

WATER ACT 2003

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: New Regulatory Arrangements, Etc

Section 50 Remuneration and standards of performance 178.

Section 50: Links between directors' pay and standards of performance

This section adds a new section 35A to the WIA. The section requires statutory undertakers to disclose whether or not they link the remuneration of the directors to standards of performance, and to give details of how any links affect remuneration.

179. The section requires this disclosure to be made as soon as reasonably practicable after the end of the disclosing company's financial year, and specifies what information must be disclosed.
180. Subsections (5) and (6) in new section 35A require statutory undertakers, when they make their disclosures about the last financial year, also to state the links between directors' remuneration and service standards that are in place for the current financial year. If they do not have any links, but have decided to introduce them in future, they must describe these. If the current or planned links are different from the previous year's, then the company must explain what differences may be expected to result from the change.
181. Under subsection (7) and (8) in new section 35A, statutory undertakers have to make their disclosures in a form with which the Authority is content, and publish them. The Authority can also publish them, though the intention is that it does not do so unless it felt that the publication by the company was in some way unsatisfactory.
182. The Authority is to enforce the disclosure requirement in the same way as if it were a condition of appointment.
183. Provisions in this section are devolved to the Assembly.