

Diploma in Investor Relations Information Pack 2019



INTRODUCTION

Thank you for your interest in the IR Society's Diploma in Investor Relations.

This Information Pack is designed to help you through the process of:

- Applying to join the Diploma programme;
- Preparing for the examination; and
- Successfully sitting the examination.

It contains information on:

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If you have any further questions or would like more information, please contact:
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A. WHAT THE DIPLOMA IS

The Diploma in Investor Relations (DipIR®) is the IR Society's senior level qualification. Developed by expert IR practitioners and educational organisations, the Diploma examines candidates on their understanding and practical application of the skills, tools and expertise needed to become leaders in our profession.

In particular it is looking for candidates to demonstrate the following:

- i) A good level of knowledge and experience of investor relations including a strong grasp of key practical and theoretical aspects to the profession, and a clear understanding of the ethical and best practice approaches to key issues
- ii) A breadth of knowledge of current topics and issues facing the profession, and an ability to place an issue in its wider context, including the legal and regulatory framework currently in force within the UK listed company sector
- iii) An ability to communicate confidently and effectively in both written and oral formats, and handle a Q&A discussion on a chosen topic

The DIP IR is a natural progression for those who have previously taken the Certificate in IR (CIR®) and have subsequently built up at least 5 years' experience in IR or a related field.

On successful completion of the qualification, candidates will receive a certificate and are entitled to put DipIR® after their name. This shows that an individual has demonstrated sufficient experience and understanding of the IR profession to undertake a senior role, whether in-house as a corporate IRO, or as a trusted adviser or service provider to the industry.

As with the CIR, the Diploma in IR sits under the auspices of the IR Society's Examination committee.

B. WHO SHOULD CONSIDER SITTING THE DIPLOMA IN IR?

Each candidate will be considered on their own merits and prior experience.

In general, however, it is expected that Diploma candidates will:

- be members of the IR Society;
- have successfully completed the IR Society's Certificate in Investor Relations (CIR[®]) qualification (or be able to demonstrate proven knowledge of the regulatory environment in which IROs operate through other relevant qualifications and experience); and
- will have a minimum of five years' experience in IR or a related profession, of which at least 2 should be in a senior role.

It is open to both to those working in-house and to those acting as a trusted adviser or service provider to the IR profession.

The Diploma in IR is a very different examination from the IR Society's Certificate in IR. As is appropriate for a senior level qualification, much of the preparation needs to be undertaken as self-study, while examination questions are open and unstructured. Candidates unable to demonstrate significant experience in IR or a related profession are unlikely to be successful.

At this stage, we are only able to accept UK-based candidates.

C. THE APPLICATION PROCESS

We will accept a maximum of 12 candidates onto each Diploma programme.

It is important to us that every candidate is sufficiently motivated and experienced: we want to give you the best possible opportunity to be successful. That's why we ask everyone to complete an application form. It's designed both to help us understand you better and also to help you identify any training gaps you may have.

Specifically, it asks you for:

- i) Your personal details
- ii) Your professional qualifications and training
 - a. We prefer candidates to have passed the IR Society's CIR
 - b. If you haven't done so, you should show other relevant qualifications and experience which demonstrate your proven knowledge of the regulatory environment in which IROs operate
- iii) Your involvement in Investor Relations
 - a. We would normally expect you to demonstrate at least 5 years' relevant experience, of which at least 2 should be in a senior role.
- iv) Your contribution to the profession and the IR Society
 - a. The Diploma is intended to support your progression into leadership roles. Examples of engagement in the profession are very helpful.
- v) Your choice of Optional Topics
 - a. This is explained in more detail in Section D, below
- vi) Around 500 words explaining why you believe the Diploma in IR will be of value to you
- vii) A completed competences framework
 - a. We have identified the key competences we believe are required to work in IR. For each, we have shown the level of knowledge and experience we would expect successful Diploma candidates to have.
 - b. By comparing your own level of knowledge and experience with the guide, you can identify where you may need further training.

If your application is successful, you will be registered for the next available intake. We expect to run one or two Diploma programmes each year.

D. CHOOSING YOUR OPTIONAL TOPICS

- i) The Diploma is designed to support you as you move towards a leadership position. As you progress, you will be increasingly expected to have some familiarity with functions / activities outside

the core IR role. That's why we ask you to choose a minimum of three 'Optional Topics' on which you can be examined. The full list of available topics is shown in Appendix 1.

- ii) You may already have worked in some of these areas earlier in your career. However, at least one of the Optional Topics you choose should be outside your immediate employment experience.
- iii) To help you make your choice, we have prepared a more detailed syllabus for each Optional Topic and provided suggested reading and training opportunities for each. These will be provided to you separately by the IR Society team.

E. SUPPORT FROM YOUR MENTOR

- i) A unique feature of the Diploma is the provision of a mentor who will be one of the senior IROs in the industry, and often a current or former board member of the IR Society. The role of the mentor is to be available to provide advice and support on request to a candidate and to help guide on preparation and readiness to sit the Diploma exam.
- ii) Typically, you can expect to have at least three meetings/calls with your assigned mentor.
 - a. After committing to the Diploma in IR qualification
 - b. Before the written exams, to check progress and answer any remaining questions
 - c. Before the presentation module.
- iii) You should be looking to create a long term relationship with your mentor. This needs both of you to be actively engaged in making the relationship a success. Your mentor has volunteered to help you and the IR Society. You should be pro-active in seeking their support.

F. PREPARING FOR THE EXAMINATION

The Diploma in IR is a very different examination from the CIR. The Diploma is looking to examine a range of technical and practical skills, with much drawn from a candidate's own working experience.

Unlike the CIR, there is no "one size suits all" study guide.

We expect candidates to demonstrate the experience they have gained in their working lives as well as the independent study they have done around the syllabus topics. As a result, the amount and type of preparation required (and the time it takes) will vary from candidate to candidate depending on their background.

i) Self-study and training courses

You should expect much of your preparation to be undertaken as self-study. This can be supported if required by relevant courses already offered by the IR Society, for example focusing on development areas and your chosen Optional Topics. The Regulation courses are a useful refresher for all candidates. In addition, it is worth considering additional study through sister organisations such as the Company Secretary and Corporate Treasurers professional bodies.

Completion of the Competences Framework should help highlight any such training requirements. The IR Society team can help identify courses which would meet your needs and suit your budget, as well as advise on self-study.

ii) A half-day Ethics course and a half-day Revision course are offered to all candidates as a part of the examination fee.

a. Why an Ethics course?

- i. Section A of each written paper examines candidates on their understanding and experience of the regulatory and legislative environment and the ethical issues relevant to our profession. Candidates cannot pass the overall examination without providing a pass-quality answer to these two questions.
- ii. The Ethics course provides a reminder of the key regulatory and legislative issues, examines the IR Society's Code of Conduct and allows a safe environment in which to test ethical dilemmas.

b. The revision course provides more detail of the format of the examination and what is expected to achieve success. It uses example questions and model answers and builds on the reported experience of previous candidates.

G. THE FORMAT OF THE EXAMINATION

- i) In summary:
 - a. Each candidate will sit two formal, written (computer-based) examinations, each of up to 3 hours in length.
 - i. All questions will be open, realistic and testing. They will normally expect an essay-style response.
 - ii. They may be case study-based.
 - iii. They will be designed to test the identified IR competencies in the specific subjects as shown in Appendix 1.
 - iv. Examples of questions used in Paper 1 and 2 can be found in Appendix 2.
 - b. You will separately also be asked to make a 15 minute presentation on a topic of your choice to experts in the field of IR. You will then answer questions on your presentation.
 - c. All examinations will take place in central London. Dates will be provided well in advance.

- ii) Written papers in more detail
 - a. **Paper 1 – Principles of IR**
 - i. SECTION A is compulsory and provides 30% of the total mark for this paper. It will contain short answer questions related to legislation / regulation / ethical matters.
 - ii. SECTION B provides 40% of the total mark for this paper. You will be asked to choose 1 out of 3 theory-based essay questions, relating to the role of IR. Each will cut across the syllabus content, which is shown in Appendix 1.
 - iii. SECTION C provides 30% of the total mark for this paper. You will be asked to choose one from a number of Optional Topics questions. Each question will either be specific to one of the options or will be so open that it can be answered for many options.

b. PAPER 2 – IR IN PRACTICE

- i. SECTION A is compulsory and provides 30% of the total mark for this paper. You will typically be asked 1 - 2 short-answer practical questions, relating to legislation / regulation / ethical matters. These may be based on a case study.
 - ii. SECTION B provides 40% of the total mark for this paper. You will be asked to choose one of three practical essay questions, relating to the role of IR. Each will cut across the syllabus content, which is shown in Appendix 1.
 - iii. SECTION C provides 30% of the total mark for this paper. You will be asked to choose one from a number of Optional Topics questions. As in Paper 1, each question will either be specific to one of the options or will be so open that it can be answered for many options.
- iv) The **Presentation Module** in more detail
- a. This is designed to test your competency in some of the softer attributes required as you progress in your career. These include gravitas, authority/presence, credibility, clear communications and presentation skills (see 'Required Competencies' on the DipIR Application Form for further details). We are told by head hunters that these attributes can provide the differentiating factor in an employment decision, as they tend to be the ones lacking in otherwise high-quality candidates for senior roles.
 - b. You will be required to make an uninterrupted formal presentation lasting about 15 minutes, in which you showcase an IR-related piece of work of which you are particularly proud or discuss a generic topic (if confidentiality issues preclude the use of an actual case).
 - c. You will then answer questions on your presentation for 10 – 15 minutes.
 - d. Your audience will be made up of IR Society board members and/or Fellows of the IR Society, together with industry experts such as corporate brokers.

H. HOW TO BE SUCCESSFUL: WHAT THE EXAMINERS ARE LOOKING FOR

A revision course is provided for candidates as part of the examination preparation. During this, you will be provided with further details on the type of content the examiners are expecting, how they recommend essays are structured and how to prepare for the presentation module.

You will also work through some examination questions. See Appendix 2 for further examples.

In summary:

- i) All written answers should show:
 - a. Your skills, knowledge and experience, across all the compulsory topics and at least three of the optional topics shown in the syllabus;
 - b. Your familiarity with the UK's legislative and regulatory environment and corporate governance standards, at least to the level examined in the CIR;
 - c. Your detailed knowledge of best practice IR and how it adds value;
 - d. Your ability to communicate clearly in writing, identifying and justifying your key messages. Answers should be written in a free-flowing dialogue style, rather than bulleted lists of facts; and
 - e. Your management and leadership potential.

- ii) Essays should be structured using the following guidelines:
 - a. Should be approximately 1,500 words long (c. 3 pages of A4). It is unlikely that an answer of fewer than 1,000 words will contain the level of detail required. An essay of over 2,000 words is likely to be overly detailed.
 - b. Should be well-structured. A possible structure to use would be:
 - i. Brief answer to the question posed;

- ii. Context to the question, including reference to the specific regulatory and legislative environment, where appropriate;
 - iii. Evidence to support your answer: at least three examples;
 - iv. Wrap up – a chance to show the examiners the sophistication of your thinking.
 - c. As a rule of thumb – imagine your essay is going to appear in *Informed*, the IR Society’s quarterly journal. As well as explaining your topic for the less-informed reader, you need to add something to the knowledge of a more expert reader.
 - d. Wherever possible, you should showcase your experience or use other real-life examples you are aware of.
- iii) When answering questions in Section C (Optional Topics) you should also consider the following:
- a. Answers to optional topic questions should incorporate all the guidance shown above. However, they should take a broader perspective than answers to questions in Section B, demonstrating knowledge outside the core IR role.
 - b. You are not expected to be an expert in the chosen optional topic.
 - c. You are expected to understand and demonstrate how the chosen topic interacts with IR.
 - d. Only one answer should be on a topic in which you have significant previous experience.
 - e. To ensure that you demonstrate the breadth of your experience to the examiners, do not pick the same topic from both the “Principles of IR” paper and “IR in Practice” paper.
- iv) In the Presentation module, we are looking for:
- a. Good command of a topic that demonstrates expertise in IR and ability to answer (with confidence) questions around the topic chosen;
 - b. Ability to impart key messages in the time given;
 - c. Demonstration of competencies in the Communications area, including

- i. Strong presentational skills
 - ii. Active listening
 - iii. Clear communications
 - iv. Messaging
- d. Demonstration of competencies in the Personal area, including
 - i. Resilience
 - ii. Credibility
 - iii. Trusted
 - iv. Authority / presence
- e. And from the Leadership competencies, Gravitas.

I. MARKING AND RESULTS

- i) Once candidates have completed the entire examination (two written papers and one presentation module), they will receive one overall pass/fail result. The actual mark will not be disclosed.
- ii) IMPORTANT NOTE: It is not possible to pass overall if either of the two Ethics modules (Section A of Papers 1 and 2) has been failed.
- iii) Written papers will be marked by senior IROs with significant experience in the profession. Each paper is double-blind marked and any significant variation is investigated. The following scale is used:
 - a. **STRONG PASS:**
 - i. Directly answers the question set.
 - ii. Explains conclusions clearly, demonstrates strong communication skills.
 - iii. Draws on an extensive range of material, and references relevant regulation, legislation and best practice guidelines.
 - iv. Demonstrates strong knowledge, significant experience and a total grasp of investor relations.
 - b. **PASS:**
 - i. Directly answers the question set.
 - ii. Explains conclusions clearly, demonstrates good communication skills.

- iii. Draws on a range of material, and references most relevant regulation, legislation and best practice guidelines.
 - iv. Demonstrates good knowledge and experience and a strong grasp of investor relations.
- c. **MARGINAL FAIL:**
- i. Attempts to answer the question set. Fails to draw on the key material, and/or fails to demonstrate satisfactory knowledge of the relevant regulation, legislation and best practice guidelines.
 - ii. The answer fails to demonstrate satisfactory knowledge and experience.
- d. **OUTRIGHT FAIL:**
- i. Fails to answer the question set. Fails to draw on the key material, and/or fails to demonstrate satisfactory knowledge of the relevant regulation, legislation and best practice guidelines.
 - ii. The answer fails to demonstrate satisfactory knowledge and experience.
- iv) The presentation module will be assessed by a group (minimum 3 people) of IR experts, using a similar marking scale.
 - v) If the examiners believe that a candidate's paper is outstanding, they may recommend him or her for a Chair's Prize. This prize will be awarded very rarely.

J. WHAT HAPPENS IF YOU FAIL

Partial resits may be offered in exceptional circumstances, at the discretion of the IR Society Examinations committee.

K. THE COST AND WHAT IT INCLUDES

The cost for the Diploma is £995 + VAT. This covers: examination fees; two half-day training courses; and support from an IR Society mentor.

L. TESTIMONIALS

The IR Diploma was a great opportunity for me to spend some time identifying gaps in my practical skillset and remedying them. The case study method used on the course means the knowledge you gain is immediately applicable and the opportunity to discuss practical issues with peers was invaluable. I would highly recommend the course for senior IR professionals looking to develop their practical skillset.

Andrew Downey

Head of Investor Relations, CYBG PLC

It's a safe environment to talk about real issues with your peers – the best way to learn. It's invaluable to discuss how to handle the Big IR challenges before you find yourself dealing with one of them. The core expertise of IR is as much about a way of thinking as it is a syllabus to learn by heart.

Tom Randell

Head of Investor Relations and Communications, John Laing

Appendix 1:

Subjects to be examined

PAPER 1 - PRINCIPLES OF IR

- Ethics, including managing conflicts of interest
- Accounting, finance and valuation
- Principles of best practice communications & stakeholder engagement
- Regulation and corporate reporting
- Company law for listed companies
- Corporate governance for IR
- Financial & capital markets
- Selected optional topics

PAPER 2: IR IN PRACTICE

- Practical application of the topics shown above, plus:
- Digital & offline communication channels
- Developing & communicating a company's investment case
- Crisis & reputation management
- Understanding the SRI community
- Consensus management
- IR, management & the board
- IR engagement with stakeholders; investor targeting
- The sophisticated IR toolkit & calendar
- Developing, owning and implementing your IR strategy
- Building a complementary IR team
- Building leadership credibility
- Activism & the changing profile of investors
- Measuring the value of IR
- Selected optional topics

- Company Secretarial
- ESG
- Introduction to Macroeconomics
- Leadership and Management
- New Media and technology
- PR and Corporate affairs
- Private and Public Capital Markets
- Risk Management and Derivatives
- Strategy and Corporate Finance
- Treasury and Debt IR

Appendix 2:

Example Questions

PAPER 1 – PRINCIPLES OF IR

SECTION A example questions:

- *Briefly discuss when commercial considerations can be prioritised over market disclosure rules.*
- *Does a personal twitter account pose any risks for an IRO?*

SECTION B example questions:

- *Discuss the pros and cons of regular, formal market updates.*
- *Is all investor feedback good feedback?*
- *What role should an IRO play in the adoption of new accounting standards?*

SECTION C example questions:

- *Where does and should the boundary between financial PR and Investor Relations lie?*
- *What do you think are the key elements of Corporate Sustainability?*
- *What role can IR play in setting a company's long term strategy?*
- *“The primary purpose of the public market is to provide access to capital.” Do you agree?*

PAPER 2 – IR IN PRACTICE

SECTION A example questions:

- *Your CEO mentions something in a 1-1 meeting with one of your largest shareholders about the business that hasn't been stated elsewhere. What are the issues with this and how would you deal with the situation?*
- *It is 6.50am and you spot a material error in the main table in your 7am interim results release. What options are open to you and what would you do?*

SECTION B example questions:

- *Your CEO wants to change brokers - explain the best way to approach this.*
- *How would you advise a Board on setting a revised, or new, remuneration policy?*
- *Discuss how best to structure a capital markets day.*

SECTION C example questions:

- *ISS have come out with a proxy guidance report recommending voting against your remuneration proposal for the year. What do you do?*
- *The board has asked for your views on the merits of a convertible bond issue compared to straight debt. What is your response?*
- *Your major UK-listed JV partner in a core subsidiary has announced it has been approached by a private equity buyer and it is considering its offer. Discuss the IR response.*