



Present:	Colin Jones (Acting Chairman)	UHY Hacker Young	CJ
	Edward Craft	Wedlake Bell LLP	EC
	Julie Stanbrook	Hogan Lovells International	JS
	Amanda Cantwell	Practical Law Company Limited	AC
	Jo Chattle	Norton Rose Fulbright	JC
	Louis Cooper	Crowe Clark Whitehill LLP	LC
	David Fuller	CLS Holdings PLC	DF
	Nick Gibbon	DAC Beachcroft LLP	NG
	Tracey Gordon	Deloitte LLP	TG
	Alexandra Hockenhull	Xchanging PLC	AH
	Kalina Lazarova	BMO Global Asset Management	KL
	Darius Lewington	LexisNexis	DL
	Marc Marrero	Stifel	MM
	Jayne Meacham	Jordans Limited	JM
	Darshan Patel	Hybridan LLP	DP
	Nicholas Stretch	CMS Cameron McKenna LLP	NS
	Peter Swabey	ICSA	PS
	Maria Gomes	Quoted Companies Alliance	MG
	Tim Ward	Quoted Companies Alliance	TW
	Callum Anderson (minutes)	Quoted Companies Alliance	CA
In attendance:	Jean-Nicolas Caprasse	ISS	JNC
	Liz Bradley	ICSA	LB
	Jonathan Compton	BDO LLP	JCo
	Damien Knight	MM & K Limited	DK

---

## **1. APOLOGIES**

Apologies were received from James Hodges, Edward Beale, Michael Brown, Richie Clark, Bruce Duguid, David Firth, Nick Graves, David Isherwood, Julie Keefe, Kevin Kissane, Jane Mayfield, Philip Patterson, Niall Pearson, Anita Skipper, Carmen Stevens, Bernard Wall and Cliff Weight. Edward Craft apologised that he would join the meeting late (9.30am).

## **2. MINUTES OF THE LAST MEETING (12 January 2016)**

The minutes were approved.

## **3. WELCOME TO JEAN-NICOLAS CAPRASSE, ISS**

CJ welcomed JNC to the meeting. JNC explained how work by ESMA led to the development of the Proxy Industry Best Practice Principles Group and the principles. He explained that ISS worked together with five other industry leaders – Glass, Lewis & Co., IVOX, Manifest, PIRC and Proxinvest – to establish the principles for providers of shareholder voting research and analysis. JNC added that the industry should continue to improve the on-going functioning of the principles to ensure that these offer assurance on how proxy advisors operate.

JNC then explained ISS's policy formulation process, which is based on transparency, inclusiveness and being up to date. He emphasised that ISS research is only based on publicly available information and that ISS's clients and other market participants are consulted through questionnaires. The Group asked JNC about the interaction between ISS and issuers. JNC explained that ISS encourages dialogue with issuers, but follows strict rules for doing so; ISS does not wish to receive any non-public information or provide any consultancy to companies on policies. JNC added that ISS will, on the other hand, often answer requests to correct factual inaccuracies.

JNC noted that ISS is a policy driven organisation, which is necessary for its analysts to provide consistent analyses across different countries. For example, ISS required that deviations from established corporate governance are explained in a meaningful and justified way. JNC noted that 75% of ISS clients opt for custom voting rights policies (these are mostly available publicly).

CJ thanked JNC for coming to speak to the Group. JNC thanked the QCA for the opportunity and left the meeting.

#### 4. CURRENT ISSUES

	Document	Action by CGEG
a)	<p><b>People with Significant Control (PSC) regulations</b></p> <p>EC explained that the PSC Register regulations have been finalised and that all regulations come into effect from 6 April 2016; every company that is not exempt must have a register in place by this date.</p>	None to note
b)	<p><b>QCA Remuneration Committee Guide – ongoing revision</b></p> <p>EC mentioned that a draft document should be circulated to the Group shortly, with a final copy to be finalised and published within the next three months.</p>	<p><b>EC</b> to circulate draft revision document</p> <p>ALL to comment on the draft revision document</p>
c)	<p><b>QCA Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 – next revision</b></p> <p>EC explained that a working group has been established to work on revisions to the QCA Code and that it will be scheduling to meet in due course.</p>	None at this stage

#### 5. CONSULTATIONS

	Document	Action by CGEG
a)	<p><b>Non-binding guidelines for reporting of non-financial information by companies – European Commission</b></p> <p>MG explained that the European Commission is collecting information and stakeholders' views on reporting of non-financial information by companies across all sectors to design non-binding guidelines. These guidelines will apply to large public interest entities, but it may be worth</p>	<p><b>JCo</b> to share response with QCA</p> <p><b>MG/CA</b> to draft response and circulate to the Group</p>

	<p>responding to this consultation due to its relevance for our response to the consultation mentioned in b).</p> <p>JCo agreed to share their draft response to help inform the QCA draft response.</p>	
<b>b)</b>	<p><b>The Non-Financial Reporting Directive – A call for views on effective reporting alongside proposals to implement EU requirements – BIS</b></p> <p>MG noted that this consultation is directly related to how the UK Government will implement the EU non-financial reporting Directive; it will also explore whether there is a desire for wider reforms to the scope of narrative reporting by companies in the UK.</p> <p>The Group agreed that it would be important to respond to this consultation and provide comments to help inform the QCA draft response.</p>	<p><b>ALL</b> to send comments on this response</p> <p><b>MG/CA</b> to draft response and circulate to the Group</p>

## 6. AOB

	Issue	Action by CGEG
<b>a)</b>	<p><b>QCA Annual Conference</b></p> <p>TW noted that the QCA's annual conference takes place on 9 June 2016 and that it will contain be a distinct corporate governance-investor element.</p>	None to note

## 7. COMMUNICATIONS AND FUTURE MEETINGS

	Document	Action by CGEG
<b>a)</b>	<p><b>Guest invitations to future meetings</b></p> <p>This was not discussed.</p>	None at this stage
<b>b)</b>	<p><b>Policy Update (December 2015)</b></p> <p>This was not discussed; the document was circulated for information only.</p>	None at this stage

## 8. DATE FOR NEXT MEETING

**Tuesday 12 April 2016, 9am (venue: UHY Hacker Young, Quadrant House, 4 Thomas More Street, London, E1W 1YW)**