

QCA Corporate Governance Expert Group Terms of Reference

We are a diverse group drawn from the small and mid-size quoted company community, including executive and non-executive directors of corporates; company secretaries; investors; corporate finance advisors, legal and accountancy advisors; investor relations specialists; and remuneration consultants. We believe that it is vital for our group to draw expertise from a range of views, responsibilities and approaches within the corporate and advisory community in order to positively influence best practice in the governance of small and mid-sized quoted companies.

Mission

Our mission is to encourage boards, investors, regulators and advisors to promote effective corporate governance within small and mid-size quoted companies.

We believe that the objective of corporate governance is to deliver growth in long term shareholder value by maintaining a flexible, efficient and effective management framework within an entrepreneurial environment. Good corporate governance is delivered by an effective board which will maintain quality and open communications with shareholders. Positive investor stewardship also forms an important part of effective corporate governance, which we believe leads to a lower cost of capital to companies and enhances shareholder value.

Objectives

Our objectives are to:

- Help small and mid-size quoted companies to put in place effective and proportionate corporate governance arrangements which aligned with and support the strategy and the particular needs of the company and support this being reported to shareholders; and
- Promote the interests of small and mid-size quoted companies, influencing regulators and policy makers to understand the need for appropriate and proportionate governance.

We achieve these objectives through positive engagement and thought leadership within the community of small and mid-size quoted companies and related regulators and policymakers – most importantly, through the development of the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies.

Activities

Our activities focus on the maintenance and promotion of our three core publications:

- Corporate Governance Code for Small and Mid-Size Quoted Companies (last issue: 2013)
- Audit Committee Guide for Small and Mid-Size Quoted Companies (last issue: 2014)
- Remuneration Committee Guide for Small and Mid-Size Quoted Companies (last issue: 2016)

Through these publications and our other activities, we work hard to promote the understanding of good governance and its fundamental principles, including board composition, directors' behaviour and shareholder engagement. We promote our views and our publications through the large number of external meetings we have and in preparing consultations responses.

Expectation of members

We expect members of the Corporate Governance Expert Group to actively participate in the group's activities. This primarily involves preparing for, attending and participating in debate and discussions during meetings, but also includes volunteering to draft consultation responses and commenting on various outputs from the Expert Group. Members who are unable to attend each meeting are expected to contribute to the wider activities of the group. Members may be asked to report on consultations and/or draft consultation responses or other briefing notes, based on their particular individual expertise.

We meet at least eight times a year, with meetings scheduled for 1.5 hours. We often have a lot of ground to cover and an external speaker. Our meetings operate most effectively when members attend fully prepared for the meeting, having reviewed the relevant papers and arriving prepared to discuss them.