

29 January 2009

Mr David Styles
Corporate Law and Governance Directorate
Department for Business, Enterprise and Regulatory Reform
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Dear David,

Implementation of the Directive on the Exercise of Certain Shareholder Rights – Consultation Regarding the Amendments to the UK Companies Act 2006.

The NAPF is the representative body for the UK's occupational pension schemes and as such has taken a close and continuing interest in all matters which affect the ability of its members to oversee the assets under their control. In particular, we have been active participants in the development of improved standards of corporate governance in the UK and in the reform of company law.

We are broadly supportive of the proposals contained in your Consultation Document. Our specific answers are set out below:

Q1: Do you agree that this is an effective way of enabling the splitting of votes under the Companies Act 2006?

We are pleased that the opportunity is being taken to address the problem which was identified in the Companies Act 2006. This appears to be an effective amendment.

Q2: Do you agree that these changes permit corporate representatives for the same corporate shareholder to vote in different ways at company meetings?

We agree that the approach outlined in relation to regulation 6 is sufficient for this purpose.

Q3: Do you agree that the right to demand a poll should also be available by correspondence in advance?

We agree.

Q4: Do you agree that the obligations of proxies need to be stated in this way?

We also believe that this should be explicitly stated to avoid any potential for confusion.

Q5: We would welcome your views on whether and if so how we should attempt to define "electronic means accessible to all shareholders".

We believe that the requirement to provide "electronic means accessible to all shareholders" should, if properly defined, act as an important spur to the reform of the voting system in the UK. There are thus considerable benefits to be had from the development of a robust mechanism which allows all shareholders to register their votes securely and by electronic means. This will require the active involvement of registrars, custodians and the proxy voting agencies who should be encouraged by BERR to address the issues as a matter of urgency.

We support strongly the conditions attaching to the shortened notice period proposal for meetings other than AGMs. The provision of electronic voting provides an offset to the reduction in notice period which in principle represents a reduction in shareholder rights by reducing the period for review and discussion of the resolutions to be tabled at the upcoming meeting (albeit not in terms of the provisions of CA2006).

Q6: Do you agree that resolutions to permit companies to continue holding EGMs at 14 days' notice should be passed on the basis of two thirds of the voting rights of those who vote at the meeting or should it be 75% as for other special resolutions?

75% is consistent with UK practice and is therefore to be preferred.

Q7: Do you agree that the answering and answering of questions at meetings of traded companies requires implementation in this way?

We agree.

Q8: Do you agree that the members of a traded company who exercise Article 6 rights should not have to pay the expenses of circulation?

In principle we support this proposal. However we are concerned about the practicalities from the issuer perspective as the costs incurred should be contained as far as possible.

Yours Sincerely,



David Paterson
Head of Corporate Governance