

Barry Walker
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Department of Business, Innovation and Skills
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2 October 2012

Dear Mr Walker,

BIS – Consultation on Revised Remuneration Reporting Regulations

Introduction

We are the Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies. Their individual market capitalisations tend to be below £500m.

The Quoted Companies Alliance is a founder member of European **Issuers**, which represents over 9,000 quoted companies in fourteen European countries.

The Quoted Companies Alliance Corporate Governance and Share Schemes Expert Groups have examined your proposals and advised on this response. A list of members of the Expert Groups is at Appendix A.

Response

We welcome the opportunity to respond to this consultation. Whilst we recognise the Government's concerns on executive pay, we remain of the view that a binding vote on remuneration policy is not necessary for small and mid-size listed companies.

We believe there is no significant evidence to suggest that there is a problem with excessive remuneration and company and investor engagement on remuneration within small and mid-cap listed company sector. It is our view that these requirements should not extend to them.

We are therefore of the opinion that the Government should limit the application of these rules to the largest listed companies, for example, to companies within the FTSE 350. This will enable companies to know at the start of the reporting year whether they are subject to these rules for that year. Alternatively, a threshold based on an average market capitalisation over the previous three years could be used.

We have outlined this in more detail in the responses to the individual questions, which is enclosed. If you have any queries, we would be happy to attend a meeting.

Yours faithfully,



Tim Ward
Chief Executive

List of Expert Group Members**Corporate Governance Expert Group**

Edward Beale, Western Selection Plc
Tim Bird, Field Fisher Waterhouse
Dan Burns, McguireWoods
Anthony Carey, Mazars LLP
Louis Cooper, Crowe Clark Whitehill LLP
Edward Craft, Wedlake Bell LLP
Victoria Dalby, Capita Registrars Ltd
Kate Elsdon, PricewaterhouseCoopers LLP
Nicola Evans, Hogan Lovells International LLP
David Firth, Penna Consulting PLC
David Fuller, CLS Holdings PLC
Clive Garston, DAC Beachcroft LLP
Tim Goodman, Hermes Equity Ownership Services
Nick Graves, Burges Salmon
David Isherwood, BDO LLP
Nick Janmohamed, Speechly Bircham LLP
Colin Jones, UHY Hacker Young
Dalia Joseph, Oriel Securities Limited
Doris Ko, Aviva Investors
Claire Noyce, Hybridan LLP
James Parkes, CMS Cameron McKenna LLP
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Eugenia Unanyants-Jackson, F&C Investments
Melanie Wadsworth, Faegre Baker Daniels LLP
Cliff Weight, MM & K Limited

Share Scheme Expert Group

Barbara Allen, Stephenson Harwood
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Martin Benson, Baker Tilly
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Christopher Connors, Charles Russell LLP
Karen Cooper, Osborne Clarke
Jared Cranney, Interior Services Group plc
John Daughtrey, Equiniti
Michael Deeks, Olswang
David Firth, Penna Consulting PLC
Philip Fisher, PKF (UK) LLP
Amanda Flint, Grant Thornton UK LLP
David Fuller, CLS Holdings PLC
Andy Goodman, BDO LLP
Paula Hargaden, Burges Salmon
Daniel Harris, Ernst & Young LLP
Colin Kendon, Bird & Bird LLP
Michael Landon, MM & K Limited
Nigel Mills, MM & K Limited
Peter Mossop, Sanne Group
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Paul Twist, KPMG LLP
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