

Held on: Tuesday 17 October 2017

Venue: Wedlake Bell LLP, 71 Queen Victoria Street, London, EC4V 4AY

**Present:**

Edward Craft (Chairman)	Wedlake Bell LLP	EC
Rob Burdett	Korn Ferry Hay	RB
Amanda Cantwell	Practical Law Company Limited	AC
Jonathan Compton	BDO LLP	JC
Louis Cooper	Crowe Clark Whitehill	LC
Rory Cray	FIT Remuneration Consultants	RC
Tracy Gordon	Deloitte LLP	TG
David Hicks	Charles Russell Speechlys LLP	DH
Darius Lewington	LexisNexis	DL
Darshan Patel	Hybridan LLP	DP
Will Pomroy	Hermes Investment Management Limited	WP
Daniel Redman	Design Portfolio	DR
Anita Skipper	Aviva Investors	AS
Julie Stanbrook	Hogan Lovells International LLP	JS
Carmen Stevens	Jordans Limited	CS
Tim Ward	Quoted Companies Alliance	TW
Maria Gomes	Quoted Companies Alliance	MG
Callum Anderson (minutes)	Quoted Companies Alliance	CA

**In attendance:**

Angela Johnston	CMS	AJ
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**1. APOLOGIES**

Apologies were received from Edward Beale, Jo Chattle, Richie Clark, Peter Fitzwilliam, Nick Gibbon, Nick Graves, Alexandra Hockenull, Daniel Jarman, Colin Jones, Peter Kohl, Marc Marrero, Nicholas Stretch and Sanjeev Verma.

**2. MINUTES OF LAST MEETING (5 September 2017)**

The minutes were approved.

### 3. ISSUES FOR DISCUSSION

	ITEM	ACTION
a)	<p><b>FRC activity regarding the revision of the UK Corporate Governance Code (and potential implications of the revision of the QCA Code)</b></p> <p>CA explained that the QCA had met with the FRC to discuss its upcoming consultation on the revised UK Corporate Governance Code. He noted that the FRC hoped to publish the consultation by the end of November 2017.</p> <p>CA noted that, overall, the UK Code was expected to be shorter than before; it would be following a more principled-based approach. He added that there would be a renewed focus on the broader definition of 'governance' than before, as well as on board composition, shareholder engagement, risk and strategy, and the relationship with wider stakeholders.</p> <p>TW mentioned that he had emphasised the importance of proportionate reporting requirements for smaller companies to the FRC. He added that the FRC was considering building governance into the work of its Corporate Reporting Review (CRR) team. This could potentially allow the CRR team to comment on aspects of a company's corporate governance on a non-statutory basis.</p> <p>EC added that the QCA Code Working Group would be meeting after the Expert Group to discuss revising the QCA Code.</p>	None to note.
b)	<p><b>FRC consultation – Draft amendments to Guidance on the Strategic Report – Non-financial reporting</b></p> <p>EC noted that a draft response had been circulated to the Expert Group. The Expert Group briefly discussed the content of the consultation. There was agreement that more clarity was needed regarding material commercially sensitive information. It was also noted that the FRC may have to re-consult if the government's draft legislation affected the contents of the strategic report.</p> <p>EC asked all Expert Group members to send their comments ahead of the 24 October 2017 deadline.</p>	<p><b>CA</b> to circulate draft response to Expert Group.</p> <p><b>ALL</b> to send their comments.</p>
c)	<p><b>Brexit</b></p> <p>TW explained that the QCA had met with all the major government departments including HM Treasury, the Department for Exiting the European Union (DExEU) and the Department for Business, Energy and Industrial Strategy (BEIS), as well as the FCA. He noted that DExEU was undertaking detailed analyses of the impact of Brexit on each economic sector in the UK.</p>	None to note.

	<p>TW added that the QCA's position paper on the future of the UK market structure for quoted companies was playing an important role in communicating the QCA vision for UK capital markets post-Brexit. He encouraged Expert Group members to send any suggestions on how to improve the document further ahead of a second edition being published in early 2018.</p> <p>TW mentioned that the QCA would continue its advocacy work at the EU level. He explained that the QCA would be participating in a European Commission workshop in November 2017 to discuss areas of EU legislation that could be alleviated for smaller quoted companies.</p>	
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#### 4. COMMUNICATIONS AND FUTURE MEETINGS

	ITEM	ACTION
a)	<p><b>FRC advice for preparing 2017/18 annual reports</b></p> <p>This was tabled for information only and was not discussed.</p>	None to note
b)	<p><b>2017 Best Practice Principles Review: Launch of consultation</b></p> <p>The Expert Group noted that the Best Practice Principles Group had published their consultation on its best practice principles for shareholder voting research and analytics. It was noted that the deadline for responses was 15 December 2017.</p>	None to note.
c)	<p><b>Policy Update (August 2017)</b></p> <p>This was tabled for information only and was not discussed.</p>	
c)	<p><b>Guest invitations to future meetings</b></p> <p>The Expert Group suggested that David Styles and Catherine Horton of the FRC be invited to the January 2018 Expert Group meeting to discuss the UK Corporate Governance Code consultation.</p> <p>It was suggested that Andrew Death of BEIS be invited to discuss the impact of the Brexit on the Companies Act. EC also suggested that Peter Swabey be given a 10 minute slot at the next Expert Group meeting to discuss the Best Practice Principles Review (see 4b).</p>	CA to invite guests.

#### 5. ANY OTHER BUSINESS

EC informed the Expert Group that this would be his last meeting as chair and that WP would be succeeding him from the next meeting onwards. TW and the Expert Group thanked EC for his leadership over the last five years.

## **6. NEXT MEETING**

Tuesday 28 November 2017, 9.00am – 10.30am (Venue: UHY Hacker Young, Quadrant House, 4 Thomas More Street, London, E1W 1YW)