

*These notes refer to the Companies Act 2006 (c.46)
which received Royal Assent on 8 November 2006*

COMPANIES ACT 2006

EXPLANATORY NOTES

COMMENTARY

Part 15: Accounts and Reports

Chapter 6: Quoted Companies: Directors' Remuneration Report

Sections 420 to 422: Quoted companies: directors' remuneration report

671. These sections replace sections 234B and 234C of the 1985 Act. Those sections, which were inserted into the Act by the [Directors' Remuneration Report Regulations 2002 \(S.I. 2002/1986\)](#), require quoted companies to:
- publish a report on directors' remuneration as part of the company's annual reporting cycle; and
 - disclose within the report details of individual directors' remuneration packages, the company's remuneration policy, and the role of the board and remuneration committee in this area.
672. [Section 421](#) gives the Secretary of State power to make provision by regulations as to the information that must be contained in a directors' remuneration report and how it should be set out. These matters are currently set out in Schedule 7A to the 1985 Act, and regulations made under section 421 will replace the provisions in Schedule 7A. The regulations will also specify the extent to which the directors' remuneration report should be subject to audit. Regulations under section 421 are subject to the Parliamentary procedure in section 473.