

8 March 2018

Rt Hon Frank Field MP
Work and Pensions Committee
House of Commons
London
SW1A 0AA

The Investment Association

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Dear Frank,

I was pleased to note that at yesterday's joint session of the Work and Pensions and Business, Energy and Industrial Strategy committees on Carillion, discussion touched on the Investment Association Public Register.

The Investment Association represents 240 UK-based investment management firms who collectively manage funds totalling £6.9 trillion. The industry is a key part of the UK's financial ecosystem. It helps millions of individuals and households save for the long term, enabling them to have a more secure and prosperous retirement. This is a responsibility we take very seriously.

The IA was asked by BEIS to develop and maintain a public register of shareholder rebellions as part of the Government's Corporate Governance Reform green paper response. The register captures listed companies who received more than 20% of votes against the Board on any resolution at their AGM or General Meeting (or withdrew a resolution before the AGM).

A key purpose of the register is to focus attention on how companies respond to investor concerns. While shareholder rebellions are sometimes reported in the press we believe that a great many rebellions are not. It highlights the public statements made by companies on the register on how they have addressed shareholders' concerns. By publishing this information for the first time in one central location, the register will increase transparency, accountability and scrutiny of listed companies by shareholders, media and the wider public. As you suggest, the register is available as a resource for policymakers and regulators, including The Pensions Regulator.

The Public Register can be viewed at www.theinvestmentassociation.org/publicregister.html.

The register includes FTSE All-Share companies which have received votes of 20% or more against any resolution or withdrew a resolution prior to their AGM. Analysis of the data published at the launch of the Public Register in December 2017 revealed that:

- From the AGMs and General Meetings (GM) held in 2017 by more than 640 FTSE All-Share companies, over one in five (22%) companies listed on the FTSE All Share feature on the Public Register, due to having at least one resolution that received over 20% dissent or was withdrawn.

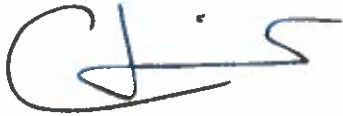
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- Pay-related issues top the list of shareholder concerns, with almost four out of ten (38%) resolutions listed on the Register being due to high votes against pay-related resolutions, such as shareholders voting against companies' annual remuneration reports, remuneration policy or other remuneration related resolutions.
- The second most frequent resolutions are the re-election of company directors with one in three (32%) of resolutions listed on the Register, due to a high vote against the re-election of a company director in 2017.

The Public Register will be updated regularly. It includes a description of the resolution, the result of the shareholder vote, a link to the AGM results announcement and a link to any further statement the company has made on the actions they have taken since the vote to address shareholder concerns. So far, one third of companies named on the register have provided a public response explaining how they are addressing their shareholders' concerns.

The IA has previously provided information to members and staff of the BEIS Committee on the content of the Public Register and its background. Should you wish, we would be happy to meet with you to discuss the register and its role in increasing accountability and transparency.

Yours sincerely,



Chris Cummings
Chief Executive

cc. Rachel Reeves MP, Business, Energy and Industrial Strategy Committee