



The Quoted
Companies Alliance

QCA Share Schemes Committee Terms of Reference

Aims and objectives of the Committee:

- To represent small and mid-cap quoted companies in connection with all aspects of equity employee incentive arrangements (and other incentive arrangements where relevant).
 - To ensure that regulations, legislation and guidance from the UK Government and regulators (including the Association of British Insurers), as well as the European Union and Commission, that affect employee equity and other incentive arrangements or structures (including employee trusts) are appropriate for small and mid-cap quoted companies so that they may be operated as intended.
 - To promote employee share ownership amongst employees of small and mid-cap quoted companies.
 - To present a cohesive voice from key advisers and participants in the employee incentive industry, including lawyers, accountants, trustees and remuneration consultants.
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Activities of the Committee:

- Lobby the UK Government, UK regulators, European Union, European Commission and investor representatives on specific legislation, regulations and guidance that may advantage and/or disadvantage small and mid-cap quoted companies.
 - Increase general awareness of specific market issues that may hinder small and mid-cap quoted companies from being able to operate employee equity incentive arrangements.
 - In particular, to represent small and mid-cap quoted companies to HM Revenue & Customs in connection with specific areas of tax legislation.
 - Share knowledge among the various advisers and facilitators in the area of employee equity incentives.
 - Examine specific regulations, legislation and consultation papers for aspects that may be impractical, inconsistent with other regulations, overly bureaucratic and/or unworkable for small and mid-cap quoted companies in connection with employee equity incentive arrangements.
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Specific Lobbying Issues in 2010

- Prospectus Directive and exemption of employee share schemes.
- Simplifying corporation tax relief in connection with employee equity incentive arrangements.

- Discuss appropriate general principles for AIM company share schemes with the ABI.
- Potential changes to the UK taxation regime as a result of the Coalition Government.
- Encourage representatives from at least two new corporates to join the Committee.