



ShareSoc

UK Individual Shareholders Society

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Press Release

ShareSoc Launches E-Petition to Ensure Nominee Account Shareholders are Enfranchised

There are major problems in attending or voting at General Meetings of companies if your shares are held in a nominee account. One of ShareSoc's key manifesto aims is to reform the disenfranchisement of most nominee shareholders, and ensure that they receive full information about the companies they own, as other shareholders do.

We have created an E-Petition under the new arrangements established by the Government to address this. The Government has made a commitment that any petition that receives more than 100,000 votes will be debated in Parliament.

The petition that has been set up reads as follows:

Restore Shareholder Democracy by Ensuring Nominee Account Shareholders are on Share Registers by Default

The text that explains it is: "Private shareholders represent more than 10% of the shares held in publicly listed companies. They typically do not receive information, do not vote, and cannot attend general meetings of the companies they own because they are now mainly in nominee accounts. Unfortunately many stockbrokers do not, and will not, enfranchise their nominee clients."

The reforms in the 2006 Companies Act did not solve this problem. The alternative of an electronic replacement for share certificates was killed off by vested interests. We need a proper system to ensure that all beneficial owners who hold their shares in nominee accounts are treated in the same way as those on the share register. Indeed they should be on the share register with the ability to opt out of company or third party communications if they wish. Such an option should only be granted if they have read specific wording to advise them of the loss of their normal legal rights and an explanation of the disadvantages of doing so."

Shareholders who wish to support this petition should simply click on this link:

<http://epetitions.direct.gov.uk/petitions/16769> but, it's also important to ask friends, relations and work colleagues to sign it also—because to really get the numbers required we need some "viral" marketing!

Objections?

You may find some people tell you that this is not a practical solution to the problem. Not so—share registers already provide for "designated nominee" accounts.

In other words you can be both in a nominee account that your stockbroker manages and be on the share register. But most UK retail stockbrokers use "pooled" nominee accounts that only have their name on the register.

The outcome of the recent EGM of Healthcare Locum was probably affected by the difficulty that many shareholders had in voting, as a result of their holdings being in nominee accounts. It was a very close run thing. If nominee accounts were not so prevalent, many more people would probably have voted.

For further information, please contact:

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If you want more information about the dangers and the disadvantages of nominee accounts (as presently operated), go to this page of the ShareSoc web site:
www.sharesoc.org/nominee_accounts.html

Note any members of the press who wish to receive a complimentary copy of our informative monthly newsletter should send a request to sharesoc@btconnect.com . Our newsletters cover not just the affairs of our organisation but contain general financial news and commentary. Examples of our past newsletters are available on our web site.

About the UK Individual Shareholders Society (ShareSoc)

ShareSoc represents and supports individual investors who invest in the UK stock markets (and who own over 10% of the shares in UK public companies in aggregate). We are a mutual association controlled by our members with "not-for-profit" articles and incorporated as a company limited by guarantee. The organisation is financed by member subscriptions, donations from supporters and by its commercial activities. Associate Membership of ShareSoc is free and is open to everyone with an interest in stock market investment (go to www.sharesoc.org/membership.html to register). More information on ShareSoc can be obtained from our web site at www.sharesoc.org (our objects are fully defined on this page: www.sharesoc.org/objects.html).