



**Held at 9am on Tuesday 12 May 2015  
at the offices of Hogan Lovells International LLP (Atlantic House, Holborn Viaduct, London EC1A 2FG)**

|                |                               |                                    |    |
|----------------|-------------------------------|------------------------------------|----|
| Present:       | Edward Craft (Chairman)       | Wedlake Bell LLP                   | EC |
|                | Colin Jones (Deputy Chairman) | UHY Hacker Young                   | CJ |
|                | Michael Brown                 | Henderson Global Investors         | MB |
|                | Louis Cooper                  | Crowe Clark Whitehill/NEDA         | LC |
|                | Peter Fitzwilliam             | Mission Marketing                  | PF |
|                | Nick Graves                   | Burges Salmon                      | NG |
|                | Tracy Gordon                  | Deloitte LLP                       | TG |
|                | Andrew Hobbs                  | EY LLP                             | AH |
|                | Alexandra Hockenhull          | Xchanging plc                      | AK |
|                | James Hodges                  | Hydrodec Group plc                 | JH |
|                | Jayne Meacham                 | Jordans Limited                    | JM |
|                | Philip Patterson              | TMF Corporate Secretarial Services | PP |
|                | Julie Stanbrook               | Hogan Lovells International LLP    | JS |
|                | Eugenia Unanyants-Jackson     | F&C Asset Management               | EJ |
|                | Jonathan Compton              | BDO LLP                            | JC |
|                | Tim Ward                      | Quoted Companies Alliance          | TW |
|                | Maria Gomes (minutes)         | Quoted Companies Alliance          | MG |
| In attendance: | Paul Watts                    | (QCA Board)                        | PW |

## 1. APOLOGIES

Apologies were received from Edward Beale, Rob Burdett, Amanda Cantwell, Richie Clark, Bruce Duguid, David Fuller, Nick Gibbon, Jane Mayfield, Eric Dodd, David Isherwood, Nick Janmohammed, Dalia Joseph, Julie Keefe, Joanna Chattle, Nathan Leclercq, Kelly Millar, Peter Swabey, Cliff Weight, Tim Ward and Kate Jalbert.

## 2. MINUTES OF THE LAST MEETING (14 April 2015)

The minutes will be tabled for discussion on 14 July 2015.

## 3. MAIN ISSUE FOR DISCUSSION - Key Drivers of the Corporate Governance Expert Group (2015/2016)

EC explained that there was a point raised at a previous meeting on how effective the Corporate Governance Expert Group's work has been and whether we should discuss what we should be doing. Following the meeting, PF, CJ and EC had an exploratory meeting and produced some initial thoughts on the work of the Group, which were circulated with the meeting documents.

EC highlighted that the key is to understand what our message is and what we should be doing. PF suggested touching every new entrant in the market with conversation with every CEO.

Another point made was that there is little awareness and understanding of our code and that we should decide how to wrestle with that challenge.

AK suggesting hosting events to discuss the Code, more practical and face to face; this could prove more useful to companies. Our objective should be to be very helpful to our members, some of which are seriously under resourced, outlining best practices and explaining why corporate governance is helpful for the business. One idea could be to have a sandwich lunch session to talk through what the highlights of the code are, with a Q&A session.

EJ suggested having three events a year (ideally a morning session) where a panel of experts can give more explanation, practical examples and why best practice is there.

LC mentioned that it would be important to highlight what actually happens in the company. Link it to strategy, risk, and the by-product is how you communicate. He added that at the moment companies are too focused conformance, and we should be helping them to link this to performance.

JH suggested that we conduct multidisciplinary sessions (e.g. with financial reporting or corporate finance).

AK suggested that we need better engagement with proxy advisors as well as the Nomad community.

The Group agreed that we should put together a strategy for the Corporate Governance Expert Group, as there are many activities running in parallel and it is somewhat difficult to prioritise what the Group should be doing.

EC mentioned that we are putting together a stakeholder list, which should help monitor our interaction with other stakeholders and how we influence decision-making on corporate governance.

EC also mentioned that there is a breakout session at the QCA conference to discuss AIM Rule 26 and the practical application of corporate governance.

EC agreed to meet with a working group in June to outline the strategy for the Group, stakeholder list and actions for the rest of the year. The Group agreed to continue to discuss this topic in our July meeting.

**MG**

#### **4. CURRENT ISSUES**

##### **a) QCA Response to the European Commission Consultation on the Capital Markets Union Green Paper – Progress update**

MG explained that this consultation had been announced in February and will give way to building a work programme going forward on this new Commission. The aim is to facilitate access to finance, particularly for growing companies.

Corporate governance is mentioned in the Green Paper, although not in depth, as it seems to put corporate governance within the sphere of company law and so remaining mostly within domestic laws and standards, within comply or explain and within domestic boundaries.

MG explained that the QCA draft response has been circulated to the Group for comments, particularly on Question 28 regarding Corporate Governance. She encouraged the Group to let her know if there are any final comments on the draft, which will be submitted on 13 May 2015.

**ALL**

**b) QCA Response to the European Commission Consultation on the Prospectus Directive – For information**

MG informed the Group that this consultation is part of the Green Paper on Capital Markets Union. She noted that the Legal and Corporate Finance Expert Groups have been working on our proposals to revise the Prospectus Directive for the last 18 months. MG explained that our proposals are designed to help small and mid-size quoted companies to raise finance more efficiently and effectively, whilst ensuring a high-level of investor protection, and include:

- Introducing the concept of an IPO and Secondary Public Offer in the Prospectus Directive
- Creating a Proportionate Prospectus for Secondary Public Offers on regulated markets
- Ensuring that the Proportionate Prospectus for Secondary Offers applies to all types of secondary public offer
- Addressing the process of the national competent authority approving a prospectus
- Increasing the thresholds under which a prospectus does not have to be produced
- Exempting offers carried out under the Takeover Regime from the prospectus regime
- Creating a specific prospectus regime for SME Growth Markets

**c) Small Business, Enterprise and Employment Act – Register of People with Significant Control – Progress update**

EC explained that he is representing the QCA in Register of People with Significant Control (PSC Register) committee advising BIS on the drafting of guidance and non-statutory rights. He mentioned that the working group is drafting the guidance and that some parts of it will be open for consultation with wider stakeholders towards the end of the year.

**5. COMMUNICATIONS AND FUTURE MEETINGS**

|           | <b>Document</b>                      | <b>Action/comments by CGEG</b>  |
|-----------|--------------------------------------|---|
| <b>a)</b> | Guest invitations to future meetings | This was not discussed.   |
| <b>b)</b> | Policy Update (February 2015)        | This was not discussed; the document was circulated for information only. |

**6. AOB**

This was not discussed.

**7. Actions**

| <b>Action</b> | <b>Person</b> | <b>Timetable</b> |
|---------------|---------------|------------------|
|               |               |                  |

|                                |           |                               |
|--------------------------------|-----------|-------------------------------|
| Schedule working group meeting | <b>MG</b> | ASAP (before the end of June) |
|--------------------------------|-----------|-------------------------------|

**8. INFORMATION FOR NOTING**

**Date for next meeting:**

Tuesday 14 July, 9am at UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW)