

Lien

80. (1) Each provision of this section applies save to the extent that the company's constitution provides otherwise.

(2) A company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether immediately payable or not) called, or payable at a fixed time, in respect of that share.

(3) The directors of a company may at any time declare any share in the company to be wholly or in part exempt from subsection (2).

(4) A company's lien on a share shall extend to all dividends payable on it.

(5) A company may sell, in such manner as the directors of the company think fit, any shares on which the company has a lien, but no sale shall be made unless—

(a) a sum in respect of which the lien exists is immediately payable; and

(b) the following conditions are satisfied.

(6) Those conditions are—

(a) a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is immediately payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his or her death or bankruptcy; and

(b) a period of 14 days after the date of giving of that notice has expired.

(7) The following provisions apply in relation to a sale referred to in subsection (5)—

(a) to give effect to any such sale, the directors may authorise some person to transfer the shares sold to the purchaser of them;

(b) the purchaser shall be registered as the holder of the shares comprised in any such transfer;

(c) the purchaser shall not be bound to see to the application of the purchase money, nor shall his or her title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale; and

(d) the proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is immediately payable, and the residue, if any, shall (subject to a like lien for sums not immediately payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.