

## Liability of members in respect of reduced calls

87. (1) In this section—

“confirmation” means confirmation by the court under section 85 of a resolution for reduction of company capital;

“minute” means the minute referred to in section 86 (1)(b).

(2) Subject to subsection (3), in the case of a reduction of company capital where future calls have been reduced, a member of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the difference, if any, between the amount of the share, as fixed by the minute and the amount paid, or the reduced amount, if any, which is to be deemed to have been paid, on the share, as the case may be.

(3) If any creditor entitled, in respect of any debt or claim, to object to the confirmation, is, by reason of his or her not being aware of the proceedings for the confirmation or of their nature and effect with respect to his or her debt or claim, not entered on the list of creditors, and, after the reduction, the company is unable, within the meaning of the provisions of this Act relating to winding up by the court, to pay the amount of his or her debt or claim, then—

(a) every person who was a member of the company at the date of the delivery for registration of the order in respect of the confirmation and the minute, shall be liable to contribute for the payment of that debt or claim an amount not exceeding the amount which he or she would have been liable to contribute if the company had commenced to be wound up on the day before that date; and

(b) if the company is wound up, the court, on the application of any such creditor and proof of his or her not being aware as mentioned in this subsection may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list, as if they were ordinary contributories in a winding up.

(4) Nothing in this section shall affect the rights of the contributories among themselves.

(5) If any officer of the company—

(a) intentionally conceals the name of any creditor entitled to object to the confirmation; or

(b) intentionally misrepresents the nature or amount of the debt or claim of any creditor,

he or she shall be guilty of a category 2 offence.