

*These notes refer to the Companies Act 2006 (c.46)  
which received Royal Assent on 8 November 2006*

# COMPANIES ACT 2006

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## EXPLANATORY NOTES

### TERRITORIAL EXTENT AND DEVOLUTION

#### Part 10: Company Directors

##### Who is a director?

278. [Section 250](#) defines a director as including any person occupying the position of director, by whatever name called. This is the same as the definition contained in section 741(1) of the 1985 Act. The Act does not attempt a more detailed definition of a director because it is important to ensure that the term is applied to anybody who exercises real power within the company, particularly in relation to decision taking. The term “director” therefore includes:
- an executive director who has been properly appointed by the company;
  - a non-executive director who has been properly appointed by the company;
  - a de facto director (that is, a person who has assumed the status and functions of a company director even though he has not been properly appointed).
279. A “shadow director” is defined by section 251 as “a person in accordance with whose directions or instructions the directors of the company are accustomed to act”. The section provides that a person is not to be regarded as a shadow director by reason only that the directors act on advice given by him in a professional capacity. This definition is the same as the definition contained in section 741(2) of the 1985 Act.