



Companies Act 1985

1985 CHAPTER 6

PART X

ENFORCEMENT OF FAIR DEALING BY DIRECTORS

Restrictions on directors taking financial advantage

315 Consequences of non-compliance with s. 314

- (1) If in the case of any such payment to a director as is mentioned in section 314(1)—
- (a) his duty under that section is not complied with, or
 - (b) the making of the proposed payment is not, before the transfer of any shares in pursuance of the offer, approved by a meeting (summoned for the purpose) of the holders of the shares to which the offer relates and of other holders of shares of the same class as any of those shares,

any sum received by the director on account of the payment is deemed to have been received by him in trust for persons who have sold their shares as a result of the offer made; and the expenses incurred by him in distributing that sum amongst those persons shall be borne by him and not retained out of that sum.

- (2) Where—
- (a) the shareholders referred to in subsection (1)(b) are not all the members of the company, and
 - (b) no provision is made by the articles for summoning or regulating the meeting referred to in that paragraph,

the provisions of this Act and of the company's articles relating to general meetings of the company apply (for that purpose) to the meeting either without modification or with such modifications as the Secretary of State on the application of any person concerned may direct for the purpose of adapting them to the circumstances of the meeting.

- (3) If at a meeting summoned for the purpose of approving any payment as required by subsection (1)(b) a quorum is not present and, after the meeting has been adjourned

Status: This is the original version (as it was originally enacted).

to a later date, a quorum is again not present, the payment is deemed for the purposes of that subsection to have been approved.