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STATUTORY INSTRUMENTS

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**2009 No. 2561**

**The Companies Act 2006 (Allotment of Shares and Right of Pre-emption) (Amendment) Regulations 2009**

**Amendments of the Companies Act 2006**

2.—(1) In section 549 of the Companies Act 2006<sup>(1)</sup> (exercise by directors of powers to allot shares etc), for subsection (3) substitute—

“(3) Subsection (1) does not apply to the allotment of shares pursuant to a right to subscribe for, or to convert any security into, shares in the company.”.

(2) In section 560 of that Act (meaning of “equity securities” and related expressions), for subsection (2) substitute—

“(2) References in this Chapter to the allotment of equity securities—

(a) include the grant of a right to subscribe for, or to convert any securities into, ordinary shares in the company, and

(b) do not include the allotment of shares pursuant to such a right.

(3) References in this Chapter to the allotment of equity securities include the sale of ordinary shares in the company that immediately before the sale were held by the company as treasury shares.”.

(3) In section 561 of that Act (existing shareholders’ right of pre-emption), omit subsection (3).

(4) For section 566 of that Act (exception to pre-emption right: securities held under employees’ share scheme) substitute—

**“Exceptions to pre-emption right: employees’ share schemes**

**566.** Section 561 (existing shareholders’ right of pre-emption) does not apply to the allotment of equity securities that would, apart from any renunciation or assignment of the right to their allotment, be held under or allotted or transferred pursuant to an employees’ share scheme.”.

(5) In section 573(1) of that Act (disapplication of pre-emption rights: sale of treasury shares), for “section 560(2)(b)” substitute “section 560(3)”.

(6) In Schedule 8 to that Act (index of defined expressions), in the second column of the entry relating to the expression “allotment of equity securities (in Chapter 3 of Part 17)”, for “section 560(2)” substitute “section 560(2) and (3)”.