

#21

COMPLETE

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Page 2: Information on Respondent

Q1 Name of Organisation

Quoted Companies Alliance

Q2 Type of organisation [select one]:

Representative body

Q3 Main country / region of operation

UK

Q4 Are you currently a client of a voting research provider? [Yes/ No]

No

Q5 All responses will be posted on the Review website unless requested otherwise. Please indicate below if you wish your comments to be treated as confidential.

Respondent skipped this question

Q6 If you would like to be informed of the outcome of this consultation please provide a contact email.

tim.ward@theqca.com

Page 3: General questions on the Principles

Q7 Were you previously aware of the Best Practice Principles? [Yes/No]

Yes

Q8 If yes, how would you rate the positive impact of the Principles since they were introduced in 2014? [Scale of 0-5 where 0 is no impact, 5 is very positive]

2,

Please give a reason for your rating:

I see little or no improvement in the interface between issuers and service providers

Q9 If you are a user of voting research services, do you, or will you in future check whether a service provider had signed up to the Principles before appointing them? [Yes/No]

Respondent skipped this question

Q10 Would it be beneficial to have a set of principles that are capable of being applied in all markets? [Yes/No] **Yes**

Page 4: Scope and Structure of the Principles

Q11 At present the Principles address three areas: service quality (which includes duties to clients, research methodology and voting policy); managing conflicts of interest; and communications with issuers, the media and other stakeholders (see the BPPG website here). Are there other issues or activities that should also be covered by the Principles [tick each that applies]

Intermediary vote processing and confirmation ,
Governance engagement services

Q12 Each Principle is accompanied by guidance which sets out practices to be followed and information to be disclosed, on a "comply and explain" basis. Is this structure clear and appropriate? [Yes/No] **No**

Q13 If no, how might it be improved?

The Guidelines should be incorporated into the Stewardship/UK Code so that the interface between investors and issuers is clear. Service providers tell us that they are (rightly) agents for the investors. They should be treated as such.

Page 5: The Content of the Principles (1: Service quality)

Q14 If you are a client of one or more signatories, do you consider that this Principle deals adequately with the various service commitments that you expect? [Yes/No] **Respondent skipped this question**

Q15 If no, how might it be improved? **Respondent skipped this question**

Q16 Depending on the wishes of their individual clients, those signatories that make voting recommendations will follow either bespoke or house voting policies. How satisfied are you with the process used by signatories to develop their house voting policies? [Scale 0 to 5, where 0 is dissatisfied and 5 is very satisfied] **Respondent skipped this question**

Q17 How might the process be improved? **Respondent skipped this question**

Q18 In addition to national law and listing rules, which, if any of these considerations should signatories take into account when deciding whether to adjust their house policies for different markets? [Tick all that apply]

Views and practices of local companies,
Views of local and international investors,
Standards in national corporate governance codes and equivalent

Q19 How informative are signatories' descriptions of their research methodologies (see BPPG website here), including how they ensure that the research is reliable? [Scale 0 to 5, where 0 is uninformative and 5 is very informative]

0 uninformative

Q20 While recognising the need for signatories to protect their intellectual property, how might the statements be made more informative?

These should be sent out with every report.

Page 6: The Content of the Principles (2: Conflicts)

Q21 The Principle does not attempt to eliminate potential conflicts, but to ensure that the signatories disclose the procedures by which they are managed. Is this an adequate approach? [Yes/No]

No

Q22 If no, how might it be strengthened?

Any conflicts should be noted in every report sent to an issuer or investor

Q23 The Principles include the following non-exhaustive list of potential sources of conflict: · A signatory's ownership or shareholder base/structure, such as when a signatory is owned by an investor that owns shares in companies under coverage or when the investor is owned by an issuer under coverage; · A signatory's employee activities, such as board memberships, stock ownership, etc; · Investor-client influence on the signatories, such as when an investor who is a client of the service provider is a shareholder proponent or is a dissident shareholder in a proxy contest; · Issuer-client influence on the signatories, such as when signatories provide consulting services to companies under coverage for research; and · Influence of other investor clients. Are there any others that should be included in this list?

Respondent skipped this question

Q24 If yes, please identify them.

Respondent skipped this question

Q25 If you are a client of a signatory, how satisfied are you with the information you receive on how potential conflicts are being managed? [Scale 0 to 5, where 0 is dissatisfied and 5 is very satisfied]

Respondent skipped this question

Q26 How might procedures be improved?

Respondent skipped this question

Page 7: The Content of the Principles (3: Communications policy)

Q27 How satisfied are companies with their communication with signatories? [Scale 0 to 5, where 0 is completely dissatisfied, 5 is very satisfied]

0 completely dissatisfied

Q28 How might communication be improved?

Issuers find it confusing that service providers do not wish to have discussions about their behaviour (e.g. independence of investors) when this has already happened with the relevant investor. In correct research is not always acknowledged on a timely basis. There is often little time for an issuer to respond. A minimum standard time should be allowed for issuers to respond. Access to investors (where the service provider will not discuss an issue) should be facilitated by the service provider.

Q29 If you are a company, have you used the procedures set up by one or more signatories to make a complaint or provide feedback on their research on, or engagement with, your company?

Respondent skipped this question

Q30 If yes, how satisfied were you with how your complaint was handled? [Scale 0-5 where 0 is not at all satisfied, 5 is very satisfied]

Respondent skipped this question

Q31 Many companies consider they should have the opportunity to comment on the analysis and recommendations in research reports before they are finalised. If you are an investor, which of these statements most closely reflects your view? [Tick one only]

Respondent skipped this question

Page 8: Reporting on the Principles

Q32 At present, signatories are required to produce a public statement on how they have applied the Principles, which they update as necessary; some have chosen to update the statement every year. Signatories also produce a summary in a standard format for purposes of comparison (see BPPG website here). Do the statements adequately cover all the matters that signatories are supposed to report on under the Principles? [Yes/No]

Respondent skipped this question

Q33 If no, please identify which matters are not adequately reported on

This should be sent out to issuers and investors. It is not sufficiently publicised.

Q34 How informative and useful are the statements?
[Scale 0-5 where 0 is uninformative, 5 is very informative]

Respondent skipped this question

Q35 How might the statements be made more useful?

By being publicised more widely

Page 9: Monitoring the Application of the Principles

Q36 As part of this review, the BPP Group intends to introduce an independent element into the monitoring arrangements. Which of the following features should be part of the arrangements for monitoring the implementation and impact of the Principles? [tick all that apply]

Oversight body including members independent of the sector
,
Surveys of market participants

Q37 If you have specific suggestions for how the Principles should be monitored, please provide details

Respondent skipped this question

Q38 Have you ever used the complaints procedure to complain about a breach of the Principles (see BPPG website here) [Yes/No]

No

Q39 If yes, how satisfied were you with how your complaint was handled? [Scale 0-5 where 0 is not at all satisfied, 5 is very satisfied]

Respondent skipped this question

Page 10: Signing-Up Process

Q40 The process of signing up to the Principles is being looked at as part of this review. Other than a commitment to apply and report on the Principles and to be subject to the monitoring arrangements, are there other criteria that service providers should have to meet in order to be accepted as signatories? [Yes/No]

Respondent skipped this question

Q41 If yes, please specify

Respondent skipped this question

Page 11: Other comments

Q42 If there are any additional comments you would like to make as part of this consultation, please do so here:

Respondent skipped this question