

The voice of responsible shareowners

Press release.

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PIRC welcomes ESMA report and proposed Code

PIRC has welcomed the final report of the European Securities and Markets Authority on the proxy advisory industry.

Alan MacDougall, managing director of PIRC, said: "ESMA has done an important job of demystifying how proxy advisors work in practice. The proposals it has put forward are, in our view, entirely reasonable and we welcome the inclusive approach that ESMA has taken during the consultation process that led to today's report."

"The most significant point for the proxy advisory industry is that ESMA found that there is no market failure. We hope that critics of proxy advisors accept this finding."

"The more important issue for corporate governance in general is the need for transparency and accountability in the proxy advisory industry. As an important link in the ownership chain between issuers and shareholders it is entirely reasonable that our role is scrutinised. Just as we expect companies, and increasingly investors, to be transparent, so it is reasonable that others ask the same of us. As such we fully support ESMA's proposal for an EU Code of Conduct."

"PIRC sought to address some of these issues by producing our own set of best practice principles three years ago. We are pleased to note that there is much common ground between the principles we put forward and the Code that ESMA proposes. We recognise that an effective set of standards must have industry-wide acceptance, therefore we intend to contribute positively to the development of the new Code."

PIRC Principles of Best Practice

<http://www.pirc.co.uk/sites/default/files/BestPracticePrinciples.pdf>

Press release.

More information

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