

## CHAPTER 4 Variation in capital

### Variation of company capital

83. (1) Save to the extent that its constitution otherwise provides, a company may, by ordinary resolution, do any one or more of the following, from time to time—

(a) consolidate and divide all or any of its shares into shares of a larger nominal value than its existing shares;

(b) subdivide its shares, or any of them, into shares of a smaller nominal value, so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(c) increase the nominal value of any of its shares by the addition to them of any undenominated capital;

(d) reduce the nominal value of any of its shares by the deduction from them of any part of that value, subject to the crediting of the amount of the deduction to undenominated capital, other than the share premium account;

(e) convert any undenominated capital into shares for allotment as bonus shares to holders of existing shares;

(f) in the case of a company whose constitution states an authorised share capital (in addition to its power to do any of the foregoing things)—

(i) increase its share capital by new shares of such amount as it thinks expedient; or

(ii) cancel shares of its share capital which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

(2) A cancellation of share capital under subsection (1)(f)(ii) shall be deemed not to be a reduction of company capital within the meaning of this Act.

(3) Save to the extent that its constitution otherwise provides, a company may, by special resolution, and subject to the provisions of this Act governing the variation of rights attached to classes of shares and the amendment of a company's constitution, convert any of its shares into redeemable shares.

(4) Such a conversion shall not have effect with respect to any shares, the holder of which notifies the company, before the date of conversion, of his or her unwillingness to have his or her shares converted but, subject to that and the other provisions of this section, the conversion shall have effect according to its

terms.

(5) Subsection (4) shall not, where a shareholder objects to a conversion, prejudice any right he or she may have under this Act or otherwise to invoke the jurisdiction of the court to set aside the conversion or otherwise provide relief in respect of it.

(6) A company shall deliver particulars, in the prescribed form, of any resolution referred to in subsection (1) to the Registrar within 30 days after the date of its being passed by the company.

(7) If a company contravenes subsection (6), the company and any officer of it who is in default shall be guilty of a category 3 offence.