

Allotment of shares and other securities

1021. (1) No relevant securities may be allotted by a PLC unless the allotment is authorised, either specifically or pursuant to a general authority, by ordinary resolution or by the constitution of the PLC.

(2) Without prejudice to subsection (1), no shares may be allotted by a PLC unless those shares are comprised in the authorised but unissued share capital of the PLC.

(3) Any such authority as is referred to in subsection (1) shall state the maximum amount of relevant securities that may be allotted under it and the date on which the authority will expire, which shall be not more than 5 years after whichever is relevant of the following dates:

(a) in the case of an authority contained at the time of the original incorporation of the PLC in the articles of the PLC, the date of that incorporation, and

(b) in any other case, the date on which the resolution is passed by virtue of which that authority is given,

but any such authority (including an authority contained in the articles of the PLC) may be previously revoked or varied by the PLC in general meeting.

(4) Any such authority (whether or not it has been previously renewed under this subsection) may be renewed by the PLC in general meeting for a further period not exceeding 5 years; but the resolution must state (or restate) the amount of relevant securities which may be allotted under the authority or, as the case may be, the amount remaining to be allotted thereunder, and must specify the date on which the renewed authority will expire.

(5) Notwithstanding that any authorisation conferred by a resolution or the constitution such as is mentioned in subsection (1) has expired, the directors of a PLC may allot relevant securities in pursuance of an offer or agreement previously made by the PLC, if that authorisation enabled the PLC to make an offer or agreement which would or might require relevant securities to be allotted after the authorisation's expiry.

(6) A resolution of a PLC to give, vary, revoke or renew such an authority may, notwithstanding that it alters the articles of association of the PLC, be an ordinary resolution.

(7) Where a PLC allots shares, the shares shall be taken, for the purposes of this Act, to be allotted when a person acquires the unconditional right to be included in the PLC's register of members in respect of those shares.

(8) Any director of a PLC who knowingly contravenes, or knowingly permits or authorises a contravention of, a preceding provision of this section shall be guilty of a category 3 offence.

(9) Where a PLC allots shares, it shall, within 30 days after the date of allotment, deliver particulars

of the allotment in the prescribed form to the Registrar.

(10) If a PLC fails to comply with subsection (9), the PLC and any officer of it who is in default shall be guilty of a category 4 offence.

(11) Nothing in this section shall affect the validity of any allotment of relevant securities.

(12) In this section “relevant securities” means, in relation to a PLC—

(a) shares in the PLC other than shares shown in the memorandum to have been taken by the subscribers thereto or shares allotted in pursuance of an employees' share scheme, and

(b) any right to subscribe for, or to convert any security into, shares in the PLC other than shares so allotted,

and any reference in this section to the allotment of relevant securities includes a reference to the grant of such a right but does not include any reference to the allotment of shares pursuant to such a right.