

125. (1) A general meeting of a company declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and, in particular, paid up shares, debentures or debenture stock of any other company or in any one or more of such ways.

(2) The directors of the company shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the directors may settle the matter as they think expedient and, in particular, may—

(a) issue fractional certificates and fix the value for distribution of such specific assets or any part of them;

(b) determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all the parties; and

(c) vest any such specific assets in trustees as may seem expedient to the directors.

(3) Any dividend, interest or other moneys payable in cash in respect of any shares may be paid—

(a) by cheque or negotiable instrument sent by post directed to or otherwise delivered to the registered address of the holder, or where there are joint holders, to the registered address of that one of the joint holders who is first named on the register or to such person and to such address as the holder or the joint holders may in writing direct; or

(b) by agreement with the payee (which may either be a general agreement or one confined to specific payments), by direct transfer to a bank account nominated by the payee.

(4) Any such cheque or negotiable instrument shall be made payable to the order of the person to whom it is sent.

(5) Any one of two or more joint holders may give valid receipts for any dividends, bonuses or other moneys payable in respect of the shares held by them as joint holders, whether paid by cheque or negotiable instrument or direct transfer.

(6) No dividend shall bear interest against the company.