



Present:

Edward Craft (Chairman)	Wedlake Bell LLP	EC
Colin Jones (Deputy Chairman)	UHY Hacker Young	CJ
Edward Beale	Western Selection PLC	EB
Amanda Cantwell	Practical Law Company Limited	AC
Jo Chattle	Norton Rose Fulbright LLP	JC
Jonathan Compton	BDO LLP	JCo
Louis Cooper	Crow Clark Whitehill LLP	LC
David Fuller	CLS Holdings PLC	DF
David Hicks	Charles Russel Speechlys LLP	DH
David Isherwood	BDO LLP	DI
Damien Knight	MM & K Limited	DK
Philip Patterson	PricewaterhouseCoopers LLP	PP
Will Pomroy	Hermes Investment Management Ltd	WP
Anita Skipper	Aviva Investors	AS
Julie Stanbrook	Hogan Lovells International LLP	JS
Tim Ward	Quoted Companies Alliance	TW
Maria Gomes	Quoted Companies Alliance	MG
Callum Anderson (minutes)	Quoted Companies Alliance	CA

In attendance:

Andrew Ninian	The Investment Association	AN
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## 1. APOLOGIES

Apologies were received from Michael Brown, Anthony Carey, Susan Fadil, David Firth, Peter Fitzwilliam, Nick Gibbon, Tracey Gordon, Nick Graves, Alexandra Hockenhull, Julie Keefe, Kevin Kissane, Nathan Leclerq, Marc Marrero, Jane Mayfield, Jayne Meacham, Caroline Newsholme, Darshan Patel, Niall Pearson, Jenna Robinson, Carmen Stevens, Nicholas Stretch, Peter Swabey, Paul Watts and Cliff Weight.

## 2. MINUTES OF THE LAST MEETING (24 May 2016)

The minutes were approved.

## 3. WELCOME TO ANDREW NINIAN, DIRECTOR – CORPORATE GOVERNANCE AND ENGAGEMENT – THE INVESTMENT ASSOCIATION, TO DISCUSS THE INVESTMENT ASSOCIATION’S PRODUCTIVITY ACTION PLAN

EC welcomed AN to the meeting.

AN gave an overview of the scale of the productivity problem in the UK, presenting statistics which show how the UK’s productivity has lagged behind all other members of the G7, bar Japan, since the 2008 financial crisis. He explained that long term investment in R&D and capital expenditure, has been on a downward trajectory since 2000, and explained that this appears to have hindered

productivity. He mentioned that the Government had pledged to raise productivity by stimulating long term investment to strengthen the economy. AN highlighted that the Investment Association wrote to George Osborne (then Chancellor) supporting this goal.

AN explained the five principles upon which the Investment Association developed its Productivity Action Plan, in order to respond to enhance the investment chain and boost long term investment and productivity. AN drew particular attention to Principle 4: Develop efficient and diverse capital markets as being of particular relevance to the QCA, the group and its constituents.

AN then briefly walked the Group through each of the 12 recommendations set out in the Productivity Action Plan. He placed particular emphasis on Recommendation 9: Encourage equity investment and improve the equity offering process **[the QCA will be collaborating with the Investment Association to deliver this recommendation]**.

AN also noted that, with regards to Recommendation 8: Ensure that executive remuneration structures are aligned to long-term decision making, a report would be published in July 2016. He explained that all 12 recommendations should be implemented within the next 12-18 months. The Investment Association will then report to the Government on progress made.

#### 4. CURRENT ISSUES

	Document	Action by CGEG
a)	<p><b>QCA Remuneration Committee Guide</b></p> <p>MG confirmed that the Remuneration Committee Guide had now been completed. She explained that it would be available for members to download from 13 July and that an official launch event will take place on 13 September at Wedlake Bell’s new offices (71 Queen Victoria Street).</p> <p>EC noted his thanks to EB, Richie Clark, Karen Cooper, Kate Jalbert, Kalina Lazarova, Nicolas Stretch, Mia Thursby-Pelham, Eugenia Unanyants-Jackson and Cliff Weight for their help in producing the Guide.</p> <p>EC also noted his thanks to MG for her tireless work in getting the Remuneration Committee Guide completed. He asked the Group to promote the Remuneration Committee Guide to their clients.</p>	<p><b>ALL</b> to promote QCA Remuneration Committee Guide</p>
b)	<p><b>QCA Corporate Governance Code – revision</b></p> <p>EC explained that the Working Group had had their first meeting and that work was ongoing.</p>	<p>None at this stage.</p>

## 5. COMMUNICATIONS AND FUTURE MEETINGS

	Document	Action by CGEG
a)	<p><b>Fourth anti-money laundering directive: Commission proposal for amending directive</b></p> <p>EC highlighted that proposals have been made for:</p> <ul style="list-style-type: none"> <li>- the transposition date of the directive to be brought forward to 1 January 2017; and</li> <li>- the definition of beneficial owner to be amended so that beneficial owners who have a 10% ownership in companies at risk of being used for money laundering and tax evasion must be included in the required registers.</li> </ul>	None to note.
b)	<p><b>Statutory Audit – FRC publishes final versions of the UK Corporate Governance Code, Guidance for audit committees and Revised Ethical Standard 2016</b></p> <p>This was not discussed; circulated for information only.</p>	None to note.
c)	<p><b>European Confederation of Directors Associations &amp; PwC publish guidance on audit committees</b></p> <p>This was not discussed; circulated for information only.</p>	None to note.
d)	<p><b>FRC update on discussion paper on improving reporting by smaller listed and AIM quoted companies</b></p> <p>This was not discussed; circulated for information only.</p>	None to note.
e)	<p><b>FCA Consultation Paper: Quarterly Consultation No.13 July 2016 (CP16/17) – Disclosure Guidance and Transparency Rules</b></p> <p>This was not discussed; circulated for information only.</p>	None to note.
f)	<p><b>Guest invitations to future meetings</b></p> <p>It was suggested inviting an official from the new Department of Business, Energy and Industrial Strategy (BEIS) to give an overview of the department's plan for the years ahead, as well as officials from BEIS and/or the Cabinet Office to discuss cybersecurity.</p> <p>It was suggested that an official from the European Commission be invited to discuss EU plans on data protection legislation.</p>	<b>MG / Patricia Silva</b> to invite guests to meetings.
g)	<p><b>Policy Update (May 2016)</b></p> <p>This was not discussed; circulated for information only.</p>	None at this stage.

## 6. AOB

EC highlighted that the QCA, alongside ICSA and GC 100, had published a dealing code and guidance document for companies concerning the Market Abuse Regulation.

## 7. DATE FOR NEXT MEETING

Tuesday 6 September 2016, **9am** (Venue: UHY Hacker Young, Quadrant House, 4 Thomas More Street, London E1W 1YW (Host: Colin Jones))