ShareSoc

UK Individual Shareholders Society

Improving AIM

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AIM – Good and Bad Points

- You can make a lot of money by investing in good AIM companies.

- But you can also lose a lot by investing in bad AIM companies (**Izodia, Versailles, Langbar, Globo, Naibu, Camkids, Geong**, and in lots of small cap mining/oil exploration companies).

Poor track record

Claer Barrett said in the Financial Times: "20 years of a few winners and many losers".

She reported that over the last 20 years investors would have lost money on 72% of AIM companies, and in more than 30% of cases they would have lost more than 95% of their investment.

Why?

Poor track record-2

ShareSoc

Can you avoid the duds?

Don't forget the ShareSoc AIM company scorecard.

Improving AIM

- Do we need more regulation?
- Should minimum market caps, profits or business duration be used to limit those listed?
- Or other things?

What we suggest

- Better enforcement of existing regulations and “naming and shaming” of offenders.
- Roles of Nomad and Corporate Brokers should be separated.
- Corporate Governance Code should be introduced for all AIM companies.
- Regulations on remuneration reports and votes on them at AGMs should be introduced.
- Directors of AIM companies should require basic knowledge of company law and their responsibilities under the Companies Act.
- There should be limits on dilutive share placings.
- And…..

What we suggest-2

- Independent panel to advise on suitability of AIM listings.
- Nomads should have clearer responsibilities to investigate the affairs of companies before listing and after. And they should have a legal responsibility to shareholders.
- There should be limits on the number of roles held by directors.
- General meetings should be held in convenient locations and at convenient times. Nominee shareholders should be allowed to attend.
- All directors of AIM companies should be fluent in English.

Next steps?

How to get some changes implemented.

Questions