



House of Commons

Tuesday 23 April 2013

CONSIDERATION OF LORDS MESSAGE

New Amendments handed in are marked thus ★

GROWTH AND INFRASTRUCTURE BILL

On Consideration of a Lords Reason for insisting on a Lords Amendment disagreed to by this House

Lords Reason No. **25B**

Secretary Eric Pickles

To move, That this House insists on its disagreement to Lords Amendment No. 25 but proposes the following amendments to the words restored to the Bill by that disagreement:—

- ★ Page 34, line 13, after ‘£2,000,’ insert— (a)
- ‘(ca) the company gives the individual a written statement of the particulars of the status of employee shareholder and of the rights which attach to the shares referred to in paragraph (b) (“the employee shares”) (see subsection (4A)),’.
- ★ Page 34, line 38, at end insert— (b)
- ‘(4A) The statement referred to in subsection (1)(ca) must—
- (a) state that, as an employee shareholder, the individual would not have the rights specified in subsection (2),
 - (b) specify the notice periods that would apply in the individual’s case as a result of subsections (3) and (4),
 - (c) state whether any voting rights attach to the employee shares,
 - (d) state whether the employee shares carry any rights to dividends,
 - (e) state whether the employee shares would, if the company were wound up, confer any rights to participate in the distribution of any surplus assets,
 - (f) if the company has more than one class of shares and any of the rights referred to in paragraphs (c) to (e) attach to the employee shares, explain how those rights differ from the equivalent rights that attach to the shares in the largest class (or next largest class if the class which includes the employee shares is the largest),
 - (g) state whether the employee shares are redeemable and, if they are, at whose option,
 - (h) state whether there are any restrictions on the transferability of the employee shares and, if there are, what those restrictions are,

Growth and Infrastructure Bill, *continued*

- (i) state whether any of the requirements of sections 561 and 562 of the Companies Act 2006 are excluded in the case of the employee shares (existing shareholders' right of pre-emption), and
- (j) state whether the employee shares are subject to drag-along rights or tag-along rights and, if they are, explain the effect of the shares being so subject.'.

(c)

★ Page 34, line 38, at end insert—

- '() Where a company makes an offer to an individual for the individual to become an employee shareholder, an acceptance by the individual of the offer is of no effect unless seven days have passed since the day on which the offer was made.'.

(d)

★ Page 35, line 23, at end insert—

- “drag-along rights”, in relation to shares in a company, means the right of the holders of a majority of the shares, where they are selling their shares, to require the holders of the minority to sell theirs;”.

(e)

★ Page 35, line 25, at end insert—

- “tag-along rights”, in relation to shares in a company, means the right of the holders of a minority of the shares to sell their shares, where the holders of the majority are selling theirs, on the same terms as those on which the holders of the majority are doing so.'.
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