

**Held at 4.00pm on Tuesday 20 May 2014  
at the offices of Wedlake Bell LLP, 52 Bedford Row, London, WC1R 4LR**

Present:	Edward Craft (Chairman)	Wedlake Bell LLP	EC
	Colin Jones (Deputy Chairman)	UHY Hacker Young	CJ
	Louis Cooper	Crowe Clark Whitehall	LC
	David Fuller	CLS Holdings plc	DF
	Nick Gibbon	DAC Beachcroft LLP	NG
	Andrew Hobbs	EY LLP	AH
	Jonathan Compton	BDO LLP	DI
	Nicholas Stretch	CMS Cameron McKenna LLP	NS
	Peter Swabey	ICSA	PS
	Melanie Wadsworth	Faegre Baker Daniels LLP	MW
	Tim Ward	Quoted Companies Alliance	TW
	Kate Jalbert	Quoted Companies Alliance	KJ
	Maria Gomes (minutes)	Quoted Companies Alliance	MG
In attendance:	Bernard Wall	Hogan Lovells International LLP	BW
	Jonathan Compton	BDO LLP	JC

### 1. APOLOGIES

Apologies were received from Madeleine Cordes, David Fuller, Nick Gibbon, Nick Graves, Dalia Joseph, Julie Keefe, Jo Chattle, Julie Stanbrook and Cliff Weight.

### 2. MINUTES OF THE LAST MEETING (8 APRIL 2014)

The minutes were approved.

### 3. CONSULTATIONS

Consultation	Action	Lead
ICSA – Annual Report Contents	The group decided that this is a good document to which the QCA should be responding affirmatively to. EC suggested asking the Financial Reporting Expert Group for their input. MG and KJ will put together and circulate the draft response.	KJ/MG
FRC – Proposed Revisions to the UK Corporate Governance Code	EC, LC and NS volunteered to draft the QCA response to this consultation; JC and AH volunteered to share their respective firms' responses with the Corporate Governance Expert Group. MG and KJ will put together and circulate the draft response.	EC/LC/NS JC/AH MG/KJ

The European Commission's strategy on Corporate Social Responsibility (CSR) 2011-2014: achievements, shortcomings and future challenges	The group decided that the QCA should submit a response to this consultation. EC mentioned that it would be helpful to look at what the QCA submitted to BIS last year on the same topic. The group agreed that it would be important to highlight that the Commission's principal in this area should be to set an agenda and create direction in preference to proposing legislation.	ALL EC/KJ/MG
ACCA – Creating value through governance – towards a new accountability: a consultation	The group decided that each group member should read the consultation document ahead of our next meeting, so that this can be better discussed with our guest from ACCA attending that meeting. Expert group members should send comments to KJ and MG who will compile a response by 31 August 2014.	ALL MG/KJ

#### 4. CURRENT ISSUES

- a) AIM Notice 39: Feedback on AIM Notice 38 and Confirmation on changes to the AIM Rules, NOMAD Rules and AIM Disciplinary Handbook

EC noted that AIM Regulation accepted the change to Rule 26 that the QCA put forward. TW asked the group if the QCA should be preparing guidance to companies on how to comply with the new rule ahead of the entry into force (11 August 2014). The group pointed out that nominated advisors will be the ones advising on AIM Rules. EC further mentioned that it would defeat the purpose of clarity and simplicity of the QCA Code to put forward guidance on how to apply it. KJ added that producing an example of a good disclosure could generate a boilerplate response from companies. The group nevertheless agreed that the QCA should commend good disclosure work and create some form of guidance note on the changes.

KJ suggested that this topic could perhaps be integrated in one of our next Corporate Governance Reviews. PS suggested that the QCA could highlight a good disclosure made by a winner/short listed company at ICSA's Excellence in Governance Awards.

The group agreed that the QCA should discuss with the Financial Reporting Review Panel whether they are planning to review governance disclosures in AIM companies' annual reports and AIM Rule 26 disclosures. TW agreed to discuss this with Nilam Statham from AIM Regulation (who would be coming to speak to our Legal Expert Group meeting that week) and the FRRP.

**TW**

- b) Listing Regime Enhancements Instrument 2014 (FCA 2014/33) – amending the FCA Handbook re controlling shareholders and relationship agreements

This was noted and was not discussed.

- c) Work Streams and involvement of the group in these:

- Next round of the corporate governance behaviour review: CJ commented that this will be done over the summer.
- Proxy advisors: KJ commented that the briefing note on this topic is being drafted and will be circulated soon.

d) Update on progress with Audit Committee Guide for Small and Mid-Size Quoted Companies

EC informed the group that the Audit Committee Guide has been amended to reflect the discussions of this group at its last meeting, and that it should be finalised shortly.

## 5. COMMUNICATIONS AND FUTURE MEETINGS

	Document	Action/comments by CGEG
a)	FRC Plan, Budget and Levies 2014/2015	This was not discussed; the document was circulated for information and follow up to the consultation on the plan and budget earlier this year.
b)	Policy Exchange report on better board rules and improving corporate governance	This was not discussed; the document was circulated for information only.
c)	BIS response to the Discussion Paper: Transparency & Trust: Enhancing the transparency of UK company ownership and increasing trust in UK business	This was circulated for information only as the QCA did not previously submit a response to this.
d)	Guest invitations to future meetings	TW suggested inviting someone from CIMA to attend one of our future meetings to talk about their report on business models. <b>MG/Chris Stapeley</b>
e)	Policy Update (April 2014)	This was not discussed; the document was circulated for information only.

## 6. AOB

TW mentioned that members of our Legal and Corporate Finance Advisors Expert Groups have formed a working group to prepare a briefing paper on possible future amendments to the Prospectus Directive. This paper will be used to help us with our campaigning efforts with the next European Commission and ahead of next year's review of the Prospectus Directive. TW noted that members of the Prospectus Directive Working Group have recently met with HM Treasury to discuss our possible proposals.

## 7. Actions

Action	Person	Timetable
Draft and circulate a response to ICSA – Annual	MG/KJ	ASAP (before 30 May 2014)

Report Contents		
Send comments on FRC – Proposed Revisions to the UK Corporate Governance Code To MG	EC/LC/NS JC/AH	ASAP
Put together and circulate the draft response to FRC – Proposed Revisions to the UK Corporate Governance Code To MG	MG/KJ	ASAP (before 27 June 2014)
Draft and circulate the response to the European Commission’s strategy on Corporate Social Responsibility (CSR) 2011-2014: achievements, shortcomings and future challenges	EC/MG/KJ	ASAP (before 15 August 2014)
Read ACCA – Creating value through governance – towards a new accountability: a consultation	ALL	Before next meeting (8 July 2014)
Send comments on the ACCA consultation to KJ and MG/ Draft and circulate the response	ALL MG/KJ	ASAP (before 31 August 2014)
Put forward the idea of cooperating on a specific document explaining the impact of changing the wording of the disclosure on Rule 26 to Nilam Statham and FRRP	TW	ASAP
Invite someone from CIMA to attend one of our future meetings to talk about their report on business models.	MG/Chris Stapeley	ASAP

## 8. INFORMATION FOR NOTING

### Consultation responses submitted:

None to none.

**Date for next meeting:** Tuesday, 8 July 2014 (4pm), with Paul Moxley, ACCA, in attendance (Venue: Wedlake Bell LLP, 52 Bedford Row, London WC1R 4LR)