

QCA Share Schemes Expert Group Terms of Reference

Aims and objectives of the Expert Group:

- To represent small and mid-size 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 EU institutions, 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 by employers and employees of small and mid-size quoted companies.
- To present a cohesive voice from key advisers and participants in the employee incentive industry, including lawyers, accountants, trustees and remuneration consultants.

Activities of the Expert group:

- Campaign on specific legislation, regulations and guidance that may advantage and/or disadvantage small and mid-size quoted companies.
- Increase general awareness of specific market issues that may hinder small and mid-size quoted companies from being able to operate employee equity incentive arrangements.
- In particular, to represent small and mid-size quoted companies to HM Revenue & Customs in connection with specific areas of tax legislation.
- Share knowledge among the various advisors 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-size quoted companies in connection with employee equity incentive arrangements.

Expectation of members:

- We expect members of the Share Schemes 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.