2025 ANNUAL REPORT

Oversight Committee

Best Practice Principles for Providers of Shareholder Voting Research & Analysis

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November 2025

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Message from the Chair

Professor Konstantinos Sergakis

Independent Chair,
BPP Oversight Committee

Welcome to the fifth annual report of the Best Practice Principles Oversight Committee (BPP OC). The period covered in this review—1 July 2024 through 30 October 2025—featured key developments in the landscape of the proxy voting advisory and research industry and at the BPP OC itself. Among highlights:

1. The BPP OC finds that all Signatories continue to be compliant with all three Best Practice Principles. Signatories' overall reporting continue to apply and explain how they address guidance on the three Principles in a way that is straightforward and easy to understand.

2. The BPP OC strenghtened its own modus operandi by introducing the inaugural enforcement framework within its terms of reference in relation to the annual review of BPPG signatory statements.

3. The BPP OC participated in public consultations and discussions with stakeholder groups so as to confirm the robustness of its 'monitored self-regulation' process.

4. The BPP OC made substantial progress in building out its own governance architecture to safeguard independence and communication with stakeholders with the appointment of one new BPP OC member (institutional investor representative).

General background

First, a word on background drawn from our previous reports for readers new to this subject. Nothing in the capital market is changing quite so fast as the expectations placed on institutional investors to exercise prudent and responsible stewardship of assets they manage in trust for tens of millions of citizen savers. Effective stewardship, in turn, hinges on the information resources investors draw upon to make trading and allocation decisions, shape engagement with portfolio companies, and inform the way they cast votes at annual shareholder meetings around the world.

In the past, investor decision-making on what is now known as stewardship focused largely on a handful of governance topics and involved satisfying compliance requirements. Today, however, investors must address in their stewardship programs a wide spectrum of environmental, social and governance (ESG) considerations, and other risk factors. For many, such factors are linked as much to long-term value and opportunity in portfolios. We can refer to this style of asset management as “360° investing.” To put an even finer point on the change, institutional investors are, more than ever before, under scrutiny by their beneficiaries, regulators, lawmakers, issuers, nongovernmental organizations (NGOs), media, and individual shareholders for how they handle these stewardship challenges, particularly as such challenges relate to shareholder voting research and analysis and for how these institutional investors use information provided by independent service providers.

That is where independent research providers come in. There is a small cluster of specialised research firms that offer institutional investors proxy voting research and analysis that help asset owners and asset managers vote their shares in an informed way on a range of matters on proxy ballots such as those related to the board of directors, executive remuneration, and disclosure of companies’ climate risk management practices.

Current regulatory trends

Regulators such as the US Securities and Exchange Commission (SEC), the European Securities and Markets Authority (ESMA), France’s Autorité des marchés financiers (AMF), and the Australian Treasury, prompted largely by issuer concerns, have in different ways considered using regulation to impose standards on service providers. However, service providers themselves took the lead in implementing their own standards. Five firms based in multiple markets came together in 2013 to set aside differences and agree to voluntary best practices in three important areas: quality, integrity, and communication. A sixth service joined the collective in 2021 while Proxinvest, one of the founding members, dropped out in early 2022 and was later acquired by member Glass Lewis in December 2022.[1] Together the members of the Best Practice Principles Group (BPPG) developed principles that set high standards for themselves, including by adding a form of oversight through the Best Practice Principles Oversight Committee (BPP OC).

[1] Glass Lewis acquired Proxinvest at the end of 2022 and included Proxinvest in its 2023 Statement of Compliance. Further, Glass Lewis included Appendix B entitled ‘Focus on Proxinvest Policies and Practices’ which highlights any differences that may exist between Glass Lewis and Proxinvest’s policies and procedures.

In 2022, ESMA initiated a year-long exercise of reviewing progress for the purpose of framing recommendations to the European Commission.[2] On 27 July 2023, ESMA released its input for the SRD II review to the European Commission. ESMA observed that: "the design of the current regulatory framework is considered overall robust, and its application is seen to be gradually improving.[3] Therefore, the present approach of 'monitored self-regulation' should be maintained".[4] ESMA also noted that "the current framework, mainly based on self-regulation and inherent disclosures, has contributed to reducing the risk of further raising barriers to entry in an industry that is already highly concentrated".[5] ESMA also advanced a series of further improvements that it considered would reinforce the credibility of the monitored self-regulation framework. The BPP OC also notes with appreciation the overall positive appraisal of its work by ESMA.

Following ESMA's report, the European Commission launched a public consultation on the revision of the SRD II to which the BPP OC participated, reiterating the merits of its 'monitored self-regulation' model and the need to maintain the current regulatory approach, based upon signatory disclosure and continuous engagement with the BPP OC. Developments in this area may continue in the forthcoming period and the BPP OC will be maintaining an ongoing dialogue with all interested parties to ensure sharing its insights on the 'monitored self-regulation' model.

Regulators in the United States, in 2021/2022, also chose to favor the approach of monitored self-regulation embodied in the BPPG's initiative. The SEC stepped back from a controversial plan of expansive rule-making for the industry and cited the BPP OC's monitoring role and the industry-wide standards established through the BPPG.[6] Given the important decision of the U.S. Court of Appeals for the D.C. Circuit on 1 July 2025, where it was ruled that proxy voting advice does not constitute a "solicitation" under Section 14 of the Securities Exchange Act, it is still early to predict any future regulatory initiatives by the SEC. In the meantime, the very recent Texas Senate Bill 2337 aims to regulate proxy advisors' modus operandi by rendering the importance of 'monitored self-regulation' even more critical.

Echoing our 2024 report, the clear signs of a regulatory international convergence on monitored self-regulation are still present as India is currently the only major market with far-reaching rules in place covering industry practices.

In this context, the BPP OC also has both the responsibility and opportunity to continue to promote greater understanding of the corporate governance and proxy research and support services provided to professional investors by the shareholder voting research and voting advice industry. It is important to recognize both the value of the services BPPG Signatories provide to their clients, the providers of investment capital, and the respective roles and responsibilities of financial market participants in the process. The BPP OC and its Chair can constructively contribute to communicating facts and eliciting nuances relevant to policymakers and stakeholders globally.

[2] Article 3k of Shareholder Rights Directive (SRD) II states that, "... the Commission shall, in close cooperation with ESMA, submit a report to the European Parliament and to the Council on the implementation of Article 3j, including the appropriateness of its scope of application and its effectiveness and the assessment of the need for establishing regulatory requirements for proxy advisors, taking into account relevant Union and international market developments."

[3] ESMA, "Report, Implementation of SRD2 provisions on proxy advisors and the investment chain", Thursday 27 July 2023, ESMA32-380-267, EBA/Rep/2023/26.

[4] Ibid, p. 24.

[5] Ibid, p. 33.

[6] Release No. 34- 93595; File No. S7-17-21, pgs. 14-19.

BPP Oversight Committee's work in 2024-2025

I am honoured to have served as the second chair of the BPP OC since January 2023 and it is a privilege to be able to work alongside an extraordinary, distinguished Oversight Committee of investor, corporate, and academic leaders from multiple jurisdictions who share a determination to drive for best market practices. They are:

Fabio Bonomo.
Enel S.p.A.

Glenn Davis
Council of Institutional Investors

Prof. Evan Epstein
University of California College of the Law

Caroline Escott
Railpen

Alia Fazal
BP plc

Michael Herskovich
BNP Paribas Asset Management

Massimo Menchini
Assogestioni

Michael McCauley
SBA of Florida

Hope Mehlman
Ally Financial Inc.

Sachi Suzuki
HSBC Asset Management

Professor Anna Tilba
Durham University Business School

I would also like to extend a special thanks to the former BPP OC member Mirte Bronsdijk (institutional investor representative), who completed her mandate in December 2024.

It should be also noted that we have the very good fortune of being able to continue relying upon the outstanding administrative secretariat of Jennifer Thompson, Senior Director, Corporate Business at Glass Lewis, who has been seconded by the BPPG to the BPP OC since its first year of operation.

The BPP OC was appreciative, as well, of the constructive approach followed by Signatories. The BPPG showed willingness to respect investor as well as issuer concerns plus differences in various service provider business models, notwithstanding being competitors in their respective markets, in order to ensure that the BPP OC meets its responsibilities. In a landscape that is increasingly complex, global in nature, and challenging, these are welcome stances. Communication continued to be strengthened by quarterly calls between Signatories, on the one hand, and the BPP OC chair, on the other as well as regular email communication throughout the year when necessary. Moreover, BPP OC Chair continued to include in 2024 a formal discussion item in all BPP OC quarterly meetings to keep regularly updated BPP OC members of the meetings' content with Signatories.

In 2024-2025, BPP signatories demonstrated remarkable engagement by multiplying their one-to-one meetings with the BPP OC Chair, discussing BPP OC recommendations for the 2025 reporting cycle, current regulatory trends as well as any additional recommendation that the BPP OC formulated under its 'advise and guide' mission. The BPP OC is particularly appreciative of the level of engagement by Signatories and willingness to ensure the safeguards for independence and appropriate enforcement keep on being reinforced.

A further testimony of this productive relationship is the introduction of the inaugural enforcement protocol (p. 43–45) aiming to further strengthen the governance architecture of the BPP OC, based on proposals made in a recent academic study for the future of the 'monitored self-regulation system'.[7] Indeed, as it was announced in the BPP OC 2024 annual report, according to the Report of the Independent Review Chair of the 2019 Best Practice Principles for Providers of Shareholder Voting Research & Analysis, and in line with the BPP OC terms of reference, the BPP OC was expected to develop in further detail "the precise criteria and process [...] to ratify or sanction a signatory, ending BPP Signatory status and BPPG membership". These criteria have now been adopted by the BPP OC, in consultation with the BPPG, and the BPP OC is looking forward to further promoting this enforcement framework as well as liaising with stakeholders interested in this additional feature of its mission.

The BPP OC continues to believe it best for stakeholder trust of the industry as a whole if the BPP covers the maximum number of constituents, including with adherents producing annual compliance statements reviewed by the BPP OC. As such, the BPP OC looks forward to fulfilling its mission in an ever-changing landscape, also in terms of firms choosing to join the BPPG.

In this fifth year of the BPP OC, members focused on interacting with Signatories on their 2024 annual statements, on market perceptions of their modus operandi and on its continuous interaction with stakeholders.

[7] K. Sergakis and A. Tilba, 'Monitored self-regulation in action: empirical evidence from the proxy voting service provider industry' (2025), working paper.

To get its duties right, the BPP OC is fully aware that its responsibility involves continuous listening to stakeholders, including the Signatories themselves. That is the only way it can best reflect the perspectives of institutional investors, issuers, regulators, civil society organizations, and citizen investors who rely on us and all these agents to safeguard their savings over the long term.

To meet these expectations, and in continuance with the open consultation and stakeholder meetings that have been held since the initiation of the BPPG, the BPP OC has so far convened five Open Stakeholder Forums. This year, the fifth Open Stakeholder Forum was held in a virtual format on 9 October 2025. In addition to its annual forum, the BPP OC warmly invites stakeholders from all corners of the market to let us know their views directly and at any time. To do so, please contact us at oversightchair@bppgrp.info.

The BPP OC Nomination and Governance subcommittee also proposed in August 2025 an amendment of the nomination protocol for the chair to be eligible to continue to serve “for an additional one-year term up to a maximum of three additional years (totaling nine years maximum as member), subject to an annual review, if it is in the best interest of the Oversight Committee and BPP members.” A word of thanks to the BPP OC members for agreeing to amend the BPP OC nomination protocol so as to ensure a smooth transition to my successor upon the next timely opportunity.

In line with the introduction of the BPP OC enforcement protocol, the continuous improvement of other BPP OC’s protocols and overall governance architecture, I am confident that this monitored self-regulation model, as operated by the BPPG and the BPP OC, will stand out as a credible and long-lasting testimony to soft law initiatives, such as the Best Practice Principles Group, and will inspire many similar ones in the future. Most importantly, our efforts aim to further strengthen the credibility of this model that stands as a credible alternative to legislative proposals aiming to regulate service providers in a top-down approach.

Professor Konstantinos Sergakis
Independent Chair, BPP Oversight Committee

Actions 2024-25

Plenary Sessions

The BPP OC met in plenary session on four occasions between 1 July 2024 and 30 June 2025

- **23 September 2024**
- **22 November 2024**
- **13 March 2025**
- **24 June 2025**

Nomination & Governance Subcommittee

The Nomination and Governance Subcommittee met a total of three times:

- **10 December 2024**
- **8 January 2025**
- **14 August 2025**

Review Subcommittee

The Review Subcommittee met once and held several meetings via email:

- **02 September 2025**

Open Forum Subcommittee

The Open Forum Subcommittee met once and held several meetings via email:

- **4 October 2024**

All subcommittees have also discussed relevant items and approved decisions by email during the reporting year upon several occasions.

Below is a summary of principal actions taken by the BPP OC during the 2024-25 reporting year:

- Conducting the annual review of Signatory statements and sharing confidential letters on 25 September 2024 and on 10 October 2025 (for the 2023 and 2024 statements respectively).

- Nominating and electing one investor representative, Caroline Escott, for the BPP OC membership in January 2025. Originated in the N&G Subcommittee in December 2024. Discussed in December 2024 and approved in subsequent email vote.

- Undertaking engagement with four Signatories (as compared to three Signatories in 2023-24) as follow-ups to the BPP OC reviews of annual compliance statements. Issuing periodic reminders to Signatories regarding their fifth-year submissions of compliance statements to the BPP OC.

- Convening the fourth and fifth BPP OC international open stakeholder forums (held in virtual format) on 7 November 2024 and 9 October 2025 respectively and issuing media information about the event. The event was designed to (1) release BPP OC survey results concerning stakeholder perspectives on the proxy voting research and analysis industry; (2) increase market awareness of the BPP OC's role and work; and (3) enable key stakeholder constituencies—including institutional investors, listed companies, and public authority policymakers and regulators—to air views on the industry in a structured format. See below.

- Continuing to implement the protocol that the BPP OC chair and the BPPG will arrange quarterly meetings to share updates. BPP OC Chair continuing to discuss in each BPP OC quarterly meeting the content of quarterly meetings with BPPG members so as to strengthen communication between the BPPG and the BPP OC.

- Amending the nomination protocol in September 2025 for for the chair to be eligible to continue to serve "for an additional one-year term up to a maximum of three additional years (totalling nine years maximum as member), subject to an annual review.

- Introducing in September 2025 the BPP OC's inaugural enforcement protocol (p. 43–45).

- Continuing engagement with the OECD, via participation at the OECD roundtable in April 2025, attending meetings with the OECD and hosting two keynotes from Carmine Di Noia, Director for Financial and Enterprise Affairs at the OECD in both the 4th and 5th BPP OC Annual Forums.

- Moderating a roundtable discussion on proxy advisors at the CII Fall Conference on 9 September 2025.

- Presenting the BPP OC's mission and modus operandi at the UK Issuer Investor Forum on 8 October 2025.

- BPP OC engaged in a series of one-to-one meetings with various national, regional and international organizations so as to promote the 'monitored self-regulation' model in light of stakeholder requests for its adoption in similar initiatives.

Spotlight on 2025 Open Stakeholder Forum

The BPP OC elected to convene its 2025 Open Stakeholder Forum virtually. The BPP OC is grateful to the Open Forum Subcommittee members for their ongoing contribution to the organization of the BPP OC Open Stakeholder Forum as well as to Mayra Tucunduva-Goble (Glass Lewis) and Maria Barata (Minerva) for providing administrative support:

16.00 Welcome address **Konstantinos Sergakis**, Professor of Capital Markets Law and Corporate Governance, University of Glasgow School of Law and BPP OC Chair

16.05 Keynote address **Jen Sisson**, CEO, ICGN

16.20 Results of the annual review of the BPPG Signatories compliance statements **Anna Tilba**, Professor in Strategy and Governance, Durham University

16.30 **I — BPP PRINCIPLES: THE MARKET'S VIEWS**

- **Jennifer Coulson,** Senior Managing Director & Global Head, ESG, BC Investment management
- **Daniel Jarman,** Stewardship Manager, Pension Protection Fund
- **Tony Richelieu,** Vice President, Corporate Secretary and Associate General Counsel, KB Home
- **Jenn-Hui Tan,** Chief Sustainability Officer, Fidelity International

*Moderator: **Alia Fazal**, Head of Corporate Governance, BP plc*

17.20 *Q&As + Break*

17.30 **II — BPP PRINCIPLES: THE SERVICE PROVIDERS' VIEWS**

- **Bruce Duguid**, Head of Stewardship, EOS at Federated Hermes Limited
- **Nichol Garzon-Mitchell**, Chief Legal Officer, SVP Corporate Development, Glass Lewis
- **Paul Hunter**, CEO, PIRC
- **Robbert Gerritsen**, Head of Continental European Research, Governance Research (ex France), ISS
- **Sarah Wilson**, Founder & CEO, Minerva Analytics

*Moderator: **Caroline Escott**, Head of Investment Stewardship and Co-Head of Sustainable Ownership, Railpen*

18.20 *Q&As + Break*

18.30 Afternoon keynote address **Nell Minow**, Chair, ValueEdge Advisors

18.45 Closing keynote address **Carmine di Noia**, Director for Financial and Enterprise Affairs, OECD

19.00 Concluding comments: **Konstantinos Sergakis**

Best Practice Principles and Guidance

As was the case last year, this section of the annual report is drawn directly from the 2019 principles and guidance, available at https://bppgrp.info/the-2019-bpp-principles/, and is provided for ease of reference so that readers may here review best practices agreed for themselves by Signatory members of the proxy voting research and analysis industry. These principles remain in force today and have not been revised.

The 2019 Principles

The Principles for Providers of Shareholder Voting Research & Analysis were updated in 2019. The Principles are supported by Guidance that also was updated in 2019. Detailed in Appendix 1, the Guidance explains the background, relevance and application of the Principles. The apply-and-explain framework applies to both the Principles and the Guidance. All relevant policies should be clearly disclosed on a Signatory's company website and updated annually. The updated Principles and Guidance are the result of a thorough review process by the BPPG, which refers to the latest updated stewardship codes globally, the requirements of the revised SRD II and the ESMA 2015 Follow-Up Report. The updated Principles and Guidance also reflect the input of investors, issuers and other stakeholders received through a Public Consultation (completed in December 2017); the results of a review by the BPPG Review Committee, a process overseen by an independent review chair; and discussions and feedback from a global, diverse Stakeholder Advisory Panel.

These Principles are based on the understanding that the ultimate responsibility to monitor investments and make voting decisions lies with investors. Use of third-party services such as those provided by BPP Signatories which deliver high-quality voting research and analysis, does not shift this responsibility or relieve investors from any fiduciary duty owed to their clients. Stakeholders wishing to understand how an institutional investor discharges its stewardship or ownership responsibilities should consult relevant disclosures of the investor to understand its approach. This includes how the investor views global standards of corporate governance and investor stewardship frameworks and the extent to which national market, legal, regulatory and company-specific conditions are considered.

Principle One: Service Quality

BPP Signatories provide services that are delivered in accordance with agreed-upon investor client specifications. BPP Signatories should have and publicly disclose their research methodology and, if applicable, "house" voting policies. BPP Signatories' disclosure will include:

- the essential features of the methodologies and models they apply; the main information sources they use;
- procedures put in place to ensure the quality of the research, advice and voting;
- experience and qualifications of the staff involved;
- whether and, if so, how, BPP Signatories take national market, legal, regulatory and company-specific conditions into account; how this relates to global standards of corporate governance and investor stewardship frameworks;
- the essential features of any house voting policies BPP Signatories apply for each market (client-specific custom policies will not be disclosed);
- how BPP Signatories alert clients to any material factual errors or revisions to research, analysis or voting recommendations after research publication.

Principle Two: Conflicts-of-Interest Avoidance or Management

BPP Signatories' primary mission is to serve investors. BPP Signatories should have and publicly disclose a conflicts-of-interest policy that details their procedures for avoiding or addressing potential or actual conflicts of interest that may arise in connection with the provision of services.

In addition to disclosing their general policy, BPP Signatories should also have a process in place to identify and disclose without delay to their clients, on a case-by-case basis, actual or potential conflicts of interest or business relationships that may influence the preparation of their research, advice and voting recommendations and the actions they have undertaken to eliminate, mitigate and manage actual or potential conflicts of interest.

Principle Three: Communications Policy

BPP Signatories' primary mission is to serve investors. BPP Signatories should provide high-quality research that enables investor clients to review the research and/or analysis sufficiently in advance of the vote deadline ahead of a general meeting. This primary accountability to investors should remain the key priority for BPP Signatories when applying Principle Three.

With regard to the delivery of services, BPP Signatories should explain their approach to communication with issuers, shareholder proponents, other stakeholders, media and the public. BPP Signatories should disclose a policy (or policies) for dialogue with issuers, shareholder proponents and other stakeholders. BPP Signatories should inform clients about the nature of any dialogue with relevant parties in their research reports, which may also include informing clients of the outcome of that dialogue.

Guidance

Guidance on Principle One: Service Quality

1. Introduction

(a) BPP Signatories should explain how they organize their activities to ensure that research is developed in accordance with a stated research methodology and voting policies.

(b) BPP Signatories should describe what reasonable efforts they make to ensure their research and analysis are independent and free from inappropriate bias or undue influence.

2. Responsibilities to Clients

(a) A BPP Signatory's primary responsibility is to provide services to investor clients in accordance with agreed specifications. Clients are the ultimate and legitimate 'judges' of the quality of shareholder voting research and analysis and other services they subscribe to from BPP Signatories and pay for.

3. Quality of Research

(a) Shareholder voting research and analysis should be relevant, based on accurate information and reviewed by appropriate personnel prior to publication.

(b) BPP Signatories should be able to demonstrate to their clients that their reports, analyses, guidance and/or recommendations are prepared to a standard that can be substantiated as reasonable and adequate.

(c) BPP Signatories should have systems and controls in place to reasonably ensure the reliability of the information used in the research process. BPP Signatories should disclose to what extent issuers have the opportunity to verify, review or comment on the information used in research reports, analysis or guidance.

(d) BPP Signatories cannot be responsible for disclosures published by issuers or shareholder resolution proponents that are the subject of their research.

(e) BPP Signatories should maintain records of the sources of data used for the provision of services to clients (to the extent legally or contractually possible).

(f) BPP Signatories' disclosure should include procedures to reasonably ensure the quality of the research, advice and voting recommendations. BPP Signatories should implement proportionate organisational features to achieve adequate verification or double-checking of the quality of research that is provided. These may include:

- Issuer fact-checking;
- IT-based consistency check;
- Four-eyes principle (i.e., reports reviewed by an appropriate second person);
- Review by senior analyst;
- Review by governance committee;
- Review by senior management and/or executives

(g) BPP Signatories should be transparent regarding the sources used and content included in the research information they provide to their clients, including, when applicable, notations about any dialogue with issuers, shareholder proponents, dissidents or their advisors that may have taken place in accordance with their specific policies and procedures (see Principle 3). To that end, BPP Signatories should ensure that use, inclusion or reproduction of external private information be duly referenced, so clients can assess to what degree third-party input plays a role in the services they use.

(h) BPP Signatories should alert clients to any verified factual errors or material revisions to published research or analysis without delay. Alerts should explain the reasons for any revision in a transparent and understandable way.

4. Research Methodology

(a) BPP Signatories' disclosure will include the essential features of the methodologies and models they apply and the main information sources they use. This will include whether and, if so, how they take national market, legal and regulatory and company-specific conditions into account. BPP Signatories should have and disclose a written research methodology that comprises the following essential features:

- The general approach that leads to the generation of research;
- The information sources used;
- The extent to which local conditions and customs are taken into account;
- The extent to which custom or house voting policies or guidelines may be applied;
- The systems and controls deployed to reasonably ensure the reliability of the use of information in the research process, and the limitations thereof.

(b) In making such disclosure, BPP Signatories do not need to provide information that could harm the BPP Signatory's legitimate business interests, including, but not limited to, its intellectual property and trade secrets, as well as the intellectual property of any of its clients or third-party content providers.

5. Voting Policies or Guidelines

(a) Shareholder Policies

i. Shareholders may assess investee companies' governance arrangements and make voting decisions based on their own view or "custom" voting policy. In this case, a shareholder may contract with a BPP Signatory to receive services based on the shareholder's own voting policies.

ii. Shareholders may subscribe to shareholder voting research and analysis services based on a BPP Signatory's proprietary or "house" voting policies and subsequently decide on the extent to which they incorporate that research and analysis into their own assessment and decision- making process.

Whether shareholders adopt a policy that is consistent with a BPP Signatory's "house" voting policy or vote according to a "custom" voting policy that differs from the policy of the BPP Signatory, shareholders are always responsible for and entitled to exercising their own judgement when determining their final voting decisions.

(b) BPP Signatory Policies

i. BPP Signatories may provide shareholder voting research and analysis services based on "house" voting policies or guidelines. These voting policies typically consist of corporate governance principles against which the governance arrangements and general meeting resolutions of listed companies are assessed.

ii. BPP Signatories should disclose whether they have developed "house voting policies. If so, they should disclose these policies, including, but not limited to, the extent to which local standards, guidelines and market practices are taken into account, the extent to which issuer explanations on deviations from comply-or-explain corporate governance codes are taken into account and the extent to which peer comparisons are used in formulating analysis and recommendations. BPP Signatories should specify the scope of their research.

iii. Each BPP Signatory will have its own approach to voting policy development and review, which may include one or more of the following approaches

- Client review
- Academic literature review
- Public consultations
- Guideline exposure drafts
- One-on-one/face-to-face discussions
- Group discussions/webinars
- Expert/regulatory body reports
- Discussion at industry conferences

iv. BPP Signatories should explain how their voting policies are developed and updated. They should explain whether and how they incorporate feedback into the development of voting policies. They should disclose the timing of their policy updates and policies should be reviewed at least annually.

v. BPP Signatories should explain how and to what extent clients may customize their voting policies using the Signatories' services, without disclosing proprietary information. BPP Signatories are not responsible for disclosing client corporate governance policies or voting guidelines and may have contractual obligations that preclude them from discussing any aspect of their client relationships, voting guidelines or intentions.

A BPP Signatory's voting guidelines do not need to include information that could harm the BPP Signatory's legitimate business interests, including, but not limited to, intellectual property and trade secrets of the BPP Signatory, as well as the intellectual property of any of its clients or third-party content providers.

Whether services are provided on a "custom" or "house" voting policy basis, clients expect BPP Signatories to exercise their independent professional judgment when delivering shareholder voting research and analysis.

6. Employee Qualification & Training

BPP Signatories should disclose the procedures they have in place to ensure staff members are qualified to perform their respective jobs, including:

(a) The procedures they have in place to ensure staff members have the appropriate education, skills, competence and experience.

(b) BPP Signatories should make reasonable efforts to ensure their staff is trained on the relevance and importance of their activities and on how they contribute to service delivery.

(c) Where a BPP Signatory outsources any process that could affect service quality, the BPP Signatory should exercise control over such processes. The type and extent of control applied to these outsourced processes should be clearly explained.

(d) BPP Signatories should disclose their operational arrangements for the provision of services, including, for example, qualifications of staff and organization of production processes, etc.

7. Timeliness

(a) BPP Signatories have a responsibility to provide clients with adequate and timely services, subject to the availability of source information from issuers and shareholder resolution proponents, as well as intermediary constraints (for example, vote deadlines and intermediary cut-offs).

(b) BPP Signatories should make reasonable efforts to use the most up-to-date publicly available information when delivering their services. BPP Signatories should disclose how and to what extent relevant stakeholders can submit supplementary information for consideration in their research or analysis, taking into consideration relevant deadlines.

8. Complaints & Feedback Management

(a) BPP Signatories should have and disclose their policies for managing and responding to complaints, comments or feedback about their services.

9. Client & Supplier Understanding

(a) The operational aspects of service delivery will generally form the basis of the service agreement between BPP Signatories and their clients.

(b) BPP Signatories should notify clients of the scope of the services provided, as well as any known or potential limitations or conditions that should be taken into account in the use of signatory services. Limitations may include:

- Data availability issues, as not all markets require the same level of detail in disclosure;
- Missing, inaccurate or incomplete documents or disclosures, such as from issuers or shareholder proponents;
- Reliance on third parties that are beyond the control of the signatory;
- Inconsistencies and irregularities of information provided by intermediaries in the ownership chain, such as agenda information, vote deadlines and blocking procedures, etc.

(c) BPP Signatories should provide clients with a framework that enables them to fulfil their due- diligence requirements. The framework could include the following:

(d) Site visits:

- Interaction with research teams;
- Information on quality controls that govern the research development process;
- Information on the qualifications and experience of the BPP Signatory's staff;
- Information on how the research framework has been or will be applied and on which assumptions the research output has been based.

10. Client Disclosure Facilitation

(a) BPP Signatories recognise that institutional investors may be subject to disclosure requirements regarding the investors' use, if any, of shareholder voting research and analysis services.

(b) BPP Signatories should assist clients, upon reasonable request, with disclosure relating to the clients' discharge of stewardship responsibilities. This disclosure could include information on how an institutional investor client uses a BPP Signatory's services; the public identification of a BPP Signatory; conflict avoidance and management by the BPP Signatory; and information on the scope of services offered by a BPP Signatory, among other relevant issues.

Guidance on Principle 2: Conflicts-of-Interest Avoidance or Management

1. Introduction

(a) The possibility for conflicts of interest can arise in all businesses. While conflicts cannot always be eliminated, they can be managed and mitigated.

(b) The overriding objective of this Principle is to ensure, as far as reasonably possible, that research and business conduct are independent, fair, clear, not misleading and free from possible bias or undue influence.

(c) With this in mind, BPP Signatories should make full and timely disclosure of potential conflicts that could reasonably be expected to impair their independence or interfere with their duty to clients.

2. Conflicts of Interest Policy

BPP Signatories should publicly disclose their policy regarding the prevention and management of potential conflicts of interest.

(a) A BPP Signatory's conflicts-of-interest policy should explain:

- The existence of potential material conflicts;
- How and when potential material conflicts will be disclosed to clients (for example on a website, within the applicable research report and in email bulletins, etc.);
- How BPP Signatories communicate their conflicts-of-interest policy and train their employees in the operation of that policy;
- How conflicts will be managed.

3. Possible Conflicts for Consideration

(a) BPP Signatories should consider how the following non-exhaustive list of potential conflicts may materially impact their operations and how these potential conflicts may be addressed:

- 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.

4. Conflict Management & Mitigation

(a) Conflict management and mitigation procedures should include the following approaches to the extent that they are relevant to potential conflicts faced by the Signatory:

- Transparent policies and procedures
- Code of ethics
- Division of labour
- Employee recusal
- Fire walls/IT systems and controls
- Information barriers and ring-fencing
- Independent oversight committees
- Physical employee separation
- Separate reporting streams

5. Conflict Disclosure

In addition to disclosing their general policy, in line with SRD II, BPP Signatories also should have a process in place to identify and disclose without delay to their clients, on a case-by-case basis, actual or potential conflicts of interest or business relationships that may influence the preparation of their research, advice and voting recommendations, as well as the actions they have undertaken to eliminate, mitigate or manage the actual or potential conflict of interest.

If a BPP Signatory becomes aware of a material conflict of interest, that is not otherwise addressed in its general policies, the BPP Signatory should:

- disclose the conflict to the relevant client(s) without undue delay before or at the same time the service is delivered, subject to contractual arrangements;
- provide the relevant client(s) with research from an unconflicted proxy advisor for the relevant meeting; or
- manage the conflict as further detailed in the BPP Signatory's conflicts-of-interest policy.

Guidance on Principle Three: Communications Policy

1. Introduction

Shareholders are always responsible for and entitled to exercising their own judgment when determining their final voting decisions, according to their own investment and governance philosophy and company engagement activities in any particular situation.

(a) BPP Signatories should explain their approach to communication with issuers, shareholder proponents, other stakeholders, media and the public.
(b) It is up to BPP Signatories to choose whether or not to engage in dialogue and in what format. If a BPP Signatory chooses to have such a dialogue, it is up to the Signatory to determine the objectives, timing, frequency and format of this dialogue.
(c) Comments and statements in the press or public forums may have a significant impact and, as such, should be properly managed.

2. Dialogue with Issuers, Shareholder Proponents & Other Stakeholders

(a) BPP Signatories should have a policy (or policies) for dialogue with issuers, shareholder proponents and other stakeholders.
(b) BPP Signatories should communicate to clients in their research reports the nature of any dialogue with relevant parties, which may also include informing clients of any changes made to their research or analysis as a result of that dialogue.
(c) The policy on dialogue should cover issues including, but not limited to:

- The circumstances under which such dialogue could occur;
- Details of any year-round mechanisms for dialogue with relevant parties
- Whether BPP Signatories provide engagement services to investors and how these relate to shareholder voting research provision;
- How BPP Signatories verify the information used in their analysis;
- Whether and how issuers are provided with a mechanism to review research reports or data used to develop research reports prior to publication to clients;
- Procedures for avoiding receipt of privileged, non-public information and, in cases where such information is received, procedures for managing such information;
- If/how BPP Signatories communicate during the voting period (defined as the period from release of the agenda until the general meeting);
- What steps are taken to protect BPP Signatories and their employees from undue pressure or retaliatory actions arising from the delivery of services.

3. **Dialogue with Media & the Public**

(a) BPP Signatories reserve the right to respond to general media enquiries about the nature of their services and about the companies or issues they cover. However, BPP Signatories should have and disclose a policy (or policies) for communication with the media and the public. This policy should include, at minimum, the following considerations:

- Which of the BPP Signatory's employees are permitted to make comments to the media;
- The BPP Signatory's policy toward the publication of house recommendations (if made) on any particular resolution prior to the publication of their reports to clients. Exceptions to this policy should be explained.

(b) It should be noted that BPP Signatories cannot be held responsible for the unauthorized use or re-use of their materials.
(c) At all times, BPP Signatories should observe applicable laws or regulations regarding libel, slander, market abuse, insider trading and distribution of confidential or material non-public information, etc.

Signatory Compliance Reports

Signatories of the BPP did not include in their original agreement a uniform timetable for reporting against the Principles. In 2023, in order to improve consistency across submission periods and in accordance with the BPP OC chair and with the BPP OC's approval in January 2023, a new timetable was agreed for April-May every year. Following this agreement, some signatories communicated to the BPP OC that they would appreciate submitting their statements later in the year so as to include updates from the latest proxy season and to increase their informational value for stakeholders. As a result, signatories' submission dates vary this reporting cycle. Compliance statements were submitted to the BPP OC in a range between 12 April and 23 June 2025, with all uploaded onto the BPP website in June 2025. The BPP OC keeps on liaising with BPPG so as to increase the informational value of annual statements for the benefit of any interested party.

Compliance Report Submission Timelines[8]

Signatory	2024 submission date	2025 submission date
Glass Lewis	1 April	12 April
EOS at Federated Hermes Limited (EOS)	28 June	23 June
ISS	30 May	31 May
Minerva	3 July	30 April
PIRC	28 June	28 June

The BPP platform with all statements is accessible here: https://bppgrp.info/signatory-statements/. The statements are also each accessible through the firms' own individual websites.

[8] Dates reflect submission of each report to the BPP OC. These may differ from the dates a report was made available online or to other parties.

Assessments of 2024 Compliance Reports

Below are the BPP OC's overall findings on compliance statements issued publicly by the five Signatories addressing their operations in 2024, including a spotlighting of best-in-class reporting. All compliance statements were available together on the BPPG web page in June 2025, though individual firms had posted their statements earlier. The assessment below, together with confidential, Signatory-specific comments and recommendations, as per the OC's terms of reference, by letter to each of the five firms on 10 October 2025.

Principle Alignment

Member	Principle 1	Principle 2	Principle 3
EOS at Federated Hermes Limited	✓	✓	✓
Glass Lewis	✓	✓	✓
ISS	✓	✓	✓
Minerva	✓	✓	✓
PIRC	✓	✓	✓

Methodology

The OC undertook the review process through a Review Subcommittee composed of Chair Prof. Anna Tilba who also acted as Independent Reviewer in previous reporting cycles, Fabio Bonomo, Glenn Davis, Evan Epstein and Konstantinos Sergakis. Prof. Tilba first composed a comparative analysis of the statements as well as drafts of response letters and circulated it to the OC Chair. The revised versions were then distributed to the full Subcommittee. Second, Prof. Tilba also drafted OC response letters to each Signatory. Third, the Subcommittee revised and approved each letter before sending them to the full Committee for consideration and approval. Lastly, at the Q3 2025 meeting on 26 September 2025, OC members unanimously approved the final letters subject to additional revisions.

Summary of Reporting Practices

The Committee finds that **all Signatories continue to be compliant with all three Best Practice Principles**. The Committee's focus in this year's review of Signatory compliance statements has been on assessing overall continued responsiveness to its recommendations put to each firm last year. Signatories' overall reporting continues to apply and explain how they address guidance on the three Principles in a way that is straightforward and easy to understand. The Committee has also found, in general, that notable improvements continue to be made to reporting in response to its feedback.

This year all Signatories have provided separate detailed feedback (either in their confidential response letters to the BPP OC or within their public BPP compliance reports) on how they responded to the Committee comments on the previous compliance statement, highlighting the additional information that they now include as a result of the reviewing process. Glass Lewis, PIRC and ISS provided confidential letters detailing how they have addressed the BPP OC feedback and suggestions. EOS sought further engagement opportunities with the Committee on how to best respond to the BPP OC feedback and provided a table detailing changes to EOS practices and/or disclosures vs. its previous BPP Report and the underlying rationale for these. ISS also added further acknowledgement of the significance of the BPP by saying that 'The BPP is widely viewed as a credible and robust self-monitoring mechanism which promotes improved transparency of, and confidence in, the shareholder voting research and advice industry' (p. 2).

The Committee notes with appreciation that PIRC significantly updated and improved the format of its 2024 report, providing more detailed explanations on its compliance under each Principle and converting bullet points into more comprehensive explanations. Minerva provided a new and very detailed table on BBPG Principle Alignment in its integrated Annual 2024 Report on UK Stewardship Code and BPPG Code of Conduct. Signatories also continue to add new case studies and examples of changes to firm practices related to the Principles.

The following table summarizes four key and non-exhaustive areas of good reporting practices and of direction of travel for further disclosure. The BPP OC will give further consideration to this overarching issue of how to proceed when recommendations are not addressed.

Good reporting practices	Direction of travel for further disclosure
• Service quality assurance: Principle 1	• Statistics tracking: Principle 1
• Voting policies: Principle 1	• Revenue sources: Principle 2
• Impact of the Best Practice Principles: Principle 2	• Staff diversity: Principle 1

The following sections summarise some, but not all, significant examples of best practice that the Committee gleaned from all Signatories in this year's reporting.

Principle 1: Service Quality

Overall good reporting practices and direction of travel for improvements

Below are examples the OC gleaned from all five Signatory compliance reports which, in its opinion, represent best-in-class reporting on Principle 1, taking into account guidance embedded in the 2019 Principles-Appendix 1. The OC encouraged each Signatory to review stand-out peer disclosures to determine how they might adapt similar-caliber reporting practices in the next cycle of compliance statements. Further, this OC commentary was designed to convey its view on the direction in which Principle 1 reporting by all Signatories should be heading to meet stakeholder expectations.

- **Timeliness:** All Signatories continue to provide explanations for how timelines of their reports is conceived, managed, and executed. We also note that several Signatories have improved their timeliness.

- For example, ISS aims for a minimum 2-week target delivery date for governance research and vote recommendations prior to the meeting date. The Committee notes that in 2024 ISS continued to increase the speed of delivery of governance research and voting recommendations. Specifically, in 2024 ISS delivered its benchmark research reports on average 21.7 days prior to the meeting date for U.S. meetings (an improvement from 19.1 days in 2023) and on average 17.0 days prior to the meeting date for ex-U.S. meetings (an improvement from 16.4 days in 2023), despite increasing the number of meetings covered from 50,500 in previous year to 51,500 in 2024 (+2.0%).

- On a global basis, Glass Lewis' average publication date remained at least 19 days prior to the meeting date in 2024, despite an increase in markets covered from103 in 2023 to 105 in 2024 (+1.9%). EOS added further explanations about the controls that are in place to ensure timely submission of manually applied EOS recommendations by way of capturing fresh data each morning from the ISS platform and utilising an EOS proprietary excel tool to highlight outstanding tasks which are ultimately shared amongst the team.

- **Research capacity, Staff numbers and workload:** The Committee notes with appreciation that Signatories continue to provide further explanations on how they equip themselves so that their research output matches a wide variety of factors, including internal ability to converse and understand the language, culture, legal context, and ESG frameworks prevalent in each covered market. The Committee recognizes that Signatories may arrive at different levels based on different methods of research and different business models. However, each Signatory, in the Committee's view, should continue to disclose those levels coupled with explanations.

- The BPP OC notes that Signatories continue to provide useful updates on the volume of their activities. Glass Lewis reported a slight increase in the number of total reports from 30,852 in 2023 to 30,896 in 2024 (+0.1%), accompanied by a slight decrease in the number of public companies covered from 23,249 in 2023 to 22,930 in 2024 (-1.3%) and a significant boost in the number of employees from 355 in 2023 to a team of some 445 professionals in 2024 (+25%).

- ISS increased the total number of meetings covered from 50,500 in previous year to 51,500 in 2024 (+2.0%), expanding at the same time its research team by more than 10% compared with 2023 (approximately 420 vs. about 380 full-time professional research staff).

- EOS also increased the number of shareholder meetings covered from 12,963 in 2023 to 14,701 in 2024 (+13.4%), also increasing the number of resolutions involved from 128,101 in 2023 to 143,075 in 2024 (+11.7%).

- During the 2024 proxy season (between 1 February and 31 May) PIRC drafted and sent to companies prior to their publication a total of 2,174 reports (of which 1,942 were AGM reports). In 2023 (between 1 February and 31 May) a total of 2,145 draft reports of PIRC were sent to companies prior to their publication. During 2024, Minerva published a total of 12,061 research reports, a slight decrease from 12,425 research reports in 2023 (-2.9%).

- The Committee continues to advocate for transparency and thoroughness of staff resources data, so that stakeholders have an understanding of how a Signatory structures its staff resources for research to address local, sectoral, or company-specific issues. The Committee continues to encourage Signatories to include information on how teams organize. Is the team organized by country, region, and/or sector? If not, how does it apply expertise so as to produce informed reports? Do Signatories employ external research providers? If so, how does it monitor for quality, accuracy, independence, reliability, and potential conflicts of interest? How does the Signatory match its staff resources with the peaks of the shareholders' meetings season? In case the Signatory avails of seasonal temporary resources, which are the latter qualifications and how are they trained and supervised?

- In response to the BPP OC suggestion to provide a more detailed disclosure about the above-mentioned possible topics, Glass Lewis reported that its Research Associates 'go through intensive training and mainly focus on data collection and verification, thereby freeing up our Research Analysts to focus on analysis during the most intensive periods for our work' (p. 14 of Glass Lewis 2024 report). More widely on this topic, PIRC provided the ratio during the peak season between permanent employees and temporary staff, indicating the background and the degree level qualification expected of the latter and specifying that in 2024 four temporary staff were retained.

- **Diversity and Staff Qualifications**: The Committee notes with appreciation that Signatories continue to include diversity reports as well as further information on staff qualifications and training. The BPP OC gleaned from the reviewing this year's statements that overall, executives, senior managers, and senior analysts have advanced degrees and/or professional experience in relevant disciplines such as investment banking, law, remuneration, corporate governance, mergers and acquisitions, regulatory compliance, public policy, finance, and accounting. Helpful demonstration of the training process and staff incentives were also given. Minerva notably expanded the list of their staff qualifications and training process. Minerva's gender balance changed from 52% male and 48% female in 2023 to 52% female and 48% male in 2024.

- Glass Lewis provided an update on the appointment of its new Chief Executive Officer in May 2024 alongside a link to biographies of all senior executives. Moreover, Glass Lewis explained its commitment to workforce diversity and its ongoing initiatives in this area in its first Sustainability Report, covering calendar year 2023.

- PIRC actively sought to address comments in previous years about wider diversity characteristics. In that vein, in 2024, 55% of staff were non-White British. The age breakdown of staff was: 44% under 30, 36% between 30 and 50; and 19% over 50 years old. One member of PIRC's staff has declared themselves as having a disability. EOS increased the number of full time employees from 29 in 2023 to 30 in 2024, maintaining the same staff gender diversity at 57% female and 43% male. While in ISS, across its global locations, approximately 47% of the company-wide workforce is female, including approximately 50% of ISS' business unit heads and 32% of ISS' Leadership Team (all increases from 2023, when the same rates were ~44%, ~40%, and ~29%, respectively).

- ISS also added a new Chart on ISS Global Leadership Team. The Committee recommends that Signatories continue to disclose such information alongside other diversity characteristics such as ethnicity and disability status, as well as share any public policies on staff diversity and inclusion that they have.

- **Staff Length of Service**: The Committee notes with appreciation that most Signatories continue to include this information.

- **Service Quality Assurance**: The Committee continues to advocate for more robust disclosures on internal controls over quality, reliability, independence, and accuracy, including data on alerts to clients concerning errors or revisions. For example, in response to the BPP OC recommendation to include explanations in reporting on how Signatories deal with factual errors, Glass Lewis has expanded and consolidated the discussion of its approach to errors and omissions under Principle 3 of the BPP. Glass Lewis also expanded and enhanced the information available in its proxy paper research reports and on its voting platform, Viewpoint, in 2024. First, Glass Lewis expanded the information available to its clients on directors at North American and European companies. Second, Glass Lewis Viewpoint platform now features "For Your Attention" (FYA) flags on selected agenda items. FYA flags are used to alert Glass Lewis clients to proposals with highly contextual analysis, whether Glass Lewis' recommendation is for or against the proposal. FYA flags are now available across the entire Glass Lewis coverage universe, excluding M&A and shareholder proposals. Glass Lewis also launched a new version of its Proxy Talk program in 2024.

- PIRC added a new section in its compliance statement captioned 'Our approach to factual errors and complaints procedures' (p. 27). Minerva continues to provide a comprehensive overview on how it deals with inaccuracies in its 2024 report.

- **Research Methodologies**: The Committee notes with appreciation that Signatories continue to provide useful information on their research methodologies. For example, ISS added illustrative examples on how specific local conditions and standards are taken into account in its research (pp. 16-17 of ISS 2024 report). Minerva provided updated examples and more detailed explanations of its data sources.

- **Voting Policies**: The Committee continues to advocate for more transparency around how Signatories approach the different voting policies (benchmark, specialty and custom policies) applied. The Committee notes with appreciation the Signatories are gradually providing more clarifications in this area. For example, in this year's submission, ISS has not only updated data, case studies, and other relevant information as needed, but also responded to the BPP OC's review of ISS compliance statement for 2023, along with related discussions between the BPPG and BPP OC. Specifically, ISS added two new dedicated sections: the first comprehensively outlines ISS' data analysis showing that its vote recommendations are tailored to both policies and specific proposals, highlighting how ISS' services accommodate a range of different perspectives through various voting policies (pp. 10-11 of ISS 2024 report). The second section focuses on ISS' ProxyExchange (PX) voting platform, which investor clients use to access, evaluate, and cast proxy votes. This section aims to highlight the operational efficiencies proxy advisory services provide and how PX supports clients in fulfilling their stewardship duties (pp. 20-22 of ISS 2024 report). Additionally, this year's submission includes an expanded example demonstrating how ISS incorporates local U.K. conditions and standards (pp. 16-17 of ISS 2024 report).

- Glass Lewis provided more information on how its benchmark policy guidelines are evaluated and updated on an ongoing basis, as well as more detailed information on how it receives stakeholders' feedback on its policies, adding supplementary figures detailing the types of respondents, investor assets under management and principal locations of these organisations (p. 12 of Glass Lewis 2024 report).

- PIRC included new comprehensive explanations on the essential dimensions of its voting guidelines, including custom voting policies and advice as well as how PIRC accounts for market differences and company circumstance (pp. 12-17 of PIRC 2024 report).

- Minerva reviewed its guidance in order to ensure its voting guidelines and research reports offer comprehensive coverage of material social factors. Changes made in 2024 and 2025 have included updated voting guidelines on board gender and ethnic diversity, enhanced guidelines on shareholder proposals on social factors, such as anti-microbial resistance and the right to collective bargaining and freedom of expression, and enhanced coverage of company disclosure on the approach to human rights and use of artificial intelligence standards and frameworks. Minerva also conducted its annual review of voting guidelines and introduced new questions to better address climate-related and other relevant issues, helping its clients to more effectively identify potential risks.

- EOS stated that it provides regular public reporting and analysis on voting topics throughout the year. Examples are included in its quarterly Public Engagement Reports.

- **Company feedback:** The Committee is aware of competing time pressures, especially in markets with challenging ballot timelines, and different business models that give rise to divergent Signatory approaches to this matter. In general, the Committee continues to favour a scenario in which companies have a timely opportunity to review and correct (where appropriate) Signatory factual descriptions and data, since this scenario could improve product accuracy. But at the same time the Committee believes this quality improvement must be weighed against the real risk of cutting into voting and engagement windows available to investor clients. The Committee notes that Signatories continue to signpost a period by which a complainant might expect a response.

Corporate governance issues: The Committee notes with appreciation that Signatories continue to provide information on this. Specifically, the BPP OC is pleased that several Signatories now provide further explanations on ESG policies and methodology. For example, Minerva updated its approach on the analysis of shareholder proposals filed by "anti-ESG" organisations, as well as its methodology for analysing proposals on director resignation bylaws, the removal of directors by a majority with or without case, reporting on board skills and competencies, disclosure of disaggregated voting results, and proposals on biodiversity and nature practices and policies. PIRC provided further information on its ESG methodologies. In 2024 Glass Lewis expanded the ESG Profile Page in its proxy paper research reports by adding data points and extending its coverage to approximately 6,300 companies, including India and expansions in Switzerland and Spain.

Principle 2: Conflicts of Interest Avoidance and Management

Overall good reporting practices and direction of travel for improvements

Below are examples the OC gleaned from all five Signatory compliance reports which in its opinion represent best-in-class reporting on Principle 2 together with Guidance supplied in Appendix 1 of the BPP. The OC encouraged each Signatory to review stand-out peer disclosures to determine how they might adapt such reporting practices in the next cycle of compliance statements. Further, the OC commentary here illustrates its opinion on the direction in which Principle 2 reporting by all Signatories should be heading.

- **Revenue Sources**: The Committee notes that Signatories reporting in this area is broadly the same as last year. The BPP OC continues to encourage Signatories to provide as much such data as possible.

- **Compliance monitoring**: The Committee notes with appreciation that Signatories have dedicated compliance professionals, teams or departments that routinely review the business and update conflicts of interest policies and procedures.

- **Potential conflict instances and notifications:** The Committee notes with appreciation that Signatories disclose this information. For example, PIRC significantly updated reporting on this principle by adding information on conflicts of interest PIRC does not have and conflicts of interest PIRC does face, as well as providing comprehensiveinformation on various aspects of PIRC's conflicts of interest Policy, including explanations on how actual or potential conflicts of interest are managed.

- PIRC also added that its employees receive training on identifying potential conflicts of interest as part of their induction upon joining the organisation and explained its Code of Conduct.

- **Employee conduct and ethics training**: The Committee notes with appreciation that ISS, EOS and Glass Lewis have their own employee Code of Ethics and related training. Minerva has the equivalent in its Standard of Conduct and Performance Policy. PIRC also has an equivalent Code of Conduct.

- **Recording and escalation:** The Committee notes with appreciation that Signatories disclose this information.

- **Share-Trading:** The Committee notes that Signatories have varied ways of reporting on rules and time windows around employee share trading. The Committee continues to encourage each Signatory to report in detail on its policies around employee share trading and to indicate whether and how they apply to different categories of staff (for example, executives, full-time permanent professionals, seasonal employees).

- **Impact of Best Practice Principles:** The Committee continues to suggest that Signatories might wish to enhance stakeholder confidence in the BPP by illustrating what changes they have made in response to the Principles. The Committee notes with appreciation that all Signatories included a section detailing the impact of BPP compliance, listing changes that they have made either in their public reports or in their confidential correspondence with the BPP OC.

- For example, ISS added further explanations of the significance of the BPP by saying that 'The BPP is widely viewed as a credible and robust self-monitoring mechanism which promotes improved transparency of, and confidence in, the shareholder voting research and advice industry' (p. 2 of ISS 2024 report). Minerva continues to provide information at this regard in a section dedicated to the BPP alignment.

Principle 3: Communications Policy

Overall good reporting practices and direction of travel for improvements

Below are examples the OC gleaned from all five Signatory compliance reports which in its opinion represent best-in-class reporting on Principle 3 together with Guidance in Appendix 1 of the BPP. The OC encouraged each Signatory to review stand-out peer disclosures to determine how they might adapt such reporting practices in the next cycle of compliance statements. Further, the OC's commentary here illustrates its opinion on the direction in which Principle 3 reporting by all Signatories should be heading.

- The Committee is aware of competing time pressures, especially in markets with challenging ballot timelines, and different business models that give rise to divergent Signatory approaches to this matter. In general, the Committee continues to favour a scenario in which companies have a timely opportunity to review and correct (where appropriate) Signatory factual descriptions and data, since this scenario could improve product accuracy. But at the same time the Committee believes this quality improvement must be weighed against the real risk of cutting into voting and engagement windows available to investor clients.

- In last year's feedback to the Signatories, the Committee recommended to include an explanation of the BPP Group's formal complaints procedure. The Committee notes with appreciation that all Signatories now have a dedicated section explaining this process.

Communication with the BPP Oversight Committee

The BPP OC invites stakeholders of all types to communicate with it on, for instance:

- Signatory compliance with the Best Practice Principles;
- Performance of the BPP OC itself;
- Aspects of the proxy advisory vote research industry; and
- Complaints

In 2021 the BPP OC established an independent channel for such communication through the chair. Emails may be sent to: oversightchair@bppgrp.info. Further, the BPP OC agreed a protocol at its 10 December 2020 meeting which was subsequently shared with the Signatories:

- The chair is expected to share any bona fide communications with the full Committee and to include an agenda item on outside communications in all subsequent quarterly BPP OC meetings.
- If the communication involves the Committee itself, members will consider the matter and respond in a timely manner to the author(s).
- If the communication involves escalation of a complaint against a Signatory—especially in the case of an alleged lack of response by a Signatory to a complaint—the Committee will in the first instance engage on a confidential basis with the Signatory in question to determine whether the Signatory's own best practice procedures in addressing complaints were followed. It should be understood by all parties that the BPP OC is not positioned to act as a judge on the merits of complaints, but rather as a body with a duty to ensure that Signatories are accountable for following their own procedures for handling complaints according to the Principles. The BPP OC would in such a case expect the Signatory to respond to the BPP OC and the complainant in a prescribed time period. In the event the Committee determines that a Signatory has failed to meet its own procedures for handling complaints according to the Principles, the BPP OC would consider further steps envisioned under its terms of reference. The BPP OC's terms of reference state in respect of an area in need of improvement that "if the BPP Signatory has not addressed the issue in a satisfactory manner, the Oversight Committee will discuss appropriate next steps with other BPPG members, up to and including the ultimate sanction of ending the BPP Signatory status and BPPG membership." The BPP OC in any case would inform the complainant of steps it is taking in response to the communication.
- The BPP OC will include a quantitative and descriptive disclosure of any such communications to itself, while respecting the confidential nature of exchanges with Signatories, in the OC's annual report.

The Road Ahead

Four key areas are likely to draw BPP OC attention and action over the coming year: regulatory trends, signatory compliance, stakeholder feedback and enforcement aspects.

- ***First***, the BPP OC is aware that the European Commission has kicked off a review of the industry's independent oversight structure, with the most recent development being the publication of the ESMA report on 27 July 2023. The BPP OC assisted ESMA in its review. The Committee stood by to communicate with ESMA as it undertook its review of the overall effectiveness of the BPP structure ahead of the Commission's 2023 deadline. In addition to an overall positive assessment of BPP OC's monitored self-regulation process, the ESMA report contains a series of recommendations that relate to the BPPG, the BPP OC as well as to SRD II provisions in the area of service providers. The BPP OC has held several meetings with national, regional and international organizations (such as with the OECD in April 2025, in light of the publication of the OECD peer review on frameworks for the corporate governance of market service providers in 2026) operating in various areas so as to inform similar policy initiatives and further promote the monitored self-regulation model as a credible and robust mechanism. The BPP OC will be thus watching closely, in collaboration with Signatories, all regulatory assessments and proposals pertaining to areas of common interest so as to continue improving the way it delivers its mission and inform its activities, within the scope of authority acknowledged in the BPP OC terms of reference.

- ***Second***, market practices, especially in respect of investor stewardship, have evolved at a rapid pace since agreement on the Best Practice Principles was last reached in 2019. For instance, there is considerably more attention paid to climate and human capital factors and more sophisticated analytics available for those purposes. At the same time, more regulators are keeping a watchful eye on how institutional investors utilize the services of the proxy voting advisory and research industry. Moreover, a new cadre of advisory and NGO players are seeking to raise citizen investor awareness of and participation in the way financial agents cast proxy ballots.

Alongside these macro shifts, and in the wake of five rounds of compliance reviews and exposure to periodic suggestions from stakeholders, the BPP OC is pleased to note that in its review of SRD II as it applies to the proxy advisory industry, ESMA concluded that "the design of the current regulatory framework is considered overall robust, and its application is seen to be gradually improving". The BPP OC regularly finds operational areas of the Principles that work well and those that could be considered for improvement. Given this overall context, the BPP OC will continue to reflect on the providers' compliance statements and the Principles, within the scope of authority acknowledged in the BPP OC terms of reference.

- ***Third***, in addition to undertaking its sixth year of compliance statement reviews, in 2025-26, the BPP OC intends to take into account the constructive feedback it received during its fifth Open Stakeholder Forum. Insights from the 2025 virtual event related to how the Committee can further promote its various activities and liaise with various stakeholders to ensure that the 'monitored self-regulation' system keeps on being a credible alternative to hard law legislative measures.

- Continuing to receive stakeholder feedback is key, also in light of the fundamentally different debate taking place between the US and the EU in the area of ESG investment and, more specifically, in relation to service providers' role in the proxy process chain that seems to be understood in a variable fashion by (public or private) stakeholders. Moving away from the politicization of this debate, the BPP OC's role keeps on being crucial in fulfilling a credible oversight function and providing an effective accountability mechanism for service providers. Equally critically, recognizing the value of the services BPPG Signatories provide and the prevalence of misconceptions, or misinformation, about their role in the proxy process, the BPP OC will continue to promote greater understanding of corporate governance and proxy research and support services provided to professional investors.

- Indeed, such legislative proposals render BPP OC's work even more critical in focussing on dialogue, engagement with BPP signatories and showcasing to stakeholders the ongoing progress in disclosure statements as documented by a recent empirical academic study. [9]

- ***Fourth***, having enhanced its governance structure via the adoption of the inaugural enforcement protocol this year (p. 43–45), based on the proposal made by the aforementioned academic study, the BPP OC will monitor the implementation of this protocol that will further safeguard its independence and effectiveness. The BPP OC is appreciative of the opportunity it had to honour the commitment it made, based upon the Report of the Independent Review Chair of the 2019 Best Practice Principles for Providers of Shareholder Voting Research & Analysis, that had recommended for the BPP OC to develop in further detail "the precise criteria and process [...] to ratify or sanction a signatory, ending BPP Signatory status and BPPG membership". It is now up to the BPPG and BPP OC to keep on working with this new mechanism at their disposal to safeguard the current monitoring mechanism.

[9] K. Sergakis and A. Tilba, 'Monitored self-regulation in action: empirical evidence from the proxy voting service provider industry' (2025), working paper.

Mission And Background

Mission

The industry of firms offering shareholder voting analysis and research has drawn rising stakeholder attention to the roles they play in the market. Depending on their business model, services provide institutional investors with research, data, and/or advice they can use to make informed voting decisions at listed companies around the world. Since voting today involves how investors manage risk, value, and opportunity more than routine compliance, their ballot choices—and the research inputs they use to reach them—bear more directly than ever before on the future governance and strategic directions, and the electoral fate of board directors, of publicly-traded companies. With such relevance comes elevated expectations and scrutiny. Issuers, regulators, lawmakers, NGOs, and investors have (in different jurisdictions, at different times, and at different intensities) called on the proxy voting analysis and research industry to increase their transparency to promote better understanding. ESMA, the European Securities and Markets Authority, has been especially proactive in encouraging private and public sector solutions, as have regulators such as the Autorité des marchés financiers in France.

Six service providers, despite being competitors, responded with an ambitious collective initiative to develop guidance for themselves. Founding members of the Best Practice Principles Group (BPPG) were Glass Lewis, Institutional Shareholder Services, IVOX (acquired by Glass Lewis in 2015), Manifest (now Minerva), PIRC, and Proxinvest. In 2020 EOS at Federated Hermes became the sixth firm to join, while in 2022 Proxinvest exited the initiative while affirming that it would abide by the Principles. In December 2022, Proxinvest was acquired by Glass Lewis. Over time, through a transparent and public process, the Group consulted on and adopted revised Principles and, importantly, formulated an additional governance component for the independent oversight of their adherence to the Principles, through the establishment of the BPP OC.

The purpose of the BPP OC is to provide independent assurance that firms which comprise the proxy voting research and advisory industry are meeting agreed best practices in order to serve the interests of their investor customers while treating issuers and other stakeholders with fairness, accuracy, integrity, and responsiveness. The Committee has the further mandate to test whether current principles meet evolving market expectations and to advise and guide the BPPG on a process of revisions when appropriate.

To accomplish these objectives, BPPG members approached a number of potential candidates and invited them to form the first Oversight Committee. The BPP OC launched on 1 July 2020 with a complement of 11 distinguished members, six representing the institutional investor community, three representing listed companies, and two academics. It also has an independent chair. Two investor representatives stepped down after one year and reappointments were made under new protocols. Details on this, together with biographies of each of the members and a description of the specific terms of reference for the BPP OC, may be found in this report.

Background

The BPP OC is the product of a process that began in 2012 when ESMA initiated a review into the proxy advisory industry. Background below on the BPP OC is drawn from the Report of the Independent Review Chair of the 2019 Best Practice Principles for Providers of Shareholder Voting Research & Analysis ("Melis Report"), issued by Independent Review Chair Dr. Danielle A.M. Melis. [10]

Following publication of the ESMA Final Report and Feedback Statement on the Consultation Regarding the Role of the Proxy Advisory Industry in February 2013, a number of industry members formed a committee under the ESMA-endorsed independent chairship of Prof. Dr. Dirk A. Zetzsche, LL.M. (Toronto), to develop an industry code of conduct. "Best Practice Principles for Providers of Shareholder Voting Research & Analysis" was published in April 2014.

In May 2014, the Report of the Chair of the Best Practice Principles Group was further published with the aim of making the Committee's work and discussions transparent, facilitating the application of the provisions, and enhancing understanding of the reasoning behind their adoption. The report also aimed to advance awareness of the functioning of providers of shareholder voting research and analysis and their role in corporate governance in order to assist in creating a more informed discussion.

In December 2015 ESMA produced its Follow-Up Report on the Development of the Best Practice Principles for Providers of Shareholder Voting Research and Analysis. In it, ESMA emphasized that, "while the drafting of the BPP met ESMA's governance expectations, the subsequent governance regarding the on-going functioning of the BPP after their publication was viewed less positively and constituted the main area for improvement." The key concluding recommendation of the 2015 ESMA Follow-Up Report was that the BPPG would benefit from a clearer and more robust governance structure.

In April 2017, the BPPG Steering Group announced its intention to launch a formal Review of the operation of the Best Practice Principles for Shareholder Voting Research (the "Principles"). In order to gather the views of stakeholders, it conducted a public consultation at the end of 2017 and established an advisory stakeholder panel to provide input in the preparation of the consultation document and any subsequent revisions to the Principles.

[10] Accessible in full at https://bppgrp.info/wp-content/uploads/2019/07/Report-of-the-Independent-Review-Chair-of-the-2019-Best-Practice-Principles-for-Providers-of-Shareholder-Voting-Research-Analysis.pdf

The Review was to be overseen by the BPP Review Committee, comprising representatives from the current signatory members to the Principles together with an Independent Review Chair, who was to be appointed following a formal nomination process.

In April 2017, the BPPG appointed Chris Hodge to serve as BPPG Independent Review Chair. He served in the role until June 2018 and completed the first phase of the Review process, which included outreach to key regulatory and market representative bodies and co-ordination of the 2017 Public Consultation process.

In October 2018, the BPPG appointed Dr. Danielle A.M. Melis to succeed Chris Hodge as Independent Review Chair of the BPPG. The main task of the new chair was to oversee the BPP Review Committee and coordinate and facilitate the second phase of the Review process as outlined below.

The purpose of the Review was to:

- Assess the implementation and content of the Best Practice Principles;
- Ensure that they achieved the original objectives;
- Identify where there was scope to improve practice and transparency; and
- Ensure that the Principles would be capable of being applied in all markets for which voting research and analysis is provided, and by all providers of such services.

The original objectives of the BPPG in establishing the Principles were to:

- Promote a greater understanding of the role of shareholder voting research providers in the voting decisions made by institutional investors;
- Promote the integrity and efficiency of processes and controls related to the provision of these research services; and
- Foster a robust management of any conflicts of interest.

The Review assessment involved consideration of:

- The structure and content of the Principles;
- The form and frequency of reporting against the Principles;
- The process and criteria for providers to become signatories; and
- The oversight arrangements for monitoring and reviewing the Principles.

The Review was in turn informed by:

- The experience of implementing the Principles since they were introduced in 2014;
- The December 2015 report on the development and implementation of the Principles by the European Securities and Markets Authority;
- The revised EU Shareholder Rights Directive plus regulatory and stewardship code developments in other markets since the Principles were introduced;
- The views of investors, companies, and other stakeholders through the 2017 Public Consultation; and
- Reviews and feedback provided by the 2017 and 2019 Stakeholder Advisory Panels.

The Review Process was completed by June 2019 and resulted in:

- An updated set of Principles, together with guidance to the Principles;
- An updated governance structure of BPPG, including establishment of the BPP Oversight Committee; and
- An Independent Review Chair Report by Dr. Melis.

The 2019 Melis Report detailed the structured Review Process, described key discussion items, and provided the final rationale behind each update to the reviewed Principles and Guidance as discussed within the BPP Review Committee. Further, the report referred to the latest updated stewardship codes globally, the requirements of the revised EU Shareholder Rights Directive II ("SRD II"), and the ESMA 2015 Follow-Up Report. It also cited input of investors, issuers, and other stakeholders received by the BPPG through the public consultation exercise completed in December 2017, plus subsequent 2019 Stakeholder Advisory Panel members' feedback on the draft Review. Finally, the Melis Report introduced a new framework for independent governance, monitoring and reporting —features called for by ESMA in its 2015 Follow-Up Report.

On 22 July 2019, the BPPG and Dr. Melis released the final version of the 2019 Principles, guidance, and framework for independent oversight. She then stepped down, and the Signatories took forward the responsibility of forming the BPP OC. After a public search, on 30 January 2020, the BPPG named Dr. Stephen Davis as the first BPP OC Chair. He then collaborated with the Signatories in developing steps, including a public application process, to meet initial installation rules for the 11-member BPP OC. Under founding terms of reference, the Signatories were responsible for making first appointments; the Committee had sole authority after that to revise its terms of reference, including nomination procedures. On 16 July 2020, following delays attributed to COVID-19, the BPPG announced the initial members of the BPP OC. Its first meeting convened on 30 July 2020.

Governance of the BPP Oversight Committee

BPP Oversight Committee terms of reference

The BPP OC's "charter" equivalent may be located in the terms of reference section in the Report of the Independent Review Chair of the 2019 Best Practice Principles for Providers of Shareholder Voting Research & Analysis ("Melis Report"), which was agreed to by the Signatories. It represents founding operating guidance for the BPP OC. However, the Melis Report was explicit in sections 1.3 and 1.8 in granting authority to the BPP OC alone to review and develop its self-governing terms of reference once the initial Committee convened. This is a vital provision since it speaks to the question "To whom is the BPP OC accountable?" The clear intent of the founders was that the Committee be fully independent of the Signatories in its judgments, though candidates would be selected in part based on the presumption that they acknowledge the importance of the industry and its duties to investor clients. While the Signatories themselves made final selections of members to serve on the founding Committee, the BPP OC named a Nominations Subcommittee (later renamed the Nominations and Governance Subcommittee) at its 11 May 2021 meeting to begin reviewing changes to the appointments process. In particular, the Subcommittee, under Chair Hope Mehlman, examined whether, since the BPP OC is responsible for looking after the interests of a broad set of stakeholders, it would be in greater alignment with independence if future member selections are made by the BPP OC itself (with invited stakeholder input) or solely by the Signatories the members are meant to oversee. A final protocol reflecting the former stance was adopted by the BPP OC through an email vote following discussion at its Q1 2022 meeting on 3 February 2022.

The following text on current terms of reference is drawn from the 2019 Report, the BPP OC's founding instrument.

The BPPG has established the BPP Oversight Committee to provide an annual independent review of the monitoring of the Best Practice Principles and the public reporting of each BPP Signatory. The BPP Oversight Committee's governance aims to provide:

- confidence in the Principles that underpin the services provided by BPP Signatories; and
- guidance and advice to the BPPG with respect to the operation and development of the Principles.

Representatives of the current BPP Signatories and any potential future BPP Signatories are not eligible for membership of the BPP Oversight Committee. BPP Signatories are expected to co-operate with the BPP Oversight Committee, consistent with applicable contractual and legal requirements.

The following text on current terms of reference is drawn from the 2019 Report, the BPP OC's founding instrument.

BPP Oversight Committee Scope & Responsibilities

- Conducting independent, annual reviews of each BPP Signatory's Public Statement of Compliance, in order to identify matters considered to require further BPP Signatory action or clarification.
- Ratification of applications by new BPP Signatories that have been approved by BPPG members and sanction of Signatories that are non-compliant, up to the point of ending the BPP Signatory status and BPPG membership.
- Oversight of the complaints-management procedure of the BPPG, including monitoring of outcomes of those procedures.
- Management of an annual open forum for investors, companies and other interested stakeholders for education, questions, and feedback on the Principles.
- Review and administration of suggested minor updates to the Principles outside of the periodic major reviews and updates.
- Monitoring of progress and impact of the Principles.
- Development and publication of an annual report summarizing the activities and findings of the BPP Oversight Committee, which will be published on the website of the Best Practice Principles Group.

Individual Signatory Compliance

- The BPP Oversight Committee will write to an individual BPP Signatory when a need for progress is identified. Initially, this communication will be done on a confidential basis to enable the BPP Signatory to address the issue over a specified period of time that may vary in accordance with the severity of the issue but should generally not exceed one year.
- After the prescribed period, if the BPP Signatory has not addressed the issue in a satisfactory manner, the BPP OC will discuss appropriate next steps with other BPPG members, up to and including the ultimate sanction of ending the BPP Signatory status and BPPG membership.

Monitoring

- Each BPP Signatory's application and disclosure will be monitored on an annual basis, based on the public Statements of Compliance. Monitoring may be conducted by independent members or third parties assigned by the BPP OC, and the results of the monitoring will be summarized in an annual report by the BPP OC to be published on the BPPG website.

Composition of the BPP Oversight Committee

Arrangements for the appointment of the founding BPP OC chair and initial members are detailed in the terms of reference section of the 2019 report of the Independent Review Chair. They call for:

- A chair fully independent of Signatories, with a two-year term.
- Eleven other members composed of
  - Six from institutional investors or investor representative bodies—four of which have two-year terms, and two of which have one-year terms;
  - Three from listed companies or issuer representative bodies—one of which has a two-year term, and two of which have one-year terms;
  - Two independent academics—one having a two-year term, and one having a one-year term.

The 2019 Stakeholder Advisory Panel highlighted that representation of investors is of primary importance. The BPP Review Committee, based on feedback from both the 2017 Public Consultation and the 2019 Stakeholder Advisory Panel, also agreed on the importance of issuer representation on the BPP Oversight Committee. Further, BPP OC members were to represent a diverse mix of skills, backgrounds, knowledge, experience, and geographic locations.

Nomination and election of the founding BPP OC

- Oversight Committee member vacancies, including the independent chair, shall be advertised on the BPPG website and in other appropriate media. Upon inception of the BPP OC, BPPG members will appoint the BPP Oversight Committee chair in advance of the BPP OC members. BPPG members shall consider the nominations received and determine a “long list” of suitable candidates from the nominations. The chair and existing BPP OC members shall then deliberate, taking into account the expertise and other requirements needed, to create a “short list” of candidates for the BPPG members to vote on. For the initial appointments of the BPP Oversight Committee members upon inception of the BPP Oversight Committee, BPPG members will undertake this process, with input from the BPP OC Chair.

- In the case of the initial appointment of the BPP OC chair, BPPG members will put forward a “short list” of up to five independent, qualified candidates, with a minimum of two candidates. Candidates will be voted on individually by BPPG members and must receive unanimous support from BPPG members in order to be elected. In the case of the initial appointments to the BPP Oversight Committee (up to eleven member vacancies, excluding the chair), the short list shall be for up to thirty-three short-list candidates. To fill future vacancies, the short list shall comprise up to three candidates for each role to be filled, with a minimum of two candidates per vacancy. Upon inception of the Oversight Committee, short-list candidates proposed by the Independent Review Chair shall be voted on by BPPG members and must receive unanimous support from BPPG members in order to be elected.

The BPP OC recognized at its Q2 2021 meeting that the 2019 terms of reference in respect of appointments to the Committee in future years needed to be reviewed to provide further clarity, safeguard BPP OC independence, and reduce excessive complexity.

To that end, the BPP OC approved formation of a Nomination Subcommittee (later renamed the Nomination and Governance Subcommittee), to develop recommendations to the full BPP OC both on appointment procedures going forward and additional candidates, if and when needed. Revisions were designed to shift appointment decisions from the Signatories to the BPP OC itself in order to advance the objective of preserving the independence of the body.

The Nomination and Governance ("N&G") Subcommittee proposed a new charter covering BPP OC governance at the BPP OC's Q1 2022 meeting on 3 February 2022. Following discussion, this was adopted through an email vote. The charter addressed the role of N&G as well as the process for board composition and chair succession. In August 2025, the N&G subcommittee proposed a further amendment of the nomination protocol for the chair to be eligible to continue to serve for an additional one-year term up to a maximum of three additional years (totaling nine years maximum as member). Following discussion, this was adopted through an email vote in September 2025. It reads as follows.

I. Purpose

The Nominating and Governance Subcommittee is appointed by the BPP OC Chair (the "Independent Chair") to identify individuals qualified to become BPP OC members and to recommend nominees to the BPP OC for election.

II. Nomination and Governance Subcommittee Membership

- The N&G shall consist of a minimum of three (3) members of the BPP OC.
- Members of N&G shall be appointed by, and shall serve at the discretion of, the Independent Chair.
- The Independent Chair shall designate a N&G Chair, who shall preside at all meetings of the N&G. In the absence of the N&G chair at any meeting of the N&G, the members of the Subcommittee may designate one of its members to serve as the chair of the meeting.

III. Nominating and Governance Subcommittee Meetings

- The Nomination and Governance Subcommittee shall meet as frequently as the Subcommittee deems necessary, but not less than twice per year, and N&G may take action at meetings or by unanimous written consent as it or the Subcommittee chair deems appropriate. N&G members may participate in a meeting of the Subcommittee by means of teleconference, video or similar communications equipment that enables all meeting participants to hear or communicate with each other.
- The N&G also may establish such rules as it determines necessary or appropriate for its business.
- The majority of the members of the Subcommittee present at a meeting shall constitute a quorum for the transaction of business. The act of a majority of those present at a meeting at which a quorum is present shall be the act of the Subcommittee.
- The N&G chair shall also act as secretary of the Subcommittee and take minutes of the N&G meetings.

IV. Nomination and Governance Subcommittee Responsibilities

The N&G will have the following responsibilities relating to the BPP OC, as applicable:

- Identify, consider, and evaluate individuals believed to be qualified to become BPP OC members and recommend such individuals to the BPP OC for membership. In recommending candidates to the BPP OC, N&G shall seek candidates who have a reputation for integrity, who can make contributions to the BPP OC, and who will maintain the appropriate character and composition of the BPP OC as:
  a. Diverse with respect to skills, backgrounds, race, ethnicity, national origin, gender, sexual orientation, characteristics, knowledge, experience, and geographic location; and
  b. Consisting of, not including the independent chair, members from six institutional investor/representative bodies, three companies/representative bodies, and two independent organizations/entities (for example, academics).

- Recommend nominees to the BPP OC for election. Before recommending nominees to the BPP OC, N&G shall present a list of proposed nominees to the BPP Signatories and allow the BPP Signatories to raise concerns regarding any proposed nominee. The Nomination and Governance Subcommittee shall take under advisement any such concerns; however, N&G will retain final decision-making over nominee recommendations to the BPP OC.

- In the case of a vacancy of an BPP OC member, the Nomination and Governance Subcommittee shall recommend to the BPP OC an individual to fill such vacancy. N&G shall seek recommendations of potential such nominees from the BPP Signatories.

- When filling a vacancy, N&G shall seek replacement candidates that will maintain the balance in terms of diversity in accordance with Section IV(1)(a) above.

- Through the use of nominations, strive to maintain an BPP OC which is approximately equal ratios of new-tenured, mid-tenured, and long-tenured members.

- N&G shall maintain a “short list” of potential nominees to replace current members of the BPP OC.

- Periodically, the N&G chair shall ask the BPP OC and the BPP Signatories for recommendations of potential candidates to place on the “short list.” The Nomination and Governance Committee Chair shall also search for candidates by other means, as necessary.

V. Protocols

- BPP OC members are expected to participate actively in BPP OC meetings.

- The term of each BPP OC member will be three years. BPP OC members may not consecutively serve more than two such terms, totaling six years. However, an exception may apply to a chair as below.

- Once per year, the Nomination and Governance Subcommittee shall contact all current BPP OC members individually and inquire whether they wish to continue as members for the one-year period succeeding such inquiry, or the remainder of their term, if less. If a BPP OC member wishes to continue serving on the BPP OC, the N&G shall review whether that member will maintain their membership. If N&G declines to re-nominate a BPP OC member, or if a BPP OC member would not like to continue serving on the BPP OC, that member will be deemed immediately to have resigned.

- If the affiliation of a BPP OC member changes between different entity categories (for instance, from an institutional investor to an independent organization), that member will be deemed immediately to have resigned. If there is a vacancy on the BPP OC for the entity category corresponding to the resigned BPP OC member's new affiliation, the Nomination and Governance Subcommittee may, but is not required to, nominate that former member to fill the vacancy. If there is no such vacancy, the Nomination Committee cannot create a new BPP OC position for the resigned BPP OC member, though it may add that former member to its "short list."
- If the affiliation of a BPP OC member changes within the same category (for instance, from one independent organization to another independent organization), that member will continue to serve on the BPP OC. However, the preceding clause will not apply if that member's new affiliation is already represented by another BPP OC member in the same category; in that event, the Nomination and Governance Subcommittee will decide either (1) to deem the member whose affiliation has changed immediately to have resigned, or (2) to allow that member to continue serving on the BPP OC. A change in affiliation within the same category will not alter the current length of a BPP OC member's term or the maximum consecutive terms that member may serve.
- The term of the independent chair will be three years. A chair who has reached the term limit as a BPP OC member may continue to serve as chair for an additional one-year term up to a maximum of three additional years (totaling nine years maximum as member), subject to an annual review, if it is in the best interest of the Oversight Committee and BPP members.
- The term of the Independent Chair will end on December 31.
- If there is a vacancy of the Independent Chair position, a BPP OC member will serve as acting chair until a replacement chair is approved. The Nomination and Governance Subcommittee will recommend for acting chair a BPP OC member, who shall be confirmed by a majority vote of the BPP OC, excluding the nominee.
- If there is a vacancy of the Independent Chair position, N&G shall recommend a nominee to the BPP OC for election. N&G shall seek recommendations of potential such nominees from the BPP Signatories. It is preferable that the affiliation of any potential nominee belongs to the institutional investor/representative bodies or independent organizations/entities category. Before recommending a nominee to the BPP OC, N&G must present the proposed nominee to the BPP Signatories to allow the BPP Signatories to raise concerns regarding the proposed nominee. The Nomination and Governance Subcommittee shall take under advisement any such concerns; however, the N&G will retain final decision-making over the nominee recommendation to the BPP OC.
- The work of the N&G shall be summarized in the annual BPP OC report.
- Periodically, there will be an evaluation of the effectiveness of the BPP OC, the BPP OC members individually, or both. Evaluations may be conducted internally or with the assistance of an external facilitator.

Communication Protocol of the BPP Oversight Committee

The BPP OC enhanced further its governance structure via the adoption of a communication protocol. The BPP OC Chair proposed this new charter at the BPP OC's Q1 2023 meeting on 24 January 2023. Following discussion and exchange with BPPG signatories, this was adopted by the BPP OC at its Q2 2023 meeting on 31 May 2023. The Communication Charter is designed by the BPP OC to designate representation and communication duties to the BPP OC Independent Chair (the "Independent Chair") as well as to other BPP OC members on an ad hoc basis.

I. Scope of Application

The Communication Charter delineates the lines of authority and responsibility for any communication activity in consideration of the BPP OC's responsibilities to its stakeholders.

As provided in the BPP OC Terms of Reference and except as provided in Sections III and IV below, BPP OC members are subject to confidentiality obligations. Confidentiality must be ensured in all circumstances between BPP OC members, as well as between BPP OC members and the BPPG.

II. Independent Chair's Communication Responsibilities

- The Independent Chair has an exclusive responsibility for representing and communicating on behalf of the BPP OC with any stakeholder for any matter related to the BPP OC. This ensures a consistent representation of the BPP OC. Subject to Paragraphs III.6-8. below, such communication may take place in any form (electronic, face to face) or within any context (media engagement, private/public meetings, conference attendance/invitation, engagement with regulators or any interested parties in the BPP OC's activities etc.).

- Subject to this Paragraph III, while representing the BPP OC and in relation to any communication with stakeholders, the Independent Chair may establish such rules as he/she determines necessary or appropriate for his/her business.

- The Independent Chair is expected to represent the BPP OC and communicate with stakeholders while demonstrating high standards of probity, ethics and consistency with the BPP OC's mission.[11] When engaging with stakeholders or representing the BPP OC in any capacity, the Independent Chair is deemed to express the views of the BPP OC, as collectively shaped with other BPP OC members. If the Independent Chair wants to indicate her/his personal opinions, she/he must make clear that her/his comments are her/his own, and do not necessarily represent the positions of the BPP OC or her/his fellow members of the BPP OC.

- The Independent Chair shall take minutes of any meetings with stakeholders and inform the BPP OC members during the BPP OC quarterly meetings of the undertaken activity.

[11] The BPP OC's mission can be accessed at https://bppgrp.info/best-practice-principles-bpp-oversight-committee/.

- The Independent Chair is expected to participate actively in promoting the BPP OC's visibility and engagement with stakeholders. Communication with stakeholders is expected to be two-way and it may include receiving feedback from stakeholders on the BPP OC's modus operandi as well as seeking opportunities to promote the BPP OC's mission to any audience.
- The Independent Chair will not initiate dialogue with regulators, standard setting bodies, or other associations (e.g., OECD, IOSCO) without consulting with the BPPG. The Independent Chair will inform as soon as practicable, and consult with, BPPG members regarding incoming inquiries related to BPPG, regulation of BPPG members or other such inquiries.
- Prior to speaking and/or providing any quotes to the press, the Independent Chair will request the approval of the BPPG. For purposes of this paragraph (but for no other purposes), approval is defined as agreement (or lack of any objection) from all members of the BPPG within a 48-hour period.
- The Independent Chair will promptly inform the BPP OC and BPPG members in writing of any anticipated speaking engagements, with a summary of planned remarks.
- The BBPG and the Independent Chair convene quarterly meetings on matters arising in relation to the BPP OC's ongoing agenda. The Independent Chair and the BPPG maintain an ongoing communication on any matter of common interest during the year. If approached by any stakeholder (as per III.1 or any other inquiry) for a matter related to the BPPG's remit, the Independent Chair is deemed to forward by email any communication to the BPPG to ensure an appropriate response.

III.BPP OC Members' Communication Responsibilities

The BPP OC members will have the following communication responsibilities relating to the BPP Oversight Committee, as applicable:

- If approached by any stakeholder (as per III.1 or any other inquiry) for a matter related to the BPP OC's remit, BPP OC members are deemed to forward by email any communication to the Independent Chair to ensure an appropriate response. BPP OC members can share publicly available information with any stakeholder in relation to the BPP OC's mission and activities.
- In the case of the Independent Chair's lack of availability or at her/his discretion, BPP OC members shall be exceptionally appointed by, and shall serve at the discretion of, the Independent Chair to engage in any communication activity as the Independent Chair sees fit. In addition to their responsibilities under Paragraph IV.5. below, the designated BPP OC members shall need to agree the discussion items and the line of arguments that will be communicated to stakeholders with the Independent Chair who has responsibility for approval prior to any communication activity. In such a case, the designated BPP OC members shall take minutes of any meetings with stakeholders and inform the Independent Chair shortly thereafter. The Independent Chair shall then inform the BPP OC members during the BPP OC quarterly meetings of the undertaken activity.

- When undertaking any exceptional communication duties, BPP OC members are expected to represent the BPP OC and communicate with stakeholders while demonstrating high standards of probity, ethics and consistency with the BPP OC's mission. When engaging with stakeholders or representing the BPP OC in any capacity, BPP OC members are deemed to express the views of the BPP OC, as agreed with the Independent Chair – prior to any communication activity – and collectively shaped with other BPP OC members. If BPP OC members want to indicate their personal opinions, they must make clear that their comments are their own, and do not necessarily represent the positions of the BPP OC or their fellow members of the BPP OC.
- BPP OC members are expected to participate actively in promoting the BPP OC's visibility and engagement with stakeholders. To this effect, BPP OC members are expected to inform the Independent Chair of any opportunity it may arise so as to represent the BPP OC and promote its visibility.
- BPP OC Members speaking pursuant to this Section IV shall do so subject to the same terms and conditions as apply to the Independent Chair under Paragraph III.6 through 8.

IV. Revision

Periodically, there will be an evaluation of the effectiveness of the Communication Charter. Evaluations may be conducted internally or with the assistance of an external facilitator.

Enforcement Protocol of the BPP Oversight Committee

The BPP OC enhanced further its governance structure in 2025 via the adoption of an enforcement protocol. The BPP OC Chair proposed the idea of this new protocol at the BPP OC's Q3 2024 meeting on 22 November 2024 following the publication of the 2023 BPP OC Annual Report that mentioned this protocol as a priority for the BPP OC's action plan, by specifying that "the BPP OC is likely to find it timely in the coming year to develop new protocols that will further safeguard its independence and effectiveness. For example, according to the Report of the Independent Review Chair of the 2019 Best Practice Principles for Providers of Shareholder Voting Research & Analysis, and in line with the BPP OC terms of reference, the BPP OC is expected to develop in further detail 'the precise criteria and process [...] to ratify or sanction a signatory, ending BPP Signatory status and BPPG membership' ".

Following discussion and exchange with BPPG signatories and BPP OC members, and based upon an academic study[12] that put forward a proposal for this type of enforcement protocol, the enforcement protocol was adopted by the BPP OC at its Q3 2025 meeting on 26 September 2025.

12 K. Sergakis and A. Tilba, 'Monitored self-regulation in action: empirical evidence from the proxy voting service provider industry' (2025), working paper.

As the authors of the study have argued, "any initiative needs to bear in mind the BPP OC's terms of reference and its ultimate mission to exercise effective oversight over the BPPG signatories' compliance stance within a voluntary normative framework. Until the revocation of BPPG membership is decided by the BPPG as a last resort mechanism, a balanced, flexible and discursive approach should thus be the key denominator for the proposed enforcement protocol".[13]

The BPP OC enforcement protocol reads as follows:

- ***I.*** Upon the lapse of a maximum one year (as currently indicated to its terms of reference), and after conferring with other BPPG members to determine appropriate next steps for a signatory's non-compliance stance to the BPP (related either to its annual reporting stance or the escalation of a complaint to the BPP OC), the BPP OC will confidentially issue to the signatory a final notice explaining the present enforcement protocol and its steps. The signatory will provide a definitive answer within 25 working days by confirming its stance to address the alleged non-compliance with the BPP, namely whether it intends or not to engage with the BPP OC to adequately address the compliance matter in question.

- ***II.*** If the signatory explains in comprehensive terms its intention to address the alleged non-compliance in the future, the BPP OC will expect a meaningful explanation on the subject matter by informing the signatory that is now placed under BPP OC's 'monitoring scheme'. If satisfied on the content of the explanation, the BPP OC will provide specific advice and guidance purported to aid the signatory to comply with the BPP in the forthcoming reporting cycle by inserting it under its 'monitoring scheme'. The BPP OC will also set out a timetable for engagement and clarify to the signatory its expectation for it to deal with the matter in question in the forthcoming reporting cycle, by also delineating the minimum reporting standards that need to be met so as for compliance with the BPP to be achieved; in the forthcoming annual statement, the signatory will be expected to address the subject matter in a satisfactory way.

- If, during the 'monitoring scheme' period, the signatory does not demonstrate a meaningful engagement stance or informs – at any moment – the BPP OC that is not in a position to guarantee such a disclosure in the forthcoming annual statement, it shall publicly explain in its next annual statement the reasons for ongoing non-compliance on the subject matter, the time framework of non-compliance and any alternative measures in place on the subject matter.

- The BPP OC Review subcommittee members will have oversight of the ongoing engagement with the signatory and the Chair of the Review Subcommittee will continue to liaise with the BPP OC Chair for any follow up activities with the signatory.

- If the signatory omits to proceed to such an amendment to its next annual statement, the BPP OC will proceed in an anonymous form to a formal mention of a general compliance issue in its next annual report and that a BPPG signatory has been placed and remains under BPP OC's 'monitoring scheme'.

13 K. Sergakis and A. Tilba, 'Monitored self-regulation in action: empirical evidence from the proxy voting service provider industry' (2025), working paper.

- ***III.*** If the signatory refrains from engaging in further communication with the BPP OC, under point 1 above, the BPP OC will propose to the BPPG to confidentially engage with the signatory, proposing to communicate with the BPP OC, failing which to publish a common statement that acknowledges the concerned matter and publicly invites fellow BPPG signatories in an anonymous form to engage with the BPP OC. The BPP OC will also confidentially inform the signatory that it has placed it under its 'monitoring scheme' and expects progress to be made within the forthcoming reporting cycle, falling which point 4 measures will be put forward.[13]

- Under the condition that the signatory commences a communication with the BPP OC, the procedure under point 2 above will apply.

- ***IV.*** If, steps following either point 1, 2 or 3 above prove to be unsuccessful to ensure compliance with the BPP, the BPP OC will formally recommend to the BPPG ending BPP Signatory status and BPPG membership. It will be for the BPPG, by way of a majority vote, to decide whether it wants to accept or not this recommendation or proceed with alternative measures against the concerned signatory. In either case, the BPPG will be obliged to proceed to a public announcement by naming the BPPG signatory party and informing the public of its final decision on this matter.

- ***V.*** In case of re-joining the BPPG, the signatory will provide evidence of compliance with the BPP prior to its membership being ratified by the BPP OC.

13 K. Sergakis and A. Tilba, 'Monitored self-regulation in action: empirical evidence from the proxy voting service provider industry' (2025), working paper.

BPP Oversight Committee Members

The BPP Oversight Committee is comprised of its independent chair, Professor Konstantinos Sergakis, and six institutional investor representatives, three public companies representatives, and two independent academic representatives. The Committee includes members with a diverse mix of skills, background, knowledge, experience, and geographic locations.

Professor Konstantinos Sergakis

BPP OC Independent Chair
Professor and Personal Chair in Law, University of Exeter;
(United Kingdom)

Konstantinos Sergakis is a Professor and Personal Chair in Law at the University of Exeter. He is also the Director of the Center for European Legal Studies (CELS). He specialises in Corporate Law, Corporate Governance and Capital Markets.

He is a Member of the Board of Appeal of the European Supervisory Authorities (EBA, EIOPA, ESMA). He was previously Professor of Capital Markets Law and Corporate Governance at the University of Glasgow, Research and Knowledge Director at Guberna (the Belgian Institute of Directors) and Advisor at Mefop Spa in the area of stewardship.

He is the author of 'The Law of Capital Markets in the EU' (Palgrave Macmillan, 2018) and of 'The Transparency of Listed Companies in EU Law' (Bibliothèque de l'Institut de Recherche Juridique de la Sorbonne – IRJS Editions, 2013). His articles have appeared in the Journal of Corporate Law Studies, the European Business Organisation Law Review and the European Company and Financial Law Review, among others.

Professor Sergakis has held Visiting Professorships at various universities across the globe. In 2024, he was the Peter Ellinger Visiting Professor at the National University of Singapore.

Fabio Bonomo

Head of Corporate Affairs, Enel S.pA. (Italy)

Graduating summa cum laude in law at the University of Rome “La Sapienza”, Fabio joined the Enel in 1996. He has served since October 2014 as Enel’s Head of the Department of Corporate Affairs where he regularly takes part in engagement activities with service providers and institutional investors on corporate governance topics. Fabio was a member of the working group set up to assist the Italian Corporate Governance Committee in updating the Italian Corporate Governance Code of listed companies.Since 2018 he is a member within the OECD of the BIAC corporate governance committee. From 2014 until 2016 he was lecturer of comparative corporate governance within the course of advanced commercial law at the University of Rome “La Sapienza”.

Caroline Escott

Head of Investment Stewardship and Co-Head of Sustainable Ownership, Railpen (United Kingdom)

Caroline leads Railpen’s investment stewardship work globally across £35bn of assets under management.
She is Co-founder and Chair of the $4.5tn Investor Coalition for Equal Votes (ICEV) and the $2.5tn Workforce Directors Coalition (WDC), and a fully accredited professional pension trustee at the Standard Life Master Trust – where she is also Chair of its Investment Committee. She has won various industry awards, including as “ESG Investment Woman of the Year” and “Investment Woman of the Year” and was picked as one of Financial News’ “Top 50 most influential in European Sustainable Finance” and “Top 25 Rising Stars of Asset Management in Europe”. In her spare time, she is Co-Chair of the FCA-supported Vote Reporting Group (VRG) and a Board Director of the Social Market Foundation (SMF), a cross-party think-tank.

Glenn Davis

Deputy Director, Council of Institutional Investors (United States)

Glenn Davis is deputy director of the Council of Institutional Investors (CII). He has 25 years of experience in corporate governance, proxy voting and investor protection. His current duties touch strategy, content management, audit matters, policy development and education. For eight years prior to becoming deputy director, Glenn was CII’s director of research, during which time CII adopted policies supporting investor-relevant corporate disclosure and sunset provisions on entrenchment devices. His career began at the Investor Responsibility Research Center and continued at Institutional Shareholder Services before he joined CII as an analyst in 2010.

Evan Epstein

Executive Director, Center for Business Law, University of California College of the Law; (United States)

Evan is the Executive Director of the Center for Business Law, and Adjunct Professor, at the University of California College of the Law. He is a corporate governance expert who has advised founders, executives, directors and investors for nearly 20 years. He has been retained as an expert in corporate governance litigation in the U.S. and abroad, particularly involving fiduciary duties of corporate directors. Evan is also the founder and managing partner of Pacifica Global, a corporate governance advisory firm based in San Francisco, California Evan serves as a Professor at Pontificia Universidad Católica de Chile Law School, Faculty for the Latino Corporate Director Association (LCDA)'s BoardReady Institute, and as Board Member of the Chile California Council.

Alia Fazal

Head of Corporate Governance, BP plc (United Kingdom)

Alia is Head of Corporate Governance at BP p.l.c., one of the UK's largest listed companies. Starting her career on the graduate training programme at Ernst & Young in 2003, Alia qualified as a Chartered Company Secretary before moving in-house. Over the past 20 years Alia has built on this foundation with experience working at multiple FTSE 100 companies across a range of sectors including financial services, retail and construction. She has a deep understanding of enhancing operational effectiveness, building high performing teams, and the delivery of governance best practice. Twice recognised in the Governance Hot100, Alia was named as a 'Governance Trailblazer' in 2022 and as an 'Inspirational Manager' in 2024.

Michael Herskovich

Global Head of Stewardship, BNP Paribas Asset Management; (France)

Michael is the Global Head of Stewardship within the Sustainability Centre. He is working within BNPP AM since 2008. He is in charge of the elaboration and implementation of the stewardship policy, which includes voting and engagement. He also plays a critical role in the design, development and implementation of BNPP AM's Global Sustainability Strategy and is a key driver for the firm's ESG research and integration, as well as SRI analysis. He is also Chair of the International Corporate Governance Network (ICGN).

Massimo Menchini

Director of Institutional Relations and Corporate Governance, Assogestioni; (Italy)

Massimo graduated in Law from “La Sapienza” University in Rome, discussing a dissertation on business law with prof. Berardino Libonati. He obtained also a master from ISLE on science and techniques of legislation. In Assogestioni since 2002, today Massimo is Director of Institutional Affairs. Massimo holds the role of Secretary of Assogestioni’s Corporate Governance Committee – which elaborated the Italian Stewardship Code in 2013 –, and Secretary of the Investment Managers’ Committee. Massimo is part of the Technical Secretariat of the Italian Corporate Governance Committee and serves as board member of the Management Committee of the Italian Compensation Scheme.

Michael McCauley

Senior Officer – Investment Programs & Governance, SBA of Florida; (United States)

Michael is responsible for corporate governance strategies and investment program management for the Florida PRIME™ investment pool and other non-pension investment mandates totaling over $35 billion. He is a member of the SBA’s Investment Committee, responsible for investment and operational oversight across all SBA portfolios. He serves as Corporate Secretary for both the Florida Water Pollution Financing Corporation and the Inland Protection Financing Corporation. Prior to these duties, Michael oversaw investment communications, managed the administration of defined contribution component of the Florida Retirement System (FRS), and was responsible for investment research across all asset classes within the Chief Investment Officer’s unit.

Hope Mehlman

Chief Legal and Corporate Affairs Officer, Ally Financial Inc. ; (United States)

Hope Mehlman joined Ally as the chief legal and corporate affairs officer in December 2024. In this role, Mehlman is responsible for all regulatory and legal matters and oversees the organization’s Legal, Compliance, Government Relations, Environmental Sustainability, and Corporate Secreterial teams and Community Reinvestment Act (CRA) program and team.
Mehlman has more than 20 years of leadership experience in retail and commercial banking. Before joining Ally, she was Discover Financial Services’ chief legal officer, general counsel and corporate secretary. Earlier, she served as general counsel and corporate secretary at Bank of the West, corporate secretary of BNP Paribas USA, and executive vice president, corporate secretary, chief governance officer, and deputy general counsel of Regions Financial, where she also served as senior compliance officer.
In 2025, Mehlman was the recipient of the Lifetime Achievement Award from Governance Intelligence. In 2024, Mehlman was named a General Counsel of the Year by Women, Influence and Power in Law, and in 2023, she was inducted into the Corporate Governance Hall of Fame by Governance Intelligence. In 2019, Global Proxy Watch recognized her on it’s Stars list of 10 people around the world who had a breakthrough impact in governance.

Sachi Suzuki

Stewardship Director, HSBC Asset Management; (United Kingdom)

Sachi Suzuki oversees HSBC AM's global proxy voting policy and implementation, whilst leading on engagement with companies across various sectors including automotive and energy. She is also a stewardship lead on Diversity, Equity and Inclusion. Prior to joining HSBC, she led stewardship activities for Japan and a number of other markets at EOS at Federated Hermes and was responsible for corporate engagement and proxy voting as well as engagement with regulators on public policies. She held the position of co-chair of the Asia Investor Group for Climate Change (AIGCC)'s Engagement and Policy Working Group and an advisory committee member for the Principles for Responsible Investment (PRI)'s engagement initiatives.

Professor Anna Tilba

Professor in Strategy and Governance, Durham University Business School; (United Kingdom)

Professor Tilba is a Professor in Strategy and Governance at Durham University Business School. She is internationally known for her research into the governance and accountability of UK financial service providers and institutional investor compliance with the codes of best practice. She has extensive experience advising UK policymakers and regulators such as the UK Financial Conduct Authority, the Competitions and Markets Authority, the UK Law Commission and the Financial Reporting Council. She co-leads a diversity and inclusion sub-group on aata and research within the UK Pensions Regulator. Dr Tilba is a member of the Advisory Board for the Pension Investment Academy and she is also a Policy Fellow at Cambridge University Centre for Science and Policy.

Independent Researcher

In 2021, the BPP OC voted to commission an independent outside researcher to assist the Committee in (1) analyzing and responding to compliance reports filed by Signatories; and (2) drafting questions and analyzing results of a survey of stakeholders, including institutional investors and issuers. Upon the recommendation of the Review Subcommittee, the BPP OC selected Professor Anna Tilba of Durham University Business School to fill that role. She had experience with the proxy voting research industry and with a survey initiative sponsored by a predecessor group to the BPP OC in addition to her corporate governance expertise outlined in the bio above. The BPP OC and Professor Tilba agreed to renew the arrangement for 2022. In January 2023, the BPP OC appointed Professors Tilba and Epstein to the two BPP OC vacant academic positions and it was agreed that Professor Tilba would continue fulfilling her former Independent Researcher duties within the BPP OC as academic member.

Secretariat

Terms of reference state that BPP Signatories are to collectively provide ongoing administrative support to the BPP OC. The BPP OC is grateful for secretariat assistance extended to it by the BPPG in 2024-25 by Jennifer Thompson, seconded for this purpose by Glass Lewis.

In 2020, both the BPP OC and the Signatories agreed that it would be inappropriate for staff affiliated with the Signatories to attend virtual sessions of the Committee or its subcommittees. As a result, the BPP OC chair (rather than the secretariat) now prepares minutes and materials for all sessions. The secretariat, however, has facilitated communications among Committee members in setting meeting dates and times, in bilateral exchanges between the BPP OC chair and the BPPG, in processing invoices, and helping with the formatting of this annual report.

Subcommittees

To carry forward its mandate, the Oversight Committee voted to create three subcommittees. During the reporting year, the composition of the three subcommittees has been as follows:

Review Subcommittee
Subcommittee chair Anna Tilba, Glenn Davis, Evan Epstein, Konstantinos Sergakis, and Fabio Bonomo. The mandate of the Subcommittee is to:

- Identify and recommend appointment of an Independent Researcher to the Committee;
- Supervise the Researcher's analysis of Signatory compliance statements;
- Prepare drafts of BPP OC letters to Signatories commenting on annual compliance statements; and
- Draft responses to complaints directed to the BPP OC.

The Review Subcommittee engages with signatories throughout the year and welcomes an ongoing interaction, after having submitted the BPP OC confidential letters. It may be contacted by a signatory after receipt of the letter or decide to contact the signatory for further clarification on a specific matter. Online meetings or email exchanges have been the preferred ways of communication in this respect.

Open Forum Subcommittee
Subcommittee acting chair Konstantinos Sergakis, Mike McCauley, and Alia Fazal. The mandate of the Subcommittee is to:

- Draft a periodic survey of stakeholders, including institutional investors, issuers, policymakers, NGOs and others, with the help of the Independent Researcher. The Subcommittee chose not to pursue this in 2024 but will reexamine this possibility when the ground is fertile for a new survey; and

- Manage the date, time, content, participation, and format of an annual open forum for stakeholders—with panels of regulators, institutional investors, and issuers—to share perspectives on the Principles and the industry.

The Subcommittee welcomes contact from potentially interested speakers at its annual open forum from regulators, institutional investors and issuers. It examines every year the best possible way to organize the forum and consults the signatories on its organizational aspects.

Nominations & Governance Subcommittee (fka Nominations Subcommittee)
Subcommittee chair Hope Mehlman, Michael Herskovich, Konstantinos Sergakis and Sachi Suzuki. The mandate of the Subcommittee is to:

- Set and refresh (where necessary) governance frameworks for the BPP OC;
- Recommend new appointments to the BPP OC when appropriate, including liaising with the BPPG; and
- Manage the chair succession process.

The N&G subcommittee invites applications throughout the year for any future vacancies at the BPP OC. It can maintain a short list for all categories and contact potentially interested parties when a vacancy arises.

Meeting frequency and format

The full BPP OC meets virtually at least on a quarterly basis. In 2024-25 plenary meetings took place on Zoom on the following dates:

- 23 September 2024
- 22 November 2024
- 13 March 2025
- 24 June 2025

Meetings typically run 60-90 minutes. The default quorum is eight members in addition to the chair; this level was met at each of the plenary sessions in 2024-25. However, the quorum level may be changed for any meeting, provided that notice is circulated to all members at least 72 hours in advance.

Sessions are recorded for assistance in minute-taking and for the benefit of any member unable to participate.

Each plenary meeting includes the following standard items, plus additional current agenda matters. The agenda and relevant attachments are circulated to members at least four days before the meeting.

In 2024–2025, the BPP OC continued to inform its discussions based on the following agenda items:

- Welcome by the chair;
- Consideration of and a vote on the previous plenary meeting minutes;
- Declarations of member position, affiliation, or conflict changes relevant to the Committee;
- BPP OC assessment and next steps
  - How are we doing?
  - Time for a review of the Principles?
  - Are procedures of the BPP OC fit for purpose?
- Matters arising from the previous plenary session;
- BPP OC Chair communications with signatory parties
- Outside communications to the BPP OC
- Progress and impact of the Principles: developments in the market and regulation affecting the industry—open discussion;
- Report of the Nomination & Governance Subcommittee;
- Report of the Review Subcommittee; and
- Report of the Open Forum Subcommittee

Budget

In 2024-25, the only material financial obligations associated with the BPP and the Independent Researcher work, that continued to be carried by Professor Tilba following her appointment to the BPP OC. Future obligations may involve costs associated with the hosting of an in-person or multi-access open forum.

According to founding documents, financial resources available for Committee operations are provided by BPP Signatories according to a formula the BPPG develops based on self-reported staff numbers and the number of Signatories. The formula is to be ratified by the BPP OC. The BPP OC approved a new formula (see below), made necessary when EOS became a Signatory, OC involved the chair at its 10 December 2020 meeting. Following the exit by Proxinvest, the BPPG revised the formula in May 2022 and submitted it for BPP OC ratification.

The following table indicates the bands in which the BPPG members sat in the first six months of this 2021-22 reporting period and the percentage of the total payment for the BPP OC to which they were committed.

Member	Allocation
Glass, Lewis & Co., LLC	26.5%
Institutional Shareholder Services Inc.	26.5%
Minerva Analytics Ltd	12.5%
PIRC Ltd.	12.5%
EOS at Federated Hermes Limited	12.5%
Proxinvest	10%

The following table indicates the bands in which the BPPG members sat in the second six months of this 2023-24 reporting period and the percentage of the total payment for the BPP OC to which they were committed.

Member	Allocation
Glass, Lewis & Co., LLC	25%
Institutional Shareholder Services Inc.	25%
EOS at Federated Hermes Limited	25%
Minerva Analytics Ltd	12.5%
PIRC Ltd.	12.5%

For the fiscal year 2024-25, which closed 30 June 2025, the amount of expenses estimated for the BPP OC during this period is just under €50,000.

The members of the BPP OC are not paid or compensated in any way for their participation on the BPP OC.

Complaints Procedure

The BPP OC's terms of reference make plain that one of the Committee's prime duties is "oversight of the complaints-management procedure of the BPPG, including monitoring of outcomes of those procedures." Complaints by individuals, investors, groups, or enterprises may be directed at (1) a Signatory; (2) the Best Practice Principles Group of Signatories; or (3) the BPP OC. The BPP OC addressed one formal complaint by an issuer during the past year; a summary of this case may be found below.

Complaints directed to a Signatory

The Committee holds that each Signatory has an explicit obligation under the Principles to feature effective procedures for handling complaints from issuers or others. Such procedures must demonstrate responsiveness and timeliness. In the BPP OC's view, stakeholders can be expected to have enhanced confidence if a Signatory makes clear (1) whether it offers one or more channels for complaints and whether they differ by complainant or market; (2) how it manages complaints; (3) by when it commits to respond to complaints; and (4) whether and how it offers an appeal process.

Each of the five Signatories has language in its compliance statement providing information on how it addresses complaints that may be directed to it from any party. Below is a description of gradual improvements since the BPP OC's inception as well as a roadmap for future developments:

- **2020-2021:** In its reviews of 2020 Signatory compliance statements, the BPP OC found that such disclosures were relatively thin in discussing complaints procedures. Further, none of the five referenced the option to stakeholders of escalating complaints to the BPP OC.
- **2021-2022:** Following recommendations put by the BPP OC, however, Signatory statements provided fuller explanations in their 2021 reports and at least one (EOS) made reference to the BPP OC as an option for escalating complaints.
- **2022-2023:** Following recommendations put by the BPP OC, further improvements were made: Signatory statements provided fuller explanations in their 2022 reports and at least two (EOS and Glass Lewis) made reference to the BPP OC as an option for escalating complaints.

In its third annual letter to Signatories reviewing their compliance statements, the BPP OC continues to encourage each firm to expand sections on this topic in their compliance statements, including with as much quantitative and qualitative analysis as possible. The BPP OC further reminded Signatories to integrate in their annual statements the three stage BPPG complaints procedure, as described in the next section.

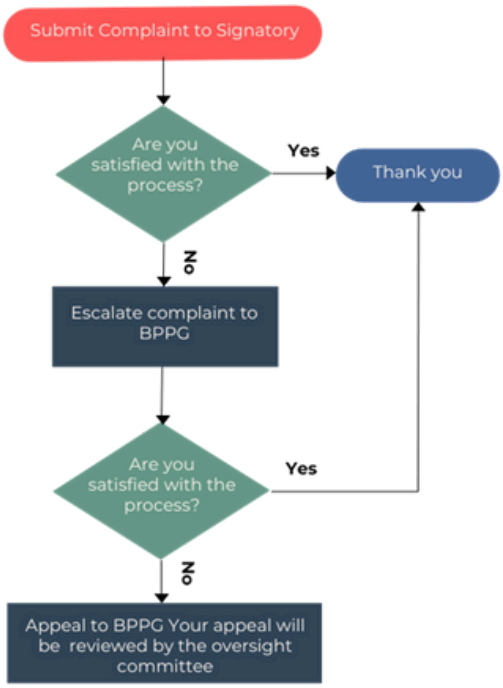
Complaints directed to the BPPG

On 7 May 2021, at the BPP OC's prompting, the BPPG adopted a revised policy on complaints escalated to the industry group; that text, recently updated for consistency purposes, is reproduced here below. This process is distinct from complaints escalated to the BPP OC, for which a separate protocol is included further below. Note that there is no fee associated with the filing of any complaint.

Complaints Procedure

Introduction

The BPPG complaints procedure is designed to ensure that complaints about the application of the Best Practice Principles ("Principles") are properly investigated and are given careful consideration.



All signatories to the Principles (each a "BPP Signatory" or "Signatory" and together the "BPP Signatories" or "Signatories") are committed to ensuring that they:

- Comply with the principles
- Remain accountable
- Act fairly and proportionately

Please read this Procedure in its entirety to understand the process for filing a complaint.

Who can complain?

Any organisation or individual that alleges a ratified BPP Signatory is failing to comply with the Principles can file a complaint.

When should I file a complaint?

Complaints can usually be resolved more easily and effectively by those with a direct influence on the situation and at an early stage. Accordingly, complainants should ensure that they have first used the complaints procedure of the relevant organisation and allowed the procedure to complete before raising the matter with the BPPG Committee.

All complaints should be filed directly to the Signatory within six months of the Signatory's alleged material non-compliance with the Principles.

Where should I file a complaint?

All complaints must be first submitted directly to the Signatory and NOT to the BPPG. Please refer to the complaints procedure for the Signatory in question, which should be available on the Signatory's public website.

Escalating a complaint to the BPPG

If a complaint has been filed within six months of the Signatory's alleged material non-compliance with the Principles, and one of the below has occurred, such complaints may be escalated to the BPPG Committee for review:

- The relevant Signatory has not responded within 30 days of submission of a complaint; or
- The Signatory's response to the complaint does not comply in all material respects with the Principles.

Prior to filing a complaint to the BPPG, please review the list of BPP Signatories to ensure the organisation in question has been approved by the BPPG and ratified by the BPPG Oversight Committee.

The BPPG Committee comprises one or more representatives of each BPP Signatory and all escalated complaints alleging that a Signatory has either failed to respond to the initial complaint, or has materially breached the Principles will be reviewed by the BPPG Committee, in accordance with Section 7 below. Oversight of the BPPG is provided by the BPP OC and the role of the OC is explained further in Section 10 below.

To escalate your complaint to the BPPG Committee, please click here to send an email directly to the BPPG Committee or use the web form found here: https://bppgrp.info/the-best-practice-principles-for-shareholder-voting/complaints-feedback

What should be submitted with a complaint to the BPPG?

The following is required when escalating a complaint to the BPPG Committee:

- A clear and detailed description of what your complaint is about
- Copies of all the correspondence with the Signatory related to the complaint, to the extent not privileged or confidential
- Confirmation of the submission of the complaint to the Signatory, including the date of submission
- A concise explanation of why you feel the complaint was not adequately addressed by the Signatory
- Any other information related to the complaint which may be useful to the BPPG Committee (and the Oversight Committee, if applicable) in their consideration of the complaint
- Your contact information, including email address of the person and/or organisation submitting the complaint

Neither the BPPG Committee nor the BPP Oversight Committee, if applicable, can be responsible for determining or adjudicating points of individual report accuracy or differences of opinion over what constitutes "good governance" or an "accurate voting recommendation". The BPPG Committee can only respond to complaints alleging material non-compliance with the Principles.

What happens once a complaint is received?

All complaints submitted to the BPPG will be circulated to all members of the BPPG Committee. This ensures that the Signatory that is the subject of the complaint is aware that the complaint has been escalated to the BPPG Committee.

However, in order to preserve a fair process for all parties involved and to avoid any perceived conflicts of interest, the representative of the Signatory who has allegedly failed to comply with the Principles will be recused from, and will not participate in, the BPPG Committee's deliberations regarding and ultimate decision on the complaint, other than being afforded an opportunity to present its case. In addition, the BPPG Committee may reach out to the Signatory for additional relevant information, if necessary.

Upon receipt of the escalated complaint, the BPPG Committee will:

- Acknowledge receipt of the complaint by email, within 5 working days
- Investigate your complaint, including seeking additional information from the complainant and/or the Signatory that is the subject of the complaint

The BPPG Committee aims to report the outcome of its investigation to the complainant within 25 working days from the date in which it acknowledged receipt of the escalated complaint. All communications related to the investigation will be confidential and will be sent by the BPPG Committee to the email provided by you.

All escalated complaints, including the investigation and final decision made by the BPPG Committee are shared with the Oversight Committee, in accordance with the oversight procedure prescribed by Part Four of the Principles. **To this date, there are no escalated complaints to the BPPG (stage 2) and to the BPP OC (stage 3).**

List of potential remedies

If, after a comprehensive review of the circumstances, the complaint is upheld, the BPPG Committee may recommend the following as potential remedies:

- Encourage the Signatory to issue a correction, along with an explanation of the circumstances, if appropriate.
- Encourage the Signatory to take remedial measures as necessary in order to be in compliance with the Principles.
- In extreme situations, in which the BPP Signatory disagrees and is unwilling or unable to carry out appropriate remedial action, refer the Signatory to the Oversight Committee to consider additional sanctions in accordance with the Oversight Committee's terms of reference.

The BPPG will also consider the results of its complaints review procedure as part of its periodic review of whether any changes to the Principles or supplemental guidance on their application is necessary.

Appeals Process

If a complaint has not been upheld, the complainant will have a further 25 working days from delivery of the final decision to appeal the outcome to the BPPG Committee. An appeal should be submitted committee@bppgrp.info which will be forwarded to the Oversight Committee for review.

Role of the Oversight Committee

The Oversight Committee's role is to provide guidance and advice to the BPPG with respect to the operation and development of the Principles, including an annual independent review of the BPPG, as well as an annual independent review of the public reporting of each BPP Signatory. In addition, the Oversight Committee oversees each Signatory's reporting against its respective complaints procedures, as well as the BPPG Complaints Procedure, and provides oversight of any material complaints escalated by the BPPG Committee.

All escalated complaints, including the investigation and final decision made by the BPPG Committee, regardless of outcome, are shared with the Oversight Committee. The Oversight Committee may recommend additional actions or sanctions for a Signatory's non-compliance with the Principles in accordance with Part 4 thereof. In addition, the BPPG Committee reports any updates to the BPPG Complaints Procedure to the Oversight Committee at least annually.

Finally, the Oversight Committee invites feedback concerning Signatories or the BPPG after a complainant has followed the processes outlined in the BPPG Complaints Procedure, including the appeals process. While the Oversight Committee is not in a position to judge the merits of individual complaints, it does seek to ensure that Signatories are accountable for adhering to their respective complaints procedures, consistent with the Principles, and for overseeing the BPPG Complaints Procedure. Any communication can be directed to the Oversight Committee at oversightchair@bppgrp.info. Please see https://bppgrp.info/the-best-practice-principles-for-shareholder-voting/complaints-feedback/ for further information on the Oversight Committee protocol for managing complaints.

Courtesy & respect

All complainants can expect to be treated with courtesy, respect and fairness at all times. We expect that all complainants will also treat BPPG Committee members dealing with their complaint with the same courtesy, respect and fairness.

The BPPG Committee will not tolerate threatening, abusive or unreasonable behaviour by any complainant. In the unlikely event such events should occur, the BPPG Committee reserves the right to cease communication with the complainant and resolve the complaint as it sees fit.

Data processing

All information shared with, and/or collected by the BPPG Committee, as part of the BPPG Complaints Procedure, including but not limited to, all information, including personal information, disclosed by you as part of your complaint and/or the BPPG Committee's investigation of such complaint, as well as any subsequent decisions or actions taken by the BPPG Committee as a result of the same, are processed, stored, and used by the BPPG Committee as described in the BPPG Complaints Procedure, to track the effectiveness of the BPPG Complaints Procedure, and to help the BPPG Committee improve the policies and processes it utilizes to resolve and/or escalate all complaints.

Complaints directed to the Oversight Committee

The BPP OC approved protocols governing complaints directed to the Committee itself at its meeting on 23 February 2021. These are as follows:

- Complaints (along with any other communications) are invited through the BPP OC email channel, which goes to the chair.
- The chair will share any bona fide communications with the full Committee and will include an agenda item on outside communications in all subsequent quarterly BPP OC meetings.
- If the communication involves the Committee itself, members will consider the matter and respond in a timely manner to the author(s).
- If the communication involves escalation of a complaint against a Signatory—especially in the case of an alleged lack of response by a Signatory to a complaint—the Committee will in the first instance engage on a confidential basis with the Signatory in question to determine whether the Signatory's own best practice procedures in addressing complaints were followed. It should be understood by all parties that the BPP OC is not positioned to act as a judge on the merits of complaints, but rather as a body with a duty to ensure that Signatories are accountable for following their own procedures for handling complaints according to the Principles. The BPP OC would in such a case expect the Signatory to respond to the BPP OC and the complainant in a prescribed time period. In the event the Committee determines that a Signatory has failed to meet its own procedures for handling complaints according to the Principles, the BPP OC would consider further steps, including forms of sanctions, envisioned under its terms of reference. The BPP OC in any case would inform the complainant of steps it is taking in response to the communication.
- The BPP OC will include in its annual report a quantitative and descriptive disclosure of any such communications to itself, while respecting the confidential nature of exchanges with Signatories.

Further, any member who declares a conflict of interest in a case before the Committee is expected to recuse herself or himself from involvement in decision making.

Cases filed with the Oversight Committee in 2022

The BPP OC received a formal complaint from an issuer on 31 January 2022. Under the terms of the complaints protocol above, the matter was handled in confidence. Therefore, while this report summarizes circumstances and procedures, it may not identify either the source or the target of the complaint.

The complainant leveled charges against one Signatory, alleging several breaches of the Principles: in quality of reporting, policies of issuer access to analyses, responsiveness to complaints, and communications to stakeholders. The complainant in effect petitioned the BPP OC for three remedies: a) a change in the Principles asking for a company's right of reply to a proxy voting advisory and research firm's report; b) the BPP OC's consideration of a failure in service quality when it next reviews the Signatory's latest report and compliance with the BPP; and c) a determination as to whether the Signatory met or failed its own complaint response commitments. The Signatory in question, which was copied into correspondence by the complainant, made its responses available to the BPP OC.

The BPP OC conducted an initial discussion of the complaint and the Signatory response at its Q1 2022 meeting and voted to refer the matter to its Review Subcommittee. The Subcommittee, in turn, undertook research into the case and reported a draft response to the full BPP OC by email. This prompted further discussion and revision before a final response was delivered on 21 March 2022 both to the complainant and the Signatory.

The BPP OC concluded in this instance that the Signatory in question abided by the Best Practice Principles. It found no breach of the BPP or the Signatory's own stated complaint procedures. However, the BPP OC did find reason to recommend that the Signatory substantially clarify its policies around issuer access to its issuer reports. The BPP OC communicated the recommendation in its judgement released to the two parties and incorporated it into the review letter addressing the Signatory's latest BPP compliance statement. Further, the BPP OC said in the judgement that it will consider recommending amendments to the BPP, when that update process next commences, that address matters arising in this complaint.

Cases filed with the Oversight Committee in 2023

During the reporting year, the BPPG and BPP OC received no complaints.

Cases filed with the Oversight Committee in 2024

During the reporting year, the BPPG and BPP OC received no complaints.

Cases filed with the Oversight Committee in 2025

During the reporting year, the BPPG and BPP OC received no complaints.

ACTIONS SINCE 2021

Spotlight on 2021 Stakeholder Survey

The BPP OC conducted a stakeholder survey in 2021 for the purpose of updating understandings on market opinions about the proxy voting advisory and research industry and its Best Practice Principles. The yield of responses was low, reflecting in part market-wide experience in survey collection. For that reason, the BPP OC decided not to conduct a similar quantitative exercise in 2022. But the absolute figures may also be misleading, as single responses in some cases may speak for a large number of players within a sector. The analysis was undertaken by BPP OC Independent Researcher Associate Professor Anna Tilba. The Committee released her findings at the 2021 virtual Open Stakeholder Forum and posted them online. Highlights of the survey results are as follows:[12]

> *The analysis of the qualitative responses reveals both positive developments in Signatories reporting practices as well as some areas for further improvement. On the positive side, investors who were the majority of respondents, were broadly satisfied with the improvements of BPP and Signatories reporting on their applying the principles. For example, one respondent noted that: "Generally speaking, we are very pleased with the quality of disclosure around issuer engagement and the impact this has had on recommendations." (Investor)*
>
> *Furthermore, when it comes to stakeholders' expectations of the BPP OC's role, respondents seemed to have an overall willingness to recognise the role that the Committee plays in helping to improve service quality, integrity, and communication among proxy advisors and other stakeholders. Expectations ranged from 'wait and see' to 'high' and 'very high', indicating the importance of the BPP OC's role in facilitating and tracking the progress of best practices in shareholder voting research and analysis service provision. However, there were also some areas for further improvement raised primarily by company respondents, whose main concerns were relating to accuracy of the proxy reports, research and methodology and how the proxy providers communicated with companies. Overall, company respondents found that more improvement is still needed in reporting on all principles, whilst investors were more satisfied on reporting on all principles.*

Overall, the direction of travel appeared to confirm findings elsewhere that investor clients of Signatories are generally satisfied with services they receive, while some issuers that are regular subjects of Signatory reports have criticisms of some services. The BPP OC is taking feedback from the survey outcome into account in framing its reviews of Signatory reporting.

[12] https://bppgrp.info/wp-content/uploads/2021/10/2021-BPP-Stakeholder-Survey-Analysis-Report_FINAL.pdf

Spotlight on 2021 Open Stakeholder Forum

The BPP OC convened a virtual Open Stakeholder Forum on 6 October 2021 with the skilled hosting assistance of the Council of Institutional Investors. The Committee is deeply grateful to BPP OC member Amy Borrus, CII's executive director, for deploying her extraordinary team in this exercise. The agenda and speaker list may be found below. Some 200 participants from around the world joined the event online in real time, while others logged in to watch subsequently. The sessions clearly raised the profile of the BPP OC and BPP, especially for regulators in Europe and North America. Takeaways were considered by the BPP OC in its deliberations during reviews of Signatory compliance statements as well as over whether the Principles need revision. The video of the 2021 Open Stakeholder Forum may be seen at www.youtube.com/watch?v=Lathijh0uLo.

2021 BPP OC Open Stakeholder Forum Agenda

16.00 Welcome, introduction of the BPP OC: **Stephen Davis**, Senior Fellow, Harvard Law School and Chair, BPP OC

16.10 Results of stakeholder survey: **Anna Tilba**, Associate Professor in Strategy and Governance, Durham University Business School, and Independent Researcher to the BPP OC

16.25 Issuer panel: **Hope Mehlman**, Executive Vice President, General Counsel and Corporate Secretary, Bank of the West, and Corporate Secretary, BNP Paribas USA, Inc., moderator

Do issuers have concerns about the proxy voting industry? If so, what are they? How much of the concerns are about the industry itself, and how much about certain investor clients who use proxy advisory services? Are the Best Practice Principles, including the BPP OC, a constructive means of handling industry issues, or would regulation be better?

- **Frédérique Barthélemy**, ESG Investor Relations Manager, Total Energies
- **Darla Stuckey**, President and CEO, Society for Corporate Governance (US)
- **Loren Wulfsohn**, Global Head, Policy and Stakeholder Engagement, HSBC

17.05 Regulator panel: **Jean-Baptiste Duchateau**, Former VP Legal Corporate & Securities Veolia Environnement (France), moderator

Are there issues driving regulatory concern for the proxy advisory industry? If so, what are they? Do regulators hear a difference between investors and issuers in how they regard proxy advisors? If so, how do regulators balance those perspectives? Are the Best Practice Principles, including the BPP OC, a constructive means of handling industry issues, or would regulation be better? What are tests that would help you decide?

- **Marine Corrieras,** Division doctrine émetteurs, Autorité des marchés financiers (AMF)
- **Nicolas Grabar**, Partner, Cleary Gottlieb (US)
- **Valerio Novembre**, Senior Police Officer-Corporate Finance and Reporting, European Securities and Markets Authority (ESMA)

17.45 Investor panel: **Amy Borrus**, Executive Director, Council of Institutional Investors (US), moderator

How do investors address service quality among proxy advisors? Do they have concerns about independence or conflicts of interests among providers and, if so, what do they do about it? Are investors satisfied or dissatisfied with the way proxy advisors communicate with them or with issuers? Are the Best Practice Principles, including the BPP OC, a constructive means of handling industry issues, or would regulation be better?

- **Caroline Escott**, Senior Investment Manager, Railways Pension Trustee Co. (Railpen)
- **Mike Garland**, Assistant Comptroller for Corporate Governance and Responsible Investment, New York City Office of the Comptroller
- **David Shammai**, ESG Analyst, Allianz Global Investors

18.25 Proxy advisor panel: **Konstantinos Sergakis**, Professor of Capital Markets Law and Corporate Governance, University of Glasgow School of Law, moderator

- **Nichol Garzon-Mitchell,** Senior Vice President, General Counsel & Corporate Secretary, Glass Lewis
- **Lorraine Kelly,** Head of Governance Solutions, ISS
- **Sarah Wilson,** CEO, Minerva Analytics Ltd., The Manifest Voting Agency Ltd.

18.25 Concluding comments: **Stephen Davis**

Spotlight on 2022 Stakeholder Forum

2022 BPP OC Open Stakeholder Forum
Rome, 11 October 2022 - Auditorium Hall of Ara Pacis Museum

The BPP OC elected to convene its 2022 Open Stakeholder Forum in person, with a hybrid option, with Assogestioni hosting in Rome. The Committee is deeply grateful to BPP OC member and Forum Subcommittee chair Massimo Menchini, together with his expert team at Assogestioni, for taking on this charge.

The BPP OC further decided to reformat proceedings to focus on the three principles of the BPP. The agenda was as follows:

14.30 Welcome address: **Fabio Galli**, Director General, Assogestioni

14.40 Introduction: **Stephen Davis**, Senior Fellow, Harvard Law School and Chair, BPP OC

14.50 Results of the annual review of the BPPG Signatories compliance statements: **Konstantinos Sergakis**, Professor of Capital Markets Law and Corporate Governance, University of Glasgow School of Law

15.00 **I – BPP Principle One: Service Quality**

- **Gabriel Alsina**, Head of Americas, Continental Europe and Global Custom Research, ISS
- **Henri Giraud,** Head of Corporate Legal Affairs, Atos
- **Peter Reali**, Managing Director, Responsible Investing, Nuveen
- **Valerio Novembre**, Senior Policy Officer, ESMA

Moderator: **Amy Borrus**, Executive Director, Council of Institutional Investors

16.00 *Coffee Break*

16.15 **II—BPP Principle Two: Conflicts of interest avoidance or management**

- **Nichol Garzon-Mitchell**, Chief Legal Officer, SVP Corporate Development, Glass Lewis
- **Margaret Foran**, Chief Governance Officer, Senior Vice President and Corporate Secretary, Prudential Financial
- **Emilio Franco**, CEO, Mediobanca SGR
- **Paolo Ciocca**, Consob Commissioner

Moderator: **Mirte Bronsdijk**, Senior Responsible Investment & Governance Specialist, APG

16.15 **III—BPP Principle Three: Communications Policy**

- **Sarah Wilson**, CEO, Minerva Analytics Ltd, The Manifest Voting Agency
- **Michele Crisostomo**, Chair, ENEL
- **Lisa Harlow**, Head of Investment Stewardship, Vanguard
- **Valian Afshar**, Special Counsel, Office of Mergers and Acquisitions, U.S. Securities and Exchange Commission

Moderator: **Michael Herskovich**, Global Head of Stewardship, BNP Paribas Asset Management

Takeaways were considered by the BPP OC in its deliberations during reviews of Signatory compliance statements as well as over whether the Principles need revision.

Spotlight on 2023 Stakeholder Forum

The BPP OC elected to convene its 2023 Open Stakeholder Forum virtually. The BPP OC is grateful to the Open Forum Subcommittee members for their ongoing contribution to the organization of the BPP OC Open Stakeholder Forum as well as to Maria Barata (Minerva) and Tian Arojogun and Siobhan Collinson (EOS) for providing administrative support as well as to Minerva Analytics for generously providing its BrightTalk online platform for the event.

BPP OC Open Stakeholder Forum
18 October 2023

16.00

Welcome address: **Konstantinos Sergakis,** Professor of Capital Markets Law and Corporate Governance, University of Glasgow School of Law and BPP OC Chair

16.05 Results of the annual review of the BPPG Signatories compliance statements: **Anna Tilba**, Professor in Strategy and Governance, Durham University

16.15 **I – BPP Principle One: Service Quality**

- **Bruce Duguid**, Head of Stewardship, EOS
- **Maria Larsson**, Senior legal advisor, Confederation of Swedish Enterprise
- **Georgina Marshall**, Global Head of Research, ISS
- **Valerio Novembre**, Senior Policy Officer, ESMA
- **Luz Rodriguez**, Director of Corporate Governance and Legal Services, Colorado PERA

Moderator: **Michael Herskovich**, Global Head of Stewardship & Proxy Voting, BNP Paribas AM

17.00 **II—BPP Principle Two: Conflicts of interest avoidance or management**

- **Jared Brandman**, Senior Vice President, National Vision
- **Nichol Garzon-Mitchell**, Chief Legal Officer, SVP Corporate Development, Glass Lewis
- **Rob Hardy**, Corporate Governance Director, Capital Group

Moderator: **Amy Borrus**, Executive Director, Council of Institutional Investors

17.45 Q&As

17.50 *Break*

18.00 **III—BPP Principle Three: Communications Policy**

- **Alan MacDougall**, Founder & Managing Director, PIRC
- **Marine Corrieras**, Division doctrine émetteurs, Autorité des marchés financiers (AMF)
- **Mary Francis**, Corporate Secretary and Chief Governance Officer, Chevron Corporation
- **Andy Mason**, Head of Active Ownership, Aberdeen Standard Investments
- **Sarah Wilson**, Founder & CEO, Minerva Analytics

Moderator: **Hope Mehlman,** Chief Legal Officer and General Counsel, Discover

18.45 Q&As

18.50 Concluding comments: **Konstantinos Sergakis**

Spotlight on 2024 Open Stakeholder Forum

The BPP OC elected to convene its 2024 Open Stakeholder Forum virtually. The BPP OC is grateful to the Open Forum Subcommittee members for their ongoing contribution to the organization of the BPP OC Open Stakeholder Forum as well as to Maria Barata (Minerva) for providing administrative support.

16.00 Welcome address **Konstantinos Sergakis**, Professor of Capital Markets Law and Corporate Governance, University of Glasgow School of Law and BPP OC Chair

16.05 Keynote address **Jen Sisson**, CEO, ICGN

16.20 Results of the annual review of the BPPG Signatories compliance statements **Anna Tilba**, Professor in Strategy and Governance, Durham University

16.30 **I — BPP PRINCIPLES: THE MARKET'S VIEWS**

- **Maureen Beresford,** Acting Director Corporate Governance & Stewardship, Financial Reporting Council
- **Édouard Dubois**, Head of Proxy Voting, Amundi
- **Peggy Foran**, Chief Governance Officer, Senior Vice President and Corporate Secretary of Prudential Financial
- **Aude Rodriguez**, Head of Investor Relations, Air Liquide
- **Patti Gazda**, Corporate Governance Officer Ohio Public Employees Retirement System
- **Kyle Seely**, Head of Stewardship, New York State Common Retirement Fund

*Moderator: **Mike McCauley**, Senior Officer, SBA of Florida*

17.20 *Q&As + Break*

17.30 **II — BPP PRINCIPLES: THE SERVICE PROVIDERS' VIEWS**

- **Richard Adeniyi-Jones**, Engagement Manager, EOS at Federated Hermes Limited
- **Nichol Garzon-Mitchell**, Chief Legal Officer, SVP Corporate Development, Glass Lewis
- **Paul Hunter**, CEO, PIRC
- **Georgina Marshall**, Global Head of Research, ISS
- **Sarah Wilson**, Founder & CEO, Minerva Analytics

*Moderator: **Evan Epstein**, Professor, University of California College of the Law*

18.20 *Q&As + Break*

18.30 Afternoon keynote address **Carmine di Noia**, Director for Financial and Enterprise Affairs, OECD

18.45 Concluding comments: **Konstantinos Sergakis**