
STATUTORY INSTRUMENTS

2019 No. 970

The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019

PART 3

Amendments to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

28. The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008⁽¹⁾ are amended in accordance with regulations 29 to 33.

Amendments to regulation 11

- 29.** In regulation 11 (directors' remuneration report (quoted companies))(2)—
- (a) in the heading, after "companies" insert "and traded companies";
 - (b) in paragraph (1), after "quoted company" insert "or unquoted traded company".

Amendments to Schedule 8

30. Schedule 8 (quoted companies: directors' remuneration report)(3) is amended in accordance with regulations 31 to 33.

31.—(1) In the heading of Schedule 8, after "companies" insert "and traded companies".

(2) After paragraph 2(2), insert—

“(2A) The directors' remuneration report must not include personal data of a director that falls within a special category of data listed in Article 9(1) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data(4), or personal data which refers to the family situation of individual directors.”.

(3) After paragraph 2(7), insert—

“(8) A person is to be treated as a director of a company for the purposes of this Schedule (other than in the references to directors in paragraphs 2(2), 2(5), 3, 5(2), 6(1)(b), 10(3), 22(1), 23(c), 24(4), and 48) if the person—

- (a) is the company's chief executive officer (however described) or, where such a function exists in the company, the company's deputy chief executive officer (however described), but
- (b) is not a director of the company.”.

(1) [S.I. 2008/410](#).

(2) There are amendments to regulation 11 but none is relevant.

(3) Parts 1 to 7 of Schedule 8 were substituted for Parts 1 to 4 as originally enacted by [S.I. 2013/1981](#). Parts 2 to 4 were amended by [S.I. 2018/860](#).

(4) OJ No. L 119, 4.5.2016, p. 1.

(4) For the table in paragraph 5(1) substitute—

“Single Total Figure Table								
	a	b	c	d	e	Total	Total Fixed Remuneration	Total Variable Remuneration
Director 1	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Director 2	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx”

(5) After paragraph 7(1)(f), insert—

“(g) in the column headed “Total Fixed Remuneration”, the total amount of the sums set out in columns headed “a”, “b” and “e” and any additional columns relevant to this calculation;

(h) in the column headed “Total Variable Remuneration”, the total amount of the sums set out in columns headed “c” and “d” and any additional columns relevant to this calculation.”.

(6) In paragraph 14(1)(b)(v), at the end insert “and any change in the exercise price or date;”.

(7) In paragraph 18(1)(a)(i), after ““quoted company”” insert “or “unquoted traded company””.

(8) In paragraph 19—

(a) for the heading substitute—

“Annual percentage change in remuneration of directors and employees”;

(b) for sub-paragraphs (1)(a) and (1)(b) substitute—

“(a) the annual percentage change over the five financial years preceding the relevant financial year in respect of each director; and

(b) the average percentage change, from financial year to subsequent financial year, over the five financial years preceding the relevant financial year in respect of the employees of the company on a full time equivalent basis.”;

(c) omit sub-paragraphs (2) and (3);

(d) at the end insert—

“(4) For the purposes of sub-paragraphs (1)(a) and (1)(b) the “five financial years” referred to must include financial years beginning on or after 10th June 2019 and where five financial years have not passed since that date the annual percentage change must be calculated for all financial years since that date preceding the relevant financial year.

(5) “Employee” for purposes of this paragraph means any employee other than a director.”.

(9) In paragraph 21(3), at the end insert “and any deviations from the procedure for the implementation of the remuneration policy set out in the policy”.

32.—(1) In paragraph 24, after sub-paragraph (1), insert—

“(1A) The directors’ remuneration policy must explain the decision-making process followed for its determination, review and implementation, including measures to avoid or manage conflicts of interest and, where applicable, the role of the remuneration committee or other committees concerned except that this explanation need not include information that is elsewhere in the directors’ remuneration report.”.

(2) In paragraph 26—

(a) in sub-paragraph (b), after “operates” insert “and information on any deferral periods”;

- (b) after sub-paragraph (b), insert—
 - “(ba) where the company awards share-based remuneration, information on any vesting periods and any holding periods;”.
- (3) After paragraph 30 insert—
 - “**30A.** The directors’ remuneration policy must contain an indication of the duration of directors’ service contracts or arrangements with the directors.”.
- (4) In paragraph 42, at the end insert “, and a description and explanation of all significant revisions”.
- 33.** In paragraph 44(1), after the definition for “UK employee” insert—
 - ““unquoted traded company” means a traded company (as defined in section 360C of the Companies Act 2006) that is not a quoted company (as defined in section 385 of the Companies Act 2006);”.