

An increased role for audit committees in remuneration

Introduction

Executive remuneration is a central issue for investors, and one that continues to attract media attention. Many institutional investors believe that inappropriate incentives are often the main cause of corporate scandals or failures. In this context, European Audit Committee Leadership Network (EACLN)¹ members attending a meeting in Milan earlier this year asked whether audit committees have a role to play in both executive remuneration and aspects of employee remuneration.

This issue of *InSights* is a follow-up to that discussion and considers the audit committee's role.² In order to better understand directors' views and gauge current practice, Tapestry Networks spoke to 14 EACLN members and drew on interviews carried out previously with US board directors regarding how to improve communication between audit and compensation committees.³ Tapestry Networks also interviewed six leading representatives of European institutional investors, a leading remuneration consultant, and a senior member of the auditing profession. For a complete list of research participants, please see the appendix on page 11.

Executive summary

• Executive remuneration: how involved should audit committees be? (Page 2)

Broadly speaking, institutional investors support a larger role for audit committees in executive remuneration, while audit committee chairs are hesitant to cross into territory they believe belongs to the remuneration committee or the full board.

- Some – but not all – EACLN members already engage in certain basic remuneration-related activities, including evaluating the effect of changes in accounting policy and reviewing the financials that are used to determine executive payouts.
- Given that companies are increasingly being forced to disclose more information on executive remuneration, some members predict more audit committee involvement in overseeing remuneration disclosures in the future. At present, however, all members agreed that the remuneration committee is responsible for ensuring the accuracy of remuneration disclosures.
- Members noted that because auditors (both internal and external) are increasingly dealing more with remuneration, the audit committee will also do so, given the fact that it oversees both audit teams.

¹ The European Audit Committee Leadership Network is a group of audit committee chairs, drawn from leading European companies, who are committed to improving the performance of audit committees and enhancing trust in financial markets. The network is convened by Ernst & Young and orchestrated by Tapestry Networks to access emerging best practices and share insights into issues that dominate the new audit committee environment.

² For more information about *InSights*, see *About this document* on page 10. Generally, this document uses a modified version of the Chatham House Rule whereby names of contributors to the research and their companies or organisation affiliations are a matter of public record, but the comments made in the conduct of the research are not attributed to individuals.

³ See Ernst & Young and Tapestry Networks, *Improving Communication Between Audit and Compensation Committees*, *InSights*, 22 December 2006. Available at: http://www.tapestrynetworks.com/documents/Tapestry_EY_Dec06_InSights_13.pdf.



- Several EACLN members think that the audit committee might have a role reviewing the remuneration of certain executives in key control functions, such as the chief internal audit executive or the chief risk officer.
- Members and investors disagree on whether the audit committee should be involved in target setting and the selection of performance metrics; investors envisage a more hands-on role for the audit committee.

- **Employee pay matters: is there a role for the audit committee?** (Page 7)

Members are divided on whether the audit committee has a role to play in broader (non-officer) employee remuneration. The general opinion is that it is the responsibility of the remuneration committee or management team, except when it influences the financials. Investors, on the other hand, desire a broader audit committee role.

- **Structural improvements may enhance cooperation with the remuneration committee** (Page 8)

Structural changes that members believe could improve the audit committee's cooperation with the remuneration committee include shared committee membership; placing financial experts on remuneration committees; holding non-concurrent or joint meetings; and establishing better communication between committees.

Executive remuneration: how involved should audit committees be?

Corporate boards in Europe have established remuneration committees in recent years both to assist in their deliberations and to respond to heightened media and political interest in executive remuneration. Almost all (95%) of the leading companies covered by Heidrick & Struggles in 2007 had such a committee, up from 62% in 2001.⁴

Corporate misdemeanours often draw audit committees into remuneration because they are tasked with overseeing the subsequent investigations. Notable situations include when a company has experienced major financial statement frauds by senior management, corporate bribery scandals, and accounting problems. However, in those situations, the committee's role is after-the-fact and therefore the committee is not primarily focused on remuneration. EACLN participants in the Milan meeting wondered whether the audit committee has a more proactive, ongoing role to play in future.

Interacting with the remuneration committee

Overall, most members felt that any audit committee role should be well-defined and limited in scope, as well as being advisory in nature, where possible. One suggested that, in some cases, the audit committee was already involved, but stressed the cooperative nature of that involvement: *“Audit committee members are becoming more direct [participants] in support of the remuneration committee.”* Several leading European investors stressed the importance of maintaining the distinction between the remuneration committee and the audit committee, however. One noted that the audit committee should not duplicate the work of the remuneration committee, but that *“it should make sure that the remuneration committee gets it right.”* Another suggested that when a remuneration problem

⁴ Heidrick & Struggles, *Corporate Governance in Europe: Raising the Bar*, page 12, 2007. Available at: http://www.heidrick.com/NR/rdonlyres/666FC928-1933-4F4B-B184-FBBE141313A9/0/HS_CorpGovEurope2007.pdf.



arises the responsibility stays with the remuneration committee, but that *“if there is help or advice needed the audit committee would be first [in line to assist].”* The Association of British Insurers offers a practical illustration of such an advisory role in its remuneration guidelines: “Remuneration committees should retain discretion to reduce or reclaim payments if the performance achievements are subsequently found to have been significantly mis-stated. Where there is doubt remuneration committees should work with the audit committee to ensure the basis of their decision is correct.”⁵

Most of the EACLN members interviewed felt it was important that the audit committee acknowledge that the remuneration committee – and ultimately the full board – is accountable for remuneration matters. As one member put it: *“The audit committee needs to be careful not to tread on the toes of the remuneration committee.”* A leading institutional investor representative agreed and added that no committee *“is there to do the job of the full board.”* *“Shifting responsibilities to the audit committee should not be seen as a cure-all for failures in remuneration-setting practices,”* asserted another investor. In addition, EACLN members were anxious not to give remuneration committee members the impression that audit committee members were second-guessing their decisions. *“We have to trust the judgement of our [remuneration committee] colleagues, much as they trust our judgement,”* noted one audit chair.

Another factor putting the brakes on too much audit committee involvement in remuneration work is the heavy workload audit committees already bear. Several EACLN members noted that audit committees have become over-burdened with additional responsibilities in recent years; the length of committee meetings has increased considerably and meetings are held more frequently. In that context, several EACLN members cautioned against adding duties to the audit committee agenda. *“We already have enough to do,”* noted one audit chair. Institutional investors agree and as one investor put it: *“There needs to be a degree of reasonableness about what they [the audit committee] can do.”*

Basic remuneration-related roles for audit committees

Several institutional investors said there were certain basic remuneration-related duties that they assumed audit committees had already taken on, either directly or in liaison with the remuneration committee. However, interviews with EACLN members highlighted that not all audit committees undertake these duties:

- **Oversight of changes in accounting policy.** By design, pay is linked to reported financials, which in turn are heavily dependent on accounting judgements taken by management and chosen accounting policies. Yet, as one leading institutional investor representative observed, the danger is that *“a focus on hitting certain financial targets will undoubtedly affect management’s proposed treatment of the moveable feasts [in accounting].”* While not all EACLN members agreed, a majority felt audit committees should probe whether any proposed change in accounting policy, or key accounting assumptions, would affect executive performance payouts – and if so, by how much. At a minimum: *“We need to ask, ‘Is this going to affect executive bonuses?’”* noted one EACLN member. If the effect is material *“we need to ensure that [fact] is communicated to the chair of the remuneration committee,”* remarked another. Some members felt that such questioning should take place in the remuneration committee, however. In fact, one member said

⁵ Association of British Insurers, *Executive Remuneration – ABI Guidelines on Policies and Practices*, page 7, 2007. Available at: http://www.ivis.co.uk/PDF/2.0_Executive_Remuneration_ABI_Guidelines_on_Policies_and_Practices.pdf.



that his board's remuneration committee routinely reviews all accounting adjustments to see if they materially affect the performance targets set for executive remuneration.

- **Review of financials to determine executive payouts.** Several EACLN members felt that the audit committee should review and approve the financials that the remuneration committee uses to determine executive payouts. One member said: *"I don't want one set of figures going to the audit committee and another set going to the remuneration committee."* With regard to the formal targets set for management, another member said: *"The audit committee has a distinct role to play in determining if the financial targets have been achieved and in communicating its view on that to the remuneration committee."* One leading European investor agreed, suggesting that the audit committee's role is *"to see if the [financial] results are true and fair."* Another investor believed the audit committee has an important role in *"back-testing the executive pay data to ensure management has really met the performance criteria."*

Commenting on investor demands for companies to use more internally-focused performance metrics that are tied to achieving the company's strategic goals, another investor noted: *"There is definitely a role for audit committees ... in ensuring [that] targets are set, calculated and evaluated properly."* To make this practical, one audit chair's board has instituted a process whereby the audit committee formally reviews and approves the numbers that are to be passed to the remuneration committee as it considers remuneration payouts. Another member's audit committee passes the quarterly report it receives from management on the quality of earnings on to the remuneration committee, so that the latter is aware of the key financial issues when reviewing the achievement of remuneration targets.

The issue of remuneration disclosure

Across Europe, companies are increasingly being forced to disclose more information on executive remuneration, either in response to changes in disclosure requirements or because of investor pressure (see *Pay disclosure trends in Europe* on page 5). A few members felt this trend was not relevant to the audit committee because *"our responsibility is financial disclosure,"* as one director asserted. However, several members felt that, over time, the audit committee may have to take more responsibility for reviewing executive remuneration disclosures alongside its other disclosure-related responsibilities. There are signs that this is already happening: one member noted that, currently, his audit committee reviews the remuneration disclosures *"indirectly because the entire annual report goes to accounting, and we read it before we pass recommendations to the ... board."* Similarly, a few members felt obliged to read draft remuneration disclosures *"to ensure they are in line with [the audit committee's] understanding of the key issues."* However, all members felt that, at present, the remuneration committee is responsible for ensuring the accuracy of remuneration disclosures.

External and internal auditors' involvement in executive remuneration

Overall, audit committee chairs and investors believe that the need to audit enhanced disclosures and to review related control processes (eg, relating to executives' stock sales and purchases) will lead to greater involvement of external and internal auditors in remuneration. Clearly, if the internal and external auditors' roles increase, audit committees could be drawn more into remuneration, given their oversight role.



Pay disclosure trends in Europe

Executive remuneration continues to garner significant investor and media attention in Europe, generating public and political outrage. Concerns focus on escalating executive pay and in particular on a number of high-profile scandals involving excessive severance pay (sometimes referred to as ‘golden parachutes’). Companies’ adoption of more complicated pay plans and increasing use of ‘special arrangements’ and retention bonuses have only increased investors’ ire; investors are complaining that it is increasingly difficult to compare and evaluate pay structures and philosophies.

As a result, individual countries have enacted new requirements related to pay. More broadly, the European Commission approved a recommendation calling on member states to adopt measures that enhance executive remuneration disclosures (of remuneration policy, major components of pay, and individuals’ actual remuneration) and shareholder power over pay decisions.⁶ Countries have addressed the Commission’s recommendations in different ways: some, like Germany, have mandated changes; others, such as the Netherlands, have promoted (but not mandated) better disclosures through local corporate governance codes. As a result, pay disclosure requirements and practices vary significantly across Europe, as shown in the table below. However, the overall trend is towards more stringent pay disclosure requirements across the board.


Current disclosure		Country	Anticipated future disclosure
Individual disclosure Detailed pay policy  Aggregate disclosure Limited pay policy	High	UK	More information required on the link between pay and performance, and a focus on performance peer groups.
		Rep. of Ireland	
		Netherlands	
		France	
	Medium	Sweden	Pressure to disclose information on individual board members rather than just the CEO/highest paid executives, with more information on remuneration policies.
		Germany	
		Switzerland	
		Italy	
		Norway	
Low	Finland	Pressure to provide individual disclosure and increased information on remuneration policies.	
	Spain		
	Portugal		
	Denmark		

Table 1: Current level of disclosure against the EU recommendations and anticipated changes.⁷

⁶ European Commission, *Commission Recommendation on Fostering an Appropriate Regime for the Remuneration of Directors of Listed Companies*, 2004. Available at: http://ec.europa.eu/internal_market/company/docs/directors-remun/draft-recommendation_en.pdf.

⁷ Velma Roberts, Mario Ceron and Bruno Fourage, *Executive Compensation Disclosure in Europe*, page 1, 2007. Available at: <http://www.mercer.com/summary.jhtml/dynamic/idContent/1282000>.



External and internal auditors' involvement in executive remuneration (continued)

In a few European countries, the external auditor already plays a formal role in remuneration. For example in Sweden, where the auditor confirms annually that the company has administered the plan that was approved by shareholders in the previous year. Similarly, in the US, pay disclosures have taken on greater legal significance due to new disclosure requirements implemented in 2007, so several audit chairs felt the auditors' role will inevitably increase in this area. One said: *"We have asked [the external auditors] to do selective sampling and make sure they're comfortable with the numbers."*⁸ A leading remuneration consultant confirmed this trend, noting: *"In many US companies, the external auditor now reviews incentive plan payouts and pay disclosures [mainly for proxy disclosure]."*

Some leading European investors would like the external auditor to be involved routinely in reviewing remuneration-related practices. For example, Eumedion, a group that represents European institutional investors, recommends a level of involvement similar to that mandated in Sweden.⁹ One of the institutional investors interviewed for this issue of *InSights* believes that as a matter of practice the external auditor should audit the remuneration policy, data and pay-setting practices.

Some leading companies are proactively engaging their internal auditors on remuneration matters. One EACLN member noted: *"The remuneration committee uses internal audit to audit elements of the numbers used for taking pay decisions."*

Review of executives' remuneration?

Several EACLN members could envisage the audit committee reviewing the remuneration of certain executives in key control functions. Investors, by contrast, were sceptical, with one noting: *"These executives should not be treated differently. The board and its committees should be careful in being drawn too much into the pay of executives below the top tier of management."* Another investor stated the audit committee should simply *"make sure [the pay of those executives] is being managed properly and that nothing is being hidden."* On specific roles, members had the following opinions:

- **Internal audit.** Several members said they were already formally involved in pay decisions pertaining to internal audit, either directly or as a result of providing input to the performance evaluation of the head of that function. Those members felt strongly about how the function should be remunerated. *"The internal auditor should not have a major bonus; performance-related pay should only form a small part of the total,"* one stated. Another commented: *"Remuneration for the internal audit function should not be tied to the company's financial performance."*
- **Other control executives.** Most EACLN members felt the remuneration of other key functional executives, such as the head of compliance or the chief risk officer, should be evaluated by outside directors. As with the internal auditor's pay, one member said the pay of compliance professionals and those lawyers involved in compliance should not be linked to the company's financial performance. Overall, however, most members felt these decisions lie with the remuneration committee.

⁸ Ernst & Young and Tapestry Networks, *Improving Communication Between Audit and Compensation Committees*.

⁹ Eumedion Corporate Governance Forum, *Recommendations on Executive Remuneration*, page 8, 2006. Available at: http://www.eumedion.nl/page/downloads/Eumedion_Recommendations_ExecComp.pdf.



The issue of remuneration-related risks

A leading institutional investor representative remarked: *“Audit committees need to be [more] aware of what impact remuneration plans can have on risk management.”* Investors generally believe that the most significant risk associated with remuneration is the potential that management adopts the wrong kinds of behaviours due to badly chosen performance metrics or aggressive targets. One leading European investor referred to this as *“the corruption of targets.”* A subject-matter expert from the auditing profession broadened this concern when noting that: *“Audit committees should understand clearly how executives are paid and the key drivers of the overall remuneration programme so that they can evaluate the potential effect on the company’s overall risk profile.”*

While EACLN members all acknowledged this potential problem, there was disagreement as to whether the audit committee should be involved in target-setting or the selection of performance metrics. Several members agreed with one member’s comment that *“the full board and audit committee have to be more active in the choice of indicators and criteria [used to set executive remuneration].”* Another member felt that it is important that the audit committee understands what negative behaviours may be induced by certain pay incentives. However, as another member pointed out: *“Here we are entering the realm of honesty and integrity of management. That is a different subject and ... a role of the board itself.”*

Most EACLN members felt that setting executive remuneration was a remuneration committee – and thereafter a full board – responsibility, but several European institutional investors envisaged a role for the audit committee in the actual target-setting process. One investor wanted the audit committee to evaluate if *“there is a mismatch between the performance targets being communicated to investors and the metrics being used to incentivise management.”* This investor added: *“When such a mismatch exists, the audit committee should assess what behaviours this may induce and communicate its view to the remuneration committee.”* Another investor recommended: *“The audit committee should look into the structure of targets and determine if people start to cut corners as a result of the adopted targets.”* Yet another investor felt it is important for the audit committee to determine whether the magnitude of potential payouts from different performance scenarios would cause *“executives [to] stretch too hard to get the highest possible reward.”*

Executive remuneration can also create significant reputational risk if it creates adverse media or investor attention. While a majority of members acknowledged this risk, they felt the remuneration committee or the full board should discuss this issue when approving management incentive plans. If the audit committee has any role, members feel it is simply to ensure that reputational risks are considered in those forums.

Employee pay matters: is there a role for the audit committee?

Inappropriate remuneration structures for key employees have caused numerous large corporate problems. In some cases, problems at specific companies have revealed industry-wide pay-setting issues. Notable examples in recent years include insurance underwriters being paid mainly or exclusively based on volume, rather than on adherence to underwriting standards; bankers being paid on annual deal flow



rather than on the quality or success of the deals; and pharmaceutical or insurance sales people being paid on volume, with little or no regard to the suitability of the products for the consumers.

A majority of EACLN members agreed that employee remuneration practices have led to certain company- or industry-wide problems. For example, one member remarked that it was *“extremely important”* to consider the potential effects of tying employee pay to volume metrics. Another member made a similar point, noting: *“Any time you are selling [on commission], there is a potential for people to over-sell or mis-sell.”* In the same fashion, a subject-matter expert from the auditing profession highlighted that the current sub-prime crisis suggests that a more thorough understanding of the pay of certain professionals in key investment banking activities *“might have triggered more questions from audit committees.”*

However, members were divided on whether the audit committee has a role to play in employee remuneration. Several members acknowledged the audit committee may have a role to play in those areas that are most connected to key aspects of the reported financials. Mistakes or fraud in those areas can be highly damaging to the companies involved and can cause investors to question the efficacy of published financials. However, the role those members envisioned for the audit committee involved reviewing remuneration practices for potential risks created by the adopted incentives, not setting or approving remuneration. Uniformly, all members felt the latter was a task for the remuneration committee or management team, depending on the nature and scope of the incentives.

By contrast, several investors believed the audit committee could take more action. One investor suggested: *“If the audit committee determined, from an enterprise risk management perspective, that one group of employees created distinct risks – such as traders in a bank – it should review that group and if necessary review their incentives for potential concerns.”* Several investors commented that the audit committee should be attuned to the risks associated with the pay structures adopted for the highest-paid non-officer employees. One said: *“I would want the audit committee to know the 10–20 highest-paid people in the company, what they do, what they are paid to do, and any associated risks.”* None of the investors interviewed, however, felt that the audit committee should make recommendations on pay; instead, they thought that the committee should bring potential problems to the attention of the remuneration committee, board or management, as appropriate.

A leading remuneration consultant said that in his experience, aside from general oversight, it is rare for audit or remuneration committees to get too drawn into broader employee remuneration design issues. An exception might be where a specific remuneration programme presents *“a large potential financial liability or above-normal risks,”* he said.

Structural improvements may enhance cooperation with the remuneration committee

Members noted that infrequent contact between audit and remuneration committees makes it hard for the audit committee to become more involved in remuneration – and yet, as one leading remuneration consultant remarked: *“Communication and coordination between these committees is becoming increasingly important.”* EACLN members had some recommendations for overcoming practical obstacles to enhanced inter-committee effectiveness:



- **Shared committee membership.** Several directors advocated overlapping membership between audit and remuneration committees, so as to promote alignment of agendas and effective information flows. One member said: “[*Optimally,*] I would like the chair of the remuneration committee [to] sit on the audit committee, and vice versa.” However, this appears to be relatively uncommon in Europe. Only two of the 14 EACLN members interviewed for this issue of *InSights* were also on their company’s remuneration committee. While this is a small sample, several members noted that in their experience, this is typical of European corporate boards. By contrast, one leading remuneration consultant noted that “*at many US companies, we are seeing more overlapping membership.*”
- **Financial experts on remuneration committees.** Several members agreed with one who said: “*We need someone on the remuneration committee [who] understands the numbers.*” A leading European investor agreed, stating: “[*Because*] remuneration policies are becoming complicated, you want someone with specialised financial knowledge to assess the numbers.” Shared committee membership may make this possible. Alternatively, as one member suggested, placing a former member of the audit committee who was deemed a financial expert on the remuneration committee would have the same effect.
- **Non-concurrent or joint meetings.** Some members observed that a structural constraint to shared membership and better communication was the fact that the audit and remuneration committees often hold concurrent meetings. The workload of these committees may make it difficult for boards to change committee schedules sufficiently to address this issue, although, as one EACLN member put it: “*If there’s a will to make it happen, it can be done.*” As an alternative, albeit one that not many EACLN members practice, these committees could hold joint meetings periodically, perhaps around year-end financials and payout decisions.
- **Better communications between committees.** Several members noted that, increasingly, boards are considering new ways to share more information across committees. Traditionally, verbal reports given by committee chairs at each routine board meeting have been the main conduit for information sharing. However, some companies are now distributing committee papers to all board members, not just those assigned to specific committees. Informal or formal meetings between committee chairs outside normal committee meetings also improve inter-committee communications. One member said he talks periodically to the remuneration committee chair to ensure the latter can raise any concerns he or his committee colleagues may have on the financials.

While these suggestions could help many boards, a few EACLN members pointed out that structural constraints on two-tier boards greatly inhibit an enhanced role for the audit committee in remuneration. Those members and several investors noted that committees on boards with a two-tier structure have less power delegated to them than their counterparts on unitary boards, and therefore have both less need and less opportunity for inter-committee coordination or discussion.

Conclusion

EACLN members acknowledged the importance of effective communication with the remuneration committee. Differences of opinion exist, however, on the level and nature of the involvement the audit committee should have in remuneration work. Audit committee chairs are reluctant to take on too



many remuneration-related responsibilities, to a great extent because they believe the remuneration committee and the full board should retain full responsibility for remuneration. Investors, by contrast, envisage a more hands-on role for the audit committee in remuneration, including the evaluation of pay targets. However, audit committee chairs and investors agree that remuneration issues are likely to continue to attract attention for the foreseeable future, and that the audit committee will inevitably play a more active role, in some way.

About this document

InSights is produced by Tapestry Networks to provide assessments of key issues of interest to audit committee members in Europe. Initially, *InSights* will be distributed to members of the European Audit Committee Leadership Network who, in turn, will share it with colleagues on audit committees and boards, and their advisers. It will be distributed by Ernst & Young to its partners. Anyone who receives *InSights* may share it with those in their own network. The ultimate value of *InSights* lies in its power to help all constituencies develop their own informed points of view.

The views expressed in this document represent those of the participants interviewed. They do not reflect the views nor constitute the advice of network members, their companies, Ernst & Young, or Tapestry Networks. Please consult your advisers for specific advice. Ernst & Young refers to all members of the global Ernst & Young organisation.

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Appendix: Research participants

EACLN members who participated in the research include:

- Dr John Buchanan, Audit Committee Chair, AstraZeneca
- Mr Tom de Swaan, Audit Committee Chair, GlaxoSmithKline and Royal Ahold
- Mr Per-Olof Eriksson, Former Audit Committee Chair, Volvo
- Mr Phil Hodgkinson, Audit Committee Chair, BT
- Dr DeAnne Julius, Audit Committee Chair, Roche Holding
- Mr Wim Kok, Audit Committee Chair, ING
- Mr Daniel Lebègue, Audit Committee Chair, SCOR
- Mr Anders Nyrén, Audit Committee Chair, Skanska and Sandvik
- Sir Ian Prosser, Audit Committee Chair, BP
- Mr Pierre Rodocanachi, Audit Committee Member, Vivendi
- Ms Guylaine Saucier, Audit Committee Chair, Areva
- Dr Klaus Schlede, Audit Committee Chair, Lufthansa
- Mr Gerhard Schulmeyer, Former Audit Committee Chair, Zurich Financial Services
- Mr Lars Westerberg, Audit Committee Chair, Volvo, and Chairman, Autoliv

Of all of the participants, seven have served as chair of the board of directors, and four have served as either CEO or CFO of a publicly-traded company. Collectively, the participants serve on 17 board audit committees and seven board remuneration committees.

Representatives of institutional investors interviewed include:

- Ms Shade Duffy, Head of Corporate Governance, AXA Investment Management
- Mr Gerard Fehrenbach, Senior Advisor-Responsible Investment, PGGM Investments
- Mr Paul Frentrop, Head of Corporate Governance, APG Investments
- Mr Iain Richards, Head of European Corporate Governance, Morley FM
- Ms Anne Simpson, Executive Director, International Corporate Governance Network
- Dr Daniel Summerfield, Co-Head of Responsible Investment, Universities Superannuation Scheme

The remuneration consultant interviewed was Mr John Anderson, Principal, Hewitt Associates.

To give the auditing profession viewpoint, Christian Mouillon, Deputy Area Managing Partner, Europe, Middle East, India, Africa, Ernst & Young, was interviewed.