



Companies Act 2006

2006 CHAPTER 46

PART 10

A COMPANY'S DIRECTORS

CHAPTER 4

TRANSACTIONS WITH DIRECTORS REQUIRING APPROVAL OF MEMBERS

Payments for loss of office

218 Payment in connection with transfer of undertaking etc: requirement of members' approval

- (1) No payment for loss of office may be made by any person to a director of a company in connection with the transfer of the whole or any part of the undertaking or property of the company unless the payment has been approved by a resolution of the members of the company.
- (2) No payment for loss of office may be made by any person to a director of a company in connection with the transfer of the whole or any part of the undertaking or property of a subsidiary of the company unless the payment has been approved by a resolution of the members of each of the companies.
- (3) A resolution approving a payment to which this section applies must not be passed unless a memorandum setting out particulars of the proposed payment (including its amount) is made available to the members of the company whose approval is sought—
 - (a) in the case of a written resolution, by being sent or submitted to every eligible member at or before the time at which the proposed resolution is sent or submitted to him;
 - (b) in the case of a resolution at a meeting, by being made available for inspection by the members both—

Status: Point in time view as at 01/03/2016.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Section 218. (See end of Document for details)

- (i) at the company's registered office for not less than 15 days ending with the date of the meeting, and
 - (ii) at the meeting itself.
- (4) No approval is required under this section on the part of the members of a body corporate that—
- (a) is not a UK-registered company, or
 - (b) is a wholly-owned subsidiary of another body corporate.
- (5) A payment made in pursuance of an arrangement—
- (a) entered into as part of the agreement for the transfer in question, or within one year before or two years after that agreement, and
 - (b) to which the company whose undertaking or property is transferred, or any person to whom the transfer is made, is privy,
- is presumed, except in so far as the contrary is shown, to be a payment to which this section applies.

Modifications etc. (not altering text)

- C1** Ss. 215-222 modified (22.2.2008) by The Northern Rock plc [Transfer Order 2008 \(S.I. 2008/432\)](#), art. 17(1), **Sch. para. 2(j)**
- C2** Ss. 215-222 modified (8.00 a.m. on 29.9.2008) by the The Bradford & Bingley plc [Transfer of Securities and Property etc. Order 2008 \(S.I. 2008/2546\)](#), art. 13(1)(3), **Sch. 1 para. 2(j)**
- C3** Ss. 215-222 modified (9.30 a.m. on 7.10.2008) by The Heritable Bank plc [Transfer of Certain Rights and Liabilities Order 2008 \(S.I. 2008/2644\)](#), art. 26, **Sch. 2 para. 2(j)**
- C4** Ss. 215-222 modified (retrospective to 30.3.2009 at 8.00 a.m.) by The Amendments to Law [\(Resolution of Dunfermline Building Society\) Order 2009 \(S.I. 2009/814\)](#), arts. 1(2), 7, **Sch. para. 2(j)**
- C5** Ss. 215-222 modified (1.3.2016) by The NRAM plc (formerly Northern Rock plc) [Consequential and Supplementary Provisions Order 2016 \(S.I. 2016/114\)](#), arts. 1(1), 7(1), (3), **Sch. para. 1(j)**

Commencement Information

- I1** S. 218 wholly in force at 1.10.2007; s. 218 not in force at Royal Assent see s. 1300; s. 218 in force at 1.10.2007 by [S.I. 2007/2194](#), **art. 2(1)(d)** (with saving in [art. 12](#) and subject to transitional adaptations specified in [Sch. 1](#) and with transitional provisions and savings in [Sch. 3](#))

Status:

Point in time view as at 01/03/2016.

Changes to legislation:

There are currently no known outstanding effects for the Companies Act 2006, Section 218.