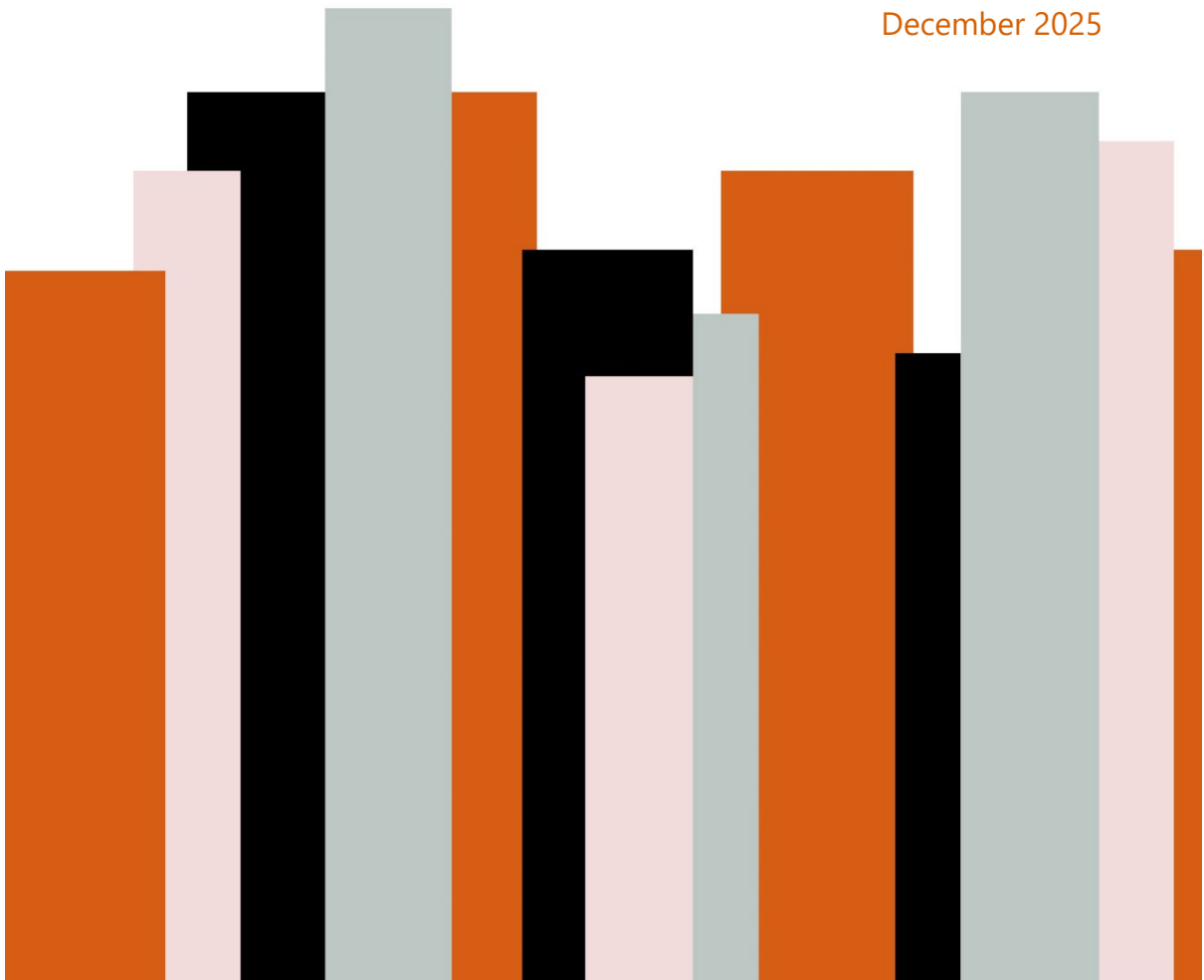


# Pre-Emption Group

## ANNUAL MONITORING REPORT

2024 - 2025

December 2025



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# Introduction from the Chair

I am pleased to introduce the Pre-Emption Group's (PEG) Annual Monitoring Report on the use of its Statement of Principles in disapplying shareholder pre-emption rights.


The Pre-Emption Group's 2022 Statement of Principles encourages appropriate flexibility for companies when issuing equity securities and disapplying pre-emption rights, where doing so serves the best interests of a company and its shareholders. Encouraging transparency and flexibility in UK capital markets remains central to the Group's work, reflecting the Government's continued prioritisation of growth and competitiveness.

As we enter the third year of our Annual Monitoring Reports, I am delighted to report that uptake of the 2022 Statement of Principles remains strong. The Group continues to observe widespread shareholder support for enhanced disapplication authorities, with the vast majority of disapplication resolutions passing decisively and without significant dissent.

The Group continues to monitor post-transaction activities and encourages companies to submit a post-transaction report to the FRC, helping to ensure a well-maintained public record. To support transparency in UK capital markets, the Group will maintain its oversight of market behaviour and provide commentary through its Annual Monitoring Reports.

I would like to thank all members of the Pre-Emption Group, our key stakeholders and the broader market community for their continued support and engagement with our publications and work.

Sincerely,

A handwritten signature in purple ink, appearing to read 'Keith Skeoch'.

Sir Keith Skeoch  
Chair, Pre-Emption Group

# 77.6%

Of the FTSE 350 companies with an AGM during the study period sought enhanced disapplication authority allowed under the 2022 Principles. This is an increase from 67.1% in the 2024 monitoring period and 55.7% in the 2023 monitoring period.

# 5.1%

Average percentage of votes against disapplication authority resolutions. The average percentage of votes against was 4.7% in the 2024 monitoring period.

# 99.1%

Had all disapplication resolutions passed by shareholders.

# Monitoring

This report examines the implementation of the Statement of Principles by FTSE 100 and FTSE 250 companies for meetings held between 1 August 2024 and 31 July 2025. The data within this report concerns only resolutions seeking disapplication authority and their voting results. Companies who gain authority to disapply pre-emption rights often do not use that authority. We encourage companies to submit a post-transaction report when they issue shares following an authorisation. Transaction reports can be found on the PEG webpage.

Companies in the following data set have been categorised by reference to the FTSE index they were a member of at the time of their Annual General Meeting (AGM). Companies that were not a member of either index at the time of their AGM were not included in the sample.

The data was compiled using publicly available company AGM notices and AGM results, sourced mostly from the Financial Conduct Authority's National Storage Mechanism (NSM). Research was, in part, facilitated by the Thomson Reuter's Practical Law platform.

The Pre-Emption Group supports timely and correct filings by companies to ensure that this data can be collected in an efficient manner. When undertaking monitoring, the Group notes that several AGM notices and resolutions had been filed incorrectly and were therefore difficult to locate. This was particularly apparent with investment trusts. AGM notices and resolutions are key documents for investors and other stakeholders and, as such, it is important that they are filed in the correct way and in a timely manner.

During the study period, a total of 364 FTSE 350 companies held an AGM; this includes 106 companies and investment trusts who were in the FTSE 100 at the time of their AGM and 258 companies and investment trusts who were in the FTSE 250 at the time of their AGM. These companies sit across the commercial companies category and the closed-ended investment funds category per the Financial Conduct Authority's listing rules.

## Number of companies that sought authority to allot shares during the study period

Index	Count
FTSE 100	104
FTSE 250	250
<b>Total</b>	<b>353</b>

During the study period 353 FTSE 350 companies tabled a resolution seeking to allot shares at their AGM. This represents 97% of the 364 companies that held an AGM during this time.

## Number of companies that sought authority to disapply pre-emption rights during the study period

Index	Count
FTSE 100	102
FTSE 250	233
<b>Total</b>	<b>333</b>

During the study period 333 FTSE 350 companies tabled a resolution seeking authority to disapply pre-emption rights at their AGM. This represents 92% of the 364 companies that held an AGM during this time.

## Number of companies that sought enhanced authority to disapply pre-emption rights during the study period

Index	2025 monitoring period	2024 monitoring period	2023 monitoring period
FTSE 100	68	46	31
FTSE 250	192	178	130
<b>Total</b>	<b>260</b>	<b>224</b>	<b>161</b>

Enhanced authority refers to a disapplication request where either the request for general corporate purposes, or the request for a specified capital investment, exceeds the 5% authority previously allowed under the 2015 Statement of Principles. During the study period, 260 companies sought enhanced authority to disapply pre-emption rights, representing 77.6% of the FTSE 350 companies that put forward a resolution to disapply pre-emption rights in the monitoring period.

Four companies tabled a resolution that did not specify the percentage of the authority to disapply pre-emption rights they were seeking, and as a result have not been included in this count. This is an increase compared to one company in the 2023-24 monitoring period. Although these numbers are small, the Pre-Emption Group notes that specifying a percentage of the authority to disapply pre-emption rights is best practice.

Once again, the percentage of companies that sought enhanced authority has increased since the previous monitoring period. The 2022–2023 monitoring report noted that 67.1% of companies that tabled a disapplication resolution sought enhanced authority. This year-on-year increase demonstrates widespread uptake of the 2022 Statement of Principles.



## Disapplication requests breakdown

Index	Percentage disapplication request										
	General corporate purposes				Follow on		Specified capital investment				Follow on
	<5%	5%	10%	>10 %	1%	2%	<5%	5%	10%	>10 %	2%
FTSE 100	3	46	55	0	0	42	0	32	47	0	40
FTSE 250	4	44	187	5	2	90	0	26	118	0	87
<b>Total</b>	<b>7</b>	<b>90</b>	<b>242</b>	<b>5</b>	<b>2</b>	<b>132</b>	<b>0</b>	<b>58</b>	<b>165</b>	<b>0</b>	<b>127</b>

Following on from trends in previous reporting periods, companies have requested a variety of sizes of disapplication authorities. Of the companies that sought to disapply pre-emption rights, 60.8% of companies tabled a resolution in relation to specified capital investment. This is down slightly from 64.1% of companies in the 2023-2024 monitoring period. As before, the companies that did not specify a limit on the disapplication authority are not included in the above figures.

It is not uncommon for companies to use elements of the PEG template resolutions, alongside an explanation for why deviation is appropriate for the company. These disclosures and proactive engagements with shareholders represent better-practice application of the Principles. There were five companies in the reporting period that sought 20% disapplication authority for general corporate purposes, down from nine in the previous year.

Although these requests do not follow the PEG Statement of Principles, we note that all five companies' resolutions passed, all with less than 5% votes against. The Group notes that all these resolutions were tabled by closed-ended investment funds, where the market generally allows more flexibility concerning share capital issues.

## Time limit on specified capital investment

Index	Time limit		
	6 months	12 months	Unclear
FTSE 100	10	68	1
FTSE 250	27	114	3
<b>Total</b>	<b>37</b>	<b>182</b>	<b>4</b>

The 2022 Statement of Principles sets out that, where companies seek to disapply pre-emption rights in connection with an acquisition or a specified capital investment, this should be announced contemporaneously with the issue or shall have taken place in the preceding 12-month period and is disclosed in the announcement of the issue.

This is an increase from the 2015 Statement of Principles, which set the limit at six months, and which is no longer best practice.

Of the 223 FTSE 350 companies that tabled a resolution for the disapplication of pre-emption rights for a specified capital investment, 16.6% included a six-month time limit. This is a continued decrease, which aligns with previous monitoring data.

There were four instances where no time limit was specified in the resolution. Although all the resolutions were passed, the Group notes this is not good practice.

## Restriction of authority to disapply pre-emption rights to 7.5% in a rolling three-year period

Index	Count
FTSE 100	4
FTSE 250	14
<b>Total</b>	<b>18</b>

The 2015 Statement of Principles advised that companies should not issue non-pre-emptively for cash equity securities that represent more than 7.5% of its issued ordinary share capital in any rolling three-year period. This limit is not included in the 2022 Principles and is no longer considered best practice.

Only 5.3% of companies that tabled a resolution to disapply pre-emption rights included the outdated time limit, compared to 13.2% in 2023-2024. As with last year, this represents a notable decrease in the number of companies applying the 7.5%-limit and we expect to see this percentage continue to fall in subsequent years as more companies choose to take up the 2022 Statement of Principles.

## Voting results for disapplication resolutions

Index	Passed	Failed
FTSE 100	104	0
FTSE 250	235	3
<b>Total</b>	<b>339</b>	<b>3</b>

Disapplication resolutions must be submitted as special resolutions and therefore require 75% of shareholders voting in support to pass. The PEG template resolutions suggest companies submit one resolution seeking disapplication authority for general corporate purposes, and a second resolution seeking it for a specified capital investment if applicable.

Of the 342 disapplication resolutions made across both general purposes and specified capital investment, 339 resolutions passed. The three failing resolutions were companies who each only submitted a single resolution seeking disapplication authority for general corporate purposes.

There was one company that withdrew resolutions for both disapplication authority for general corporate purposes and a specified capital investment. One company withdrew a resolution seeking authority for a specified capital investment only. These companies are not included in the above table.

% of votes passed 2025	% of votes passed 2024	% of votes passed 2023
99.1	99.4	98.2

## Votes against resolutions seeking disapplication authority for general corporate purposes

Index	Percentage of votes against					
	0 – 4.99%	5 – 9.99%	10 – 14.99%	15 – 19.99%	20 – 24.99%	≥25%
FTSE 100	70	23	6	3	2	0
FTSE 250	166	34	17	3	1	3
<b>Total</b>	<b>236</b>	<b>57</b>	<b>23</b>	<b>6</b>	<b>3</b>	<b>3</b>

Of the companies that tabled a resolution seeking disapplication authority for general corporate purposes, 72.6% passed with less than 5% votes against.

This table also includes voting results on resolutions from three companies that sought 20% disapplication authority for general corporate purposes in a single resolution. One received 3.43% votes against; another received 0.39% votes against; and the other received 2.13% votes against.

There were two companies that sought 20% disapplication authority for both general corporate purposes and specified capital investment within a single resolution. One passed with 0.26% votes against, and the other passed with 6.83% votes against.

Three companies sought 20% disapplication authority for general corporate purposes across two resolutions (10% disapplication authority in each). The table above includes voting results for the first resolution put forward, which passed with 2.13% votes against.

## Votes against resolutions seeking disapplication authority for a specified capital investment

Index	Percentage of votes against					
	0 – 4.99%	5 – 9.99%	10 – 14.99%	15 – 19.99%	20 – 24.99%	≥25%
FTSE 100	39	18	16	4	1	1
FTSE 250	69	31	23	14	4	0
<b>Total</b>	<b>108</b>	<b>49</b>	<b>39</b>	<b>18</b>	<b>5</b>	<b>1</b>

Of the companies that tabled a resolution seeking disapplication authority for a specified capital investment, 50% passed with less than 5% vote against.

# Conclusion

In line with previous monitoring reports, the majority of resolutions for disapplication authority passed. The Group is pleased to see continued uptake of the 2022 Statement of Principles.

For reference, the appendix of this report includes a detailed breakdown of votes against resolutions by the percentage of disapplication request. This helps to identify exactly where shareholder dissent is elevated and how this correlates with enhanced disapplication authority requests.

There remains a small minority of investors that disagree with the Principles, in part due to the elevated limits of disapplication authority they allow. The Group may undertake engagement with this important stakeholder group in the future if the levels of dissent remain elevated.

We note that there were five companies that did not follow the PEG Principles in the disapplication resolutions tabled. Three companies did not note a specific percentage of disapplication authority in their resolution. Two companies sought 20% disapplication authority for general corporate purposes. Two companies sought disapplication authority for both general corporate purposes and specified capital investments but tabled the request as a single resolution.

Two companies withdrew pre-emption resolutions before the AGM, following feedback from shareholders after the publication of the AGM notice. We note in both cases, the withdrawal of the resolutions followed shareholder engagement. The Group supports continued engagement between investors and companies on pre-emption topics.

In the instance that a company's capital raising utilises a pre-emption disapplication authority, it is required to submit a post-transaction report to the Group. Part 2B of the Statement of Principles provides a template of the information disclosure required. We remind companies that when reporting on discounts in the post-transaction report, this should include expenses as defined in the Appendix, that have been incurred by the issuer. This is an area the Group may monitor in the future.

Submissions will be added to the database of post-transaction reporting on our website. This information is useful to understand what proportion of organisations that seek authority go on to use it, and how much of the disapplication authority is exercised.

The Group remains open to investors that wish to report companies misusing disapplication authorities, including the use of cash box structures to raise funds in excess of the disapplication authority granted by shareholders at the company's most recent AGM.

## Appendix

Votes against first disapplication resolution by total disapplication authority: FTSE 100 companies						
Within previous threshold	0 – 4.99%	5 – 9.99%	10 – 14.99%	15 – 19.99%	20 – 24.99%	≥25%
1.25%	1	0	0	0	0	0
2.5%	0	0	1	0	0	0
5%	11	2	0	0	1	0
10%	16	0	0	0	0	0
Average votes against: 2.23%						
Enhanced authority	0 – 4.99%	5 – 9.99%	10 – 14.99%	15 – 19.99%	20 – 24.99%	≥25%
6%	0	0	0	0	0	0
10%	17	0	2	1	0	0
12%	0	1	0	0	0	0
20%	3	3	1	0	1	0
24%	19	15	2	2	0	0
Average votes against: 5.11%						



Votes against second disapplication resolution by total disapplication authority: FTSE 100 companies						
Within previous threshold	0 – 4.99%	5 – 9.99%	10 – 14.99%	15 – 19.99%	20 – 24.99%	≥25%
1.25%	NA					
2.5%	NA					
5%	0	1	0	0	0	0
10%	15	0	0	0	0	0
Average votes against: 1.76%						
Enhanced authority	0 – 4.99%	5 – 9.99%	10 – 14.99%	15 – 19.99%	20 – 24.99%	≥25%
6%	NA					
10%	10	0	2	1	0	0
12%	NA					
20%	2	1	4	0	0	1
24%	8	15	10	3	1	0
Average votes against: 7.95%						

## Votes against first disapplication resolution by total disapplication authority: FTSE 250 companies

Within previous threshold	0 – 4.99%	5 – 9.99%	10 – 14.99%	15 – 19.99%	20 – 24.99%	≥25%
1.25%	NA					
2.5%	NA					
5%	14	1	1	0	0	1
10%	33	4	1	1	0	0
Average votes against: 3.11%						
Enhanced authority	0 – 4.99%	5 – 9.99%	10 – 14.99%	15 – 19.99%	20 – 24.99%	≥25%
6%	0	0	0	0	1	0
10%	60	2	3	1	0	1
12%	4	1	0	0	0	0
20%	19	10	1	0	0	0
24%	51	16	4	3	1	0
Average votes against: 3.89%						

## Votes against second disapplication resolution by total disapplication authority: FTSE 250 companies

Within previous threshold	0 – 4.99%	5 – 9.99%	10 – 14.99%	15 – 19.99%	20 – 24.99%	≥25%
1.25%	N/A					
2.5%	N/A					
5%	N/A					
10%	17	1	0	1	1	0
Average votes against: 2.57%						
Enhanced authority	0 – 4.99%	5 – 9.99%	10 – 14.99%	15 – 19.99%	20 – 24.99%	≥25%
6%	N/A					
10%	2	0	3	0	0	0
12%	NA					
20%	15	7	6	1	3	0
24%	35	23	14	12	0	0
Average votes against: 7.33%						

## Contacting the Pre-Emption Group

Any comments on this report, and any other correspondence, should be addressed to the Secretary of the Pre-Emption Group and sent to:

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