



The Quoted
Companies Alliance

Press Release

17 September 2010

QCA event and new guide emphasise the importance of dialogue, trust and transparency for good corporate governance

Small and mid-cap quoted company directors and their advisers gained valuable insight into the recent changes to the UK Corporate Governance Code and how it will affect their companies at an event, organised by the Quoted Companies Alliance (QCA), the representative body for the UK's small and mid-cap quoted company sector.

Corporate Governance under the Spotlight featured a panel of speakers, including Baroness Hogg, Chairman of the Financial Reporting Council, Edward Beale, Chief Executive of City Group plc and Chairman of the QCA Corporate Governance Committee, Frances Le Grys, Partner at Hogan Lovells International and Georgina Marshall, Regional Head of Corporate Governance, Aviva Investors.

It also launched the QCA's revised *Corporate Governance Guidelines for Smaller Quoted Companies* (September 2010). This guide represents the combined thinking of institutional investors, advisers, companies and others in the sector and marks a substantial shift in approach to corporate governance, enabling small and mid-cap quoted companies to make the most of their public market status. It supersedes the QCA's highly popular *Corporate Governance Guidelines for AIM Companies* (February 2007) and *Guidance for Smaller Quoted Companies - The Combined Code on Corporate Governance* (August 2004). The new guide incorporates recent revisions to the UK Corporate Governance Code and focuses on the outcomes of corporate governance. Taking the theme that transparency and trust between boards is of the utmost importance, it emphasises the need for a continuous dialogue between companies and shareholders.

The new guide combines the content of the QCA's two previous corporate governance guides and is relevant to AIM and PLUS quoted companies, as well as standard listed companies. Premium listed companies may also find this principles-based guide useful in determining whether to comply or explain.



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Speaking at the event on Thursday, 2 September 2010, Baroness Hogg of the Financial Reporting Council commented: "I'm very grateful to the QCA for producing its updated guidelines because these are very well focused and articulate extremely well the key issues covered by the revised Corporate Governance Code."

Georgina Marshall of Aviva Investors said: "We are delighted that the QCA's new guidelines are focused so clearly on constructive and active engagement and on building trust between boards and shareholders. We believe this is of fundamental importance to both companies and investors and is far better than a 'tick-box' approach that merely aims at keeping shareholders at bay."

Tim Ward, Chief Executive of the QCA, said: "We are seeing a big change of approach to corporate governance, aimed at facilitating investment rather than putting up obstacles. Those companies that recognise this stand to benefit greatly."

The guidance booklet has been compiled by members of the QCA Corporate Governance Committee. It has also been endorsed by the Financial Reporting Council, the London Stock Exchange Group, PLUS Markets Group, the Association of British Insurers and other leading small and mid-cap investors.

Members of the QCA receive a complimentary copy of the guide. To order a copy, please contact the QCA on 020 7600 3745 or visit www.theqca.com/shop/guides.

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Notes to editors:

The Quoted Companies Alliance (QCA) represents the UK's small and mid-cap quoted companies. This sector is defined as those 2,000 companies that are quoted in the UK outside of the FTSE 350. The QCA promotes the interests and views of its members to Government, Europe, regulators and other professional bodies, educates its members on



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best practices and provides a vital forum for networking. Celebrating 18 years in 2010, the QCA forms its views through highly focused committees and working groups, made up of directors and professional advisors from across the small and mid-cap quoted company sector. For more information, please visit: www.theqca.com.