



The Quoted
Companies Alliance

Press Release

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Quoted Companies Alliance guide helps companies manage and communicate executive pay policy

The Quoted Companies Alliance, the representative body for the UK's small and mid-size quoted company sector, announces the launch of its *Remuneration Committee Guide for Smaller Quoted Companies*. With the controversial topic of executive pay continuing to hit the headlines, the guide focuses on assisting small and mid-size quoted company directors with the difficult task of developing executive remuneration policy – and communicating this to investors.

The *Remuneration Committee Guide for Smaller Quoted Companies* has been written to fill a gap and influence the ongoing debate on the subject. Existing best practice guidance either tends towards 'boilerplate' wording or does not focus on the areas that are most critical for small and mid-size quoted companies – the guide adopts a specialist approach.

Written with smaller companies in mind, the guide covers the objectives of the remuneration committee, factors to consider when setting remuneration policy, communicating with shareholders, and the functions and administration of the committee. Most importantly, the guide places emphasis on the importance of companies developing bespoke and appropriate remuneration arrangements that align with shareholders' long-term interests.

Tim Goodman, Chairman of the Quoted Companies Alliance Corporate Governance Committee and Associate Director at Hermes Equity Ownership Services Ltd, comments: "This guide aims to fill a void. Much of the existing guidance on executive remuneration has been developed with the largest companies in mind. And what is appropriate for a large company may not be for small and mid-size quoted company. We want to help small and mid-size quoted companies to set pay for executives in a fair and reasonable manner, ensuring that chosen schemes and metrics align executives with the long-term interests of shareholders, help to motivate them to achieve strategic objectives and do not result in adverse consequences."

Tim Ward, Chief Executive of the Quoted Companies Alliance, comments: "The publication of our *Remuneration Committee Guide for Smaller Quoted Companies* is very timely – given the Government's proposals on pay and the ongoing debate on risk and reward. The Quoted Companies Alliance's guide aims to help companies make the difficult decisions on pay and



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ensure that remuneration policy promotes, encourages and drives the long-term growth of shareholder value.”

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Notes to editors:

1. The Quoted Companies Alliance *Remuneration Committee Guide for Smaller Quoted Companies* is available for purchase online at:
<http://www.theqca.com/shop/guides/53487/remuneration-committee-guide-for-smaller-quoted-companies-february-2012-downloadable-pdf.thtml>
2. Copies of the guide for reviews are available by emailing kate.jalbert@theqca.com.
3. The Quoted Companies Alliance represents the UK's small and mid-size quoted companies. This sector is defined as those 2,000 companies that are quoted in the UK outside of the FTSE 350. The Quoted Companies Alliance promotes the interests and views of its members to Government, Europe, regulators and other professional bodies, educates its members on best practices and provides a vital forum for networking. Celebrating 20 years in 2012, the Quoted Companies Alliance forms its views through highly focused committees and working groups, made up of directors and professional advisors from across the small and mid-size quoted company sector. For more information, please visit: www.theqca.com