

Remuneration Consultants Group

The Annual Review of the Effectiveness of the Code of Conduct and its Implementation

October 2022

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Dear all

The aim of the Remuneration Consultants Group is the development and stewardship of a voluntary Code of Conduct (the “Code”) which sets out the role of executive remuneration consultants and describes the professional standards by which they advise their clients. The Code is reviewed every three years, most recently in 2020. The RCG annually reviews the effectiveness of its implementation in order to ensure the Code continues to achieve its aims and remains fit for purpose. The RCG sees this as an essential part of its remit and crucial for the success of the Code.

The process followed in 2022 was similar to the process followed in previous years and included an anonymous survey of consultants engaged in executive pay consulting in the member firms and a questionnaire filled in by member firm Practice Leaders. The Independent Directors also held two focus groups, one for consultants in member firms with less than three years’ experience and another for consultants with between three and six years’ experience. Finally, there is an analysis of the annual reports of FTSE All Share companies regarding disclosure of Remuneration Committee advisors and their membership of the RCG.

I am pleased to say that the review was productive, helpful and informative. It is reassuring that the Code’s effectiveness has been maintained, and in some areas has improved in 2022. Overall consultants believe that the Code covers all ethical issues which arise in providing executive remuneration advice and that the Code does not need further improvement. The firms themselves also think there are no significant barriers to implementation of the Code and that while it still influences firms’ practices and behaviours, there is recognition that it is now embedded in how they work.

Training is a vital mechanism for raising awareness of the Code within member firms, and our consultants’ survey shows continuing high levels of training, albeit that the mix has changed slightly in favour of informal training. I attended this year’s focus groups and was reassured that consultants at all levels and in all member firms are receiving high quality, regular training on the Code.

Direct access to Remuneration Committees and their Chairs is important for member firms to fulfil their obligations under the Code, and over 80% of consultants say that their firm has one-to-one meetings with client Remuneration Committee Chairs without management at which the Code is discussed, and 59% have such meetings at least annually. These figures are similar to 2021, and this remains an important area of focus for the RCG.

All consultants said that they felt able to challenge management at Remuneration Committees, with 82% saying they always did so when circumstances call for it, a significant increase from 72% last year.

The context for decision making for Remuneration Committees and their advisors has become more complex in recent years, and the survey results show that member firms are mindful of the need to ensure pay is linked to long-term performance, pay in the wider organisation, the client’s strategy, and to consider fully the implications of complex design and the risks created by excessive rewards.

The Code has been in place for many years and is embedded in the way the member firms consult on remuneration. This review demonstrates that it continues to show its relevance and adaptability, a reassuring finding as we look forward to a formal review of the Code next year, where our focus is likely to be on improving the way in which the Code is presented, as well as the substance of the Code itself. We will also consider how to improve further Remuneration Committee Chairs’ engagement with the Code, and to ensure the continuing coverage of the Code in member firms’ training programmes.

I would like to thank all those individuals who took the time to participate in the focus groups with the Independent Directors to share their views on the Code and its implementation, and I would also like to thank all those consultants in the member firms and the Practice Leaders who responded to the surveys.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alan Giles', with a stylized, flowing script.

Alan Giles
Chairman

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A. The RCG and its activities in 2022

Background

The Remuneration Consultants Group ('RCG') was formed in 2009 and represents the overwhelming majority of executive remuneration consultancy firms advising UK listed companies.

The aim of the RCG is the stewardship and development of a voluntary Code of Conduct (the 'Code') which clearly sets out the role of executive remuneration consultants and the professional standards by which they advise their clients. The inception of the Code and the RCG arose after the publication of the final recommendations of the Walker Review in November 2009, published in the wake of the global financial crisis. In this review, Sir David Walker advocated that it was appropriate for the executive remuneration consultancy industry to form a professional body with the oversight of a Code of Conduct. The objective was to provide greater clarity on the role of executive remuneration consultants and ensure that high professional standards are maintained.

Every three years, a review of the Code is conducted by the Board. The next one will be held in 2023.

During the course of 2022, a review of the implementation of the Code was conducted.

The RCG currently has 12 members. The member firms are:

Alvarez & Marsal	h2glenfern Remuneration Advisory	MM&K Limited
Deloitte LLP	Korn Ferry	PwC
Ellason LLP	KPMG	Remuneration Associates
FIT Remuneration Consultants LLP	Mercer	Willis Towers Watson

The Board comprises an independent Chairman, two independent non-executive directors and four directors elected by the Members (who are executive compensation consultants working for the member firms).

The Board met four times in the last 12 months. The attendance record of the Board members at those meetings is summarized below. The Board is also due to meet on 13 December 2022.

Member	9 Dec 2021	16 Mar 2022	7 Jul 2022	20 Oct 2022
Alan Giles (Ind. Chair)	✓	✓	✓	✓
Jane Anscombe (Ind. Director)	✓	✓	✓	✓
Sally Cooper ² (Director)	✓	✓	✓	✓
Lorna Dodson ² (Director)			✓	✓
Alun Griffiths ¹ (Ind. Director)			✓	✓
John Lee ^{2, 3} (Director)	✓	✓	P	P
Simon Neathercoat ¹ (Ind. Director)	✓	✓		
Paul Townsend ² (Director)	✓	✓		
Andrew Udale ² (Director)	✓	✓	✓	✓

1. Alun Griffiths was appointed a Board member on 1 July 2022. Simon Nethercoat ceased to be a member on 30 June 2022.

2. Paul Townsend left the Board on 31 March 2022. Following an election, Sally Cooper, John Lee and Andrew Udale were re-elected for a two-year term beginning on 1 April 2022. Lorna Dodson was also elected for a two-year term.

3. P=proxy. John Lee was unable to attend the Board on 7 July and his colleague, Rory Cray, attended as his proxy. He was also unable to attend on 20 October and his colleague, Katherine Turner, attended as his proxy.

B. The Review of the Effectiveness of the Code

The objective

In 2011, as part of the review of the Code, the Board agreed to carry out an annual Review of the Effectiveness of its implementation. The Board agreed to summarise the findings of the evaluation process and make them public on the RCG website. An important aspect of this exercise has been that the Members share good ideas that will improve the effectiveness of the implementation of the Code, as well as sharing experiences on barriers to effective implementation and how these might be overcome. This evaluation has been undertaken every year from 2011.

The process for 2022

There were four main components of the assessment. This was similar to the approach taken in 2021, except that the focus group discussions were held in person this year.

- An anonymous online survey of employees engaged in executive pay consulting in the Member firms. The 2022 survey attracted responses from 204 individuals from all member firms. In 2021, 187 responses were received. The survey questions and the responses can be found in the Appendix.
- A questionnaire filled in by Practice Leaders in all of the Member firms. The aim of this element of the review is to discover and share examples of helpful practice in relation to the Code which may be useful across all member firms, and to identify areas for improvement for better implementation of the Code.
- The emphasis of the Practice Leaders' survey is on the processes used in Member firms to embed the Code within their work, whereas the emphasis of the consultant questionnaires is to provide assurance about how well this works in practice.
- The identification of the number of FTSE All Share companies which disclosed in their Directors' Remuneration Report (i) their Remuneration Consultant and (ii) that their Remuneration Consultant was a signatory to the Code.
- Focus groups to hold a wide-ranging discussion with consultants with between three and six years' experience and a separate group for consultants with less than three years' experience.

1) The main themes from the anonymous survey of consultants at Member firms

The Appendix provides detailed results and shows the percentage responses from those who advise remuneration committees of UK Premium Listed companies. A UK Premium Listed company is a company whose shares are listed on the London Stock Exchange's Main Market which complies with the UK's highest standards of regulation and corporate governance. This includes FTSE 100, FTSE 250 (together the FTSE 350), Small Cap and some other listed companies. It does not include AIM listed companies.

The survey is split so that some questions are asked of consultants at all levels of experience and seniority, and other questions are asked of those consultants who have at least six years' experience of executive pay. A small number of respondents said they did not advise a UK

Premium Listed company and they were not required to complete the rest of the survey. 62% have been with their current employer for more than three years. 43% of respondents have more than nine years' experience of executive pay consulting, and around 60% personally give advice to Remuneration Committees and attend their meetings.

A summary of the responses to the survey questions from consultants irrespective of their experience as a remuneration consultant is set out below:

- 99% of respondents already knew that the Code existed, and 95% had read it, very similar to 2021 (97% and 95% respectively).
- 85% of consultants received at least one session of formal training in the last 12 months (90% in 2021).
- 95% of consultants also received some informal training on the Code (92% in 2021), with 36% of consultants reporting that they received a lot of informal training (unchanged from 2021)
- 77% of consultants felt that the training they received on the Code was very effective (73% in 2021); 22% believed that the training was quite effective but could be improved (24% in 2021) and only 0.5% said training was not effective, a drop from 2% in 2021. Suggestions for improvement in training by those who said training was not very effective included more frequent training, making it more interactive and using case studies.
- 97% are always clear whether they are working for the Remuneration Committee or management, the same as in 2021.
- All respondents said that the Code covers all ethical issues in providing executive remuneration advice (99% in 2021).
- Respondents were unanimous that the Code needs no further improvement, slightly higher than in 2021 (around 98%)
- There were only a few narrative comments raised on the Code, mainly confirming that the Code is embedded in the way consultants work and that it is regarded as "business as usual" (see Appendix).

The following responses were provided by consultants with at least six years' experience.

- 81% of respondents stated that their firm has periodic one-to-one meetings with Remuneration Committee Chairs without management present and in which the Code is discussed (very similar to 2021). 59% said that the meetings occur at least annually, similar to 2021.
- 100% of respondents stated that that they felt able to challenge management at Remuneration Committees when circumstances call for it, with 82% responding that they always did so, a significant increase from 72% last year.
- 91% of individuals state that that they always encourage clients to ensure pay is properly linked to the long-term performance of the business (95% in 2021) while 9% stated that it was done mostly (5% in 2021).
- 100% of respondents always or mostly encourage clients to consider fully the implications of complex design both on the motivation of executives and on the

transparency of arrangements to shareholders and other stakeholders (the same as in 2021).

- When asked if they ensured advice is suitably linked to client strategy, 97% said they always do this (94% in 2021).
- When asked if they ensured that the Remuneration Committee was mindful of pay in the wider organisation, 90% said always, while 9% said they mostly do, a similar result to 2021.
- When asked whether consultants encourage clients to consider the risks, including reputation, created by what could be judged excessive rewards, 99% said they always do (97% in 2021).
- 97% said that they always make the Remuneration Committee aware of the likely views of shareholders (96% in 2021).
- 98% always ensure that their reports are clear on the types of companies comprised within the comparator group(s) used and the rationale for their selection, and summarise the methodology used to value different elements of the remuneration package and 2% say they mostly do this (92% and 8% respectively in 2021).
- 97% always ensure that their reports clarify where information is provided by management or from other consulting firms and 3% say they mostly do this, a similar result to 2021.
- 96% always ensure that they are clear in their reports what is their firm's opinion and what is management's opinion, a similar result to 2021.
- 95% always ensure that their written advice is capable of being read and understood by the Remuneration Committee without their presence (92% in 2021).
- As in previous years, all respondents said that they had not been involved in sending unsolicited benchmarking in the past 12 months.
- 99% were clear that reasonable steps have been taken to ensure potential conflicts of interest are appropriately managed in accordance with the Code (100% in 2021).
- 99% of respondents stated that on any accounts where they are advising the Remuneration Committee they are not the client's relationship manager for the provision of services not related to remuneration (same as in 2021).

2) The main themes from the questionnaire sent to Practice Leaders

All questions asked for a written response to help the RCG better understand how the Code's provisions have been implemented by member firms and to gain insights into training practices on the Code which might be helpful to other member firms. In addition, the RCG hoped to identify any barriers and problems practice leaders may have faced when implementing the Code.

The following key themes were identified:

- As in previous years, training is the main way that consultants become aware of the Code. This usually happens annually and as part of a new employee's induction. One firm has a dedicated Regulatory, Corporate Governance and Investor team, which is responsible for ensuring staff are aware of the Code and their obligations. Another said

that its training sessions not only comprise open discussions about the Code's content and application, but also how they should embody the Code's values in the way they work. One firm with a multi-service offering said that colleagues working in other areas are reminded of the relevant provisions of the Code related to conflicts.

- Firms ensure adherence and implementation of the Code in a variety of ways. These include highlighting how the firm will work in line with the Code when submitting proposals for new work, taking on new clients, inducting a new Remuneration Committee Chair and offering the Remuneration Committee Chair a meeting each year without management being present. In addition, adherence is achieved by the most senior consultants working on the assignment ensuring that the Code is complied with by the team during the assignment. In some firms, compliance with other codes is also required. Using client portfolio reviews to review the firm's independence and peer review of advice given were also mentioned.
- The responses about actions to manage conflicts included being transparent about who the client is (Remuneration Committee or management) and about any other work the firm is doing for the client, particularly if the Committee advisor is involved. It was mentioned that consultants should not act as the firm's client relationship manager for unrelated services.
- Firms communicate their obligations to clients under the Code and raise awareness of it in a variety of ways, including in new business proposals, engagement letters, regular client service reviews, the induction of a new Remuneration Committee Chair/member and disclosure of the firm's membership of the RCG in the Directors' Remuneration Report. Some firms write to the Remuneration Committee Chair each year saying why they are independent. One response said that this includes a reminder of the Code and its key principles. Interestingly, one firm said that it believes that quoted companies identify potential advisors by looking at the RCG website.
- Firms ensure that unsolicited benchmarking is never sent to companies by making it clear it is forbidden under the Code in internal training, requiring regular confirmation of compliance by employees and by including the prohibition in the firm's policies so that a breach of the code is a breach of company policy. Most responses said that unsolicited benchmarking was just unacceptable and is never done.
- Most firms felt that the Code still influences their practices and behaviours, but there was a recognition that it was now embedded in the way the firms work. However, the Code is considered useful as a codification of good practice and an industry-wide reinforcer of high standards. Firms generally do not think barriers exist to the effective implementation of the Code, although one response said that there could be a risk of complacency because many of the Code's principles are 'common sense'. One firm said that it was especially important for consultants without professional qualifications to understand the importance of professional responsibilities. It was suggested by one firm that raising awareness of the Code with reward teams and company secretaries would be a good idea.
- There have been few recent changes in the last year to increase adherence to the Code. Meetings with Remuneration Committee Chairs to discuss the Code are usually part of a wider meeting.
- Most firms did not specify areas to focus on to ensure improvement and compliance with the Code. However, mention was made of improving the practice of holding informal training discussions to supplement formal training, reinforcing online training with group meetings, obtaining project feedback and holding training every six months,

instead of annually.

- In the view of Practice Heads, while Remuneration Committee Chairs and clients are happy that the Code exists, it appears that generally clients are not very interested in the Code, ask questions about it or provide feedback to firms about the Code or the firm's compliance with it.
- Some firms mentioned some examples where the Code has helped resolve a situation with a client. In one case the consultant found out that management had changed the firm's report without the consultant's knowledge and the Code helped resolve the situation. Another response was that the Code helps colleagues in other parts of the business to understand the specific responsibilities of being a Remuneration Committee advisor.
- Where member firms have their own risk and compliance function, it does not assess compliance with the Code, except in very large firms.
- The firms said they apply the Code the same whether the client is a Premium Listed company or not. In one case, they assess whether this is appropriate. Typically, this would be so for larger private and larger AIM listed companies.
- Overall, the responses were similar to those in 2021.

3) Disclosure

Based on the Directors' Remuneration Report disclosures in companies with a year-end between 1 June 2021 and 31 May 2022:

- Of the 95 FTSE 100 companies that disclose a named Remuneration Committee advisor, all of the lead advisors are signatories to the RCG Code and in 95% of those cases are disclosed as such (2021 survey-92%).
- Of the 159 FTSE 250 companies that disclose a named Remuneration Committee advisor, 99% of the lead advisors are signatories to the RCG Code and in 92% of those cases are disclosed as such (2021 survey-94%).
- Of the 98 Small Cap companies that disclose a named Remuneration Committee advisor, 99% of the lead advisors are signatories to the RCG Code and in 91% of those cases are disclosed as such (2021 survey – 87%).

Note: Investment trusts have been excluded from the analysis

4) Focus Groups

Each member firm was invited to nominate one attendee for each focus group. Separate focus groups were run for consultants with less than three years' experience of remuneration consulting and those with between three and six years' experience. The main purposes of the focus groups were to find out more about the effectiveness of the Code from client-facing staff, consider how well the Code works including from a forward looking perspective, in contrast to the backwards-looking surveys, and for consultants to think more broadly about their roles as remuneration consultants.

The key topics discussed during this year's focus groups were:

- The awareness of the Code, including training on it.
- The effectiveness of the Code.

Consultants were aware of the Code, but some felt that the Code could be presented better and that this could be considered when the Code is next reviewed in 2023. Although the kind of training varied between firms, most participants said that they received formal training on the Code at least once a year. In addition, the Code often came up in internal discussions. That said, some felt that they did not receive as much training on the Code as they might. As in previous years, it was noted that the job of a remuneration consultant is more complex than it was, including the use of ESG metrics in incentive plans and for some firms consulting on reward issues below Board level, all of which requires appropriate training. It was also agreed that Remuneration Committee Chairs need to know the key points in the Code.

Participants generally felt that the Code was effective and some felt that it was especially useful for understanding their roles and the relationship between consultants, remuneration committees and management. Participants also felt that the Code was helpful where there are potential conflicts of interest and for managing clients.

Overall, the consultants said that the Code was fit for purpose and embedded in their firm's working practices and culture. It was felt that the Code works well as a set of principles and the more experienced group in particular considered that it would not be desirable to make the Code more prescriptive.

Recommendations for the future

As always, the review brings to the fore certain aspects which should form the core of the work of the RCG in future years. This year, the key areas we would highlight for future focus and work would be:

- Member firms to consider how to improve the quality of training on the Code, such as making it more interactive or using case studies.
- Continue to try to raise awareness of the Code by Member firms' clients and by client reward teams and company secretaries.
- Consider how to improve the presentation of the Code when the Code is next reviewed in 2023.

Appendix

Review of the Effectiveness of the RCG's Code – Survey of Consultants

We have analysed responses from those advising remuneration committees of U.K Premium Listed companies. Statistics shown in brackets represent the 2021 survey results.

A UK Premium Listed company is a company whose shares are listed on the London Stock Exchange's Main Market and complies with the UK's highest standards of regulation and corporate governance. This includes FTSE 100, FTSE 250 (together the FTSE 350), Small Cap and some other listed companies. It does not include AIM listed companies.

The survey for all consultants splits questions into those for senior consultants and those for consultants of all grades, to ensure relevance.

Total responses: 204 (187 in 2021), but 14 answered 'No' to Question 1 and were excluded from completing the rest of the survey.

Question 1: In your current role do you work on at least one UK Premium Listed Company RemCo appointment or deliver other services directly to a UK Premium Listed Company RemCo?

Answer Options	Response %
a. Yes	93.1% (92.0%)
b. No	6.9% (8.0%)
answered question: 204	

Question 2: Which member firm do you work for?

We have not provided the answers to this question, for reasons of commercial sensitivity.

Question 3: How many years have you been at your current employer?

Answer Options	Response %
a. Less than a year	13.3% (18.2%)
b. Between 1 and 3 years	25.5% (20.6%)
c. More than 3 years	61.7% (61.2%)
Answered question: 188	

Question 4: How many years of executive pay consulting experience do you have?

Answer Options	Response %
a. Less than 1 year	9.6% (10.6%)
b. Between 1 and 3 years	15.4% (16.5%)
c. More than 3 and up 6 years	20.2% (20.6%)
d. More than 6 and up to 9 years	11.7% (13.5%)
e. More than 9 years	43.1% (38.8%)

Answered question: 188

Question 5: Do you personally provide advice to and attend Remuneration Committee meetings?

Answer Options	Response %
a. Yes	59.4% (60.6%)
b. No	40.6% (39.4%)

Answered question: 187

Question 6: Prior to this survey, were you aware that a Code of Conduct governing the activities of remuneration consultancies existed?

Answer Options	Response %
a. Yes	99.5% (97.1%)
b. No	0.5% (2.9%)

Answered question: 188

Question 7: Have you read the Code of Conduct?

Answer Options	Response %
a. Yes	95.2% (95.3%)
b. No	4.8% (4.7%)

Answered question: 188

Question 8: How much *formal* training (e.g. induction, webcasts, lunch and learns) have you had on the use of the Code in the last 12 months?

Answer Options	Response %
a. Two sessions or more per annum	32.6% (36.5%)
b. Only one session	51.9% (54.1%)
c. None	15.5% (9.4%)

Answered question: 187

Question 9: How much *informal* training (e.g. discussions with other consultants, references in work) have you had on the use of the Code in the last 12 months?

Answer Options	Response %
a. A lot	36.2% (35.9%)
b. A little	58.5% (55.9%)
c. None	5.3% (8.2%)

Answered question: 188

Question 10: Do you think the training you received was effective?

Answer Options	Response %
a. Very effective	77.1% (73.3%)
b. Quite effective but could be improved	22.4% (24.3%)
c. Not effective	0.5% (2.4%)

Answered question: 183

Responses: those who answered (b), or (c) above were asked to explain their answer.

There were 20 comments. Some felt that more frequent training was needed. Others said that training could be improved by being more interactive. Others referred to the use of case studies or difficult challenges. One response was to create a centralized webcast for all members.

Question 11: When you are working for a client, are you always clear for whom you are doing the work and whether it is for the Remuneration Committee or for management?

Answer Options	Response %
a. Yes	97.3% (97.6%)
b. No	2.7% (2.4%)

Answered question: 188

Question 12: Are there any ethical issues which arise in providing executive remuneration advice which are not addressed through the Code?

Answer Options	Response %
a. Yes (please specify below)	0.0% (1.2%)
b. No	100% (98.8%)

Answered question: 187

Responses: since nobody thought that there are ethical issues not currently addressed by the Code, there were no further responses.

Question 13: Do you think the Code needs further improvement?

Answer Options	Response %
a. Yes (please specify below)	0.0% (1.8%)
b. No	100% (98.2%)

Answered question: 187

Responses: There were no further comments since nobody thought the Code needs further improvement.

Question 14: Do you have any other comments on the Code? (Modified question for 2022).

Answered question: 25

Responses: 25 people left a comment if only to say that the Code works well and is embedded in the way that they work. One person said that much of the Code is "business as usual".

ADDITIONAL QUESTIONS FOR CONSULTANTS WITH 6+ YEARS ' EXPERIENCE
(Consultants with 6+ years ' experience, 54.8% of the total)

Question 15: In general, does your firm have periodic one-to-one meetings with client Remuneration Committee Chairs without management present in which the RCG Code of Conduct is discussed?

Answer Options	Response %
a. Yes – at least annually	59.2% (61.8%)
b. Yes – less often than annually	21.4% (18.0%)
c. No	5.8% (5.6%)
d. Don't know	13.6% (14.6%)

Answered question: 103

Question 16: Do you challenge the views of management at Remuneration Committee meetings (when circumstances call for it)?

Answer Options	Response %
a. Always	81.5% (71.6%)
b. Mostly	7.8% (15.9%)
c. Sometimes	2.9% (4.5%)
d. No	0.0% (0%)
e. Not applicable	7.8% (8.0%)

Answered question: 103

Question 17: Do you encourage your clients to ensure that pay is properly linked to the long-term performance of the business?

Answer Options	Response %
a. Always	91.3% (95.4%)
b. Mostly	8.7% (4.6%)
c. Sometimes	0.0% (0%)
d. No	0.0% (0%)

Answered question: 103

Question 18: Do you encourage your clients to consider fully the implications of complex design both on the motivation of executives and on the transparency of arrangements to shareholders and other stakeholders?

Answer Options	Response %
a. Always	96.1% (94.3%)
b. Mostly	3.9% (5.7%)
c. Sometimes	0.0% (0%)
d. No	0.0% (0%)

Answered question: 103

Question 19: When advising a company on its remuneration arrangements generally, do you ensure that your advice is suitably linked to the client's strategy?

Answer Options	Response %
a. Always	97.1% (94.4%)
b. Mostly	1.9% (4.5%)
c. No	0.0% (0%)
d. I am only involved in a limited aspect such as the provision of data	1.0% (1.1%)

Answered question:103

Question 20: When advising a Remuneration Committee, do you ensure it is mindful of pay in the wider organisation?

Answer Options	Response %
a. Always	90.3% (88.8%)
b. Mostly	8.7% (10.1%)
c. Sometimes	1.0% (1.1%)
d. No	0.0% (0 %)

Answered question: 103

Question 21: Do you encourage clients to consider the risks, including reputation, created by what could be judged excessive rewards?

Answer Options	Response %
a. Always	99.0% (96.6%)
b. Mostly	1.0% (3.4%)
c. Sometimes	0.0% (0%)
d. No	0.0% (0%)

Answered question: 102

Question 22: Where you are advising the Remuneration Committee, do you make the Remuneration Committee aware of the likely views of shareholders on your client's executive remuneration?

Answer Options	Response %
a. Always	97.0%(95.5%)
b. Mostly	3.0% (4.5%)
c. No	0.0% (0%)

Answered question: 101

Question 23: Do you ensure that your reports are clear on the types of companies comprised within the comparator group(s) used and the rationale for their selection and summarise the methodology used to value different elements of the remuneration package?

Answer Options	Response %
a. Always	98.0% (92.0%)
b. Mostly	2.0% (8.0%)
c. No	0.0% (0%)

Answered question: 103

Question 24: Do you ensure that your reports clarify where information is provided by management or from other consulting firms?

Answer Options	Response %
a. Always	97.1% (96.6%)
b. Mostly	2.9% (3.4%)
c. Sometimes	0.0% (0%)
d. No	0.0% (0%)

Answered question: 103

Question 25: Do you ensure that you are clear in your report what is your firm's opinion and what is management's opinion?

Answer Options	Response %
a. Always	96.1 % (95.5%)
b. Mostly	3.9% (4.5%)
c. No	0.0% (0%)

Answered question: 103

Question 26: Do you ensure that your written advice is capable of being read and understood by the Remuneration Committee without your presence?

Answer Options	Response %
a. Always	95.1 % (92.1%)
b. Mostly	4.9% (7.9%)
c. No	0.0% (0%)

Answered question: 102

Question 27: Unsolicited benchmarking means sending out reports which have been modified in some way to refer to the recipient company but not generic surveys such as a FTSE 100 or pharmaceutical survey which has not been modified for that company in any way (bespoke benchmarking as part of a response to an RFP constitutes solicited rather than unsolicited benchmarking).

The Code prohibits sending of unsolicited benchmarking to clients and non-clients. Have you been involved in sending unsolicited benchmarking in the last 12 months?

Answer Options	Response %
a. Yes	0.0% (0%)
b. No	100.0% (100%)

Answered question: 103

Question 28: Are you clear that reasonable steps have been taken to ensure that potential conflicts of interest are appropriately managed in accordance with Paragraph 13 of the Good Practice Guidelines appended to the Code?

Answer Options	Response %
a. Yes	99.0% (100%)
b. No	1.0% (0%)

Answered question: 102

Question 29: The Code prohibits consultants from adopting the role of their firm's client relationship manager for the provision of non-related services while also advising the Remuneration Committee. On any of your accounts where you are advising the Remuneration Committee, are you the client's relationship manager for the provision of services not related to remuneration?

Answer Options	Response %
a. Yes	1.0% (1.1%)
b. No	99.0% (98.9%)

Answered question: 103