

Supplemental provisions in relation to section 1028

1029. (1) Subsection (2) applies where a PLC allots any share in contravention of section 1028 (1) and either—

(a) the allottee has not received a report under section 1028; or

(b) there has been some other contravention of that section and the allottee knew or ought to have known that it amounted to a contravention.

(2) Where this subsection applies, the allottee shall be liable to pay the PLC an amount equal to the nominal value of the shares, together with the whole of any premium or if the case so requires, such proportion of that amount as is treated as paid up by the consideration, and shall be liable to pay interest at the appropriate rate on the amount payable under this subsection.

(3) Subsection (3) of section 1025 shall apply for the purposes of section 1028 as it applies for the purposes of section 1025.

(4) Where the consideration referred to in section 1028 is accepted partly in payment up of the nominal value of the shares and any premium and partly for some other consideration given by the company, the provisions of that section and this section shall apply as if references to the consideration accepted by the PLC included references to the proportion of that consideration which is properly attributable to the payment up of that value and any premium; and—

(a) the independent person shall carry out or arrange for such other valuations as will enable him or her to determine that proportion, and

(b) the independent person's report under section 1028 (1) shall state what valuations have been made by virtue of this subsection and also the reason for and method and date of any such valuation and any other matters which may be relevant to that determination.

(5) It is declared for the avoidance of doubt that section 1028 (1) does not apply by reference to the application of an amount for the time being standing to the credit of any of the PLC's reserve accounts or to the credit of its profit and loss account in paying up (to any extent) any shares allotted to members of the PLC or any premiums on any shares so allotted; and in relation to any such allotment references in section 1028 or this section to the consideration for the allotment do not include any such amount so applied.

(6) In section 1028 and this section—

(a) “arrangement” means any agreement, scheme or arrangement , 541 or 601),

(b) any reference to a company, except where it is or is to be read as a reference to a PLC, includes a reference to any body corporate and any body to which letters patent have been issued under the Chartered

Companies Act 1837 , and

(c) any reference to an officer or employee shall not include a reference to a statutory auditor.

(7) For the purposes of the provision made by section 1028 (6)(b)(iii) concerning a person's being connected with an officer or employee there referred to (which officer or employee is, in this subsection, subsequently referred to as the "relevant person"), section 220 applies as if—

(a) for each reference in subsections (1), (2), (3) and (8) to a director of a company there were substituted a reference to the relevant person;

(b) for the first reference and the third reference in subsection (5) to a director of a company there were substituted a reference to the relevant person;

(c) the references in subsection (5) to another director or directors included references to one or more other relevant persons; and

(d) the reference in subsection (6)(b) to a director included a reference to a relevant person.

(8) Where a PLC contravenes any of the provisions of section 1028 or this section, the PLC and any officer of it who is in default shall be guilty of a category 3 offence.