

## What steps should listed companies take in light of these changes in Executive Remuneration?

### What Boards must do now

✓	Review last year's AGM results on the remuneration report. If the report received a significant "no" vote, consider what can be done avoid incurring the first "strike" at the 2011 AGM.
✓	Consider whether and how to engage with shareholders on remuneration or other issues ahead of the AGM. Boards need to unpick what the real "gripes" are.
✓	Ensure that new arrangements with Remuneration Consultants are approved by the whole Board or Remuneration Committee.
✓	Review employee share and option plans and securities trading policies, to ensure that they are consistent with the prohibitions on hedging.

### What Boards must do to prepare for their next AGM

✓	Ensure that the AGM Notice and explanatory memorandum clearly explain the "two-strike" rule.
✓	Ensure that the proxy forms, including instructions on how to complete them, take into account the new restrictions.
✓	Consider whether their constitution needs updating to clarify Board size.

### What Boards must do next year

✓	Annual reports on financial years beginning 1 July 2011 and after will need to report on the Board's dealings with Remuneration Consultants.
✓	Remuneration reports will be simpler – listed companies will only need to report on Key Management Personnel for the consolidated group, rather than separately identifying the "5 highest paid" group or company executives.