

Alteration of objects clause by special resolution

974. (1) Subject to subsection (2), a DAC may, by special resolution, alter the provisions of its memorandum of association by abandoning, restricting or amending any existing object or by adopting a new object and any alteration so made shall be as valid as if originally contained therein, and be subject to alteration in like manner.

(2) If an application is made to the court in accordance with this section for the alteration to be cancelled, it shall not have effect except in so far as it is confirmed by the court.

(3) Subject to subsection (4), an application under this section may be made—

(a) by the holders of not less, in the aggregate, than 15 per cent in nominal value of the DAC's issued share capital or any class thereof, or

(b) by the holders of not less than 15 per cent of the DAC's debentures, entitling the holders to object to alterations of its objects.

(4) An application shall not be made under this section by any person who has consented to or voted in favour of the alteration.

(5) An application under this section shall be made within 21 days after the date on which the resolution altering the DAC's objects was passed and may be made on behalf of the persons entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.

(6) On an application under this section, the court may—

(a) make an order cancelling the alteration or confirming the alteration, either wholly or in part, and on such terms and conditions as it thinks fit, and

(b) if it thinks fit, adjourn the proceedings in order that an arrangement may be made to the satisfaction of the court for the purchase of the interests of dissenting members and may give such directions and make such orders as it may think expedient for facilitating or carrying into effect any such arrangement.

(7) An order under this section may, if the court thinks fit, provide for the purchase by the DAC of the shares of any members of the DAC and for the reduction accordingly of the DAC's company capital and may make such alterations in the constitution of the DAC as may be required in consequence of that provision; and such a purchase may be so ordered notwithstanding anything in section 102.