



# Companies Act 2006

## 2006 CHAPTER 46

### PART 10

#### A COMPANY'S DIRECTORS

### CHAPTER 1

#### APPOINTMENT AND REMOVAL OF DIRECTORS

##### *Requirement to have directors*

#### **154 Companies required to have directors**

- (1) A private company must have at least one director.
- (2) A public company must have at least two directors.

#### **155 Companies required to have at least one director who is a natural person**

- (1) A company must have at least one director who is a natural person.
- (2) This requirement is met if the office of director is held by a natural person as a corporation sole or otherwise by virtue of an office.

#### **156 Direction requiring company to make appointment**

- (1) If it appears to the Secretary of State that a company is in breach of—  
section 154 (requirements as to number of directors), or  
section 155 (requirement to have at least one director who is a natural person),  
the Secretary of State may give the company a direction under this section.
- (2) The direction must specify—

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- (a) the statutory requirement the company appears to be in breach of,
- (b) what the company must do in order to comply with the direction, and
- (c) the period within which it must do so.

That period must be not less than one month or more than three months after the date on which the direction is given.

- (3) The direction must also inform the company of the consequences of failing to comply.
- (4) Where the company is in breach of section 154 or 155 it must comply with the direction by—
  - (a) making the necessary appointment or appointments, and
  - (b) giving notice of them under section 167,
 before the end of the period specified in the direction.
- (5) If the company has already made the necessary appointment or appointments (or so far as it has done so), it must comply with the direction by giving notice of them under section 167 before the end of the period specified in the direction.
- (6) If a company fails to comply with a direction under this section, an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.

For this purpose a shadow director is treated as an officer of the company.

- (7) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

### *Appointment*

#### **157 Minimum age for appointment as director**

- (1) A person may not be appointed a director of a company unless he has attained the age of 16 years.
- (2) This does not affect the validity of an appointment that is not to take effect until the person appointed attains that age.
- (3) Where the office of director of a company is held by a corporation sole, or otherwise by virtue of another office, the appointment to that other office of a person who has not attained the age of 16 years is not effective also to make him a director of the company until he attains the age of 16 years.
- (4) An appointment made in contravention of this section is void.
- (5) Nothing in this section affects any liability of a person under any provision of the Companies Acts if he—
  - (a) purports to act as director, or
  - (b) acts as a shadow director,
 although he could not, by virtue of this section, be validly appointed as a director.

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- (6) This section has effect subject to section 158 (power to provide for exceptions from minimum age requirement).

### **158 Power to provide for exceptions from minimum age requirement**

- (1) The Secretary of State may make provision by regulations for cases in which a person who has not attained the age of 16 years may be appointed a director of a company.
- (2) The regulations must specify the circumstances in which, and any conditions subject to which, the appointment may be made.
- (3) If the specified circumstances cease to obtain, or any specified conditions cease to be met, a person who was appointed by virtue of the regulations and who has not since attained the age of 16 years ceases to hold office.
- (4) The regulations may make different provision for different parts of the United Kingdom.

This is without prejudice to the general power to make different provision for different cases.

- (5) Regulations under this section are subject to negative resolution procedure.

### **159 Existing under-age directors**

- (1) This section applies where—
- (a) a person appointed a director of a company before section 157 (minimum age for appointment as director) comes into force has not attained the age of 16 when that section comes into force, or
  - (b) the office of director of a company is held by a corporation sole, or otherwise by virtue of another office, and the person appointed to that other office has not attained the age of 16 years when that section comes into force,
- and the case is not one excepted from that section by regulations under section 158.
- (2) That person ceases to be a director on section 157 coming into force.
- (3) The company must make the necessary consequential alteration in its register of directors but need not give notice to the registrar of the change.
- (4) If it appears to the registrar (from other information) that a person has ceased by virtue of this section to be a director of a company, the registrar shall note that fact on the register.

### **160 Appointment of directors of public company to be voted on individually**

- (1) At a general meeting of a public company a motion for the appointment of two or more persons as directors of the company by a single resolution must not be made unless a resolution that it should be so made has first been agreed to by the meeting without any vote being given against it.
- (2) A resolution moved in contravention of this section is void, whether or not its being so moved was objected to at the time.

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But where a resolution so moved is passed, no provision for the automatic reappointment of retiring directors in default of another appointment applies.

- (3) For the purposes of this section a motion for approving a person's appointment, or for nominating a person for appointment, is treated as a motion for his appointment.
- (4) Nothing in this section applies to a resolution amending the company's articles.

## **161 Validity of acts of directors**

- (1) The acts of a person acting as a director are valid notwithstanding that it is afterwards discovered—
  - (a) that there was a defect in his appointment;
  - (b) that he was disqualified from holding office;
  - (c) that he had ceased to hold office;
  - (d) that he was not entitled to vote on the matter in question.
- (2) This applies even if the resolution for his appointment is void under section 160 (appointment of directors of public company to be voted on individually).

*Register of directors, etc*

## **162 Register of directors**

- (1) Every company must keep a register of its directors.
- (2) The register must contain the required particulars (see sections 163, 164 and 166) of each person who is a director of the company.
- (3) The register must be kept available for inspection—
  - (a) at the company's registered office, or
  - (b) at a place specified in regulations under section 1136.
- (4) The company must give notice to the registrar—
  - (a) of the place at which the register is kept available for inspection, and
  - (b) of any change in that place,
 unless it has at all times been kept at the company's registered office.
- (5) The register must be open to the inspection—
  - (a) of any member of the company without charge, and
  - (b) of any other person on payment of such fee as may be prescribed.
- (6) If default is made in complying with subsection (1), (2) or (3) or if default is made for 14 days in complying with subsection (4), or if an inspection required under subsection (5) is refused, an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.

For this purpose a shadow director is treated as an officer of the company.

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- (7) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.
- (8) In the case of a refusal of inspection of the register, the court may by order compel an immediate inspection of it.

### **163 Particulars of directors to be registered: individuals**

- (1) A company's register of directors must contain the following particulars in the case of an individual—
  - (a) name and any former name;
  - (b) a service address;
  - (c) the country or state (or part of the United Kingdom) in which he is usually resident;
  - (d) nationality;
  - (e) business occupation (if any);
  - (f) date of birth.
- (2) For the purposes of this section “name” means a person's Christian name (or other forename) and surname, except that in the case of—
  - (a) a peer, or
  - (b) an individual usually known by a title,the title may be stated instead of his Christian name (or other forename) and surname or in addition to either or both of them.
- (3) For the purposes of this section a “former name” means a name by which the individual was formerly known for business purposes.

Where a person is or was formerly known by more than one such name, each of them must be stated.
- (4) It is not necessary for the register to contain particulars of a former name in the following cases—
  - (a) in the case of a peer or an individual normally known by a British title, where the name is one by which the person was known previous to the adoption of or succession to the title;
  - (b) in the case of any person, where the former name—
    - (i) was changed or disused before the person attained the age of 16 years, or
    - (ii) has been changed or disused for 20 years or more.
- (5) A person's service address may be stated to be “The company's registered office”.

### **164 Particulars of directors to be registered: corporate directors and firms**

- A company's register of directors must contain the following particulars in the case of a body corporate, or a firm that is a legal person under the law by which it is governed—
- (a) corporate or firm name;
  - (b) registered or principal office;

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- (c) in the case of an EEA company to which the First Company Law Directive (68/151/EEC) applies, particulars of—
  - (i) the register in which the company file mentioned in Article 3 of that Directive is kept (including details of the relevant state), and
  - (ii) the registration number in that register;
- (d) in any other case, particulars of—
  - (i) the legal form of the company or firm and the law by which it is governed, and
  - (ii) if applicable, the register in which it is entered (including details of the state) and its registration number in that register.

### **165 Register of directors' residential addresses**

- (1) Every company must keep a register of directors' residential addresses.
- (2) The register must state the usual residential address of each of the company's directors.
- (3) If a director's usual residential address is the same as his service address (as stated in the company's register of directors), the register of directors' residential addresses need only contain an entry to that effect.

This does not apply if his service address is stated to be "The company's registered office".

- (4) If default is made in complying with this section, an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.

For this purpose a shadow director is treated as an officer of the company.

- (5) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.
- (6) This section applies only to directors who are individuals, not where the director is a body corporate or a firm that is a legal person under the law by which it is governed.

### **166 Particulars of directors to be registered: power to make regulations**

- (1) The Secretary of State may make provision by regulations amending—
  - section 163 (particulars of directors to be registered: individuals),
  - section 164 (particulars of directors to be registered: corporate directors and firms), or
  - section 165 (register of directors' residential addresses),
 so as to add to or remove items from the particulars required to be contained in a company's register of directors or register of directors' residential addresses.
- (2) Regulations under this section are subject to affirmative resolution procedure.

### **167 Duty to notify registrar of changes**

- (1) A company must, within the period of 14 days from—
  - (a) a person becoming or ceasing to be a director, or

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- (b) the occurrence of any change in the particulars contained in its register of directors or its register of directors' residential addresses,  
give notice to the registrar of the change and of the date on which it occurred.
- (2) Notice of a person having become a director of the company must—
  - (a) contain a statement of the particulars of the new director that are required to be included in the company's register of directors and its register of directors' residential addresses, and
  - (b) be accompanied by a consent, by that person, to act in that capacity.
- (3) Where—
  - (a) a company gives notice of a change of a director's service address as stated in the company's register of directors, and
  - (b) the notice is not accompanied by notice of any resulting change in the particulars contained in the company's register of directors' residential addresses,  
the notice must be accompanied by a statement that no such change is required.
- (4) If default is made in complying with this section, an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.  
For this purpose a shadow director is treated as an officer of the company.
- (5) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

### *Removal*

#### **168 Resolution to remove director**

- (1) A company may by ordinary resolution at a meeting remove a director before the expiration of his period of office, notwithstanding anything in any agreement between it and him.
- (2) Special notice is required of a resolution to remove a director under this section or to appoint somebody instead of a director so removed at the meeting at which he is removed.
- (3) A vacancy created by the removal of a director under this section, if not filled at the meeting at which he is removed, may be filled as a casual vacancy.
- (4) A person appointed director in place of a person removed under this section is treated, for the purpose of determining the time at which he or any other director is to retire, as if he had become director on the day on which the person in whose place he is appointed was last appointed a director.
- (5) This section is not to be taken—
  - (a) as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as director or of any appointment terminating with that as director, or

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- (b) as derogating from any power to remove a director that may exist apart from this section.

### **169 Director's right to protest against removal**

- (1) On receipt of notice of an intended resolution to remove a director under section 168, the company must forthwith send a copy of the notice to the director concerned.
- (2) The director (whether or not a member of the company) is entitled to be heard on the resolution at the meeting.
- (3) Where notice is given of an intended resolution to remove a director under that section, and the director concerned makes with respect to it representations in writing to the company (not exceeding a reasonable length) and requests their notification to members of the company, the company shall, unless the representations are received by it too late for it to do so—
  - (a) in any notice of the resolution given to members of the company state the fact of the representations having been made; and
  - (b) send a copy of the representations to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representations by the company).
- (4) If a copy of the representations is not sent as required by subsection (3) because received too late or because of the company's default, the director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting.
- (5) Copies of the representations need not be sent out and the representations need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this section are being abused.
- (6) The court may order the company's costs (in Scotland, expenses) on an application under subsection (5) to be paid in whole or in part by the director, notwithstanding that he is not a party to the application.