

Tomorrow's Company
4th Floor
33 Cannon Street
London
EC4M 5SB

richardsermon@gryphoncorporate.com

pat@tomorrowscompany.com

7 September 2016

Dear Mr Sermon and Ms Cleverly,

Consultation draft – Governing Culture: Risk and Opportunity?

Introduction

We are the Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies. Their individual market capitalisations tend to be below £500m.

The Quoted Companies Alliance is a founder member of EuropeanIssuers, which represents over 9,000 quoted companies in fourteen European countries.

The Quoted Companies Alliance Corporate Governance Expert Group has advised on this response. A list of members of the Expert Group is at Appendix A.

Response

We welcome the opportunity to comment on this consultation draft entitled Governing Culture: Risk and Opportunity?, as well as the initiative shown by the City Values Forum and Tomorrow's Company to offer an agenda and roadmap that helps boards assess their approach to governing their organisation's purpose, values and culture.

We are pleased to see that the City Values Forum and Tomorrow's Company, together with the FRC, are now moving down the path we had envisaged in 2013, when we published our Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies ("the QCA Code"). We note that the QCA Code serves as a practical, outcome-oriented approach to corporate governance for UK quoted companies that will help them create a desired and consistent culture.

We share the view that an organisation's culture plays an important role in creating and preserving value for shareholders and ensuring growth in sustainable long-term shareholder value.

As we emphasise in our Code, companies should focus on having clear strategic objectives and the people in place with the right skills and experience to deliver those objectives. This is essential in setting the

The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies.

Tomorrow's Company – Governing Culture

7 September 2016

Page 2

appropriate tone and the culture for the organisation. We believe that culture is most effectively developed from within an organisation. The focus on corporate governance structures and processes should then be of secondary importance.

If you would like to discuss our response in more detail, we would be happy to attend a meeting.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'TW', is positioned above the typed name.

Tim Ward

Chief Executive

Quoted Companies Alliance Corporate Governance Expert Group

Edward Craft (Chairman)	Wedlake Bell LLP
Colin Jones (Deputy Chairman)	UHY Hacker Young
Nathan Leclercq	Aviva Investors
Jonathan Compton	BDO LLP
David Isherwood	
Kalina Lazarova	BMO Global Asset Management (EMEA)
Nick Graves	Burges Salmon
David Hicks	Charles Russell Speechlys LLP
Nicholas Stretch	CMS Cameron McKenna LLP
Louis Cooper	Crowe Clark Whitehill LLP
Nick Gibbon	DAC Beachcroft LLP
Tracy Gordon	Deloitte LLP
Melanie Wadsworth	Faegre Baker Daniels LLP
Rob Burdett	FIT Remuneration Consultants
Richie Clark	Fox Williams LLP
Michael Brown	Henderson Global Investors
Will Pomroy	Hermes Investment Management Limited
Alexandra Hockenhull	Hockenhull Investor Relations
Julie Stanbrook	Hogan Lovells International LLP
Bernard Wall	
Darshan Patel	Hybridan LLP
Niall Pearson	
Peter Swabey	ICSA
Jayne Meacham	Jordans Limited
Carmen Stevens	
Darius Lewington	LexisNexis
Jane Mayfield	
Anthony Carey	Mazars LLP
Peter Fitzwilliam	Mission Marketing Group (The) PLC
Cliff Weight	MM & K Limited
Caroline Newsholme	Nabarro LLP
Julie Keefe	Norton Rose Fulbright LLP
Amanda Cantwell	Practical Law Company Limited
Susan Fadil	PricewaterhouseCoopers LLP
Philip Patterson	
Marc Marrero	Stifel
Kevin Kissane	Vernalis PLC
Edward Beale	Western Selection Plc