

Press release – 16/11/09



Association of British Insurers



The Institutional Shareholders' Committee (ISC) today announces a new code of responsibility for investors, together with plans to review its constitution. This forms part of efforts to help investors become more effective in their dealings with companies in which they invest.

The Code sets out best practice with regard to monitoring companies, dialogue with company boards and voting at general meetings. The ISC, which comprises the four leading investor bodies in the UK, believes this is the first formal code for investors to be drawn up at national level. It also sets new standards in terms of disclosure and verification.

The Code is aimed at those institutions that choose to engage with companies as part of their investment strategy. It is voluntary and will operate on a comply-or-explain basis. The Code calls on institutions to state publicly how they apply its principles and disclose what steps they have taken, or intend to take, to verify their compliance.

Firms which comply-or-explain against the Code and provide a link to their policy statement will be listed on the ISC website. The ISC envisages that this list will become an important source in helping inform pension fund trustees and other beneficiaries on managers' approach to engagement.

The challenge of supporting and implementing the Code has prompted the ISC to review its constitution in order to ensure that it is fit for purpose in the new environment. ISC Chairman, Keith Skeoch, is therefore currently in the process of forming a committee including representation from senior investors, the main investment trade associations and corporate governance

practitioners. Lindsay Tomlinson, NAPF Chairman, will be deputy chair of the new committee.

The committee will consult on new arrangements for the ISC, which will ensure that the Code receives firm and proactive backing from senior levels in the investment industry. The ISC expects the new arrangements to be in place by the spring of next year.

Further information can be obtained from:

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Investment Management Association, Noreen Shah/Ginny Broad, 020 7831 0898

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Note for editors

<http://www.institutionalshareholderscommittee.org.uk>

The ISC is a forum which allows the UK's institutional shareholding community to exchange views and, on occasion, coordinate their activities in support of the interest of UK investors.

Its constituent members are: The Association of British Insurers (**ABI**), the Association of Investment Companies (**AIC**), the Investment Management Association (**IMA**) and the National Association of Pension Funds (**NAPF**)