

Survey: Ownership Disclosure by Institutional Investors.

08th February 2012

Introduction

Institutional investors face increasing pressure from issuers and regulators to be more transparent about their stock ownership and share voting. Sodali has had informal discussions with a number of institutional investors about these issues in the context of annual meetings and cross-border voting. Many of you have indicated your support for greater transparency in the proxy process as a means to facilitate end-to-end vote confirmation – a goal long sought by shareholders. Transparency would also facilitate the creation of an audit trail needed for verification of voting results. There seems to be general agreement among both companies and investors that a voluntary approach would be preferable to regulation, provided that it would not increase costs, require additional time and resources, or conflict with internal policies or contractual commitments.

The questionnaire that follows seeks your views on a proposed voluntary program that would give issuers access to the systemically-generated ownership data that is currently used by agents and intermediaries to distribute disclosure documents, solicit voting instructions and tabulate votes. Many important details, such as the definition of “beneficial ownership” and the use of nominee accounts, cannot be addressed in a survey and would have to be carefully worked out if steps were taken to implement the proposed program.

The goal of this survey is to determine whether the concept of sharing systemically-generated ownership information with issuers makes sense to you.

The survey has room for comment. We would appreciate your candid views on this approach or any other approach that might help satisfy the demand for greater transparency.

Individual responses will be confidential and should be returned to e.kerman@sodali.com. A summary of survey results will be published on the Sodali website (www.sodali.com) and sent by email to respondents who provide contact details.

Questionnaire

1) Do you have a formal policy regulating disclosure of ownership information and communication with issuers?

- a) Yes
- b) No

2) What are the concerns that make you reluctant to disclose ownership data to issuers? Please feel free to check multiple responses.

- a) Client privacy.
- b) Confidentiality of trading strategy.
- c) Lack of resources.
- d) Cost.
- e) Contractual limitations.
- f) Legal exposure.
- g) Other, please comment.

3) Would you be willing to participate in a limited disclosure program that would provide issuers with systemic information about your ownership position on the record date for shareholder meetings?

- a) Yes
- b) No
- c) It depends, please comment.

4) What level of ownership would you be willing or able to disclose?

- a) Aggregated holdings in custodial accounts.
- b) Specific positions held by funds.
- c) The identity of beneficial owners.
- d) Loaned stock, short positions and derivatives.
- e) Update of data in most recent public filings.
- f) Other, please comment.

5) Should global custodians and other agents be entitled to additional fees for providing an Issuer with access to such systemically-generated ownership information?

- a) Yes
- b) No

6) If your answer to question 5 is yes, who should pay the additional fees?

- a) The Issuer.
- b) The Investor.
- c) Other, please comment.

7) If you agreed to provide systemic record-date ownership information to an issuer, would you prefer that the issuer treat the information as confidential?

- a) Yes
- b) No

8) Do you agree that a private sector solution is preferable to legislation or rules prescribing disclosure of information about beneficial ownership and share voting?

- a) Yes
- b) No

Additional comments: Please feel free to make any additional suggestions or comments you feel are pertinent to this issue.

Optional questions:

9) In some jurisdictions, such as the United States, access to shareholder records is subject to fairness requirements and other legal rules. If you agreed to provide systemic record-date ownership information to an issuer, should the issuer be required to share the information with persons designated by law as having a proper purpose, such as those who intend to solicit proxies or communicate with shareholders in connection with a shareholder meeting?

- a) Yes
- b) No

10) In addition to systemic record-date ownership information, would you also be willing to provide an issuer with access to systemic information about the voting instructions you submit during the course of a proxy solicitation?

- a) Yes
- b) No

Contact details (optional):

Company name:	
Department:	
Reference Person:	
Phone:	
E-mail:	