



Enterprise and Regulatory Reform Act 2013

2013 CHAPTER 24

PART 6

MISCELLANEOUS AND GENERAL

Payments to directors of quoted companies

79 Members' approval of directors' remuneration policy

- (1) In section 421 of the Companies Act 2006 (contents of directors' remuneration report) after subsection (2) insert—

“(2A) The regulations must provide that any information required to be included in the report as to the policy of the company with respect to the making of remuneration payments and payments for loss of office (within the meaning of Chapter 4A of Part 10) is to be set out in a separate part of the report.”

- (2) After section 422 of that Act (approval and signing of directors' remuneration report) insert—

“422A Revisions to directors' remuneration policy

- (1) The directors' remuneration policy contained in a company's directors' remuneration report may be revised.
- (2) Any such revision must be approved by the board of directors.
- (3) The policy as so revised must be set out in a document signed on behalf of the board by a director or the secretary of the company.
- (4) Regulations under section 421(1) may make provision as to—

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- (a) the information that must be contained in a document setting out a revised directors' remuneration policy, and
 - (b) how information is to be set out in the document.
- (5) Sections 422(2) and (3), 454, 456 and 463 apply in relation to such a document as they apply in relation to a directors' remuneration report.
- (6) In this section, “directors' remuneration policy” means the policy of a company with respect to the matters mentioned in section 421(2A).”
- (3) In section 439 of that Act (quoted companies: members' approval of directors' remuneration report), in subsection (1), at the end insert “other than the part containing the directors' remuneration policy (as to which see section 439A).”
- (4) After that section insert—

“439A Quoted companies: members' approval of directors' remuneration policy

- (1) A quoted company must give notice of the intention to move, as an ordinary resolution, a resolution approving the relevant directors' remuneration policy—
- (a) at the accounts meeting held in the first financial year which begins on or after the day on which the company becomes a quoted company, and
 - (b) at an accounts or other general meeting held no later than the end of the period of three financial years beginning with the first financial year after the last accounts or other general meeting in relation to which notice is given under this subsection.
- (2) A quoted company must give notice of the intention to move at an accounts meeting, as an ordinary resolution, a resolution approving the relevant directors' remuneration policy if—
- (a) a resolution required to be put to the vote under section 439 was not passed at the last accounts meeting of the company, and
 - (b) no notice under this section was given in relation to that meeting or any other general meeting held before the next accounts meeting.
- (3) Subsection (2) does not apply in relation to a quoted company before the first meeting in relation to which it gives notice under subsection (1).
- (4) A notice given under subsection (2) is to be treated as given under subsection (1) for the purpose of determining the period within which the next notice under subsection (1) must be given.
- (5) Notice of the intention to move a resolution to which this section applies must be given, prior to the meeting in question, to the members of the company entitled to be sent notice of the meeting.
- (6) Subsections (2) to (4) of section 439 apply for the purposes of a resolution to which this section applies as they apply for the purposes of a resolution to which section 439 applies, with the modification that, for the purposes of a resolution relating to a general meeting other than an accounts meeting, subsection (3) applies as if for “accounts meeting” there were substituted “general meeting”.

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- (7) For the purposes of this section, the relevant directors' remuneration policy is—
- (a) in a case where notice is given in relation to an accounts meeting, the remuneration policy contained in the directors' remuneration report in respect of which a resolution under section 439 is required to be put to the vote at that accounts meeting;
 - (b) in a case where notice is given in relation to a general meeting other than an accounts meeting—
 - (i) the remuneration policy contained in the directors' remuneration report in respect of which such a resolution was required to be put to the vote at the last accounts meeting to be held before that other general meeting, or
 - (ii) where that policy has been revised in accordance with section 422A, the policy as so revised.
- (8) In this section—
- (a) “accounts meeting” means a general meeting of the company before which the company's annual accounts for a financial year are to be laid;
 - (b) “directors' remuneration policy” means the policy of the company with respect to the matters mentioned in section 421(2A).”

Commencement Information

- I1** S. 79 partly in force; s. 79 in force for specified purposes at Royal Assent, see s. 103(1)(i)
- I2** S. 79 in force at 1.10.2013 in so far as not already in force by S.I. 2013/2227, art. 2(h)

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Changes and effects yet to be applied to :

- specified provision(s) amendment to earlier commencing SI 2013/1455 art. 3 4 Sch. 3 by [S.I. 2013/2271 art. 2](#)
- specified provision(s) revocation of earlier commencing SI 2015/641 by [S.I. 2015/1558 art. 2](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 4 para. 1(1)(b)(iv)(v) inserted by [2020 c. 27 Sch. 3 para. 2\(2\)\(e\)](#)
- Sch. 4 para. 1(2A)-(2D) inserted by [2020 c. 27 Sch. 3 para. 2\(3\)](#)
- Sch. 4 para. 3(2A) inserted by [2020 c. 27 Sch. 3 para. 3\(2\)](#)
- Sch. 4 para. 3(4)(5) inserted by [2020 c. 27 Sch. 3 para. 3\(3\)](#)
- Sch. 4 para. 4(1A) inserted by [2020 c. 27 Sch. 3 para. 4\(2\)](#)
- Sch. 4 para. 6(4) inserted by [2020 c. 27 Sch. 3 para. 5\(4\)](#)
- Sch. 4 para. 9(2)(c) and word inserted by [2020 c. 27 Sch. 3 para. 6\(b\)](#)
- Sch. 4 Pt. 3A inserted by [2020 c. 27 Sch. 3 para. 8](#)
- Sch. 4 para. 12(3)(a)-(d) substituted for words by [2020 c. 27 s. 40\(2\)](#)
- Sch. 4 para. 13(2)(a)-(d) substituted for words by [2020 c. 27 s. 40\(3\)](#)
- Sch. 4 para. 14(3)(a)(i)-(iv) substituted for words by [2020 c. 27 s. 40\(4\)](#)
- Sch. 4 para. 9(2)(a) word omitted by [2020 c. 27 Sch. 3 para. 6\(a\)](#)