

# #66

**COMPLETE**

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## Page 2: Information on Respondent

### Q1 Name of Organisation

Council of Institutional Investors

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### Q2 Type of organisation [select one]:

**Representative body**

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### Q3 Main country / region of operation

United States

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### Q4 Are you currently a client of a voting research provider? [Yes/ No]

**Yes**

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### Q5 All responses will be posted on the Review website unless requested otherwise. Please indicate below if you wish your comments to be treated as confidential.

**Respondent skipped this question**

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### Q6 If you would like to be informed of the outcome of this consultation please provide a contact email.

jeff@cii.org

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## Page 3: General questions on the Principles

### Q7 Were you previously aware of the Best Practice Principles? [Yes/No]

**Yes**

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### Q8 If yes, how would you rate the positive impact of the Principles since they were introduced in 2014? [Scale of 0-5 where 0 is no impact, 5 is very positive]

**3,**

Please give a reason for your rating:

The broader awareness of Principles in the U.S. might enhance their positive impact.

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**Q9** If you are a user of voting research services, do you, or will you in future check whether a service provider had signed up to the Principles before appointing them? [Yes/No] **Respondent skipped this question**

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**Q10** Would it be beneficial to have a set of principles that are capable of being applied in all markets? [Yes/No] **Yes**

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Page 4: Scope and Structure of the Principles

**Q11** At present the Principles address three areas: service quality (which includes duties to clients, research methodology and voting policy); managing conflicts of interest; and communications with issuers, the media and other stakeholders (see the BPPG website here). Are there other issues or activities that should also be covered by the Principles [tick each that applies] **Governance engagement services**

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**Q12** Each Principle is accompanied by guidance which sets out practices to be followed and information to be disclosed, on a "comply and explain" basis. Is this structure clear and appropriate? [Yes/No] **Yes**

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**Q13** If no, how might it be improved? **Respondent skipped this question**

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Page 5: The Content of the Principles (1: Service quality)

**Q14** If you are a client of one or more signatories, do you consider that this Principle deals adequately with the various service commitments that you expect? [Yes/No] **Respondent skipped this question**

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**Q15** If no, how might it be improved? **Respondent skipped this question**

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**Q16** Depending on the wishes of their individual clients, those signatories that make voting recommendations will follow either bespoke or house voting policies. How satisfied are you with the process used by signatories to develop their house voting policies? [Scale 0 to 5, where 0 is dissatisfied and 5 is very satisfied] **Respondent skipped this question**

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**Q17** How might the process be improved? **Respondent skipped this question**

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**Q18** In addition to national law and listing rules, which, if any of these considerations should signatories take into account when deciding whether to adjust their house policies for different markets? [Tick all that apply]

**Respondent skipped this question**

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**Q19** How informative are signatories' descriptions of their research methodologies (see BPPG website here), including how they ensure that the research is reliable? [Scale 0 to 5, where 0 is uninformative and 5 is very informative]

**Respondent skipped this question**

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**Q20** While recognising the need for signatories to protect their intellectual property, how might the statements be made more informative?

**Respondent skipped this question**

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Page 6: The Content of the Principles (2: Conflicts)

**Q21** The Principle does not attempt to eliminate potential conflicts, but to ensure that the signatories disclose the procedures by which they are managed. Is this an adequate approach? [Yes/No]

**Yes**

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**Q22** If no, how might it be strengthened?

**Respondent skipped this question**

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**Q23** The Principles include the following non-exhaustive list of potential sources of conflict:· A signatory's ownership or shareholder base/structure, such as when a 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 signatory's employee activities, such as board memberships, stock ownership, etc;· Investor-client influence on the 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 signatories, such as when signatories provide consulting services to companies under coverage for research; and· Influence of other investor clients. Are there any others that should be included in this list?

**No**

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**Q24** If yes, please identify them.

**Respondent skipped this question**

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**Q25** If you are a client of a signatory, how satisfied are you with the information you receive on how potential conflicts are being managed? [Scale 0 to 5, where 0 is dissatisfied and 5 is very satisfied]

**Respondent skipped this question**

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**Q26** How might procedures be improved?

Respondent skipped this question

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Page 7: The Content of the Principles (3: Communications policy)

**Q27** How satisfied are companies with their communication with signatories? [Scale 0 to 5, where 0 is completely dissatisfied, 5 is very satisfied]

Respondent skipped this question

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**Q28** How might communication be improved?

Respondent skipped this question

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**Q29** If you are a company, have you used the procedures set up by one or more signatories to make a complaint or provide feedback on their research on, or engagement with, your company?

Respondent skipped this question

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**Q30** If yes, how satisfied were you with how your complaint was handled? [Scale 0-5 where 0 is not at all satisfied, 5 is very satisfied]

Respondent skipped this question

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**Q31** Many companies consider they should have the opportunity to comment on the analysis and recommendations in research reports before they are finalised. If you are an investor, which of these statements most closely reflects your view? [Tick one only]

Other (please specify):  
We are not an investor, but many of our investor members have indicated that it is not appropriate for companies to have a right to review or comment on draft research reports of which they are the subject. Other members have indicated that they have no objection in principle to the practice, as long as it does not reduce the amount of time they have to make voting decisions.

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Page 8: Reporting on the Principles

**Q32** At present, signatories are required to produce a public statement on how they have applied the Principles, which they update as necessary; some have chosen to update the statement every year. Signatories also produce a summary in a standard format for purposes of comparison (see BPPG website here). Do the statements adequately cover all the matters that signatories are supposed to report on under the Principles? [Yes/No]

Yes

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**Q33** If no, please identify which matters are not adequately reported on

Respondent skipped this question

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**Q34** How informative and useful are the statements?  
[Scale 0-5 where 0 is uninformative, 5 is very informative]

Respondent skipped this question

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**Q35** How might the statements be made more useful?

Respondent skipped this question

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Page 9: Monitoring the Application of the Principles

**Q36** As part of this review, the BPP Group intends to introduce an independent element into the monitoring arrangements. Which of the following features should be part of the arrangements for monitoring the implementation and impact of the Principles? [tick all that apply]

Oversight body including members independent of the sector ,

Surveys of market participants ,

Third party certification of how the Principles have been implemented by signatories

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**Q37** If you have specific suggestions for how the Principles should be monitored, please provide details

Respondent skipped this question

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**Q38** Have you ever used the complaints procedure to complain about a breach of the Principles (see BPPG website here) [Yes/No]

No

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**Q39** If yes, how satisfied were you with how your complaint was handled? [Scale 0-5 where 0 is not at all satisfied, 5 is very satisfied]

Respondent skipped this question

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Page 10: Signing-Up Process

**Q40** The process of signing up to the Principles is being looked at as part of this review. Other than a commitment to apply and report on the Principles and to be subject to the monitoring arrangements, are there other criteria that service providers should have to meet in order to be accepted as signatories? [Yes/No]

No

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**Q41** If yes, please specify

Respondent skipped this question

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Page 11: Other comments

**Q42** If there are any additional comments you would like to make as part of this consultation, please do so here:

Respondent skipped this question

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