

ENTERPRISE AND REGULATORY REFORM ACT 2013

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 6: Miscellaneous and General

Payments to directors of quoted companies

Section 81: Payments to directors: minor and consequential amendments

555. *Subsection (3)* amends section 190 of the CA 2006 to preserve the existing position that transactions relating to payments for loss of office to directors of quoted companies are not subject to the requirements of Chapter 4 of the CA 2006 relating to substantial property transactions.
556. *Subsection (4)* disapplies existing provisions on payments for loss of office in sections 216 to 222 (inclusive) of the CA 2006 for those companies (i.e. quoted companies falling within section 385) that will in future be required to comply with the new sections on the directors' remuneration policy and payments to directors, from the point at which Chapter 4A applies to those companies. Sections 216 to 222 (inclusive) of the CA 2006 will continue to apply to all other types of companies.
557. *Subsection (6)* inserts two new subsections into the existing section 430 of the CA 2006 (Quoted companies: annual accounts and reports to be made available on website). Subsection (2A) requires that any revised directors' remuneration policy (as revised under new section 422A) is to be made available on the company's website in the same manner as other reports and accounts. Subsection (2B) requires that companies publish, in a similar manner, details of payments for loss of office and remuneration payments made or to be made to a departing director as soon as reasonably practicable after a person ceases to be a director. *Subsections (7) to (9)* make further minor amendments to section 430 to clarify the process by which information under sections 430(2A) and 430(2B) must be made available.
558. *Subsection (10)* amends existing section 440 of the CA 2006 (Quoted companies: offences in connection with procedure for approval) so as to preserve the criminal offences that are committed where there is a failure to comply with the requirements about giving notices, and putting resolutions to the vote, in relation to directors' remuneration reports (including the part of the report containing the directors' remuneration policy).