



Collective Engagement Framework Review

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LEGAL & COMPLIANCE TOPICS

A key objective of the Investor Forum is to facilitate an effective model for collective engagement with UK-listed companies. Our *Collective Engagement Framework* has been developed to ensure that all participants are clear what the boundaries are and feel confident that they are operating in a safe and secure environment.

The Framework is a step-by-step guide which we use in all engagements. It is reviewed regularly to enhance best practice and in order to reflect the changing regulatory and legal environment.

The Framework, including additional background material, is available to members upon request. A summary is available on our website.

We would like once again to thank our Legal Panel for their support: Davis Polk & Wardwell; Hogan Lovells; Macfarlanes; and Skadden, Arps, Slate, Meagher & Flom.

Purpose of the Review

We recently reviewed the Forum's *Collective Engagement Framework* with our Legal Panel and asked these questions:

- Does the Framework achieve its purpose? Have issues with the Framework been raised by the Forum, its members or companies as the result of practical experience?
- Does the Framework still create a safe and secure environment, addressing both perceived and real obstacles?
- Are there emerging regulatory or legal developments which should be considered?

Conclusions

- **The Collective Engagement Framework remains fit for purpose.** The Panel is confident in the existing Framework, and no major issues have been raised in practice. Our recent member survey highlighted the importance placed on the Framework in the Forum's approach and its key role in encouraging effective collective engagement.
- **The Framework creates a safe and secure environment and works well to overcome legal and regulatory concerns.** In our recent survey, 93% of members cited a "safe environment (legal framework)" as important or very important when considering participation in a collective engagement via the Forum. To date, no potential member has been unwilling to join based on legal or regulatory concerns.

Follow Up

The Panel continues to support the Forum and has agreed to review several emerging legal and regulatory topics to consider whether or not they have implications for the Forum's Framework going forward. The topics to be reviewed are:

- Competition Law
- EU Shareholders Rights Directive
- FCA Asset Management Review
- Fiduciary Duties of Investment Managers
- Senior Managers and Certification Regime
- Revisions to the Corporate Governance Code