



## **DORMANT ASSETS SCHEME: PARTICIPANT PACK**

Developed in conjunction with HM Government Departments for Digital, Culture, Media & Sport and for Business and Trade this pack of materials serves as a starting-point for traded public companies seeking to participate in the UK dormant assets scheme in respect of securities assets.

It contains the following:

- Draft explanatory notes for inclusion in an AGM circular or circular to shareholders proposing possible changes to the Company's Articles of Association to facilitate participation in the scheme; and
- Draft Supplementary Articles of Association, providing a possible template for prospective participants to adapt and adopt to facilitate their participation in the scheme.

The enclosures are intended to be templates for prospective participants to review and adopt and/or adapt, recognising there will be variations between participants' existing Articles of Association. RFL notes that it is the responsibility of each prospective participant to ensure that their Articles of Association permit and facilitate participation in the Scheme and, as such, these materials are provided only as a starting-point to aid this consideration but have not been specifically tailored to individual prospective participant and therefore may require adaption.

## **EXPLANATORY NOTES FOR INCLUSION IN AGM NOTICE/CIRCULAR TO SHAREHOLDERS**

### *Proposed Amendment to Articles of Association*

Resolution [*insert number of resolution*] proposes an amendment to the Company's articles of association to introduce greater flexibility for it to address the complications that can arise when the Company loses contact with dormant members (or other persons entitled to shares in the Company). Loss of contact with members can occur for a variety of reasons, for example, when a member dies or is made bankrupt or simply changes address without providing the Company their new contact details.

Gone-away shareholders cause administrative issues for the Company as their dividends are not collected, they are not active in participating in shareholder meetings and yet the Company may remain obliged to send them shareholder communications and account for their share of any dividends or other payments.

*[optional placeholder for company to summarise its existing arrangements.]*

The dormant assets scheme ("the Scheme") was first established in 2011 through The Dormant Bank and Building Society Account Act 2008 ("the 2008 Act") with the aim of reuniting people with their forgotten assets. The Dormant Assets Act 2022 ("the 2022 Act") expanded the scope of the Scheme beyond dormant monies from Bank and Building Society accounts into a wider set of dormant assets, including proceeds from dormant shares. The Scheme enables eligible participants to voluntarily transfer the value of dormant assets which cannot be reunited with their owners to an authorised fund. Owners and their beneficiaries can, at any time, reclaim the amount they would have been owed had a transfer into the Scheme not occurred.

At the date of this notice, there is only one authorised fund, Reclaim Fund Limited ("RFL"), that operates the Scheme. RFL receives and manages dormant assets from institutions that choose to participate in the Scheme. Before transferring funds to RFL, participants need to demonstrate that they have made extensive efforts to trace the original owners and reunite them with their money. Upon the receipt of funds, RFL retains enough money to meet any future reclaims and releases the surplus to fund social and environmental initiatives across the UK. Once a participant transfers an asset into the Scheme, any liability pertaining to the transfer, including any liability to meet owner reclaims, is transferred to RFL. Customers can reclaim the value of assets through their provider, which is reimbursed by RFL. RFL is a Non- Departmental Public Body of HM Treasury, operating at arm's length from the Government. UK Government Investments Limited manages HM Treasury's shareholding in

RFL. RFL is legally incorporated with its own legal identity and is governed by a separate board of directors. The UK Government does not have access to monies transferred into the Scheme. RFL is regulated by the Financial Conduct Authority.

Following the expansion of the Scheme by the 2022 Act, it is open to the Company, subject to amending its articles of association, to create the flexibility to participate in the dormant assets scheme. The directors of the Company wish to do so, believing that it will create the opportunity for it to support the good works of reclaim funds without removing the ability of a dormant shareholder who later wishes to claim their interest to do so.

The proposed amendment of the articles is intended to allow the directors the option (but not the obligation) to utilise the dormant assets scheme in respect of its gone away shareholders.

In summary, the regime proposed to be adopted would operate as follows:

- (1) Shares held by a member or a person entitled to shares by operation of law (for example, in the event of death or bankruptcy) (a “*Holder*”) will be considered *Dormant Shares* if, amongst other things, (a) during a period of at least 12 years, 3 consecutive dividends are unclaimed or delivery has failed in respect of documents sent through to them by the Company on at least 3 consecutive occasions, (b) the Company has sent notification to the relevant holder stating that the shares will be treated as Dormant Shares and that it is proposed to sell the shares after 3 months, and (c) no response is received from the Holder.
- (2) The directors will be able to sell any such Dormant Shares. The proceeds will not be held on trust by the Company for the former shareholder but the Company shall treat the Holder as a creditor for an amount equal to the sale proceeds less any reasonable costs and charges incurred.
- (3) The Company will be entitled to transfer the proceeds to an authorised reclaim fund, at which point the claim of the Holder will become a claim against the reclaim fund only.
- (4) If the directors determine (not less than 12 months following the service of the notice referred to in 1(b) above) that the proceeds cannot be lawfully transferred to a reclaim fund and no claim to them has been made by a Holder, the directors may forfeit the proceeds at which point they shall belong to the Company and be capable of being used for any purposes the directors may decide.
- (5) Matching arrangements will apply in relation to dividends that have remained unclaimed for 12 years and any other sums due to shareholders or other person

entitled to a share arising from the unclaimed proceeds of any corporate action undertaken by the Company (for example, a bonus issue).

## SUPPLEMENTAL ARTICLES

### Drafting assumptions

These Articles have been drafted based on the following assumptions

1. The enabling provisions will apply to shares held by corporate shareholders as well as by individuals. There is a growing practice of retail shareholders holding their shares through nominees and therefore these Articles are not intended to exclude corporate shareholders from the general regime for dealing with Dormant Shares, Dormant Share Proceeds and Dormant Corporate Action Proceeds (as defined in the Articles), so that companies have as much flexibility as possible in potential use of forfeiture provisions, even if, for the reasons set out below, assets of corporate shareholders cannot at this stage be transferred to a reclaim fund.
2. The reference to “individual” in the Dormant Assets Act 2022 (“**DAA 2022**”) does not include corporate shareholders and for that reason as explained below, such assets cannot at present be transferred to a reclaim fund. It is however recognised that it is desirable for companies to have as much flexibility as possible short of that step. As currently framed, it is not currently possible under the DAA 2022 to lawfully transfer to an authorised reclaim fund any Sale Proceeds (under Article 1.4(iv)), any Dormant Share Proceeds (under Article 2.2(iv)) or any Dormant Corporate Action Proceeds (under Article 3.2(iv)) that are not referable to shares held by an individual who is both the beneficial and legal owner of the share. To the extent that such proceeds cannot lawfully be transferred, however, the directors may resolve under Articles 1.4(v), 2.2(v) and/or 3.2(v) that they cannot lawfully transfer those assets to a reclaim fund and therefore those assets will instead be forfeited and belong to the company. It is therefore only at the stage of determining whether or not to transfer shares to a reclaim fund that any distinction will need to be drawn between corporate shareholders and individuals.
3. Companies are not required by the DAA 2022 to have regard to the beneficial ownership of the shares (save insofar as they may need to determine whether assets can lawfully be transferred to an authorised reclaim fund as set out in paragraph 2 above). Companies do not need to consider the identity of the beneficial owner and, as set out above, retail shareholders often hold shares through nominees. Further, s.

126 Companies Act 2006 prohibits notice of any trust being entered on the register of members. Accordingly, these articles have been drafted on the basis that the company generally only has regard to the “member” in respect of the shares (or person entitled on transmission).

4. Companies retain some flexibility in relation to the definition of gone-away shareholders (as contemplated by s. 16(2) DAA 2022). In this regard, Table 10 of the Government Response defines dormancy in relation to “Proceeds of, or distributions from, dormant shares” as: “*No contact has been made in relation to the assets by or on the instructions of the owner for 12 years since the owner has been identified as gone-away, in line with industry best practice*”. However, legislation “*will allow participants the flexibility to consider other indications of owner engagement*”.
5. Companies are entitled to deduct costs of sale and any other costs incurred under the Articles (e.g. costs of tracing shareholders) from the “eligible proceeds or distribution”. This appears to be contemplated by s. 15(1) DAA 2022 (which refers to “*after the appropriate adjustments have been made for such things as interest due and fees and charges payable*”). However, there is no express definition of those “fees and charges”. It is considered that, if the fees and charges are payable under the Articles, they should be deductible.
6. Proceeds from the sale of bonus shares issued to the holder of Dormant Shares can also fall within the Dormant Assets Scheme under s. 16(2) of the DAA 2022 on the basis that the relevant individual will have been gone-away throughout the preceding 12 years, even if the bonus shares themselves might have been issued within that 12-year period.

## DRAFT ARTICLES

### I. DORMANT SHARES

I.1 The shares of a member or the shares to which a person is entitled as a consequence of transmission on death or bankruptcy or otherwise by operation of law shall be considered “**Dormant Shares**” if and provided that:

- (i) for a period of not less than 12 years before the sending of the notice referred to in (iii) below, at least one of the following has applied:
  - a. on [three] consecutive occasions notices or other documents have been sent in hard copy form through the post to any member at their registered address or their address for service of notices or in such other manner as may from time to time be permitted for the sending of notices by the Company to its members but have been returned undelivered or returned to the Company or in respect of which the directors (acting in their absolute discretion) otherwise regard delivery as having failed; or
  - b. at least three dividends in respect of the share(s) in question (or any share(s) from which those shares have been derived) have become payable and no dividend in respect of those share(s) has been claimed [and no cheque or warrant or any similar financial instrument payable on the share(s) has been presented by the holder of, or the person entitled by transmission to, the share(s) to the paying bank of the relevant cheque, warrant or financial instrument or no payment made by the Company by any other means permitted has been claimed or accepted]<sup>1</sup>;
- (ii) prior to the sending of the notice referred to in paragraph (iii) of this Article, the Company has used such efforts (if any) as the Directors consider reasonable to trace the member or person entitled, including engaging, if considered appropriate, a professional asset reunification company;<sup>2</sup>

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<sup>1</sup> This provision is not always included in current articles relating to untraced shareholders. This or similar wording may be appropriate if the company’s articles include express provision that any dividend or other moneys payable in respect of a share may be paid by cheque or warrant or any similar financial instrument.

<sup>2</sup> Provision is included below for the company to reclaim these costs (as in s. 982(9), which provides that the expenses of the reasonable enquiries made in accordance with s. 982(5) may be paid out of the money or other property held on trust for the person to whom the enquiry relates).

(iii) following the expiry of the 12-year period referred to in paragraph (i) of this Article and the efforts to trace the member or person entitled referred to in paragraph (ii) of this Article, the Company has sent a notice:

- a. in hard copy form to the last known physical address the Company has for the relevant member or person entitled;
- b. [in electronic form to the last known email address that the Company has for the relevant holder,]<sup>3</sup> or
- c. [in the event that the directors consider it more likely to result in a response from a member, in such other format as the directors shall in their absolute discretion decide, including but not limited to placing an advert in a newspaper or on a website,]<sup>4</sup>

stating that the shares are to be treated as Dormant Shares and will be sold in accordance with this Article at the expiry of the period of three months following the sending of the notice; and

(iv) during the 12 year period referred to in paragraph (i) of this Article and the period of three months following the sending of the notice referred to in paragraph (iii) of this Article, the Company has received no communication from or on behalf of such member or person entitled.

1.2 The Company shall be entitled to sell any Dormant Share(s) for cash at any time and in such manner as the directors shall in their absolute discretion determine.

1.3 To give effect to the sale of any Dormant Share(s) the Company may appoint any person to transfer, as agent or in such other capacity as may be from time to time permissible at law, such Dormant Share(s), and may do all other acts and things it considers necessary or expedient to effect the transfer of the shares, and such transfer shall be as effective as if it had been carried out by the registered holder of or

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<sup>3</sup> Companies to consider whether electronic notices are appropriate (e.g. this may not be appropriate if the Articles do not permit notice by electronic means).

<sup>4</sup> This proposed wording gives the directors the flexibility to select the most appropriate manner of contacting relevant shareholders.



person entitled by transmission to such shares. The transferee shall not be under any obligation in respect of the application of the purchase moneys and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto.

I.4 Following the conversion of any Dormant Share into cash by the sale of such shares in accordance with Articles I.2 and I.3:

- (i) the net proceeds of sale (after payment of the costs of the sale and any other [reasonable]<sup>5</sup> fees and charges payable, including costs incurred under this Article)<sup>6</sup> shall belong to the Company. No trust shall be created in respect of the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit;<sup>7</sup>
- (ii) subject to sub-paragraphs (iv) and (v) of this Article, the Company shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to the net proceeds of sale (after deduction of the costs of the sale and any other [reasonable] fees and charges payable, including costs incurred under this Article) (the **Sale Proceeds**) and shall enter the name of such former member or other person in the books of the Company as a creditor for the Sale Proceeds. [No interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds of sale;]<sup>8</sup>
- (iii) subject to sub-paragraphs (iv) and (v) of this Article, the former member or other person previously entitled as aforesaid shall be entitled to reclaim the Sale Proceeds from the Company in perpetuity. Such claim may be made in any form

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<sup>5</sup> Companies may wish to consider whether this should be restricted to “reasonable” costs. Note however that there is no express restriction in DAA 2022.

<sup>6</sup> This adjustment for fees and charges payable mirrors s. 15(1) DAA 2022, and expressly includes costs payable under this Article.

<sup>7</sup> This drafting is intended to allow the company to retain the net proceeds of sale themselves while having a separate obligation to account for an amount equal to the net proceeds of sale (or to transfer the equivalent sum to the Dormant Assets Scheme).

<sup>8</sup> Most current Articles expressly provide that no interest is to accrue on sale proceeds. To consider whether it is appropriate for these Articles to include a similar provision. The alternative might be to adopt wording similar to that in s. 982 CA 2006 (although, in practice, it is difficult to account for interest that has accrued unless there is also an obligation on the company to place the sale proceeds and interest into a separate bank account).

approved by the Directors and shall be supported by such evidence as the Directors may require;

- (iv) subject to being permitted to do so at law, the Directors may elect at any time to transfer to an authorised reclaim fund (the **Reclaim Fund**) as defined in the Dormant Assets Act 2022 (or any statutory successor of it) (the **Dormant Assets Scheme**) the Sale Proceeds (or such part of it as can be lawfully transferred under the Dormant Assets Scheme). Upon such transfer, the Company shall be discharged from any liability under paragraph (iii) of this Article and the entitlement of the former member or other person previously entitled to reclaim the Sale Proceeds from the Company shall be replaced with a right to reclaim in accordance with the terms of the Dormant Assets Scheme; and
- (v) at any time after the expiry of the 12-month period after sending the notice referred to in Article 1.1(iii), and so long as no claim is pending against the Company under Article 1.4(iii), the Directors may determine in their absolute discretion that the Sale Proceeds cannot be lawfully transferred to a Reclaim Fund under the Dormant Assets Scheme. Upon such determination, the Sale Proceeds shall be forfeited and will belong to the Company and the Company will not be liable in any respect to the former member or other person who may or would have been entitled to the share(s) by law for the proceeds of the sale, and the Company may use the Sale Proceeds for any purpose as the Directors may decide.<sup>9</sup>

1.5 If the Company is entitled to sell any Dormant Share(s) pursuant to this Article, it shall be entitled to sell any additional share issued to (or for the benefit of) the member or person entitled in right of that share (or in right of any such share) and the provisions of this Article shall apply in respect of those additional shares.<sup>10</sup>

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<sup>9</sup> Another option would be to provide for automatic forfeiture (for example, on the 12-month anniversary after sending the notice or after the shares have been Dormant Shares for a particular time period). However, automatic forfeiture may be unclear because some determination will still be needed of whether the sums can be paid to the Reclaim Fund or not. This drafting also potentially captures historic dormant shareholdings (to the extent they were not automatically forfeited under any previous articles): as long as the process under Article 1 has been complied with, the Dormant Shares will be dealt with in the same way regardless of whether the shareholder has been a “goneaway” shareholder for 12 years or for some longer period.

<sup>10</sup> This drafting is included to capture any bonus shares that might have been issued in connection with the Dormant Shares.

1.6 [In the case of uncertificated shares, this Article is subject to any restrictions which apply under the Regulations.]

## 2. UNCLAIMED DIVIDENDS ETC

2.1 Any unclaimed dividend, [interest or other amount]<sup>11</sup> payable by the Company in respect of a share shall be considered “**Dormant Share Proceeds**” if and provided that:<sup>12</sup>

- (i) for a period of not less than 12 years before the sending of the notice referred to in (iii) below, at least one of the following has applied:
  - a. [on [three] consecutive occasions notices or other documents have been sent in hard copy form through the post to any member at their registered address or their address for service of notices or in such other manner as may from time to time be permitted for the sending of notices by the Company to its members but have been returned undelivered or returned to the Company or in respect of which the directors (acting in their absolute discretion) otherwise regard delivery as having failed]<sup>13</sup>; or
  - b. at least three dividends in respect of the share(s) in question (or any share(s) from which those shares have been derived) have become payable and no dividend in respect of those share(s) has been claimed [and no cheque or warrant or any similar financial instrument payable on the share(s) has been presented by the holder of, or the person entitled by transmission to, the share(s) to the paying bank of the relevant cheque, warrant or financial

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<sup>11</sup> Approach of distinguishes between unclaimed cash dividends, interest and other amounts (to which this Article applies) and unclaimed corporate proceeds (to which Article 3 applies). This is because s.s 15 and 16 DAA 2022 and the principles for adjoining articles draw a distinction between “eligible distributions” (which should be classed as dormant “if, at that time, the traded public company concerned regards the relevant individual as having been gone-away throughout the preceding 12 years” under s. 16(2)) and dormant corporate action proceeds (which should be classed as dormant if they have remained unclaimed for twelve years in accordance with s. 16(4)). There is therefore a distinction in the treatment of these, and this drafting is intended to deal with the former. Most current articles would however treat unclaimed cash dividends as dormant if they have gone unclaimed for a certain period of time – to consider if we should include this as an alternative definition.

<sup>12</sup> To the extent that this Article mirrors the drafting above, the same points apply.

<sup>13</sup> These alternatives are included to avoid the risk of the shares being dormant but the dividends not being dormant.

instrument or no payment made by the Company by any other means permitted has been claimed or accepted];

- (ii) prior to the sending of the notice referred to in paragraph (iii) of this Article, the Company has used such efforts (if any) as the Directors consider reasonable to trace the member or person entitled, including engaging, if considered appropriate, a professional asset reunification company;
- (iii) following the expiry of the 12-year period referred to in paragraph (i) of this Article and the efforts to trace the member or person entitled referred to in paragraph (ii) of this Article, the Company has sent a notice:
  - a. in hard copy form to the last known physical address the Company has for the relevant member or person entitled;
  - b. [in electronic form to the last known email address that the Company has for the relevant holder,] or
  - c. [in the event that the directors consider it more likely to result in a response from a member, in such other format as the directors shall in their absolute discretion decide, including but not limited to placing an advert in a newspaper or on a website,]

stating that the unclaimed dividend, interest or other amount will be treated as Dormant Share Proceeds at the expiry of the period of three months following the sending of the notice; and

- (iv) during the 12-year period referred to in paragraph (i) of this Article and the period of three months following the sending of the notice referred to in paragraph (iii) of this Article, the Company has received no communication from or on behalf of such member or person entitled.

## 2.2 The Company shall deal with Dormant Share Proceeds as follows:

- (i) the Dormant Share Proceeds shall belong to the Company. No trust shall be created in respect of the net proceeds, which may be employed in the business of

the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit;

- (ii) subject to sub-paragraphs (iv) and (v) of this Article, the Company shall be obliged to account to the member or other person entitled as aforesaid for an amount equal to the Dormant Share Proceeds at the time they were due (adjusted to deduct any [reasonable] fees and charges payable, including costs incurred under this Article)<sup>14</sup> and shall enter the name of such member or other person in the books of the Company as a creditor for such amount. [No interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the Dormant Share Proceeds;]
- (iii) subject to sub-paragraphs (iv) and (v) of this Article, the member or other person entitled as aforesaid shall be entitled to reclaim the cash sum identified in paragraph (ii) of this Article from the Company in perpetuity. Such claim may be made in any form approved by the Directors and shall be supported by such evidence as the Directors may require;
- (iv) subject to being permitted to do so at law, the Directors may elect at any time to transfer the Dormant Share Proceeds, adjusted to deduct any [reasonable] fees and charges payable, including costs incurred under this Article (or such part of the Dormant Share Proceeds as can be lawfully transferred under the Dormant Assets Scheme) to a Reclaim Fund. Upon such transfer, the Company shall be discharged from any liability under paragraph (iii) of this Article and the entitlement of the member or other person previously entitled to reclaim a cash sum from the Company shall be replaced with a right to reclaim in accordance with the terms of the Dormant Assets Scheme; and
- (v) at any time after the expiry of the 12-month period after sending the notice referred to in Article 2.1(iii), and so long as no claim is pending against the Company under Article 2.2(iii), the Directors may determine in their absolute discretion that the Dormant Share Proceeds cannot be lawfully transferred to a Reclaim Fund under the Dormant Assets Scheme. Upon such determination, the Dormant Share Proceeds shall be forfeited and will belong to the Company and

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<sup>14</sup> This adjustment for fees and charges payable mirrors s. 15(1) DAA 2022, and expressly includes costs payable under this Article.

the Company will not be liable in any respect to the member or other person who may or would have been entitled to the Dormant Share Proceeds, and the Company may use the Dormant Share Proceeds for any purpose as the Directors may decide.

### 3. UNCLAIMED CORPORATE ACTION PROCEEDS<sup>15</sup>

3.1 Any unclaimed proceeds from corporate actions payable by the Company to any member or former member or other person entitled in respect of a share shall be considered “**Dormant Corporate Action Proceeds**” if and provided that:-

- (i) the proceeds are payable by the Company in respect of a share which has already been classified as a Dormant Share and in respect of which the Directors have already transferred an amount to the Dormant Assets Scheme in accordance with Article 1.4(iv) above;<sup>16</sup> or
- (ii) each of the following applies:
  - a. prior to the sending of the notice referred to in paragraph (c) of this Article, a period of not less than 12 years has elapsed (beginning with the day on which the Company was notified of the consideration in relation to the corporate action) during which the proceeds have remained unclaimed;<sup>17</sup>
  - b. prior to the sending of the notice referred to in paragraph (c) of this Article, the Company has used such efforts (if any) as the Directors consider reasonable to trace the member or person entitled, including engaging, if considered appropriate, a professional asset reunification company;

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<sup>15</sup> Companies to consider drafting approach. These are different to the “Dormant Share Proceeds”.

<sup>16</sup> This is intended to deal with the principle that the articles should “Provide that where the underlying share has already been classed as dormant and transferred to RFL, then corporate action proceeds can be transferred immediately”.

<sup>17</sup> This is intended to align with s. 16 DAA 2022.

- c. following the expiry of the 12-year period referred to in paragraph (a) of this Article and the efforts to trace the member or person entitled referred to in paragraph (b) of this Article, the Company has sent a notice:
  - i. in hard copy form to the last known physical address the Company has for the relevant member or person entitled;
  - ii. [in electronic form to the last known email address that the Company has for the relevant holder,] or
  - iii. [in the event that the directors consider it more likely to result in a response from a member, in such other format as the directors shall in their absolute discretion decide, including but not limited to placing an advert in a newspaper or on a website,]

stating that the proceeds will be treated as Dormant Corporate Action Proceeds at the expiry of the period of three months following the sending of the notice; and

- d. during the 12-year period referred to in paragraph (a) of this Article and the period of three months following the sending of the notice referred to in paragraph (c) of this Article, the Company has received no communication from or on behalf of such member or person entitled.

### 3.2 The Company shall deal with Dormant Corporate Action Proceeds as follows:

- (i) the Dormant Corporate Action Proceeds shall belong to the Company. No trust shall be created in respect of the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit;
- (ii) subject to sub-paragraphs (iv) and (v) of this Article, the Company shall be obliged to account to the member or other person entitled as aforesaid for an amount equal to the Dormant Corporate Action Proceeds at the time they were due (adjusted to deduct any [reasonable] fees and charges payable, including

costs incurred under this Article) and shall enter the name of such member or other person in the books of the Company as a creditor for such amount. [No interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the Dormant Share Proceeds;]

- (iii) subject to sub-paragraphs (iv) and (v) of this Article, the member or other person entitled as aforesaid shall be entitled to reclaim the cash sum identified in paragraph (ii) of this Article from the Company in perpetuity. Such claim may be made in any form approved by the Directors and shall be supported by such evidence as the Directors may require;
- (iv) subject to being permitted to do so at law, the Directors may elect at any time to transfer the Dormant Corporate Action Proceeds, adjusted to deduct any [reasonable] fees and charges payable, including costs incurred under this Article (or such part of the Dormant Corporate Action Proceeds as can be lawfully transferred under the Dormant Assets Scheme) to a Reclaim Fund. Upon such transfer, the Company shall be discharged from any liability under paragraph (iii) of this Article and the entitlement of the member or other person previously entitled to reclaim a cash sum from the Company shall be replaced with a right to reclaim in accordance with the terms of the Dormant Assets Scheme; and
- (v) at any time after the expiry of the 12-month period after sending the notice referred to in Article 3.1(iii), and so long as no claim is pending against the Company under Article 3.2(iii), the Directors may determine in their absolute discretion that the Dormant Corporate Action Proceeds cannot be lawfully transferred to a Reclaim Fund under the Dormant Assets Scheme. Upon such determination, the Dormant Corporate Action Proceeds shall be forfeited and will belong to the Company and the Company will not be liable in any respect to the member or other person who may or would have been entitled to the Dormant Corporate Action Proceeds, and the Company may use the Dormant Corporate Action Proceeds for any purpose as the Directors may decide.