

## Charges taken by PLC on own shares

1042. (1) A mortgage, charge, lien or pledge of a PLC on its own shares (whether taken expressly or otherwise), except a mortgage or charge permitted by subsection (2), is void.

(2) The following are permitted mortgages and charges, that is to say:

(a) in the case of every description of PLC, a mortgage or charge on its own shares (not being fully paid) for any amount payable in respect of the shares;

(b) in the case of a PLC whose ordinary business includes the lending of money or consists of the provision of credit or the bailment or hiring of goods under a hire-purchase agreement, or both, a mortgage or charge of the PLC on its own shares (whether fully paid or not) which arises in connection with a transaction entered into by the company in the ordinary course of its business;

(c) in the case of a company which is re-registered under Part 20 as a PLC, a mortgage or charge on its own shares which was in existence immediately before its application for re-registration.