



The Quoted  
Companies Alliance

## QCA Corporate Governance Committee

Minutes of the meeting held on: Monday 17 January 2011 at 4:30pm

Venue: Oriel Securities, 125 Wood Street, London EC2V 7AN

Present:	Tim Goodman (Chair)	Hermes	(TG)
	Eugenia Jackson	F&C Asset Management	(EJ)
	Edward Beale	City Group plc	(EB)
	Louis Cooper	Crowe Clark Whitehill	(LC)
	Dalia Joseph	Oriel Securities	(DJ)
	Cliff Weight	MM&K Ltd	(CW)
	Kate Jalbert (minutes)	QCA	(KJ)
In attendance:	Simon Redfern	QCA	(SR)

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### Actions

#### 1. **Apologies/Welcome to New Members**

Apologies were received from Tim Bird, Edward Craft, Anthony Carey, Clive Garston, Nick Graves, Derek Marsh, Georgina Marshall, Madeleine Cordes and Tim Ward. TG welcomed Eugenia Jackson to the committee.

#### 2. **Minutes of last meeting (16 November 2010)**

The minutes of the last meeting were approved.

#### 3. **Forthcoming issues and developments in Corporate Governance and projects for the Committee**

- European Commission: Disclosure on Non-Financial Information by Companies (R: 24 January 2011):

It was agreed that TG and EJ would send their firms' responses to KJ. KJ will then draft a response for the QCA and circulate it to this committee and the Financial Reporting Committee for comment.

**TG/EJ/KJ**

- European Commission: Consultation on the Single Market (RD: 28 February 2011):

KJ explained that this paper outlines the Commission's plans for the single market and includes three proposals on improving SMEs access to capital. KJ and TW are drafting a response for the QCA.

**KJ/TW**

- Financial Reporting Council: Draft Plan, Budget and Levy Proposals 2011/12 (RD: 9 March 2011):

Committee members agreed that there was no need to respond to this paper. No further action required.

- Financial Reporting Council: Effective Company Stewardship: Enhancing Corporate Reporting and Audit (RD: 31 March 2011):

EB raised some concerns about this paper, noting that he did not necessarily believe that the auditors reporting on the audit committee report will help to increase accountability. EB volunteered to draft a response to this consultation.

**EB**

- HM Treasury/BIS Growth Review:

KJ noted that BIS and HM Treasury are carrying out a growth review and have held two roundtable on accounting and legal issues as part of it. For information only.

- Remuneration Committee Guide Working Group:

TG reported that there was a meeting about this guide in December 2010. It was agreed to get the objectives of the guide agreed first and then draft the sections about how the committee is structured and runs and finally best practice.

- Financial Reporting Council: Risk Assessment and Management (Speech by Stephen Haddrill):

EB explained that this is part of the FRC's work on exploring how boards are managing risk. The project is trying to see if there is a need to review the Turnbull Guidance. The FRC will be carrying out a series of meeting to consult on this. Committee members agreed that smaller quoted companies should be consulted.

- BIS: The Future of Narrative Reporting – Summary of Responses:

For information only.

#### **4. Communications and Future Meetings**

- Terms of reference:

TG noted that he felt that they are crystallised in the Committee Charter.

EB noted that he believed that once the remuneration committee guide has been completed, it would be good to market this guide as part of a set with the corporate governance guide and the audit committee guide. Potentially doing an event based on those three guides in the autumn 2011.

EB noted that a point to stress in Europe is diversity – different markets have different requirements and therefore Europe should not necessarily have the same uniform rules applying across all. Diversity should be preserved. TG noted that this is what we are trying to get across while working with Middlesbrough on common corporate governance principles (see section under AOB).

- 2011 Objectives for the Committee: Discussion noted above in the 'Terms of reference' section.
- Guest invitations to future meetings:

TG suggested having someone from the Middlesbrough or DAI to speak about governance.

Committee members also suggested:

- Peter Montagnon at the FRC. KJ noted that she will try to get someone from the FRC to speak on the Company Stewardship Paper; EB suggested Ian Wright.
- Someone relevant from ICSA on the Higgs Review (Seamus Gillen); once there is something new out on the guidance, it would be useful to see what the next steps are and how we can work together.
- Potentially have someone come from the NAPF to the committee – the NAPF put guidelines out at the end of November and would be useful to see their point of view on governance.

TG queried whether the QCA had a chart that outlines all the relevant stakeholders it liaises with. KJ noted that the QCA did and she will look at it to see who may be relevant from the point of view of the Committee.

**KJ**

- Deputy Chairman:

TG asked committee members for nominations for a Deputy Chairman of the committee. **ALL**

- Venue for Monday 14 March 2011:

TG volunteered to have the meeting at Hermes.

**5. AOB**

- Joint Corporate Governance Guidelines with Middlednext and DAI:

TG explained that the QCA is working with Middlednext (the French representative body for small caps) and the DAI (the German representative body for quoted companies) to produce some common principles on corporate governance. The goal is to present them to the European Commission ahead of the production a Corporate Governance Directive, which is expected this year. TG asked KJ to circulate the most recent draft. **KJ**

**6. Date for Next Meeting – Monday 14 March 2011 at 4.30pm (Venue: Hermes)**

**7. Action Points:**

<b>Action</b>	<b>Person</b>	<b>Timing</b>
Send KJ draft of disclosure of non-financial information responses	EJ/TG	ASAP (before 24 January 2011)
Draft response to Single Market Act consultation	KJ/TW	ASAP (before 28 February 2011)
Draft response to Effective Company Stewardship Consultation	EB	ASAP (before March meeting)
Follow up on guest invitations and look at the stakeholder chart.	KJ/Chris Stapeley	ASAP
Nominate Deputy Chairman for the committee (send to KJ or TG)	ALL	ASAP