

CIMA responds to the **Walker Review** on corporate governance in the UK banking industry

October 2009

29 September 2009

Sir David Walker
The Walker Review Secretariat
25 The North Colonnade
Canary Wharf
London E14 5HS

By email to: feedback@walkerreview.org

Dear Sir David

A review of corporate governance in UK banks and other financial industry entities

I am pleased to submit CIMA's comments in connection with the above review. These follow our initial submission together with the one which we made as members of the Report Leadership Group in conjunction with PricewaterhouseCoopers and the communications consultant, Radley Yeldar.

CIMA is the world's leading and largest professional body of management accountants, and is committed to upholding the highest ethical and professional standards of members and students, and to maintaining public confidence in management accountancy. 14% of CIMA's 171,000 members and students work in the banking or finance sector.

General comments

CIMA welcomes the consultation document. We remain committed to principles based regulation and we are therefore pleased that the review has concluded that the Combined Code remains fit for purpose and that the main deficiencies in governance relate to patterns of behaviour rather than organisation. This conclusion was mirrored by a recent CIMA business breakfast on 'Effective Boards' comprising executive and non-executive directors from FTSE350 companies. The discussion considered both the structural and behavioural aspects of good governance and the participants were in no doubt that while structures are useful, it is culture and behaviour that are the crucial differentiating factors.

As indicated in our previous submission, we were concerned about the degree to which recommendations from this review would be applied inappropriately to the rest of the corporate sector. We have indicated in our comments on the individual proposals where we believe that wider applicability would be reasonable and we will also be sending a copy of this response to the FRC for consideration as part of its own review of the Combined Code ('the code').

While we agree with most of the 39 recommendations, we are struck by the fact that much of the review emphasises issues that are already covered by the code. We believe that it is a matter of some regret that boards and companies need to be reminded so forcefully (and, in some cases justifiably in the light of events) of what they should be doing as a matter of best practice. We very much hope that all company boards will rise to the challenge and look to review their own governance arrangements with a very critical eye in a spirit of continuous improvement.

We believe that the review has succeeded in addressing the key areas of concern. However, it is important to weigh the costs and benefits of implementing the recommendations. This is especially so, in our view, in relation to the recommendations relating to shareholders. We address this point further in our more detailed comments.

We strongly agree with the comment in 1.15 that it is critically important to know how the boards of entities that best survived the storm were different. As we suggested in our first submission to the FRC, www.cimaglobal.com/combinedcode there should be a proactive approach to establishing and disseminating case studies of good and bad practice.

We also welcome the reference in 1.26 to the international dimension. The UK is regarded as a leader in corporate governance and we believe that the current governance reviews will help to reinforce this reputation.

Comments on the five key themes of the review

- As indicated in our general comments above, we agree that the code remains fit for purpose. We particularly welcome the view that companies should be more prepared to deviate from the code and provide a robust explanation for non-compliance if they consider this more appropriate for their circumstances. However, we hope that companies will make their own considered judgements as to how to apply the code rather than simply copying practice elsewhere.
- We agree that the principal deficiencies in BOFI boards related much more to patterns of behaviour than to organisation. We welcome acknowledgement of the need for disciplined and embedded processes in relation to board discussion on major issues.
- We agree that board level engagement in the high level risk process should be materially increased. It is important that this is supported by appropriate structures and tools/techniques.
- We agree the need for more active shareholder engagement, but with the proviso that this cannot be a complete panacea. There is a danger here of creating unrealistic expectations of what can be achieved at a reasonable cost. It may be useful to consider alternative control mechanisms to ensure board accountability.
- We agree that substantial enhancement is needed in board level oversight of remuneration policies.

In terms of additional themes that we believe are of importance, there are two particular aspects that we believe need to be considered:

- In common with other reviews of governance, there is particular emphasis on the roles of the non-executive directors and shareholders. However, there is always going to be a limit on the impact they can have. Executive directors also play a key role in governance. While perhaps understandable, there is a temptation to regard the executive directors as the 'villains of the peace' and that governance focuses heavily on keeping them in check. We feel that this is contrary to the spirit of the unitary board and that successful companies are those where there is an effective relationship between the executives and non-executives. We would therefore like to see a positive emphasis on the role of the executive director in governance.
- We also believe that there is a need to explore the importance of long-term succession planning as this is a key role of the board. So far, it has received relatively little attention although we note that the FRC has now asked whether more guidance is needed in this area.

Detailed comments

Our comments on each chapter are set out below. For ease of reference, we have also listed each of the 39 recommendations in the appendix and indicated our views on each one including whether each recommendation should be applied beyond the BOFI sector. Paragraph numbers refer to the relevant paragraph in the consultation document.

The role and constitution of the board (chapter 2)

- 2.15 – we note that ‘the core separation between the role of the executive and non-executive board member is well-entrenched if not always well understood’. We argue that it is a matter of great importance that this IS well understood. Although some explanation is provided in the review, we would argue that a statement of the respective roles should be spelled out more clearly in the Combined Code. That said, we agree that there is no case to create a statutory separation of responsibilities.
- 2.21 - ‘the most relevant question is how to identify and draw lessons from recent experience so that best practice is more widely and dependably attained’. We believe this to be crucial and we argued in our first submission to the FRC that it should have a wider remit to gather evidence and disseminate best practice of good governance.

Board size, composition and qualification (chapter 3)

- We welcome the encouragement to depart from the code where appropriate – e.g. favouring experience over independence in building BOFI boards and/or appointing former executives to the board as NED/chairman. However, as indicated above, we have some concern that companies may still not be making their own judgements as to where they should depart from the code.
- The point is well made in 3.7 that it is not satisfactory for experience of former BOFI executives to be wasted and that bank boards where the previous CEO became chairman have performed well.
- 3.16 – we believe that boards do need to ensure sufficient time on strategic issues and that board time in general needs to be used constructively and in a disciplined way. Boards may need to consider the effective use of facilitators and other processes.

Functioning of the board and evaluation of performance (chapter 4)

- We welcome the emphasis in this chapter on the quality of the executive team.
- It is essential for BOFIs to create a climate and culture of constructive challenge and we believe there is scope for guidance and best practice in this area. The need for challenge needs to be understood by both executives and non-executives. The points in 4.6 and 4.7 are well made – in particular, challenge needs to be genuinely constructive and to provide material value to the strategic process.
- It is useful to place particular emphasis on the role of the bank chairman. This was one of our recommendations in our submission to the FRC.
- We welcome the proposals for enhanced rigour and disclosure of board evaluation. We accept that external evaluation every second or third year is reasonable. However, we would have liked even more rigour here with a more comprehensive list of what the review should include. 4.26 only suggests that the review is ‘likely to include’ certain issues. We don’t think this is sufficient. This is an area we believe it possible to be more comprehensive without imposing unnecessary prescription. We also believe that recommendation 13 should include the need for boards to confirm that they are addressing any issues raised by the evaluation.

The role of institutional shareholders: communication and engagement (chapter 5)

- As indicated above, we welcome the attempt here to address the issue of shareholder engagement. However, we are concerned that expectations of what can be achieved here are unrealistic and are held up to be a panacea. We would urge careful consideration of the costs and benefits of the proposed recommendations in comparison to other ways of improving governance and ensuring board accountability.

Governance of risk (chapter 6)

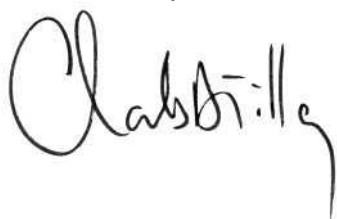
- The review makes a useful distinction between backward and forward looking dimensions of risk.
- We do not object to the recommendation for a BOFI to have a separate risk committee although we are less persuaded that non-BOFIs should have them. However a company decides to structure its board committees, it is essential that there is effective interaction between all the board committees and the board.
- 6.11 - we agree that the finance director should be in attendance at the board risk committee.
- 6.12/6.13 – we strongly endorse the comments made here in keeping with our initial submission where we emphasised the importance of stress testing and that boards should not take risks they do not understand.

Remuneration (chapter 7)

- We strongly support all the recommendations relating to remuneration. We welcome unreservedly the emphasis on linking remuneration to risk and long-term sustainable performance and we are very pleased that it is recommended that the remit of the remuneration committee should be extended to the remuneration policy of the firm as a whole.
- While we wholeheartedly endorse the principle of performance related rewards, we also wish to emphasise that the design of remuneration packages needs to reflect the fact that the returns that traders are able to make, for example, are dependent not just on their own individual skills, but also on the assets that their firm can provide in terms of brand, reputation, funding and back-up support. Simply put, traders cannot make money on their own – we would hope that by overseeing the remuneration policy of the firm as a whole, the remuneration committee will be better able to ensure that such considerations are factored in adequately.

I trust that these comments are helpful. CIMA would be happy to discuss any aspect of this submission in more detail and looks forward to seeing the final version of the report. Should you have any questions or comments, please contact either me or Gillian Lees, Director of Corporate Governance, at gillian.lees@cimaglobal.com

Yours sincerely



CHARLES TILLEY
Chief Executive

Walker Review – CIMA comments on individual recommendations

Recommendation	Agree	Apply to other sectors?	Comment/questions
Board size, composition and qualification			
<p>1. To ensure that NEDs have the knowledge and understanding of the business to enable them to contribute effectively, a BOFI board should provide thematic business awareness sessions on a regular basis and each NED should be provided with a substantive personalised approach to induction, training and development to be reviewed annually with the chairman.</p>	Yes	Yes	<p>This builds on what is already in the code. In our original FRC submission, we argued that the FRC should consider the need for additional qualifications and experience required for NEDs and whether training and CPD should be made mandatory.</p>
<p>2. A BOFI board should provide for dedicated support for NEDs on any matter relevant to the business on which they require advice separate from or additional to that available in the normal board process.</p>	Yes	Yes	<p>In our FRC submission, we argued that companies should be required to consider annually the need for a dedicated resource to support the NEDs. The recommendation provides flexibility for the board to determine how support is achieved in practice</p>
<p>3. NEDs on BOFI boards should be expected to give greater time commitment than has been normal in the past. A minimum expected time commitment of 30-36 days in a major bank board should be clearly indicated in letters of appointment and will in some cases limit the capacity of the NED to retain or assume board responsibilities elsewhere.</p>	Yes	No	<p>The FRC has asked whether it would be helpful to provide further guidance on time commitment. We don't think this is necessary. In our previous response, we pointed out that 'time poor but experience rich' NEDs can be very valuable and too much prescription here may reduce the pool of qualified people. What is important is the overall balance of the board which, as a whole, is able to dedicate adequate time to the business.</p>

<p>4. The FSA's ongoing supervisory process should give closer attention to both the overall balance of the board in relation to the risk strategy of the business and take into account not only the relevant experience and other qualities of individual directors but also their access to an induction and development programme to provide an appropriate level of knowledge and understanding as required to equip them to engage proactively in board deliberation, above all on risk strategy.</p>	<p>Yes</p>	<p>Yes</p>	<p>The FRC is asking whether the code gives sufficient emphasis to the need for relevant experience among the NEDs collectively. In our original submission to the FRC, we argued that there needed to be more emphasis on overall board balance.</p>
<p>5. The FSA's interview process for NEDs proposed for major BOFI boards should involve questioning and assessment by one or more senior advisors with relevant industry experience at or close to board level of a similarly large and complex entity who might be engaged by the FSA for the purpose, possibly on a part-time panel basis.</p>	<p>Yes</p>	<p>N/A</p>	
<p>Functioning of the board and evaluation of performance</p>			
<p>6. As part of their role as members of the unitary board of a BOFI, NEDs should be ready, able and encouraged to challenge and test proposals on strategy put forward by the executive. They should satisfy themselves that board discussion and decision taking on risk matters is based on accurate and appropriately comprehensive information and draws, as far as they believe it to be relevant or necessary, on external analysis and input.</p>	<p>Yes</p>	<p>Yes</p>	<p>This builds on what is already in the code.</p>
<p>7. The chairman should be expected to commit a substantial proportion of his or her time, probably not less than two-thirds, to the business of the entity, with clear understanding from the outset that, in the event of need, the BOFI chairmanship role would have priority over any other business time commitment.</p>	<p>Yes</p>	<p>No</p>	<p>The FRC has asked whether it would be helpful to provide additional guidance on the chairman's time commitment. There is already guidance in the code in relation to the role of the chairman. We think specifying time commitment is too prescriptive for the rest of the corporate sector.</p>

<p>8. The chairman of a BOFI board should bring a combination of relevant financial industry experience and a track record of successful leadership capability in a significant board position. Where this desirable combination is only incompletely achievable, the board should give particular weight to convincing leadership experience since financial industry experience without established leadership skills is unlikely to suffice.</p>	<p>Yes</p>	<p>No</p>	<p>Leadership experience is key. But this recommendation does not need to be applied more widely. Specific industry experience is harder to define in the wider corporate sector and is more important in some sectors than others.</p>
<p>9. The chairman is responsible for leadership of the board, ensuring its effectiveness in all aspects of its role and setting its agenda so that fully adequate time is available for substantive discussion on strategic issues. The chairman should facilitate, encourage and expect the informed and critical contribution of the directors in particular in discussion and decision taking on matters of risk and strategy and should promote effective communication between executive and non-executive directors. The chairman is responsible for ensuring that the directors receive all information that is relevant to discharge of their obligations in accurate, timely and clear form.</p>	<p>Yes</p>	<p>Yes</p>	<p>This does not add anything that has not already been covered in the 'Higgs suggestions for good practice' which are appended to the Combined Code. However, we did recommend greater emphasis on role of chairman in promoting board effectiveness in our FRC submission. Quality of information is as important as relevance and we would therefore amend the last sentence of this recommendation to read, 'the chairman is responsible for ensuring that the directors receive all information that is relevant and of high quality...'</p>
<p>10. The chairman of a BOFI board should be proposed for election on an annual basis.</p>	<p>No</p>	<p>No</p>	<p>The FRC has asked for views on annual re-election in general (i.e. chairman, board committee chairmen, NEDs). The code does not prevent annual re-election and we don't think there is any merit in being more prescriptive here.</p>
<p>11. The role of the SID should be to provide a sounding board for the chairman, for the evaluation of the chairman and to serve as a trusted intermediary for the NEDs as and when necessary. The SID should be accessible to shareholders in the event that communication with the chairman becomes difficult or inappropriate.</p>	<p>Yes</p>	<p>Yes</p>	<p>Most of this is already covered in the Combined Code – the only new aspects are for the SID to provide a sounding board for the chairman and to be an intermediary for NEDs. This recommendation could be applied to the wider corporate sector.</p>

<p>12. The board should undertake a formal and rigorous evaluation of its performance with external facilitation of the process every second or third year. The statement on this evaluation should be a separate section of the annual report describing the work of the board, the nomination committee or corporate governance committee as appropriate. Where an external facilitator is used, this should be indicated in the statement, together with an indication whether there is any other business relationship with the company.</p>	<p>Yes</p>	<p>Yes</p>	<p>The requirement for external evaluation is new but the rest is already covered in the Combined Code. We argued for more rigorous board evaluation in our original submission to the FRC with external review and we believe this to be a key recommendation. The statement should form part of a 'stewardship report' by the board.</p>
<p>13. The evaluation statement should include such meaningful, high level information as the board considers necessary to assist shareholders' understanding of the main features of the evaluation process. The board should disclose that there is an ongoing process for identifying the skills and experience required to address and challenge adequately the key risks and decisions that confront the board, and for evaluating the contributions and commitment of individual directors. The statement should also provide an indication of the nature and extent of communication by the chairman with major shareholders.</p>	<p>Yes</p>	<p>Yes</p>	<p>We believe that there should be additional clarification on what needs to be included in the statement. It should indicate what action is being taken to address any issues arising from the evaluation.</p>
<p>The role of institutional shareholders: communication and engagement</p>			<p>Our preference would be for most of the recommendations to be covered by the proposed Principles of Stewardship (PoS). We support the development of the PoS, but it is essential that we are mindful of the costs and benefits of efforts in this area. We assume that the PoS will apply to all shareholdings (not just BOFIs).</p>
<p>14. Boards should ensure that they are made aware of any material changes in the share register, understand as far as possible the reasons for changes to the register and satisfy themselves that they have taken steps, if any are required, to respond.</p>	<p>Yes</p>	<p>Yes</p>	

15. In the event of substantial change over a short period in a BOFI share register, the FSA should be ready to contact major selling shareholders to understand their motivation and to seek from the BOFI board an indication of whether and how it proposes to respond.	Yes	Yes	
16. The remit of the FRC should be explicitly extended to cover the development and encouragement of adherence to principles of best practice in stewardship by institutional investors and fund managers. This new role should be clarified by separating the content of the present Combined Code, which might be described as the Corporate Governance Code, from what might most appropriately be described as Principles for Stewardship.	Yes	Yes	We agree that the code should be separated and that it is appropriate to rename the 'Combined Code'.
17. The present best practice 'Statement of Principles – the responsibilities of Institutional Shareholders and Agents' should be ratified by the FRC and become the core of the Principles for Stewardship. By virtue of the independence and authority of the FRC, this transition to sponsorship by the FRC should give materially greater weight to the Principles.	Yes	Yes	We strongly support this recommendation.
18. The ISC, in close consultation with the FRC as sponsor of the Principles, should review on an annual basis their continuing aptness in the light of experience and make proposals for any appropriate adaptation.	Yes	Yes	
19. Fund managers and other institutions should signify on their websites their commitment to the Principles of Stewardship. Such reporting should confirm that their mandates from life assurance, pension fund and other major clients normally include provisions in support of engagement activity and should describe their policies on	Yes	Yes	

<p>engagement and how they seek to discharge the responsibilities that commitment to the Principles entails. Where a fund manager or institutional investor is not ready to commit and to report in this sense, it should provide, similarly on the website, a clear explanation of the reasons for the position it is taking.</p>			
<p>20. The FSA should encourage commitment to the Principles of Stewardship as a matter of best practice on the part of all institutions that are authorised to manage assets for others and, as part of the authorisation process, and in the context of feasibility of effective monitoring to require clear disclosure of such commitment on a 'comply or explain' basis.</p>	Yes	Yes	
<p>21. To facilitate effective collective engagement, a MOU should be prepared, initially among major long-only investors, to establish a flexible and informal but agreed approach to issues such as arrangements for leadership of a specific initiative, confidentiality and any conflicts of interest that might arise. Initiative should be taken by the FRC and major UK fund managers and institutional investors to invite potentially interested major foreign institutional investors, such as sovereign wealth funds and public sector pension funds, to commit to the PoS and, as appropriate to the MoU on collective engagement.</p>	Yes	Yes	
<p>22. Voting powers should be exercised, fund managers and other institutional investors should disclose their voting record, and their policies in respect of voting should be described in statements on their websites or in other publicly accessible form.</p>	Yes	Yes	

Governance of risk			
<p>23. The board of a BOFI should establish a board risk committee separately from the audit committee with responsibility for oversight and advice to the board on the current risk exposures of the entity and future risk strategy. In preparing advice to the board on its overall risk appetite and tolerance, the board risk committee should take account of the current and prospective macro-economic and financial environment drawing on financial stability assessments such as those published by the Bank of England and other authoritative sources that may be relevant for the risk policies of the firm.</p>	Yes	No	<p>We do not believe it necessary to establish separate risk committees in non-financial companies. The FRC has also asked whether the board's responsibility for strategic risks and setting risk appetite should be made more explicit in the code (rather than in Turnbull) and whether the current balance between the code and guidance is the right one. We think that the code should cover risk more explicitly. Currently, the emphasis is on internal control with Turnbull taking a risk based approach to this. Both the code and Turnbull need clarifying and strengthening here. We believe that it is possible to do this without being unduly prescriptive.</p>
<p>24. In support of board level risk governance, a BOFI board should be served by a CRO who should participate in the risk management and oversight process at the highest level on an enterprise wide basis and have a status of total independence from individual business units. Alongside an internal reporting line to the CEO or FD, the CRO should report to the board risk committee, with direct access to the chairman of the committee in event of need. The tenure and independence of the CRO should be underpinned by a provision that removal from office would require the prior agreement of the board. The remuneration of the CRO should be subject to approval by the chairman or chairman of the board remuneration committee.</p>	Yes	No	<p>The function of the CRO should also be emphasised in Turnbull. However, non-financial companies should be free to decide whether their circumstances justify a dedicated CRO.</p>
<p>25. The board risk committee should have access to and, in the normal course, expect to draw on external input to its work as a means of taking full account of relevant experience elsewhere and in challenging its analysis and assessment.</p>	Yes	Yes	<p>For non-financial corporates, this provision would apply to the board and/or audit committee.</p>

26. In respect of a proposed strategic transaction involving acquisition and disposal, it should as a matter of good practice be for the board risk committee to oversee a due diligence appraisal of the proposition, drawing on external advice where appropriate and available, before the board takes a decision whether to proceed.	Yes	Yes	In the case of a non-BOFI, it would be for the full board (not a separate risk committee) to oversee the due diligence appraisal.
27. The board risk committee (or board) risk report should be included as a separate report within the annual report and accounts. The report should describe the strategy of the entity in a risk management context, including information on the key exposures inherent in the strategy and the associated risk tolerance of the entity and should provide at least high level information on the scope and outcome of the stress-testing programme. An indication should be given of the membership of the committee, of the frequency of its meetings, whether external advice was taken and if so, its source.	Yes	Yes	For non-financial companies, this would not include information about the risk committee. It is essential that this risk report should form a single risk report that incorporates/cross-refers all the other risk related disclosures (some of which are mandatory) i.e. Disclosure and Transparency Rules, Turnbull/Combined Code, IFRS7, CA2006 Business Review.
Remuneration			We strongly support all the recommendations relating to remuneration.
28. The remit of the remuneration committee should be extended where necessary to cover all aspects of remuneration policy on a firm wide basis with particular emphasis on the risk dimension.	Yes	Yes	
29. The terms of reference of the remuneration committee should be extended to oversight of remuneration policy and remuneration packages in respect of all executives for whom total remuneration in the previous year or, given the incentive structure proposed, for the current year exceeds or might be expected to exceed the median compensation of executive board members on the same basis.	Yes	Yes	

<p>30. In relation to executives whose total remuneration is expected to exceed that of the median of executive board members, the remuneration committee report should confirm that the committee is satisfied with the way in which performance objectives are linked to the related compensation structures for this group and explain the principles underlying the performance objectives and the related compensation structure if not in line with those for executive board members.</p>	<p>Yes</p>	<p>Yes</p>	
<p>31. The remuneration committee report should disclose for 'high end' executives whose total remuneration exceeds the executive board total remuneration, in bands, indicating numbers of executives in each band and, within each band, the main elements of salary, bonus, long-term award and pension contribution.</p>	<p>Yes</p>	<p>Yes</p>	
<p>32. Major FSA-authorized BOFIs that are UK domiciled subsidiaries of non-resident entities should include in their reporting arrangements with the FSA disclosure of the remuneration of 'high end' executives broadly as recommended for UK listed entities but with detail appropriate to their governance structure and circumstances agreed on a case by case basis with the FSA. Disclosure of 'high end' remuneration on the agreed basis should be included in the annual report of the entity that is required to be filed at Companies House.</p>	<p>Yes</p>	<p>N/A</p>	
<p>33. Deferral of incentive payments should provide the primary risk adjustment mechanism to align rewards with sustainable performance for executive board members and executives whose remuneration exceeds the median for executive board members. Incentives should be balanced so that at least one-half of variable remuneration offered in respect of a financial year is in the form of a long-term incentive scheme with vesting subject to a performance condition with half of</p>	<p>Yes</p>	<p>Yes</p>	

the award vesting after not less than three years and of the remainder after five years. Short-term bonus awards should be paid over a three year period with not more than one-third in the first year. Clawback should be used as the means to reclaim amounts in limited circumstances of misstatement and misconduct.			
34. Executive board members and executives whose total remuneration exceeds that of the median of executive board members should be expected to maintain a shareholding or retain a portion of vested awards in an amount at least equal to their total compensation on a historic or expected basis, to be built up over a period at the discretion of the remuneration committee. Vesting of stock for this group should not normally be accelerated on cessation of employment other than on compassionate grounds.	Yes	Yes	
35. The remuneration committee should seek advice from the board risk committee on an arms'-length basis on specific risk adjustments to be applied to performance objectives set in the context of incentive packages; in the event of any difference of view, appropriate risk adjustments should be decided by the chairman and NEDs on the board.	Yes	Yes	
36. If the non-binding resolution on a remuneration committee report attracts less than 75% of the total votes cast, the chairman of the committee should stand for re-election in the following year irrespective of his or her normal appointment term.	Yes	Yes	

<p>37. The remuneration committee report should state whether any executive board member or senior executive has the right or opportunity to receive enhanced pension benefits beyond those already disclosed and whether the committee has exercised its discretion during the year to enhance pension benefits either generally or for any member of this group.</p>	<p>Yes</p>	<p>Yes</p>	
<p>38. The remuneration consultants involved in preparation of the draft code of conduct should form a professional body which would assume ownership of the definitive version of the code when consultation on the present draft is complete. The proposed professional body should provide access to the code through a website with an indication of the consulting firms committed to it; and provide for review and adaptation of the code as required in the light of experience.</p>	<p>Yes</p>	<p>Yes</p>	
<p>39. The code and an indication of those committed to it should also be logged on the FRC website. In making an advisory appointment, remuneration committees should employ a consultant who has committed to the code.</p>	<p>Yes</p>	<p>Yes</p>	

978-1-85971-629-8 (PDF)

September 2009

**Chartered Institute of
Management Accountants**

26 Chapter Street
London SW1P 4NP
United Kingdom

T. +44 (0)20 8849 2244

F. +44 (0)20 8849 2460

E. research@cimaglobal.com

www.cimaglobal.com



CIMA voted one of the
UK's strongest B2B brands

TEC057V0909