

UKSA Shareholder Groups

Revised December 2004

This document outlines how the United Kingdom Shareholders Association (UKSA) supports and encourages “Shareholder Groups” or “Action Groups”. Note that this is additional to the role of “Shareholder Liaison Officers” which are described on the UKSA web site at: www.uksa.org.uk/Liaison_officers.htm . The latter are simply a way of providing a communication mode between a company and its private shareholders, whereas “Action Groups” are likely to be formed because of particular issues and where shareholders are considering specific actions (eg. legal action or calls for specific votes at EGMs/AGMs).

There are two main kinds of “Action Groups” which UKSA supports:

1. Those that are run by UKSA, funded by UKSA and where the “leader” or “chairman” is a UKSA Member, hereinafter called “Sponsored Groups”
2. Those that are independent operations but which are affiliated to UKSA and get some support and recognition from us, herein called “Affiliated Groups”.

There may also be independent and unaffiliated groups which we may mention on our web site, and inform our members about which we do not necessarily support or oppose. Those are not discussed any further herein.

Sponsored Groups

Sponsored Groups are those that are organised and run by UKSA, because UKSA considers it an important enough issue that UKSA should be directly involved, or where it has benefits to UKSA in terms of marketing of our activities to new members. In this case the group leader or chairman is appointed by the main UKSA board, and they report directly to the board (or at least to a board member or the Company Activities Group).

Such groups can use the UKSA letterhead and logos, but should make clear that they are a sub-group or special interest group within UKSA by using the phrase “The xxxxxxxxx Company Action Group - a Division of UKSA”.

Sponsored Groups will be formed when the UKSA main board considers it necessary to do so (possibly at the request of interested members), no independent operation is considered likely in the short term (ie. it is unlikely to need to raise funds or pursue legal action separately to UKSA), and where there are specific policy or marketing advantages for UKSA. For example, this form of group would probably not be suitable for such companies as Railtrack where clearly it would rapidly need to become self-funded and have a separate structure due to the size of its likely membership, although of course it could start off as a sponsored group and “spin-off” later.

Sponsored Groups might be suitable for such recent issues as Swan Hill or Hunting Prefs where the issues were relatively simple and likely to be short term, but where UKSA can obtain good publicity from a few simple actions.

Sponsored Groups tend to depend on finding members who have an interest in the specific subject to act as “leader”, and are willing to put time and effort into running the group, and they may also need to be shareholders in the companies concerned.

If there are any costs associated with operation of Sponsored Groups then UKSA would bear them, subject to prior budgetary approval.

Affiliated Groups

In the case of Affiliated Groups, these may be independent groups formed at the prompting of UKSA, or simply existing groups who wish to be affiliated to UKSA .

The following are the benefits that such groups will gain from being affiliated to UKSA:

1. UKSA will provide free advice, assistance and encouragement of a general nature on how the activities of the group can be advanced.
2. UKSA will publicise the formation and activities of the group in our newsletter and on our web site, and promote it to our members (particularly those that are shareholders in the company concerned). We will provide a specific page on our web site that promotes the activities of the group, and/or provide a link to their own web site.
3. Members of the group will be able to obtain an initial discount off the normal UKSA membership rate of 25%.
4. There will be a named contact person in UKSA who members of the group can talk to.
5. Such groups can claim to be “UKSA Affiliated” and can use our logo on their marketing material and web sites (so long as a link back to the UKSA web site is provided).
6. There will be mutually agreed marketing activities to promote the affiliated group and UKSA to each others members, and to the public.

Conditions for Affiliation

The obligations of being “Affiliated” to UKSA are as follows:

1. Affiliation is subject to an approval process by UKSA and affiliation can be withdrawn by UKSA at any time and for any reason.
2. Affiliated groups must be legally independent of UKSA (initially they might take the form of a small mutual non-profit group, but a corporate structure may be appropriate for larger groups).
3. UKSA will only affiliate to such groups where there is a clear named contact person (i.e. a chairman or apparent group leader), who can supply a street address (although that could be a PO Box or accommodation address), a landline telephone number, and an email address.
4. UKSA will not generally provide finance to affiliated groups unless such contributions are specifically approved by the UKSA board, although UKSA will generally encourage its individual members to support the group.

5. Affiliated groups must promise not to speak on behalf of UKSA or represent that they are acting for UKSA in any way, unless specifically authorised to do so.

6. Both UKSA and the affiliated group agree to send (via post or email) any material requested by the other group to its own members so long as such material is supplied and any postage paid and other costs by the originating group and such material is approved by the sender (which will not be unreasonably withheld). In other words, there is a commitment by both parties to promote each others interests to their members. Neither party will disclose their membership lists to each other.

What to Do

If you wish to form an UKSA sponsored company action group, or become “affiliated” to UKSA, please contact Roger Lawson at UKSA, Address: BM UKSA, London, WC1N 3XX, Phone: 0870-70-60-600, Email: uksa@uksa.org.uk for advice and assistance.

File: Shareholder_Groups.doc (Revsd: 27-Dec-04)