

SCHEDULE 7

MATTERS TO BE DEALT WITH IN DIRECTORS' REPORT

PART 4

EMPLOYEE INVOLVEMENT

11.—(1) This Part of this Schedule applies to the directors' report where the average number of persons employed by the company in each week during the financial year exceeded 250.

(2) That average number is the quotient derived by dividing, by the number of weeks in the financial year, the number derived by ascertaining, in relation to each of those weeks, the number of persons who, under contracts of service, were employed in the week (whether throughout it or not) by the company, and adding up the numbers ascertained.

(3) The directors' report must in that case contain a statement describing the action that has been taken during the financial year to introduce, maintain or develop arrangements aimed at—

- (a) providing employees systematically with information on matters of concern to them as employees,
- (b) consulting employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests,
- (c) encouraging the involvement of employees in the company's performance through an employees' share scheme or by some other means,
- (d) achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.

(4) In sub-paragraph (3) "employee" does not include a person employed to work wholly or mainly outside the United Kingdom; and for the purposes of sub-paragraph (2) no regard is to be had to such a person.