

Companies' Remuneration Reports Bill [HL]

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TO

Make provision about remuneration reports in public quoted company accounts and reports.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Annual accounts and report

- (1) The Companies Act 2006 (c. 46) is amended as follows.
- (2) After section 430 (quoted companies: annual accounts and reports to be made available on website) insert—

“430A Annual accounts and report: public quoted companies 5

- (1) Every public quoted company, as defined in sections 4(2), 385(1) and (2), shall publish on the first page of the chairman's statement, chief executive's statement, or directors' report, whichever comes first in the annual accounts and report, the ratio between the total annual remuneration of the highest paid director or executive and the total annual average remuneration of the lowest paid ten per cent of the workforce. 10
- (2) The ratio referred to in subsection (1) shall appear in bold type on the first page of the chairman's statement, chief executive's statement or directors' report. 15
- (3) The total annual remuneration of the highest paid director or executive and the total annual average remuneration of the lowest paid ten per cent of the workforce shall also appear in bold type in the text of the annual accounts.
- (4) In this section, “remuneration” includes the information specified in Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. 20
- (5) In this section, “the lowest paid ten per cent of the workforce” means the ten per cent of people who have been on the company's payroll

during the previous financial year and received the lowest annual remuneration.

(6) The remuneration of any person employed on a part-time basis, or not employed for the full year, shall be calculated on a pro-rata basis.

(7) The requirement to publish the ratio, as stated in subsection (1), applies equally to electronic versions of the report and the term “publish” shall be construed accordingly.”

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2 Commencement

This Act shall come into force on such day as the Secretary of State may by order made by statutory instrument appoint.

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3 Extent

This Act shall extend to the whole of the United Kingdom.

4 Short title

This Act may be cited as the Companies' Remuneration Reports Act 2009.

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To make provision about remuneration reports in public quoted company accounts and reports.

Brought from the Lords, 13 July 2009.

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