

To \_\_\_\_\_, M.P.  
The House of Commons  
London  
SW1 0AA

## Guaranteed votes for all shareholders

Dear

At present most private investors purchase shares via nominee accounts. With a very few exceptions this means that they have no automatic rights to vote, to attend General Meetings of companies or even receive information on the affairs of the company.

### **Shareholders Disenfranchised and Rights Undermined**

The nominee system disenfranchises the vast majority of private shareholders and undermines their rights as investors to have a say in the management of a company.

### **Commercial Interests have taken Precedence**

This situation has arisen because the nominee system offers certain commercial attractions to stockbrokers and other financial market intermediaries, and because the Government has not given priority to the protection of the rights of individual investors.

### **Rights not Exercisable**

Although in theory investors via nominee accounts have rights to vote, attend meetings and receive information under the 2006 Companies Act, those rights are in practice not exercisable, and are not exercised, by the vast majority of private investors.

### **Shareholder Democracy Destroyed**

Shareholder democracy has been fatally undermined by the historic changes to the way the UK stock market operates to the detriment of good corporate governance in companies as the voice of individual shareholders is lost. Individual shareholders have a direct ownership interest rather than simply acting as agents for others as is the case with many institutional investors, so they are more likely to express concerns about management failings, excessive director pay and poor corporate governance.

The UK Individual Shareholders Society (ShareSoc) have recently published a document of which I enclose a copy which spells out the evils of the present system and how it should be reformed (a digital copy is present here: [www.sharesoc.org/Guaranteed\\_Votes.pdf](http://www.sharesoc.org/Guaranteed_Votes.pdf)).

I urge you to read that document, let me know your stance on this issue and then take up the matter with Vince Cable at the BIS Department.

As an investor in UK listed companies, I have suffered from the iniquities inherent in the nominee system. I would like to see all investors placed on the share register of the company, whether they hold their shares via broker nominee accounts or directly. In addition, tax efficient vehicles such as ISAs and SIPP's should support direct share registration of investors rather than require the use of nominee accounts.

Yours sincerely