



## Minutes of the QCA Legal Expert Group

Held on: Thursday 27 April 2017

Venue: Charles Russell Speechlys, 5 Fleet Place, London, EC4M 7RD

(Host: Paul Arathoon)

### Present:

Gary Thorpe (Chairman)	Clyde & Co. LLP	GT
Danette Antao	Hogan Lovells International LLP	DA
Paul Arathoon	Charles Russell Speechlys LLP	PA
Philippa Chatterton	Nabarro LLP	PC
Andrew Collins	Charles Russell Speechlys LLP	AC
Simon Cox	Norton Rose Fulbright LLP	SC
Stephen Hamilton	Mills & Reeve LLP	SH
David Hicks	Charles Russell Speechlys LLP	DH
Martin Kay	Blake Morgan	MK
Julie Keefe	Norton Rose Fulbright LLP	JK
Nicola Mallett	Lewis Silkin	NM
Nicholas McVeigh	Mishcon De Reya	NMc
Jaspal Sekhon	Charles Russell Speechlys LLP	JS
Donald Stewart	Kepstorn	DS
Lisa Vainio	Quoted Companies Alliance	LV
Callum Anderson (minutes)	Quoted Companies Alliance	CA

### In attendance:

Tony Pullinger	The Takeover Panel	TP
Sara Bradbury	Practical Law Company Limited	SB
Daniel Okusaga	LexisNexis	DO
Richard Evans	Strand Hanson	RE
Stuart Faulkner	Strand Hanson	RE
Samantha Harrison	Grant Thornton UK LLP	SH
David Smith	Deloitte	DSm
David Worlidge	Allenby Capital Ltd	DW

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## 1. WELCOME TO TONY PULLINGER

GT welcomed TP to the meeting.

TP briefly summarised the Takeover Panel's overarching objectives. He emphasised that it was not focussed on bid outcomes, but rather ensuring that the process runs as smoothly and efficiently as possible.

TP highlighted the main features of the Takeover Panel's administrative structure and legal framework, noting recent personnel updates.

TP gave an overview of the Takeover Panel's executive functions and operations; he provided particular detail regarding the Market Surveillance Unit (MSU) and the Exempt Groups Unit. He explained that being able to bring in secondees from law firms was extremely valuable to the work of the Takeover Panel.

TP explained the main features of the new communications regime. He mentioned that this new regime was long overdue, as the Takeover Panel acknowledged that it should recognise the latest communication trends – particularly social media. He noted that the Takeover Panel did not believe that social media was an appropriate means of conveying offer related announcements about a company.

He added that the regime had also been extended to telephone calls because the difference between them and traditional face-to-face meetings had been difficult to differentiate. He briefly highlighted the possible exemptions to the regime.

TP noted that the Takeover Panel would welcome any QCA views on the communication regime.

Regarding small and mid-size quoted companies, TP noted that 58% of Code-regulated takeovers had been worth less than £50m in the last five years. He added that the Takeover Panel saw the QCA (and its Legal and Primary Markets Expert Groups) as key stakeholders, which is why the QCA has been able to appoint a Panel member since 2015.

TP highlighted that the Takeover Panel was conducting an unprecedented number of investigations. Many of these were also highly time-consuming due to more incidents, principally as a result of the use of email. He added that, as a result, the Hearing Committee and the Takeover Appeal Board was meeting more regularly than in previous years.

TP briefly summed up the menu of sanctions available to the Takeover Panel if any individuals breach the rules. The options included reprimands, public censures and "cold-shouldering".

With regards to shareholder activism, TP noted that Practice Statement 26 and Note 2 on Rule 9.1 set out the Takeover Panel's view on "board control-seeking proposals".

TP and the two Expert Groups exchanged views on what the Takeover Panel's biggest challenges were in the years ahead. TP noted that there were no expectations that the Takeover Panel's work would be affected by Brexit.

The Expert Groups thanked TP for coming along to the meeting.

## **2. APOLOGIES**

Apologies were received from Ashmi Bhagani, Ross Bryson, Sarah Hassan, Kate Higgins, Tara Hogg, Maegen Morrison, Hilary Owens Gray, Richard Pull, Mark Taylor, Jane Wang, Tim Ward and David Wilbe.

### 3. MINUTES OF LAST MEETING (23 March 2017)

The minutes were approved.

### 4. ISSUES FOR DISCUSSION

	ITEM	ACTION
a)	<b>Brexit</b>  GT noted that the Expert Group's Working Group on Brexit had submitted a paper to the QCA board's Working Group on Brexit regarding the legal aspects of EU-driven and EU-derived legislation.  He noted his thanks to DA, NMc, NM, DS and Mark Taylor for their input.	None to note.

### 5. COMMUNICATIONS AND FUTURE MEETINGS

	ITEM	ACTION
a)	<b>Policy Update (February 2016)</b>  This was tabled for information only and was not discussed.	None to note
b)	<b>Guest invitations to future meetings</b>  This was not discussed.	None to note.

### 6. NEXT MEETING

Thursday 25 May 2017, 9.00am – 10.30am, with Philip Olm, General Counsel – NEX Exchange, as guest (Venue: Charles Russell Speechlys, 5 Fleet Place, London, EC4M 7RD (Host: Paul Arathoon)).