



Companies Act 2006

2006 CHAPTER 46

PART 10

A COMPANY'S DIRECTORS

[^{F1}CHAPTER 4A

DIRECTORS OF QUOTED COMPANIES [^{F1}AND TRADED COMPANIES]: SPECIAL PROVISION

[^{F1}Interpretation

Textual Amendments

F1 Pt. 10 Ch. 4A inserted (1.10.2013) by [Enterprise and Regulatory Reform Act 2013 \(c. 24\)](#), **ss. 80**, 103(3); S.I. 2013/2227, art. 2(h)

226A Key definitions

(1) In this Chapter—

“directors' remuneration policy” means the policy of a quoted company [^{F2}, or of an unquoted traded company,] with respect to the making of remuneration payments and payments for loss of office;

“quoted company” has the same meaning as in Part 15 of this Act;

“remuneration payment” means any form of payment or other benefit made to or otherwise conferred on a person as consideration for the person—

(a) holding, agreeing to hold or having held office as director of a company, or

(b) holding, agreeing to hold or having held, during a period when the person is or was such a director—

(i) any other office or employment in connection with the management of the affairs of the company, or

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- (ii) any office (as director or otherwise) or employment in connection with the management of the affairs of any subsidiary undertaking of the company,
- other than a payment for loss of office;
- “ payment for loss of office ” has the same meaning as in Chapter 4 of this Part.
^{F3}“unquoted traded company” means a traded company (as defined by section 360C) that is not a quoted company.]
- (2) Subsection (3) applies where, in connection with a relevant transfer, a director of a quoted company [^{F4}or unquoted traded company] is—
- (a) to cease to hold office as director, or
 - (b) to cease to be the holder of—
 - (i) any other office or employment in connection with the management of the affairs of the company, or
 - (ii) any office (as director or otherwise) or employment in connection with the management of the affairs of any subsidiary undertaking of the company.
- (3) If in connection with the transfer—
- (a) the price to be paid to the director for any shares in the company held by the director is in excess of the price which could at the time have been obtained by other holders of like shares, or
 - (b) any valuable consideration is given to the director by a person other than the company,
- the excess or, as the case may be, the money value of the consideration is taken for the purposes of section 226C to have been a payment for loss of office.
- (4) In subsection (2), “ relevant transfer ” means—
- (a) a transfer of the whole or any part of the undertaking or property of the company or a subsidiary of the company;
 - (b) a transfer of shares in the company, or in a subsidiary of the company, resulting from a takeover bid.
- (5) References in this Chapter to the making of a remuneration payment or to the making of a payment for loss of office are to be read in accordance with this section.
- (6) References in this Chapter to a payment by a company include a payment by another person at the direction of, or on behalf of, the company.
- (7) References in this Chapter to a payment to a person (“B”) who is, has been or is to be a director of a company include—
- (a) a payment to a person connected with B, or
 - (b) a payment to a person at the direction of, or for the benefit of, B or a person connected with B.
- (8) Section 252 applies for the purposes of determining whether a person is connected with a person who has been, or is to be, a director of a company as it applies for the purposes of determining whether a person is connected with a director.
- (9) References in this Chapter to a director include a shadow director but references to loss of office as a director do not include loss of a person's status as a shadow director.]

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- [^{F5}(10) References in this Chapter (other than sections 226E(2)(b) and (5)) to a director of a company include a person who is not a director of the company but who is—
- (a) its chief executive officer (however described), or
 - (b) where such a function exists in the company, its deputy chief executive officer (however described).]

Textual Amendments

- F2** Words in s. 226A(1) inserted (10.6.2019) by [The Companies \(Directors Remuneration Policy and Directors Remuneration Report\) Regulations 2019 \(S.I. 2019/970\)](#), regs. 1, **6(a)(i)** (with reg. 2)
- F3** Words in s. 226A(1) inserted (10.6.2019) by [The Companies \(Directors Remuneration Policy and Directors Remuneration Report\) Regulations 2019 \(S.I. 2019/970\)](#), regs. 1, **6(a)(ii)** (with reg. 2)
- F4** Words in s. 226A(2) inserted (10.6.2019) by [The Companies \(Directors Remuneration Policy and Directors Remuneration Report\) Regulations 2019 \(S.I. 2019/970\)](#), regs. 1, **6(b)** (with reg. 2)
- F5** S. 226A(10) inserted (10.6.2019) by [The Companies \(Directors Remuneration Policy and Directors Remuneration Report\) Regulations 2019 \(S.I. 2019/970\)](#), regs. 1, **6(c)** (with reg. 2)

Changes to legislation:

There are currently no known outstanding effects for the Companies Act 2006, Cross Heading: Interpretation.