

Present:

Ross Bryson		RB
Stephen Hamilton		SH
Nick Jennings		NJ
Martin Kay		MK
Julie Keefe		JK
Danette Antao		DA
Hilary Owens		HO
Sarah Hassan		SH
Donald Stewart		DS
Anthony Turner		AT
Ben Werth		BW
Tim Ward		TW
Maria Gomes (minutes)		MG

In attendance:

Nilam Statham	(AIM Regulation, London Stock Exchange)	NS
Tom Shaw	(Speechly Bircham LLP)	TS
David Hicks	(Speechly Bircham LLP)	DH
Jaspal Sekhon	(Speechly Bircham LLP)	JS
Chris Manning	(Speechly Bircham LLP)	CM

ACTIONS**1. Welcome to Nilam Statham, Head of AIM Regulation, London Stock Exchange**

TW welcomed NS and thanked her for coming to speak to the group. NS explained that she would comment on the recent work of AIM Regulation, particularly regarding the changes to the role of NOMADs and to and the outcome of the changes to the rules for companies.

NS mentioned that, as visible in 'AIM Notice 39: Feedback Statement in Relation to AIM Notice 38', there have been significant changes to the AIM rules for Nominated Advisers (NOMADs), but not many changes to the AIM rules for companies. She explained that the reason for this was that AIM Regulation did not want to be too prescriptive. She welcomed the opportunity to engage with our Legal Expert Group to hear which areas of the rules would need further attention in the future.

TW asked if one of these areas would be the application of Rule 26 on corporate governance arrangements. NS pointed out that it will be interesting to see how the NOMADs will be adjusting to this rule change, since they are the ones responsible for advising the companies in that regard. NS also mentioned that investors will be quick pointing out the disclosures that will not fully comply with the new rule. She added that it will be interesting to see how companies will be doing the disclosures, as the AIM Regulation has not prescribed how it should be done. AIM Regulation expects companies to adopt a sensible, meaningful, holistic approach which provides investors with an understanding of what the company is doing.

NS explained that AIM Regulation expects to admit overseas companies and does not have a different treatment for foreign issuers or regarding jurisdiction; the AIM Regulation team is mostly concerned about the integrity and reputation of AIM when admitting companies to the market.

NS further explained that one of the main issues which AIM Regulation often raises in their discussions with NOMADs is regarding the quality of the free float. AIM Regulation is mostly interested in knowing how the company is going to be traded and what will happen post-admission.

An example of the discussions with NOMADs on how the company will perform after admission is relationship agreements. NS mentioned that AIM Regulation advises NOMADs regarding making sure that the protection of the company is meaningful, regardless of a relationship agreement being in place or not. Sound corporate governance rules must be in place and a robust board should have been set up to protect the private company in the public market post-admission.

Regarding possible future issues, NS mentioned that AIM Regulation could be looking at closed placings and directors' participation and changing Rule 21 to better address this issue. NS kindly asked the group to submit their views on how this is working from a legal practitioner's perspective. She added that the AIM Regulation team receives a great number of complaints regarding other investors not being able to participate in these fundraisings.

The group invited NS to come to one of our future meetings to discuss how AIM develops and any consequent consultation on any new rules. NS kindly accepted the invitation and asked the Expert Group for their thoughts on themes and specific issues that they think need to be debated or improved ahead of the meeting. TW noted the group can submit their views to MG and added that we can let NS have an agenda in advance as well as organise a suitable time for the meeting to take place.

ALL/MG/Chris Stapeley

2. Apologies

Apologies were received from Gary Thorpe, Paul Arathoon, Ian Binnie, Maegen Morrison, June Paddock and Kate Jalbert.

3. Approve the minutes of the previous meeting (24 April 2014)

The minutes of the last meeting were approved.

4. Action points from the last meeting

Please refer to the list of actions at the end of this document.

5. Current consultations and issues

a) Listing Regime Enhancements Instrument 2014 (FCA 2014/33) – amending the FCA Handbook re controlling shareholders and relationship agreements

This was circulated for information.

TW informed the group that the FCA have recently come to speak to our Corporate Finance Advisors Expert Group about the FCA consultation on the proposed amendments to the Listing Rules in relation to sponsor competence and other amendments to the Listing Rules and Prospectus Rules. The group suggested that it would be useful to agree on areas that we should be looking at jointly with the Corporate Finance Advisors Expert Group.

MG/KJ

b) AIM Notice 39: Feedback on AIM Notice 38 and Confirmation on changes to the AIM Rules, NOMAD Rules and AIM Disciplinary Handbook

This was not discussed further.

c) Prospectus Directive Working Group

MG explained that the Prospectus Directive Working Group has met with HM Treasury on 28 April to discuss facilitating SMEs' access to finance and growth and namely our draft proposals on the Prospectus Directive for the new European Commission, ahead of next year's review of the Prospectus Directive. She further noted that the draft briefing note containing the QCA proposals is being finalised to reflect the group's discussions on the issues with the Prospectus Directive and also the points raised at the meeting with HM Treasury. MG thanked JK and SC for kindly preparing a table comparing disclosure requirements, which will be appended to the briefing note.

TW added that he has recently met with Laurent Degabriel from ESMA, who advised that we should 'pick our battles' in terms of influencing ESMA or European Commission policy-making on the Prospectus Directive. TW further commented that he will be participating in the recently created EuropeanIssuers/EVCA/FESE European IPO Task Force, where the Prospectus Directive will also be a topic for discussion.

MG noted that the trip to the European Commission will be (tentatively) taking place on 4 September 2014, and that members are still welcome to send in their interest to participate.

ALL

6. Communications

a) BIS' response to Discussion Paper: Transparency & Trust: Enhancing the transparency of UK company ownership and increasing trust in UK business (for information)

This was not discussed.

b) Membership Drive

This was not discussed.

c) Guest invitations

DS suggested that it would be interesting to invite a UK MEP in the new ECON Committee, once the new European Parliament is formed.

TW suggested that possible guests for future meetings could be someone from Business Growth Fund, someone from BIS and/or Chris Hodge from the FRC.

MG/Chris Stapeley

d) Policy Update (April 2014)

This was tabled for information only.

7. Any other business

This was not discussed.

Information for noting

- Consultation update - responses submitted:

None to none.

- Next meeting

8.45am Thursday 10 July 2014 (Venue: Speechly Bircham LLP)

8. Actions

Action	Person	Timing
Send to MG topics to discuss with NS to the Legal Expert Group	ALL	ASAP
Send topics for discussion/agenda to NS	MG	ASAP
Organise a meeting with NS	MG/ Chris Stapeley	ASAP
Agree on areas to work jointly with the Corporate Finance Advisors Expert Group	MG/KJ	ASAP
Let KJ or MG know if anyone is interested in attending the trip to Brussels	All	Next meeting
Invite guests to future meetings	Chris Stapeley	ASAP