



**The Quoted  
Companies Alliance**

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Risk Metrics Group  
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East Smithfield  
London  
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[policy@riskmetrics.com](mailto:policy@riskmetrics.com)

10 November 2009

Dear Sirs,

**Draft Policy for Comment – Authority to reduce minimum notice period**

**INTRODUCTION**

The Quoted Companies Alliance (QCA) is a not-for-profit membership organisation working for small and mid-cap quoted companies. Their individual market capitalisations tend to be below £500m.

The QCA is a founder member of European**Issuers**, which represents over 9,000 quoted companies in fourteen European countries. The QCA Markets & Regulations Committee has examined your proposals and advised on this response and a list of Committee members is at Appendix A.

**RESPONSE**

We would like to express our strong opposition to Risk Metrics' proposal that shareholders vote against a resolution enabling a notice period for meetings other than the Annual General Meeting of no less than fourteen days, which is now required under EU Shareholder Rights legislation. This notice period has been the normal period in the UK for many years, and in our experience has caused no problems. Furthermore, under UK legislation this concession is only permitted where electronic voting is offered by the company concerned. This issue has recently been the subject of extensive consultation at both a UK market and EU level, and given that the relevant authorities have concluded that fourteen days is an appropriate period, subject to the necessary caveats, we believe that your recommendation creates an unreasonable obstacle to companies seeking to consult their shareholders on a matter of urgency. Given that, by their very nature, the situations where general meetings are convened are usually transaction related, it is clearly in the interests of all shareholders that the matter be concluded as expeditiously as possible.

If you wish to discuss these issues with us, we will be pleased to attend a meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'TWL', is written over a light blue rectangular background.

Tim Ward  
Chief Executive

A founder member of European**Issuers**

A company limited by  
guarantee registered in  
England  
Reg No: 4025281

**THE QUOTED COMPANIES ALLIANCE MARKETS AND REGULATIONS COMMITTEE**

Stuart Andrews (Chairman)	Evolution Securities LTD
Umerah Akram	London Stock Exchange plc
Peter Allen	DWF LLP
Andrew Collins	Speechly Bircham LLP
Jonathan Eardley	Share Resources
Martin Finnegan	Nabarro LLP
Farook Khan	Pinsent Masons LLP
Linda Main	KPMG LLP
Richard Metcalfe	Mazars LLP
Craig Nimmo	Brewin Dolphin Securities
Simon Rafferty	Winterflood Securities
Chris Searle	BDO Stoy Hayward LLP
Peter Swabey*	Equiniti
Theresa Wallis	LiDCO Group plc
Tim Ward	The Quoted Companies Alliance
Kate Jalbert	The Quoted Companies Alliance

\* Main Author

## THE QUOTED COMPANIES ALLIANCE (QCA)

A not-for-profit organisation funded by its membership, the QCA represents the interests of small and mid-cap quoted companies, their advisors and investors. It was founded in 1992, originally known as CISCO.

The QCA is governed by an elected Executive Committee, and undertakes its work through a number of highly focussed, multi-disciplinary committees and working groups of members who concentrate on specific areas of concern, in particular:

- taxation
- legislation affecting small and mid-cap quoted companies
- corporate governance
- employee share schemes
- trading, settlement and custody of shares
- structure and regulation of stock markets for small and mid-cap quoted companies; Financial Services Authority (FSA) consultations
- political liaison – briefing and influencing Westminster and Whitehall, the City and Brussels
- accounting standards proposals from various standard-setters

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### **QCA's Aims and Objectives**

The QCA works for small and mid-cap quoted companies in the United Kingdom and Europe to promote and maintain vibrant, healthy and liquid capital markets. Its principal objectives are:

*Lobbying* the Government, Brussels and other regulators to reduce the costing and time consuming burden of regulation, which falls disproportionately on smaller quoted companies

*Promoting* the smaller quoted company sector and taking steps to increase investor interest and improve shareholder liquidity for companies in it.

*Educating* companies in the sector about best practice in areas such as corporate governance and investor relations.

*Providing a forum* for small and mid-cap quoted company directors to network and discuss solutions to topical issues with their peer group, sector professionals and influential City figures.

Small and mid-cap quoted companies' contribute considerably to the UK economy:

- There are approximately 2,000 small and mid-cap quoted companies
- They represent around 85% of all quoted companies in the UK
- They employ approximately 1 million people, representing around 4% of total private sector employment
- Every 5% growth in the small and mid-cap quoted company sector could reduce UK unemployment by a further 50,000
- They generate:
  - corporation tax payable of £560 million per annum
  - income tax paid of £3 billion per annum
  - social security paid (employers' NIC) of £3 billion per annum
  - employees' national insurance contribution paid of £2 billion per annum

The tax figures exclude business rates, VAT and other indirect taxes.

For more information contact:

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