

**Held at 4.00pm on Tuesday 25 November 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
	Victoria Barron	Hermes Equity Ownership Services	VB
	Edward Beale	Western Selection Plc	EB
	Louis Cooper	Crowe Clark Whitehill	LC
	Peter Fitzwilliam	Mission Marketing	PF
	David Fuller	CLS Holdings plc	DF
	Nicola Green	LexisNexis	NG
	Andrew Hobbs	EY LLP	AH
	Julie Stanbrook	Hogan Lovells International LLP	JS
	Nicholas Stretch	CMS Cameron McKenna LLP	NS
	Cliff Weight	MM & K Limited	CW
	Kate Jalbert	Quoted Companies Alliance	KJ
	Maria Gomes (minutes)	Quoted Companies Alliance	MG
In attendance:	Ben Burnett	Quoted Companies Alliance	BB

### 1. APOLOGIES

Apologies were received from Michael Brown, Rob Burdett, Anthony Carey, Richie Clark, Kate Elsdon, Nick Gibbon, Nick Graves, Alexandra Hockenhull, Andy Howell, Nick Janmohamed, Dalia Joseph, Marc Marrero, Julie Keefe, Joanna Chattle, Jayne Meacham and Tim Ward.

### 2. MINUTES OF THE LAST MEETING (20 October 2014)

The minutes were approved.

### 3. CONSULTATIONS

Consultation	Action	Lead
BIS Discussion Paper on the PSC Register – RD: 9 December 2014	<b>MG to finalise and submit response –</b> EC commented that the identification mechanism for public companies and the disclosure regime for quoted companies already in place work better than the new regime for other companies proposed in the Small Business, Enterprise and Employment Bill. He mentioned that the changes will add costs and unnecessary complications to companies, with little perceived benefits, and added that there is a chance these proposals may be affected by the proposed 4th Money Laundering Directive (MLD4). MG explained that Article 29 of the proposed MLD4 imposes strict beneficial ownership disclosures to growth markets such as AIM and ISDX, and that	Corporate Governance Expert Group

	the QCA prepared a briefing note on this and sent it to MEPs, Council Presidency and the Commission.	
Public consultation on the 2014 Review of the OECD Principles of Corporate Governance – RD: 4 January 2015	<b>MG to draft short response based on discussions –</b> The Group agreed that our response to this consultation should be brief, focusing on developing different codes for different types of companies and on outcomes, and referencing the QCA Code as a good example of a code designed for small and mid-size quoted companies.	Corporate Governance Expert Group

#### 4. CURRENT ISSUES

##### a) QCA/UHY Hacker Young Corporate Governance Behaviour Review

CJ explained that UHY Hacker Young did the same exercise as last year: benchmarked corporate governance disclosures made by 100 small and mid-size quoted companies on the Main List, AIM and ISDX against the minimum disclosures outlined in the Quoted Companies Alliance Corporate Governance Code for Small and Mid-size quoted companies. The assessment was made in a binary measure (did the company disclose the requirement or not) and an evaluation of the qualitative nature of the disclosure was not made.

He mentioned that there were no trend conclusions, but that the lack of links between strategy and governance continues. The report includes views on which disclosures investors consider to be important and five top tips on governance reporting for 2015.

EC added that the QCA met with FRC on 24 November to discuss this report and that the outcome of the meeting was very positive, with the FRC providing valuable input.

##### b) Revision of QCA Remuneration Committee Guide for Small and Mid-Size Quoted Companies – working group volunteers needed

KJ explained that there is a list of things that have changed and which will need to be revised in the guide. She added that the key issue at the moment is deciding what to include in the guide; setting up a survey on what should change in the document could be a possibility.

KJ mentioned that volunteers to form part of a working group to revise the guide are needed and asked those interested in participating to let her know. She explained that the revision process should take up to six months, with the first meeting being scheduled for January 2015.

KJ

##### c) Shareholders' Rights Directive Proposal – progress update

MG explained that there have been many recent changes to the proposal (especially regarding the articles on Related Party Transactions) by the Italian Presidency of the Council, with view to achieving a compromise regarding at least some of the principles contained in the document. She added that BIS views these changes as making the proposal flexible enough for the UK to maintain the *status quo* regarding its current legislation; on the other hand, it is feared that the document has become so vague (trying to find agreement among Member States) that its whole purpose is now defeated.

#### 5. COMMUNICATIONS AND FUTURE MEETINGS

	Document	Action/comments by CGEG
a)	Progress report on the implementation of the Kay Review of UK Equity Markets and Long-Term Decision Making	This was not discussed; the document was circulated for information only.
b)	ICAEW Discussion Paper on corporate governance 'framework code'	This was not discussed; the document was circulated for information only.
c)	BIS report for the Women on Boards steering board	The document was circulated for information only.  VB mentioned the gender and diversity debates are gaining momentum and that it could be a possibility for the QCA to explore training on voting structure and gender diversity for QCA members.
d)	News article: 'QCA/FRC roundtable focuses on the complexities of reporting'	This was not discussed; the document was circulated for information only.
e)	Membership Drive	This was not discussed.
f)	Guest invitations to future meetings	The Group suggested inviting the NAPF to attend our next meeting.
g)	Policy Update (October 2014)	This was not discussed; the document was circulated for information only.

## 6. AOB

The Group discussed how to encourage positive comments on corporate governance and how to present a common vision of corporate governance across companies, investment companies, regulators and advisors.

For this effect, it was suggested that the QCA should promote the debate and challenge its own code throughout 2015, with a view to revising its code in 2016. This would be a good opportunity to look at governance more holistically and identify the barriers, resources and burdens of companies while influencing the debate. This could be done in different formats (dinners, roundtables, etc.) with selected audiences to draw attention to corporate governance; the FRC could be invited to participate.

KJ will discuss the possibility of having a series of corporate governance events within the QCA and develop a programme for early 2015.

**KJ**

## 7. Actions

Action	Person	Timetable
Submit QCA response to BIS Discussion Paper on the PSC Register – RD: 9 December 2014	<b>MG</b>	ASAP
Draft, circulate and submit response to the public	<b>MG</b>	ASAP

consultation on the 2014 Review of the OECD Principles of Corporate Governance – RD: 4 January 2015		
Schedule first meeting of the working group on the revision of the QCA Remuneration Guide	<b>KJ</b>	ASAP
Prepare a programme of corporate governance events for 2015, focused on promoting the QCA Code.	<b>KJ</b>	Next meeting

## 8. INFORMATION FOR NOTING

### Date for next meeting:

Tuesday, 13 January 2015 (9am) (Venue: Wedlake Bell LLP, 52 Bedford Row, London WC1R 4LR), with Will Pomroy, Policy Lead: Stewardship and Corporate Governance, National Association of Pension Funds, as guest