

# **BEST PRACTICE PRINCIPLES GROUP (BPPG) FOR PROVIDERS OF SHAREHOLDER VOTING RESEARCH & ANALYSIS**

## **MEMBERSHIP AND GOVERNANCE GUIDELINES 2016**

### **1 BPPG Mission Statement**

The purpose of the BPPG is to promote greater understanding of the proxy research industry by developing and regularly updating a set of Best Practice Principles for Providers of Shareholder Voting Research & Analysis that signatories to the Principles should adopt on a comply-or-explain basis. The Principles are designed to help clients and stakeholders understand the nature and character of shareholder voting research and analysis services, the standards of conduct that underpin those services and how signatories to the Principles interact with other market participants. The BPPG also seeks to strengthen markets and the Shareholder Voting Research industry by promoting sound business practices and advocating the highest level of ethics and integrity.

### **2 Purpose**

The purpose of these Membership Guidelines is to provide clear criteria for either:

- (i) an Organization to become a BPPG Member; or
- (ii) an existing BPPG Member to remain a BPPG Member.

### **3 Membership Criteria**

Membership of the BPPG is open to any organization that shares the goals of the BPPG summarized in the Mission Statement above and which analyses the corporate disclosures of listed companies with a view to informing investors' voting decisions.

### **4 Membership Committee**

#### **4.1 Composition of the BPPG Membership Committee**

- a) The Membership Committee of the BPPG ("Committee") comprises representation of all member organizations of the BPPG. Each member organization of the BPPG appoints a permanent representative entrusted with representing the member in the Committee.
- b) Members may also appoint a named alternate to deputise for the permanent representative.

## **4.2 Decisions of the Committee**

- a) Each member is entitled to one vote.
- b) The quorum for the Committee shall be 50% or more of the members present or represented.
- c) Committee Members will strive to reach unanimous decisions.
- d) If a unanimous decision cannot be reached during a meeting, the decision will be postponed until the following meeting. It will then require a qualified majority rule of at least 75% of the present or represented Members.
- e) The minutes of the meetings are recorded in a special register and signed by the Chairman.

## **4.3 Responsibilities of the Committee**

The Committee will be responsible for:

- a) Interpreting Section 3 (“Membership Criteria”) and 6 (“Membership Duties and Responsibilities”).
- b) Handling the feedback mechanisms and complaint procedure. The Committee also will be responsible for considering all substantiated comments and feedback addressed collectively to the BPPG.
- c) Undertaking a regular review of the Principles to ensure that they stay current with global developments as necessary.
- d) Developing and co-ordinating any potential updates to the Principles and related Guidance.
- e) Issuing and analysing relevant consultations as agreed by the Committee.

## **4.4 Chairmanship of the Committee**

- a) The Chairman of the Committee shall be selected from among the representatives of the members.
- b) The Chairman will be elected for a period of one year. His or her term can be extended by one year maximum.
- c) The Committee shall meet upon notice by the Chairman or at the request of at least two members. The notice calling the meeting sets the agenda for the meeting, which may be held at any place in Europe. Meetings may be conducted as “virtual meetings”.

- d) The notice is sent by e-mail, letter, fax or any other means of communication at least 15 working days before the date set for the Committee. It contains the place, date, time and agenda of the meeting.
- e) As a minimum, the Committee will hold two meetings a year (prior to and after the peak proxy season (Mar-Jun)).
- f) Members may participate in the meeting by any means of telecommunication or video conferencing. The members may give a letter of representation to any other member in order to replace him at the Committee meeting. Alternatively, the member may also nominate its alternate to represent him on a temporary basis at a Committee meeting.
- g) The Committee may propose any person outside the BPPG whose participation is considered useful to take part in a consultative or observer capacity in the Committee meetings. The Committee will approve such proposal for its following meeting(s).
- h) The Committee can decide to create one or several sub-committees tasked with specific objectives or projects.

#### **4.5 Remuneration**

The duties of the members of the Committee are non-remunerated.

### **5 Committee Membership Process**

- a) Any organisation wishing to become a member should contact [committee@bppgrp.info](mailto:committee@bppgrp.info) requesting membership application.
- b) Membership application is submitted to the BPPG Committee for review.
- c) An organisation requesting membership is informed of the BPPG Committee's decision within a reasonable timeframe (usually within 25 working days).

### **6 Committee Membership Duties & Responsibilities**

- a) Each member shall be responsible for producing its Best Practice Principles Statement of Compliance ("Statement") and to host a copy on its website.
- b) Each member shall ensure that its Statement is also sent to the BPP Group for inclusion on the BPP Group website.
- c) Each member shall be responsible for answering any individual complaint which may be addressed directly to them.
- d) Each member shall be responsible for attending and participating in Committee meetings.

- e) The Committee will be in charge of interpreting Section 6. In the event of a non-compliance of a member with the Membership Duties and Responsibilities, the Committee is allowed to end the membership of the member.

## 7 Termination of Membership

Membership of the BPP Group is terminated as follows:

- a) By resignation contacting the Committee [committee@bppgrp.info](mailto:committee@bppgrp.info) requesting the end of membership;
- b) If the member fails to comply with the Membership Criteria defined under Section 3 or when the member has ceased to exist;
- c) Upon expulsion by the Committee. The expulsion of any member has to be taken by unanimous decision of all Committee members, except the member concerned. Any member recommended for expulsion should have the opportunity to present their view to the Committee, prior to expulsion.
- d) Non-compliance with the Membership Duties and Responsibilities may be considered as a serious cause and is subject to the interpretation of the Committee.
- e) The Committee's decision is final and, by express agreement, may not give rise to any legal action whatsoever.

## 8 Feedback from Stakeholders

- a) Any potential updates to the Principles and related Guidance will be subject to a stakeholder consultation.
- b) Stakeholders are encouraged to contribute by submitting feedback through the feedback and complaint procedure mechanism.
- c) The format and content of any consultation shall be determined by the Committee.

Resolved & Adopted by the current BPP Group signatories on 12 July 2016

KT Rabin	Glass Lewis
Jean-Nicolas Caprasse	ISS
Sarah Wilson	Manifest
Alan MacDougall	Pirc
Loïc Dessaint	Proxinvest