (a) if, when the total number of voting shares of the company held by or for members of the constrained-class exceeds the gross prescribed percentage for the company, the transfer would increase the percentage of such shares held by or for members of the constrained-class;
- (b) if, when the total number of voting shares of the company held by or for members of the constrained-class is equal to or less than the gross prescribed percentage for the company, the transfer would cause the total number of such shares held by or for members of the constrained-class to exceed the gross prescribed percentage.
- (c) if, when the total number of voting shares of the company held by or for a member of the constrained-class exceeds the net prescribed percentage for the company, the transfer would increase the percentage of such shares held by or for such member; or
- (d) if, when the total number of voting shares of the company held by or for a member of the constrained-class is equal to or less than the net prescribed percentage for the company, the transfer would cause the total number of such shares held by or for that member to exceed the net prescribed percentage.

(2) Notwithstanding subsection (1), the directors of a constrained-share company may allow a transfer of any voting share of the company to be made or recorded in the register of the company where the transfer is to a member of the constrained-class, if it is shown to the directors on evidence satisfactory to them that the share was on the prescribed day held in the right of or for the use or benefit of the transferee.

3. (1) The directors of a constrained-share company shall not accept a subscription for a voting share of the company,

- (a) by any member of the constrained-class if, at the time the share is subscribed for, the total number of voting shares of the company held by or for the member of the constrained-class exceeds the net prescribed percentage for the company; and
- (b) except as otherwise provided in subsection (2), in other circumstances where if the subscription were a transfer of the voting share the directors would be required under section 2 of these provisions to refuse to allow the transfer to be made or recorded; but in the case of a subscription pursuant to an offer of original unsubscribed