

Procedures for declarations, payments, etc., of dividends and other things

124. (1) Each provision of this section and section 125 applies save to the extent that the company's constitution provides otherwise.

(2) A company may, by ordinary resolution, declare dividends but no dividend shall exceed the amount recommended by the directors of the company.

(3) The directors of a company may from time to time—

(a) pay to the members such interim dividends as appear to the directors to be justified by the profits of the company, subject to section 117;

(b) before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion either be employed in the business of the company or be invested in such investments as the directors may lawfully determine;

(c) without placing the profits of the company to reserve, carry forward any profits which they may think prudent not to distribute.

(4) Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid.

(5) However no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this section as paid on the share.

(6) All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for a dividend as from a particular date, such share shall rank for dividend accordingly.

(7) The directors may deduct from any dividend payable to any member, all sums of money (if any) immediately payable by him or her to the company on account of calls or otherwise in relation to the shares of the company.