

March 2021

UK Stewardship Code 2020 Terms and Conditions

The UK Stewardship Code 2020 ('the Code') is a set of 12 Principles for asset owners and asset managers, and a separate set of six Principles for service providers. The Code sets high expectations for how investors, and those that support them, invest and manage money on behalf of UK savers and pensioners, and how this leads to sustainable benefits for the economy, the environment and society.

Eligible organisations, as specified on the FRC website (the website), may apply to become signatories to the Code on a voluntary basis.

These terms and conditions cover all organisations applying to become signatories to the Code. By applying to become a signatory, you accept these terms and conditions. Organisations that do not agree are not eligible to be signatories to the Code.

Applications

To apply to become a signatory to the Code, an organisation must:

- Complete the online application form.
- Submit their Stewardship Report ('the Report') explaining how they have applied the Code over a 12-month period. The Report must meet the requirements set out in the Code and in these terms and conditions.

Documents should be submitted as outlined on the website. Both parts of the application must be received by the FRC by the appropriate reporting deadline to be considered within the assessment window. Reporting deadlines are published on the website.

The individual submitting the application must have authority to do so on behalf of the organisation. By submitting the application, your organisation confirms that information provided in the application form and Report is truthful and accurate. Organisations which provide false or misleading information may be removed as signatories.

The FRC will assess applications according to the process in the *UK Stewardship Code 2020 Application and Assessment* document and communicate the result to applicants. The FRC will publish a list of successful signatories and their reports on the website. Applicants agree to their organisation's name being listed on the website. Organisations that are unsuccessful may re-apply in a subsequent reporting window as published on the website. The FRC's decision on who is accepted as a signatory to the Stewardship Code is final.

Organisations become 'signatories' to the Code once their application has been reviewed by the FRC and the name of their organisation has been published on the website. Organisations must not refer to themselves as a signatory to the Code before their application has been accepted and the result published.

Organisations must provide contact details for the FRC to communicate with them about their Stewardship Code application and signatory status. It is the responsibility of applicants and signatories to update the FRC about any changes to these details at stewardshipcode@frc.org.uk. The FRC may remove signatories that fail to keep contact information up to date.

Stewardship Reports

Reports must be reviewed and approved by the applicant's governing body, and signed by the chair, chief executive or chief investment officer, or equivalent. Successful applicants must make their Report publicly available on their website.

The FRC may also host signatories' Reports on the website and may include excerpts from those Reports in publications, research and reviews. By submitting an application, organisations agree that the FRC may use reports for this purpose.

Maintaining signatory status

To remain a signatory, organisations must submit a Report to the FRC each year. The FRC expects signatories to submit their reports in the same reporting window every year. Should the signatory wish to submit their report in a different window within the same calendar year they must communicate this to the FRC at stewardshipcode@frc.org.uk at least one month before the initial deadline.

The FRC will assess Reports as described in the *UK Stewardship Code 2020 Application and Assessment* document. Failure to submit a Report that meets the reporting expectations by the appropriate deadline may result in organisations being removed as signatories.

If an organisation is acquired or merges with another organisation, continuation of signatory status is not automatic. Organisations should contact the FRC to communicate the change and may be required to submit a new application and Report.

Future reporting years

The FRC may make changes to its assessment processes and criteria between calendar years. Changes will generally be communicated on the website by the end of the December of each year for reporting windows the following year, however there may, from time to time, be changes made at other times. Signatories are responsible for checking the website and ensuring their reporting continues to meet current reporting expectations.

Removing signatories

Signatories may be suspended or removed from the list of signatories in the following circumstances:

- The organisation removes their current Report from their website.
- The organisation provides information in their application or Report which is later discovered to be false or inaccurate.
- The organisation fails to submit an annual Report by the relevant deadline.
- The Report submitted does not meet the reporting expectations in the Code.
- The organisation does not provide updated contact information to the FRC.
- The organisation is under investigation or has received regulatory action from another government or regulatory body.
- The organisation ceases to trade/exist.

The FRC process for removing signatories is outlined in *the UK Stewardship Code 2020 Application and Assessment* document. The FRC will first write to signatories to communicate their decision and provide an opportunity to respond before removing them from the signatory list.

Organisations that have been removed as signatories to the Code may re-apply in future. The circumstances under which the signatory was previously removed may be considered in any future application.

Withdrawing as an applicant/signatory

Organisations that want to withdraw their signatory application or be removed as a signatory should email stewardshipcode@frc.org.uk.