

THE PUBLIC REGISTER

GUIDANCE FOR COMPANIES ON UPDATE STATEMENTS

ABOUT THE PUBLIC REGISTER

The Investment Association was asked to develop and maintain a Public Register of shareholder votes by the Government. The aim of the Register is to highlight companies who receive a high vote against or withdraw a resolution, and to understand the process used by those companies to identify and address the concerns of their shareholders.

The Public Register provides companies with the opportunity to highlight to investors and other stakeholders the steps they have taken to engage with shareholders and understand their views in relation to the high vote against, as set out by the 2018 UK Corporate Governance Code:

When 20 per cent or more of votes have been cast against the board recommendation for a resolution, the company should:

1. Explain, when announcing voting results, what actions it intends to take to consult shareholders in order to understand the reasons behind the result.
2. Publish an update on the views received from shareholders and actions taken by the company should be published no later than six months after the vote (the Update Statement).
3. Provide a final summary in the annual report, or in the explanatory notes to resolutions at the next meeting, on whether the board has taken any action or proposed new resolutions following the feedback received.

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Investors would like to see the following features in Update Statements. Statements should:

1. Be published as standalone statement. The disclosure should not be adjunct to other regulatory news or announcements.
2. Describe the original resolution and the voting outcome.
3. Describe the engagement the company has undertaken since the vote to understand the views of their shareholders, and provide a summary of the views heard.
4. Describe any actions taken by the company as a result of views heard from their shareholders. Where the company has decided not to take any further action, they should outline why this is appropriate in the company's circumstances.
5. Describe any future actions the company intends to take, including further engagement with shareholders, and reference to the final update to be included in the annual report.

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6. Where the company has appeared on the Public Register for the same resolution in consecutive years, the statement should acknowledge and set out actions to address this.