

Best Practice Principles for Shareholder Voting Research Structured Questionnaire

July 2021

Information on respondent

1. Name of organisation: Avintrans plc
2. Type of organisation [select one]:
 - Investor
 - Public Company
 - Governance advisory/voting research service (investor advisors)
 - Public company advisor
 - Representative body
 - Other (please specify):
3. Main country/region of operation: UK/USA
4. Are you currently a client of a voting research provider? Yes No
5. All responses will be posted on the Review website unless requested otherwise. Please tick this box if you wish your comments to be treated as confidential:
6. If you would like to be informed of the outcome of this consultation, please provide a contact email:
Roger.mcdowell@dial.pipex.com

General questions on the Principles

1. Were you previously aware that proxy advisors had adopted voluntary Best Practice Principles for themselves? Yes No
2. If yes, how would you rate the positive impact of the Principles since they were updated in 2019?
[Scale: Don't Know; 0-5 where 0 is no impact, 5 is very positive]

Don't Know	0	1	2	3	4	5
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please give a reason for your rating:
[Click or tap here to enter text.](#)

3. If you are a customer of one or more voting research services, do you, or will you in future, check whether a service provider has signed up to the Principles as part of due diligence before appointing them or as part of ongoing monitoring of their performance? Yes No

Scope and structure of the Principles

1. At present the proxy advisory industry's voluntary [Best Practice 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.

Are there other issues or activities that should also be covered by the Principles?

[tick each that applies]

Intermediary vote processing and confirmation

ESG advisory services and indices

Governance engagement services

Other (please specify):

Click or tap here to enter text.

The content of the Principles

1. Do you appreciate the transition from 'comply or explain' to 'apply and explain' in reporting on the Best Practice Principles? Yes No Don't Know

Principle 1: Service quality

1. How satisfied are you that proxy advisors are equipped with sufficient knowledge and resources to deliver accurate and useful information? *[Scale: Don't Know; 0-5 where 0 is not at all satisfied, 5 is very satisfied]*

Don't Know	0	1	2	3	4	5
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. In your experience, how satisfied are you with the competence of staff analysts at proxy advisors? *[Scale: Don't Know; 0-5 where 0 is not at all satisfied, 5 is very satisfied]*

Don't Know	0	1	2	3	4	5
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. In your experience, do proxy advisors have sufficient knowledge and resources to understand each market they cover? Yes No Don't Know
4. If you are a client of one or more proxy advisory firms that are signatories to the Best Practice Principles, do you consider that their reporting on compliance with this Principle deals adequately with the various service commitments that you expect? Yes No Don't Know

If no, how might it be improved?

[Click or tap here to enter text.](#)

5. 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 reporting on the process used by signatories to develop their house voting policies? *[Scale: Don't*

Don't Know	0	1	2	3	4	5
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Know; 0-5 where 0 is not at all satisfied, 5 is very satisfied]

6. How might the reporting process be improved?

[Click or tap here to enter text.](#)

7. How informative are signatories' descriptions of their research methodologies, including how they ensure that the research is reliable? *[Scale: Don't Know; 0-5 where 0 is very uninformative, 5 is very informative]*

Don't Know	0	1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. While recognising the need for signatories to protect their intellectual property, how might reporting on compliance with the principles in the statements be made more informative?

[Click or tap here to enter text.](#)

Principle 2: Conflicts of interest management

1. The Principle does not attempt to eliminate potential conflicts, but to ensure that the signatories disclose the procedures by which they are managed. Has reporting on this been carried out adequately? Yes No Don't Know

If no, how might reporting on this be strengthened?

[Click or tap here to enter text.](#)

2. The Principle identifies a number of potential conflicts, including:
- A BPP Signatory's ownership or shareholder base/structure, such as when a BPP 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 BPP Signatory's employee activities, such as board memberships and stock ownership, etc.;

- Investor-client influence on the BPP 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 BPP Signatories, such as when BPP Signatories provide consulting services to companies under coverage for research;
- Influence of other investor clients.

Are there others that should be included in this list? Yes No Don't Know

If yes, please identify them:
 Click or tap here to enter text.

3. If you are a client of a signatory, how satisfied are you with the timeliness and appropriateness of the information you receive on specific potential conflicts and how they are being managed? How satisfied are you with reporting on this? *[Scale: Don't Know; 0-5 where 0 is not at all satisfied, 5 is*

Don't Know	0	1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

very satisfied]

4. How might the procedures be improved?
 Click or tap here to enter text.

Principle 3: Communications policy

1. If you are a company, how satisfied are you with communication with proxy advisors? *[Scale: Don't*

Don't Know	0	1	2	3	4	5
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Know; 0-5 where 0 is not at all satisfied, 5 is very satisfied]

2. How satisfied are you with reporting on this Principle? *[Scale: Don't Know; 0-5 where 0 is not at all*

Don't Know	0	1	2	3	4	5
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

satisfied, 5 is very satisfied]

3. How might the procedures be improved?

Click or tap here to enter text.

4. 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? Yes No Don't Know

5. If yes, how satisfied were you with how your complaint or feedback was handled? *[Scale: Don't*

Don't Know	0	1	2	3	4	5
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Know; 0-5 where 0 is not at all satisfied, 5 is very satisfied]

6. How satisfied are you with reporting on this in the Compliance Statements? *[Scale: Don't Know; 0-5*

Don't Know	0	1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

where 0 is not at all satisfied, 5 is very satisfied]

Please give a reason for your rating

had to resort to a subject access request – took months

7. 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]*

- I find it helpful to know the company's views on the research report before deciding how to vote.
- I have no objection in principle to this practice, as long as it does not reduce the amount of time I have to make voting decisions or impact on costs.
- Companies already have opportunities to explain their case in their annual and compliance reports, the papers for the general meeting and direct engagement with their shareholders. They do not need another one.
- It is not appropriate for companies to have a right to review or comment on draft research reports of which they are the subject.
- Other (please specify): Click or tap here to enter text.

8. If you are a company, what length of time would you need to review drafts of proxy advisors' reports? *[tick one only]*

- Don't need or expect to provide comments

- 24 Hours before proxy advisor publication
- 48 Hours before proxy advisor publication
- 3 Days before proxy advisor publication
- 5 Days before proxy advisor publication

Reporting on the Principles

- 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.

Do the statements adequately cover all the matters that signatories are supposed to report on under the Principles? Yes No Don't Know

If no, please identify which matters you consider are not adequately reported on:
 Click or tap here to enter text.

- How informative and useful are the statements? *[Scale: Don't Know; 0-5 where 0 is very*

Don't Know	0	1	2	3	4	5
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

uninformative, 5 is very informative]

- How might the statements be made more useful?

Click or tap here to enter text.

- What are the examples of best reporting practice?

Click or tap here to enter text.

Monitoring the application of the Principles

- An Oversight Committee composed of independent investor, issuer, and academic representatives is empowered to determine whether proxy advisor Signatories comply with Best Practice Principles. The Oversight Committee's first annual report, issued 1 July 2021, is accessible on its web page: <https://bppgrp.info/best-practice-principles-bpp-oversight-committee/>. What would be your level of expectation for the Independent Oversight Committee to improve service quality, integrity, and communication among proxy advisors?

- Don't know/wait and see
- high expectation
- medium expectation

- low expectation
- the Independent Oversight Committee can have no impact

2. If you have additional suggestions for how the Principles should be monitored, please provide details:

Click or tap here to enter text.

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

Click or tap here to enter text.