QCA Legal Expert Group Terms of Reference

Objective

The primary objective of the Legal Expert Group (the **Committee**) is to promote a regulatory and legislative environment for public companies and especially for small and mid-sized quoted companies (**SMQCs**) which fairly balances the need for market integrity and reasonable investor protection with the ability for SMQCs to join and use the UK capital markets (including by making offers of new securities to raise capital) in a timely and cost-effective manner.

In furtherance of this objective, we will apply the following principles:

- **Proportionality:** we will consider whether the burdens imposed by existing and proposed regulation affecting SMQCs is proportionate to the size and resources available to those companies;

- **Think Small First:** we will support regulation which is developed with "think small first" in mind;

- **Appropriateness:** we will not support regulation which seeks to apply a "one size fits all" approach;

- **Innovation and reform:** we will develop and promote solutions aimed at improving the markets; and

- **Better Not More:** we will support better regulation rather than just more regulation.

More generally, the Committee will assist the QCA executive to increase general awareness of specific legal and market issues that hinder the ability of quality corporates to join the UK public markets and/or limit their ability to enjoy the full benefits of a stock market quotation (including raising permanent capital through new issues of securities).

Eligibility

Members will normally be partners, directors or senior employees of corporates and advisers who are members of the QCA. There will no more than two Expert Group members per adviser or corporate member. Former Chairs (and others where considered appropriate) may be granted honorary membership status on a discretionary basis.

Activities

We will promote our objective through:

- contributing to and generally assisting the QCA executive with the preparation of responses to consultations and discussion papers issued by the UK Government, regulators and other rule-making bodies which set out or affect the regulatory environment in which SMQCs operate. Our approach will be guided by the four principles set out above;

- direct engagement with HM Treasury, the FCA and other rule-making bodies at scheduled meetings of the committee and at meetings of working groups, as appropriate;

- where appropriate, liaising with other QCA expert groups (such as the Corporate Governance, Primary Markets and Secondary Markets Expert Groups) to form more broadly based working groups and generally to engage in dialogue around relevant issues.

Meetings of the Committee

Frequency of Meetings

The Committee will meet every quarter as a minimum and more frequently as required. Meetings will generally take place on-line using the Microsoft Teams facility. Unless there is an express reason why they cannot, Members of the Committee are required to keep their cameras on for these meetings. At least one meeting per annum will be designated as an “in person” meeting. Attendance will be expected at this meeting and on-line facilities will not be available.

Venue of meetings

Members of the Committee are encouraged to offer venues for meetings where it is practical to do so.

Attendance

Members of the Committee are expected to attend meetings and actively participate in the Committee’s activities. However, where a Committee member is unable to attend he/she may designate an alternate to attend in his/her place.

Non-attendance at three consecutive meetings may result in suspension from the Committee and repeated non-attendance thereafter may result in revocation of membership of the Committee.

Preparation for meetings

Members are required to review materials which accompany invitations to meetings in advance of those meetings to facilitate meaningful participation in discussions.

Contributions to meetings

Members of the Committee should be prepared to engage in constructive discussion and are encouraged to ask questions of guest speakers in the interests of creating a forum for discussion at Committee meetings. An encyclopaedic knowledge of the topic is not required or expected. Often the discussion operates as an enquiry into the topic from first principles and an open and questioning approach is the most valuable asset which a member of the Committee can bring to that discussion.

Contributions to consultations and publications

Practitioner members (being members of the Committee who are legal advisers in private practice or in-house) will be expected, on at least one occasion each year, to participate in one or more working groups formed to assist the QCA executive in the preparation of responses to consultations and discussion papers and/or to attend ad-hoc meetings with legislators and regulators to discuss matters relevant to consultations.

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