



Companies Act 1985

1985 CHAPTER 6

PART XVII

PROTECTION OF COMPANY'S MEMBERS AGAINST UNFAIR PREJUDICE

459 Order on application of company member

- (1) A member of a company may apply to the court by petition for an order under this Part on the ground that the company's affairs are being or have been conducted in a manner which is unfairly prejudicial to the interests of some part of the members (including at least himself) or that any actual or proposed act or omission of the company (including an act or omission on its behalf) is or would be so prejudicial.
- (2) The provisions of this Part apply to a person who is not a member of a company but to whom shares in the company have been transferred or transmitted by operation of law, as those provisions apply to a member of the company; and references to a member or members are to be construed accordingly.

460 Order on application of Secretary of State

- (1) If in the case of any company—
 - (a) the Secretary of State has received a report under section 437, or exercised his powers under section 447 or 448 of this Act or section 44(2) to (6) of the Insurance Companies Act 1982 (inspection of company's books and papers), and
 - (b) it appears to him that the company's affairs are being or have been conducted in a manner which is unfairly prejudicial to the interests of some part of the members, or that any actual or proposed act or omission of the company (including an act or omission on its behalf) is or would be so prejudicial. he may himself (in addition to or instead of presenting a petition under section 440 for the winding up of the company) apply to the court by petition for an order under this Part.

Status: This is the original version (as it was originally enacted).

- (2) In this section (and, so far as applicable for its purposes, in the section next following) " company " means any body corporate which is liable to be wound up under this Act

461 Provisions as to petitions and orders under this Part

- (1) If the court is satisfied that a petition under this Part is well founded, it may make such order as it thinks fit for giving relief in respect of the matters complained of.
- (2) Without prejudice to the generality of subsection (1), the court's order may—
 - (a) regulate the conduct of the company's affairs in the future,
 - (b) require the company to refrain from doing or continuing an act complained of by the petitioner or to do an act which the petitioner has complained it has omitted to do,
 - (c) authorise civil proceedings to be brought in the name and on behalf of the company by such person or persons and on such terms as the court may direct,
 - (d) provide for the purchase of the shares of any members of the company by other members or by the company itself and, in the case of a purchase by the company itself, the reduction of the company's capital accordingly.
- (3) If an order under this Part requires the company not to make any, or any specified, alteration in the memorandum or articles, the company does not then have power without leave of the court to make any such alteration in breach of that requirement.
- (4) Any alteration in the company's memorandum or articles made by virtue of an order under this Part is of the same effect as if duly made by resolution of the company, and the provisions of this Act apply to the memorandum or articles as so altered accordingly.
- (5) An office copy of an order under this Part altering, or giving leave to alter, a company's memorandum or articles shall, within 14 days from the making of the order or such longer period as the court may allow, be delivered by the company to the registrar of companies for registration ; and if a company makes default in complying with this subsection, the company and every officer of it who is in default is liable to a fine and, for continued contravention, to a daily default fine.
- (6) Section 663 (winding-up rules) applies in relation to a petition under this Part as in relation to a winding-up petition.