

# **ENTERPRISE AND REGULATORY REFORM ACT 2013**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 1: Uk Green Investment Bank Plc**

##### *Section 5: Accounts, reports and payments to directors*

46. This section provides for the UK Green Investment Bank plc to be subject to certain enhanced obligations under the CA 2006 and to report each year on the contribution of its investment activities to a reduction of global greenhouse gas emissions.
47. *Subsection (1)* provides that, once the Secretary of State has made an order designating the UK Green Investment Bank plc under subsection (1) of section 2, the UK Green Investment Bank plc shall be treated as a “quoted company”, as defined by section 385(2) of the CA 2006, for the purposes of Chapters 4 and 4A of Part 10, and Parts 15 and 16 of the CA 2006.
48. The application of Chapters 4 and 4A of Part 10 will require the UK Green Investment Bank to comply with the relevant provisions relating to payments to directors of quoted companies inserted by sections 80 to 82 of this Act.
49. The application of Part 15 of the CA 2006 to the UK Green Investment Bank plc gives rise to enhanced obligations such as providing an enhanced business review under section 417(5) of the CA 2006, producing a directors’ remuneration report under section 420 of that Act, ensuring website publication of annual accounts and reports under section 430 of that Act, and complying with the new obligation on a quoted company to move a resolution approving the directors’ remuneration policy under section 439A of that Act.
50. The application of Part 16 of the CA 2006 to the UK Green Investment Bank plc includes an obligation for the auditor to report on the auditable part of the directors’ remuneration report under section 497 of the CA 2006.
51. *Subsection (2)* of this section provides that, where an order designating the UK Green Investment Bank plc has been made under section 2, each directors’ report prepared by the company under section 415 of the Companies Act 2006 must include an explanation of the steps which the Bank took to ensure that the company’s investment activities, taken as a whole, would be likely to contribute to a reduction of global greenhouse gas emissions and a statement of the directors’ views on the likely effect of the company’s activities on global greenhouse gas emissions.