

Enhancing value for shareholders is key, says QCA boardroom pay guide

The Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies, today publishes its revised *Remuneration Committee Guide for Small and Mid-Size Quoted Companies* (Remuneration Committee Guide).

This guide has been prepared to assist remuneration committee members of small and mid-size quoted companies in setting pay for executive directors and senior management in a fair and reasonable manner. Importantly, this guide helps remuneration committee members to understand the different perspectives that shareholders may have on the decisions they make.

Last published in 2012, the Quoted Companies Alliance Remuneration Committee Guide has been revised and updated to address new remuneration regulations and developments in governance behaviour and best practice. Key changes include:

- A new section providing a high-level explanation of the changes to the legal regime for main market companies that took place in 2013;
- Specific reference made to clawback arrangements;
- Expanding the narrative on the roles and responsibilities of the people involved in the work of the remuneration committee, placing greater emphasis on the role of the remuneration committee chairman;
- Integrating aspects of the Quoted Companies Alliance *Corporate Governance Code for Small and Mid-Size Quoted Companies* (QCA Code), published in 2013 and of the *Audit Committee Guide for Small and Mid-Size Quoted Companies*, published in 2014;
- Expanding the section on communicating with shareholders and creating a new section on the remuneration report, to reflect the increased focus on relations with shareholders.

Tim Ward, Chief Executive of the Quoted Companies Alliance, comments: “This guide will help committees deal with the important decisions on remuneration arrangements, which should align with and support the implementation of company strategy and effective risk management. As a companion to our QCA Code and to our Audit Committee Guide, it provides practical, useful guidance to small and mid-size quoted companies to help them deliver long-term growth and shareholder value.”

Edward Craft, Partner at Wedlake Bell and Chairman of the Quoted Companies Alliance Corporate Governance Expert Group, who led the working group revising the guide, comments: “Many of the

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regulations and policy documents relating to remuneration issues do not apply to many small and mid-size quoted companies. This guide is therefore invaluable in helping remuneration committees to understand what applies to them and what does not, what might be prudent and what is disproportionate and, most importantly, the lens through which shareholders examine executive remuneration. Companies need to develop effective remuneration packages and use appropriate performance measurement tools which support a positive corporate culture and serve the interests of companies, managers and shareholders in a manner which is appropriate for their size and stage of development.”

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Notes to editors:

1. The Quoted Companies Alliance's *Remuneration Committee Guide for Small and Mid-Size Quoted Companies* is available to purchase from 13 July 2016 at: www.theqca.com/guides
2. The Quoted Companies Alliance is holding an event for quoted company directors on the *Remuneration Committee Guide for Small and Mid-Size Quoted Companies* on Tuesday 13 September 2016 at 4:30pm at Wedlake Bell's new offices in the City. If you would like to attend, email samantha.green@theqca.com. For more information, visit: www.theqca.com/remcoguidelaunch
3. The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. We campaign, we inform and we interact to help our members keep their businesses ahead. Through our activities, we ensure that our influence always creates impact for our members. For more information please visit www.theqca.com