

Fourth and fifth cases in which duty to notify arises — grant or assignment of subscription rights, etc.

263. (1) Subject to section 264, a director or secretary of a company (the “relevant company”) who—

(a) (i) is granted by another body corporate of the same group a right to subscribe for shares in, or debentures of, that other body corporate, or

(ii) exercises such a right so granted,

or

(b) becomes aware of a spouse or civil partner of the director's or secretary's or a child of the director's or secretary's—

(i) having been granted by such a body corporate such a right of subscription, or

(ii) having exercised such a right so granted,

has, subject to subsection (3) and (5), the following duty.

(2) That duty is to notify the relevant company in writing of—

(a) the grant of the right of subscription, or the exercise of it, referred to in paragraph (a) or (b) of the preceding subsection (or, as the case may be, both the things referred to in those paragraphs),

(b) the number or amount, and class, of shares or debentures involved and the consideration payable, and

(c) if section 265 (6) applies, the address there mentioned.

(3) If a director or secretary, at the time of the thing referred to in subsection (1)(a) being done, is not aware of the fact of the thing being done (the “relevant fact”) by reason of—

(a) in the case of the thing referred to in subsection (1)(a)(i), the grantor of the right not informing the director or secretary immediately of the grant,

(b) in the case of the thing referred to in subsection (1)(a)(ii), the thing being done on behalf of the director or secretary by another person pursuant to an authority conferred on the person by the director or secretary, or

(c) in either such case, other exceptional circumstances,

then the duty under subsection (2), with respect to that thing, only arises on the director or secretary becoming aware of the relevant fact.

(4) However, in any proceedings (civil or criminal) it shall be presumed, unless the contrary is shown, that none of the circumstances referred to in subsection (3) applies.

(5) If the aggregate interest of the director or secretary and spouse (or civil partner) and children of such director or secretary in shares in the body corporate concerned (both before and after the occurrence of the event or events referred to in subsection (2)(a)) is such as to fall within section 260 (f)(i), then the duty of notification under subsection (2) does not arise.

(6) Subject to section 264, a director or secretary of a company (the “relevant company”) who—

(a) enters into a contract to sell shares in, or debentures of, the relevant company or any body corporate of the same group,

(b) assigns a right granted to him or her by the relevant company or a body corporate of the same group to subscribe for shares in, or debentures of, the relevant company or such body corporate, or

(c) becomes aware of a spouse or civil partner of the director's or secretary's or a child of the director's or secretary's—

(i) having entered into a contract to sell such shares or debentures, or

(ii) having assigned a right that has been granted to the spouse, civil partner or child by the relevant company or such body corporate to subscribe for shares in, or debentures of, the relevant company or such body corporate,

has, subject to subsection (8) and (10), the following duty.

(7) That duty is to notify the relevant company in writing of—

(a) the entering into of the contract or the assigning of the right referred to in paragraph (a), (b) or (c) of the preceding subsection (or, as the case may be, the doing of 2 or more of the things referred to in those paragraphs),

(b) the number or amount, and class, of shares or debentures involved and the consideration payable, and

(c) if section 265 (6) applies, the address there mentioned.

(8) If a director or secretary, at the time of the thing referred to in subsection (6)(a) or (b) being done, is not aware of the fact of the thing being done (the “relevant fact”) by reason of—

(a) the thing being done on behalf of the director or secretary by another person pursuant to an authority conferred on the person by the director or secretary, or

(b) other exceptional circumstances,

then the duty under subsection (7), with respect to that thing, only arises on the director or secretary becoming aware of the relevant fact.

(9) However, in any proceedings (civil or criminal) it shall be presumed, unless the contrary is shown, that none of the circumstances referred to in subsection (8) applies.

(10) If the aggregate interest of the director or secretary and spouse (or civil partner) and children of such director or secretary in shares in the body corporate concerned (before the occurrence of the event or events referred to in subsection (7)(a)) is such as to fall within section 260 (f)(i), then the duty of notification under subsection (7) does not arise.