

Power to redeem preference shares issued before 5 May 1959

108. (1) Subject to the provisions of this section, a company may, if so authorised by its constitution, redeem any preference shares issued by it before 5 May 1959 provided that—

(a) no such shares shall be redeemed except out of profits of the company which would otherwise be available for distribution or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

(b) no such shares shall be redeemed at a sum greater than the issue price of such shares;

(c) the redemption of such shares and the terms and the manner of the redemption shall have been authorised by a special resolution of the company;

(d) notice of the meeting at which the special resolution referred to in paragraph (c) is to be proposed and a copy of that resolution shall be published in *Iris Oifigiúil* and in at least one daily newspaper circulating in the district in which the registered office of the company is situated not less than 14 days and not more than 30 days before the date of the meeting;

(e) no holder of such shares shall be obliged to accept redemption of them;

(f) the redemption shall have been sanctioned by the court.

(2) The powers conferred by this section may be availed of only by means of an offer made to all the holders of the preference shares concerned.

(3) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for distribution be transferred to undenominated capital, other than the share premium account a sum equal to the nominal amount of the shares redeemed.

(4) Subject to the provisions of this section, the redemption of preference shares under this section may be effected on such terms and in such manner as may be provided by the special resolution referred to in subsection (1)(c).

(5) The redemption of preference shares under this section by a company shall not be taken as reducing the amount of the company's authorised share capital (if any).

(6) Where in pursuance of this section a company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued.