

A photograph of a diverse group of people at a meeting or conference. Many individuals have their hands raised in the air, indicating active participation or agreement. The focus is on the back of a woman with curly hair in the foreground, with other people and their raised hands visible in the background. The setting appears to be a modern, well-lit room with large windows.

Supporting shareholder activists

Communications for engagement



Why communications matters

Whichever side you are on, activism is a contest for votes. Decisive communications can deliver a compelling thesis, convincing the shareholders who decide the voting outcomes.

Communications should refine the activist's arguments making it accessible to the audiences that matter and keeping it in the debate until the vote. It also helps each side understand its shareholder cohort: what they think, how they behave and whether they will back the thesis.

Done well it takes

- Preparation before the requisition clock starts
- Planning and anticipation of the other side's (re)actions
- Proactivity from the start
- Flexibility to adapt when the situation changes

Communications cannot save a weak thesis, but it can stop that thesis losing by failing to reach decision makers



Working with activists

We test your thesis before the target's board does, then assess the target's weaknesses against the record.

We act for activists and boards, subject to strict conflict checks, in the interests of being able to help clients on either side of the engagement understand each other and move towards constructive engagement.

Every mandate is scoped and priced to requirement.

What we do

- Board and shareholder advisory
- Campaign strategy, tactics and execution
- Proactive and rapid rebuttal media relations
- Investor perceptions research
- Institutional and retail shareholder activation
- Digital and advertising strategy

Activist mandates have included

Benevolent^{AI}

 **Principle**
Capital

 **HERMES**
INVESTMENT MANAGEMENT

Board mandates have included

GBBANK

Friends
Life

ecOfin

Communication through an engagement

A discreet approach to the board has no set timetable until a requisition is issued. It all starts with the stake build.

Stake build and TR-1

Crossing 3% of voting rights, then each 1%

Holding statement and leak plan ready

Initial private engagement

No set timeline

Test the thesis before the first engagement with the target's board. Agree what constitutes impasse and when to halt private talks.

Public activist statement

Private talks have failed

Open letter released, followed by media briefing and holder calls, clearly and simply stating the activist's position.

Requisition and notice of meeting

At 5% of voting rights: notice within 21 days

s.314 shareholder statement drafted, campaign site live and proxy advisers walked through the case.

The run to the General Meeting

Up to 28 days from notice

Arguments promoted and rebutted, targeting decisive audiences. Proxy adviser report releases refocus attention of media, holders and the target's board.

The window for peace

Open until the vote

Contact can continue if constructive. Achieving objectives without an unedifying and costly battle is in everyone's interests and enhances reputation.

The vote and the results

20% against calls for a response from Code compliant issuers

Statements for contingent outcomes drafted before the vote, then manage the result, reaction to it and next steps.

Why preparedness matters

Preparing ahead of a process enables resources to be focused on winning the campaign, instead of getting it going.

A strong thesis can still lose if the machinery to garner support is built after the clock starts. Activists have more freedom of action than boards. Failing to capitalise on that advantage wastes the opportunity for change.

Seven things to have ready

- Fund background in plain language
- Target register analysis with a proxy solicitor
- Proxy adviser relationships and their calendar
- A campaign plan worked through from requisition to meeting
- Media mapping
- RNS capability
- A campaign calendar to maintain pressure

The essentials to have in place

Collateral materials

Master messaging document

One source adapted for each audience and channel.

Q&A

Hard questions answered, cleared by the legal team.

The thesis

Analysis in a form holders and the media can use.

Investor mapping

Built on the register and tested with the proxy solicitor.

Media targeting

Named reporters and commentators, identified in advance.

Campaign assets

Campaign microsite

Built in private, cleared by the legal team and live at launch.

Spokesperson media training

Ready for the first interview and the campaign.

Creative video and digital content

Short, factual and ready for the day the requisition letter goes.

In every case we test, challenge and refine the material for maximum impact.

Understanding the register

With your proxy solicitor we sort the register into the board's votes, yours and the votes in play.

Pulling updated registers through the process and working with your broker/financial adviser enables us to understand and adapt to an evolving shareholder base – e.g. long-only sell-downs to arbitrage players and other opportunist entrants to the situation.

The register

Who holds the stock, how have they voted and what turnout level wins?

Who follows advisers?

Which holders vote with a proxy adviser?

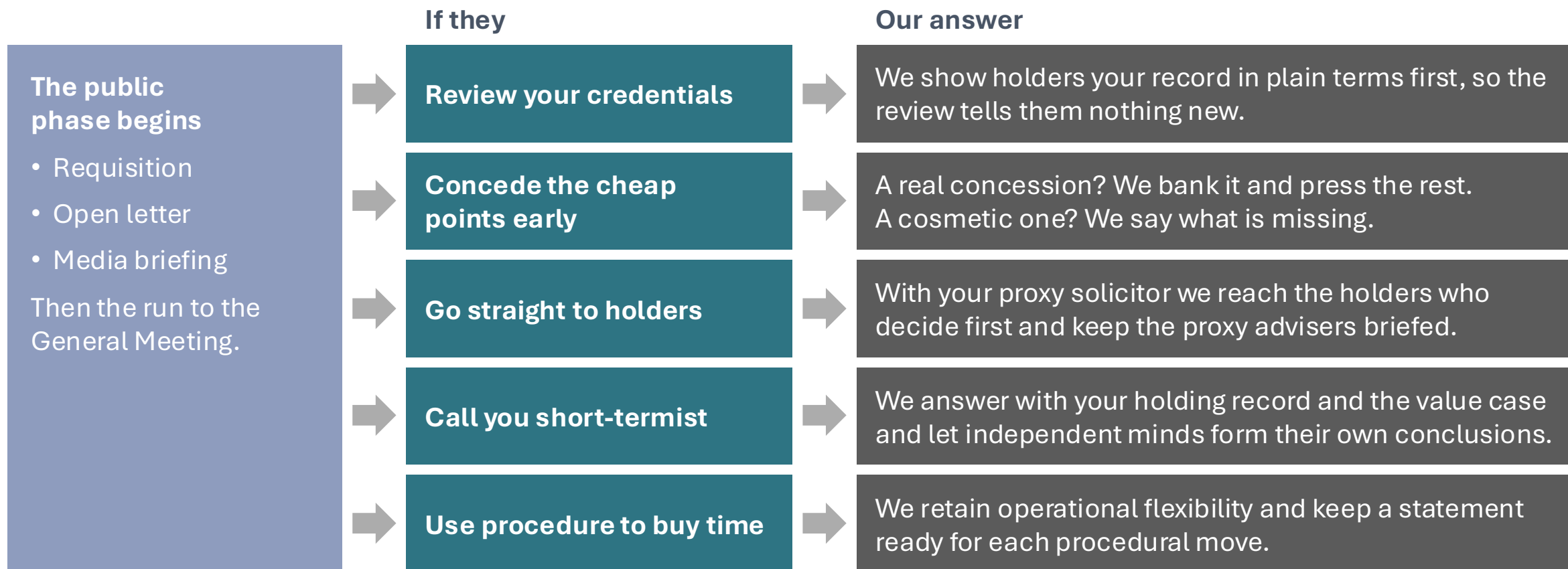
Who decides?

Portfolio manager or governance team?

Testing the thesis

Discreet soundings by you, supervised by the legal team

Planning for their next move



Cessation talks: Board concessions that take the thesis seriously can spare both sides the reputational and economic cost of a vote. Your legal team settles the terms and we agree with you what is 'enough' and ready the announcement.

Media tactics

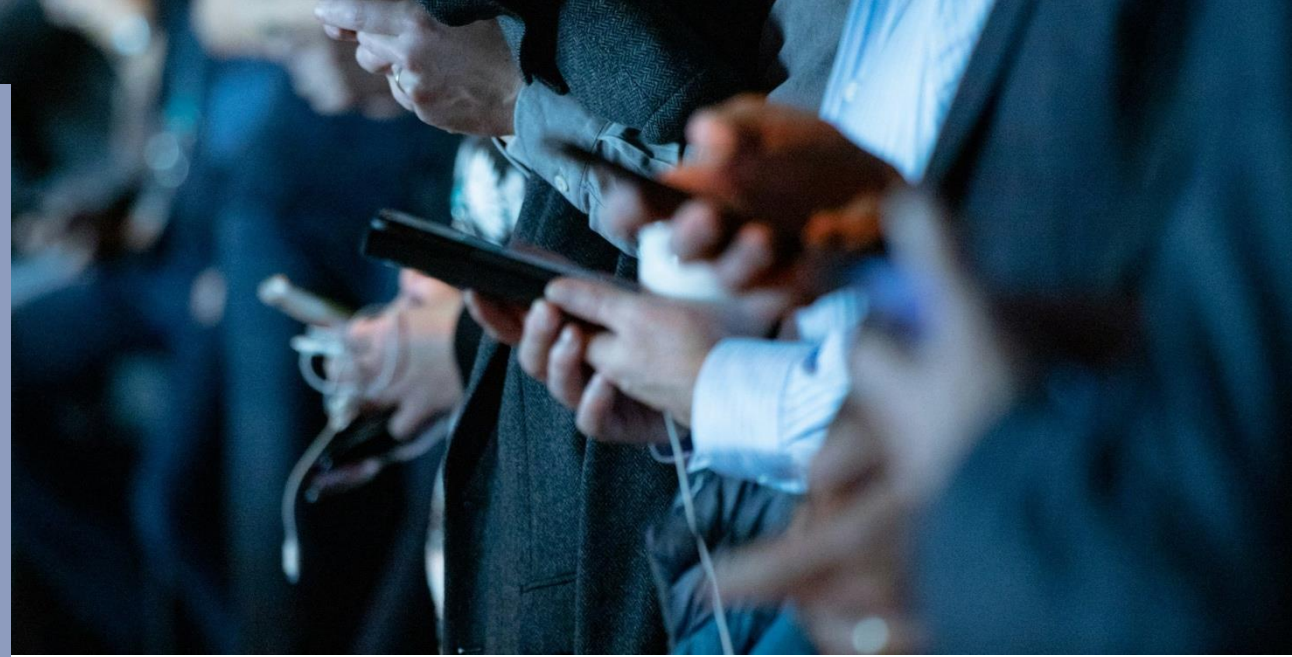
We turn the thesis into lines the media can use, then plan the set-pieces in advance, setting the debate to maintain pressure on the opposition without tiring onlookers with ‘he-said-she-said’ squabbling.

We monitor the other side’s public communications and use our prepared collateral as the starting point for rapid rebuttal of opposing arguments and activity. We never start or join a debate online. Instead, we use social monitoring to gauge message penetration and adapt accordingly.

Rapid rebuttal and proactivity rely on pre-agreed lines cleared by the legal team ahead of time together with short notice client availability.

Where we focus

- National media: what the public reads
- Trade media: what the sector and engaged holders read
- Investment media: for broader holders and analysts
- Reporters and commentators: mapped for news, third-party endorsement and to understand pre-existing sentiment



Chasing the vote

Institutional votes often arrive late, so the final fortnight is run as a vote chase.

Working with your proxy solicitation team, we provide messaging and monitor where it is landing.

The aim is to focus on a combination of holders open to supporting the thesis, not necessarily in size order.

Ranked list

Ordered by the holdings that could be swayed, not by size and reviewed daily

Calls

Your proxy solicitor calls, backed by our messaging and materials

Vote matching

Your proxy solicitor checks each instruction against what the holder said

Campaign review

Team calls move from twice-weekly to daily in the final fortnight

Advisers and reputation

Working with your advisers

Lawyers

Advise on campaign conduct, clearing media materials.

Proxy solicitor

Register analysis, proxy adviser intelligence and the holder calls.

Financial adviser/broker

The valuation thesis and Panel interactions.

Scott Advisory

Creates the story, engages media, manages announcements and the campaign calendar. A staunch supporter and critical friend.

We work collaboratively and carefully, focused on your objectives.

Your reputation through the engagement

Conduct

Level-headed, factual and consistent to the vote.

Proof

Every claim sourced, every criticism kept to the facts.

Record

A public record that withstands scrutiny at the next engagement.

The way back

Talks kept open so you are seen as constructive.

We aim to build your reputation for level-headed, factual conduct.

The name above the door



Olly Scott, Founder

Scott Advisory was founded with the simple ethos of providing independent advice, based on insight-driven thinking, underpinned by effective expertise to help clients achieve their objectives.

For more than 25 years Olly has helped clients manage complex capital transactions, advised on high-profile M&A, led corporate, crisis and issues management communications and developed a specialism in shareholder activism.

He has worked with businesses of all sizes, from private companies and their sponsors

to AIM growth companies and FTSE 100s across a variety of sectors. These include institutional asset management, private equity, real assets, financial services, TMT and support services. In all cases he helps clients build better reputations and communicate more effectively.

He has set up and led client communications functions, campaigned for NGOs and investors and advised a variety of UHNW individuals, family offices and sovereign entities.



Independent advice.
Insight-driven thinking.
Effective expertise.

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