

Securities Houses Compliance Officers Group

Chairman's Report 2013/14

Dear SHCOG Member,

It is now over a year since I took up my position as Chairman of SHCOG and I am amazed by how quickly the time has passed. It has been a very busy 18 months and one in which the number of attendees at SHCOG events has continued to increase.

New Members of the Group and the SHCOG Steering Committee

During 2013, we were delighted to have several new and returning firms joining SHCOG. So I would like to give a very warm welcome to:-

AMAFI
Berenberg
CLSA
DNB Bank ASA
Gazprom Marketing & Trading
Kepler Chevereaux
King & Shaxson Capital Limited
Otkritie Securities
Plus500 UK Ltd
SMBCE Ltd

I would like to take this opportunity to thank all the members of the Steering Committee, who have actively participated and led the monthly meetings during 2013/2014 and without whose support SHCOG would not be able to continue to provide the range of training and networking opportunities that have been delivered.

Unfortunately Caz Marshall, Gill Clarke and Kevin Ludwick have decided to step down from the SHCOG Steering Committee at the end of June 2014. We would like to thank them all for the enormous contribution they have made during their tenure. They will all be sorely missed.

As at the end of June 2014 therefore, the SHCOG Steering Committee looked like this:-

| | | |
|----------------------------------|-------------------|-----------------------------|
| Chair | Merope Sylvester | Barclays Bank |
| Deputy Chair | Antony Whitehouse | BNP Paribas |
| Secretary | Dan Batchelor | Stormharbour Securities LLP |
| Treasurer | Mark Goulden | JP Morgan |
| TECC Planning Committee Chairman | Jonathan Bibby | UBS AG |
| | Richard Brearley | Investec |
| | Elizabeth Canning | Pershing |
| | Adrian Lewis | Credit Suisse |
| | Alan Williams | Royal Bank of Scotland |

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Achievements

We have continued to develop our service to members with both the monthly meetings and our annual drinks reception continuing to attract significant attendance.

Monthly Meetings

The monthly meetings continue to be the mainstay of the Group's activities with high attendances at all the very topical sessions. We have attempted this year to ensure that we have topics of interest that cover a broad range of activities including issues of relevance to our hedge fund, asset management and retail members.

As always, a full list of meeting topics is available on the SHCOG website - and don't forget copies of the recent presentations are available in 'The Library' (www.shcog.co.uk)

On behalf of the SHCOG membership, I should like to thank all the speakers and the relevant chairs of the meetings, who gave up their precious time and contributed to making these meetings so helpful and informative for our members.

We are, as ever, particularly grateful to Bank of America Merrill Lynch for its continued support in allowing SHCOG to utilise its excellent meeting facilities at very advantageous rates. My sincere thanks go to the firm for providing this valuable benefit for the Group.

Conferences and Other Events

Compliance Academy

We have continued to provide specialist training to our SHCOG community via the Compliance Academy training programme throughout 2013. The Academy has provided a range of topics in half day or full day workshops where subjects of particular interest can be worked through in more detail providing those with the desire to hone their skills in particular subjects the ability to discuss and learn from each other.

TECC – Barcelona 2014

In its 15th year TECC 2014 was held in Barcelona and we were pleased to welcome a number of new speakers to our event together with many returning delegates. Our thanks goes out to all those who contributed to this European event and in particular to Jonathan Bibby who Chairs the Planning Committee. Jonathan has been an important member of this Committee for 13 years.

Heads of Compliance Forum

For the first time in 2013 we hosted two small meetings for Senior Compliance Professionals with responsibilities in the large global firms. Our first one in February enabled the attendees to hear the views of John Griffiths-Jones, prior to him taking up his appointment as Chairman of the FCA, and this was followed by a further event in September at which Sir Hector Sants laid out his views on the future of the Compliance Function. Both of these events attracted significant interest and provided an opportunity for the Compliance Senior Management within our member firms to discuss topics of specific interest to them.

Drinks Reception 2014

The Annual Drinks Reception and supper will be held on 20 November 2014.

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Membership Fees

Following three years of maintaining our fees unchanged we have been obliged to raise our membership fees in 2014. We believe that you will all appreciate the importance for us of continuing to provide a service which ensures that all our events are well run and managed. In light of that, we have this year put in place contingency arrangements to reduce our key man dependency risk. We believe that you would understand the necessity for this and therefore the increase in the fees to support it. Our new fees are laid out below.

| <u>Band</u> | <u>No. of Staff</u> | <u>Fees</u> |
|-------------|--------------------------------|--------------|
| A | 1- 5 Compliance professionals | £ 570 + VAT |
| B | 6-10 Compliance professionals | £ 895 + VAT |
| C | 11-20 Compliance professionals | £1,495 + VAT |
| D | 21-30 Compliance professionals | £2,175 + VAT |
| E | Large Firms & Groups | £3,575 + VAT |

Finally, I would like to take this opportunity to thank Georgina Hickleton, and her colleague Jessie Chalmers for all the work that they have undertaken this year to support both the members and the Committee.

Kind regards.

Yours sincerely,

Merope Sylvester
SHCOG Chairman

July 2014