

QCA CORPORATE GOVERNANCE EXPERT GROUP

“NO AGENDA MEETING”

SOME INITIAL THOUGHTS

The purpose of the meeting is to:

- consider our terms of reference
- determine our objectives in the coming months

The group needs to determine its own priorities and not become overly diverted by responses to other initiatives in the legislative and regulatory landscape.

Governance Issues

Our message

1. What should we be doing to get our message across more effectively?
2. How to emphasise the positive nature of a governance conversation? – also accepting that there is a widely-held view that corporate governance is viewed negatively.
3. Putting PEOPLE and TRUST at the heart of good governance, where in the past there has been too much focus on SYSTEMS and PROCESSES.
4. Engendering a better governance debate to forcefully make the point that good governance is not about following a rule book.
5. Companies need to explain **why** they do what they do and **how it is effective in protecting interests of shareholders**.
6. Good governance as one aspect of good management.
7. Reduced risks and lower cost of capital.
8. Why governance is important (in a nutshell).

Our challenge

9. Is corporate governance misunderstood? If so, who/what is responsible for that misunderstanding?

Other themes

10. The **small retail investor**
 - getting quoted/traded/listed SMEs to consider these investors
 - what does the small retail investor understand or care about governance anyway?
 - do we need to better understand the small retail investor?

11. Challenge of companies to communicate directly with **beneficial owners**.
16. Ensure QCA touches **each new AIM/ISDX company**.
17. Deeper engagement with **nomads**.

Our own Expert Group and its effectiveness

- A. Effectiveness of the group.
- B. Size and views on regular non-attendees.
- C. Can we get more work done outside of the meeting (preferably before it).
- D. Better Agendas: there have been some comments that a lot of knowledge is assumed so try and put in a two sentence overview summary:
 - what is the matter being considered
 - why is it important and what are the key issues
 - upon whom will it impact
 - why is it relevant to the QCA CGEG
 - required actions/next steps
 - how important is it (traffic lighting?)