



Present:

Fiona Bell (Chairman)	RSM	FB
Barbara Allen	Stephenson Harwood	BB
Emma Bailey	Fox Williams LLP	EB
Caroline Harwood	Burges Salmon	CH
Liz Hunter	Mazars LLP	LH
Michael Landon	MM & K Limited	ML
Shofiq Miah	Fox Williams LLP	SM
Graham Muir	Nabarro LLP	GM
Isabel Pooley	Grant Thornton UK LLP	IP
Jennifer Rudman	Equiniti	JR
Mia Thursby-Pelham	PricewaterhouseCoopers LLP	MTP
Theresa Wallis	LiDCO Group PLC	TW
Tim Ward	Quoted Companies Alliance	TWQ
Maria Gomes	Quoted Companies Alliance	MG
Callum Anderson (minutes)	Quoted Companies Alliance	CA

In attendance:

Sarah Wilson	Manifest	SW
Dan Sharman	Bird & Bird LLP	DS
Richard Sharman	Eversheds LLP	RS

1. SARAH WILSON, CHIEF EXECUTIVE, MANIFEST

FB welcomed SW to the meeting and thanked her for coming to speak to the Group. SW thanked the QCA for the opportunity to provide the Group with an overview of the service Manifest provides to clients and the key issues affecting effective corporate governance. SW explained that Manifest's vision is to develop electronic voting platforms to consolidate decision making processes into one place. It does not seek to make the decisions for investors and/or clients regarding the make-up of the corporate governance.

In particular, SW emphasised Manifest's focus on identifying best practices, guidance review, lobbying BIS regarding the disclosure of voting results, publishing research reports. She mentioned that they explore the governance of a company once a year (includes peer comparisons), as well as remuneration. This is done on an A-to-E scale, rather than by defined numerical values. She also explained that Manifest does not seek or analyse information that is not available in the public domain. Rather, it analyses websites, regulatory new announcements, microsites and proxy statements. It has seen some examples of good practice among small cap, but overall improvements to corporate governance are slow and incremental.

SW stated that the key issues for corporate governance include: poor disclosure and boiler plate expectations; investors and shareholders wanting specific voting figures, not vague statements, in order to foster trust; and insufficient explanations of how companies mitigate or address issues. However, SW remarked that, with regards to remuneration, Manifest welcomed on all employee schemes; believed that the 10% dilution limit was not been a hindrance as long as explanations are given; and that the EC's Shareholder Directive should encourage long-termism and variable voting rights.

2. APOLOGIES

Apologies were received from Nicholas Stretch, Danny Blum, Anika Chandra, Stephen Chater, Sara Cohen, Karen Cooper, Jared Cranney, Rory Cray, David Firth, David Fuller, Paula Hargaden, Colin Kendon, Robert Postlethwaite, Amanda Stapleton and Dick Steele.

3. MINUTES OF THE LAST MEETING (16 July 2015)

The minutes were approved.

4. CURRENT ISSUES/CONSULTATIONS

	Document	Action
a)	<p>Shares and Assets Valuation withdrawal of some valuation check services</p> <p>The Group agreed that HMRC needs to be persuaded to set up better guidance to facilitate better valuations. Current conditions have resulted in valuers taking on more risk, which in turn is pushing up fees for companies.</p> <p>FB mentioned that she is in contact with the Employments and Tax Committees of the CIOT and will explore the scope for co-ordination on this matter.</p> <p>FB agreed to draft letter to the Head of Shares and Assets Valuation pointing out our concerns keeping valuations pre-tax and emphasising the burden on small companies.</p>	<p>FB to prepare draft letter to SAV</p> <p>MG to finalise and send letter</p>
b)	<p>Dividend Tax changes and impact on SIPs</p> <p>JR noted that from 6 April 2016, Dividend Tax Credit will be replaced with a new 'Dividend Allowance'. She added that it is important that shareholders are made aware of this change and ensure they understand their dividend. JR noted that this was an administrative change and not a rule change.</p> <p>JR agreed to draft brief note highlighting the changes, which will then be distributed to our members in the QCA's email newsletter.</p>	<p>JR to draft a note on this</p> <p>MG to add note to QCA website and newsletter</p>
c)	<p>Guidance Notes on Share Schemes for QCA Members</p> <p>FB mentioned that a working group has reviewed the Guidance Notes on Share Schemes for QCA Members, which is now pending the publication of the revised QCA Remuneration Committee Guide.</p>	None to note
d)	<p>HMRC Spotlight 28</p> <p>This was not discussed.</p>	None to note
e)	<p>New DOTAS Regulations</p> <p>FB noted that the summaries to the responses to the consultation have</p>	CH to draft a note on this

	<p>been published. CH suggested that our members might wish to note that, regarding the new Financial Product hallmark, it was critical to clarify what would be 'abusive' and what is included within the new rules.</p> <p>CH agreed to draft a note in response seeking clarification in respect of JSOPs and growth shares.</p>	MG to circulate to members
f)	<p>ERS Online Service – Update</p> <p>This was not discussed.</p>	None to note
g)	<p>Market Abuse Regulation – Update</p> <p>MG mentioned that the QCA is responding to FCA and ESMA consultation on the implementation of the MAR. She added that we are particularly concerned with the provisions regarding directors' dealings and closed periods as well as the exemptions for insider lists for SME Growth Markets, which will not be in force before MiFID II is introduced.</p>	None to note

5. COMMUNICATIONS/FUTURE MEETINGS

	Document	Action
a)	<p>Policy Update – December 2015 (for information only)</p> <p>This was tabled for information only and was not discussed.</p>	None to note
b)	<p>Invitations to Future Meetings</p> <p>This was not discussed.</p>	None to note

6. AOB

	Topic	Action
a)	<p>Changes to the Model Code (this was discussed with g))</p> <p>TW noted that there had been a case of a company issuing nil-cost options (amounting to 30-40% of total shares) that has led to a mass dilution of shares, which is clearly unfair to other shareholders. He added that repeats of this in other companies could lead to management being rewarded for poor performance. TW mentioned that the QCA Remuneration Committee guide is currently being finalised and that these points should be emphasised.</p>	QCA (MG, CA, TW)

Date for next meeting:

4pm, Thursday 21 April 2016 (RSM, 25 Farringdon Street, London EC4A 4AB – Host: Fiona Bell)