

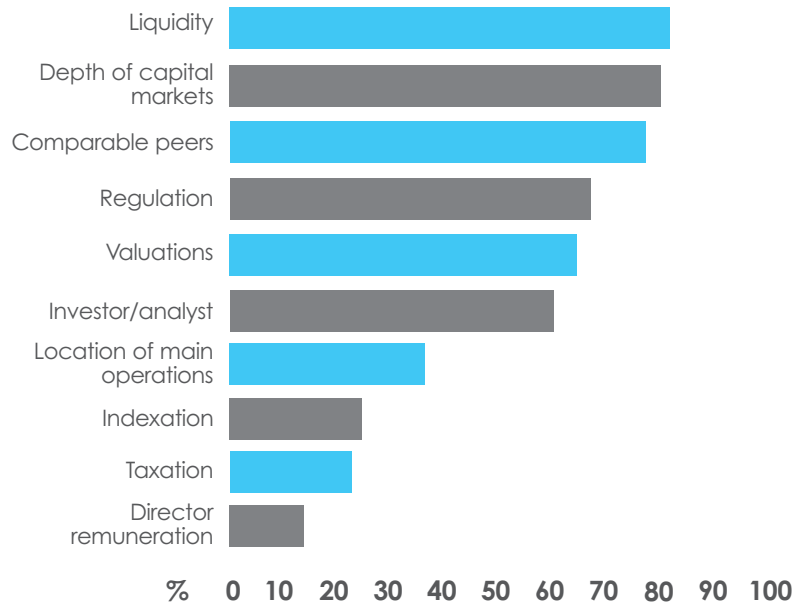
OVERVIEW OF IRO SURVEY FINDINGS

LIQUIDITY, ‘depth of markets’ and having ‘comparable peers’ top the list of the most important factors in deciding where to list a company’s shares, followed by ‘regulation’ and ‘valuations’.

Looking at the **overall package of HM Treasury’s proposals**, **80%** of respondents believe they will reduce actual/perceived regulatory barriers for companies while **57%** believe they will bolster UK competitiveness,

However, only **45%** think they will help attract a more diverse range of applicants, and only **37%** think they will reduce actual/perceived costs for companies.

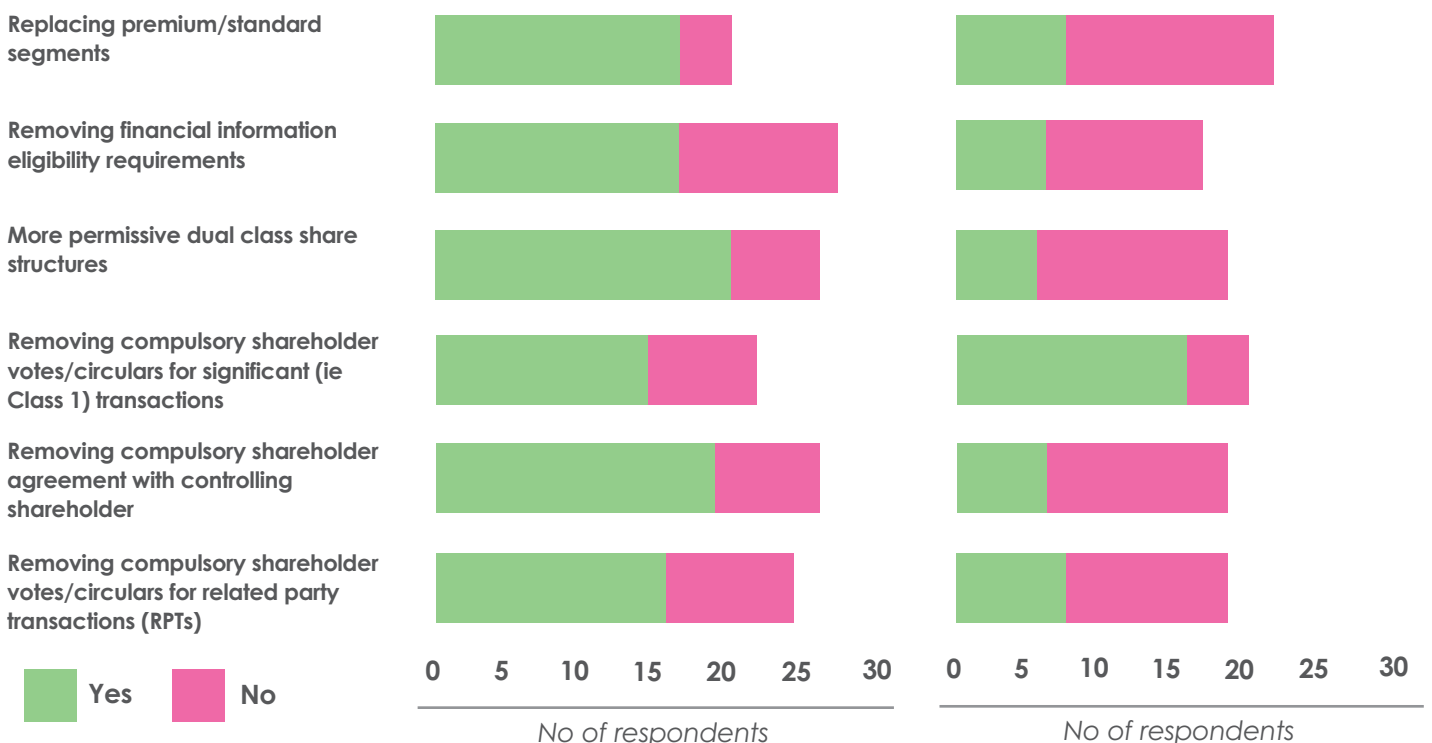
Q. What do you consider to be the most important factors in deciding where to list?



Q. Do you believe the proposals below will...

... improve the attractiveness of UK markets?

... benefit you as a corporate?



FURTHER FINDINGS

Related party transactions

When asked whether related party transactions (RPTs) should have additional mechanisms to support shareholder engagement (eg mandatory period of delay between exchange and completion), twice as many supported this – **41%** – than did not – **19%** – with a further **40%** not expressing a view.

Significant (Class 1) transactions

When asked whether significant (Class 1) transactions should have additional mechanisms to support shareholder engagement (eg mandatory period of delay between exchange and completion), there was less support, with those for and against more evenly split – only **21%** supportive and **18%** against (with **61%** not expressing a view).

There was much stronger support for an alternative option not included in the proposals, which was a minimum period post-IPO during which shareholder approval should still be required (eg 12-24 months), which was supported by **44%**, with **15%** against and **41%** not expressing a view.

COMMENTS FROM RESPONDENTS



Think there needs to be wholesale reform and digitisation of back office and voting etc – needs DTC-type structure.



Cut down on the amount of disclosure required over and above financial results. All the above is a nice start, but the FCA and FRC accepting that 200 pages-plus ARAs (and their suggestion to have three reports) just makes things worse.



Regulatory burden is still the main cost - look how much an audit is now vs. ten years ago.



May help smaller companies - but does not address the reduction in U.K. ownership of equities due to insurance capital etc rules.



The attractiveness of the UK market is a chicken-and-egg situation. Companies don't list here because the capital pool has diminished considerably over the last three decades - and this has accelerated after Brexit.



We also need to encourage funds flow into UK asset managers as well as the listing rules. Encouraging pensions investments even for high earners specifically. Funds inflows to UK asset managers will impact valuations and close gaps internationally.

The survey was conducted from 25 May to 7 June 2023 among IR Society member IROs. There were 56 respondents, and not every respondent answered every question.