



# London Borough of Islington Pension Fund

## PROXY VOTING REVIEW

PERIOD 1<sup>st</sup> January 2017 to 31<sup>st</sup> March 2017

## Contents

<b>1 Resolution Analysis</b>	<b>3</b>
1.1 Number of meetings voted by geographical location . . . . .	3
1.2 Number of Resolutions by Vote Categories . . . . .	4
1.3 List of meetings not voted and reasons why . . . . .	5
1.4 Number of Votes by Region . . . . .	6
1.5 Votes Made in the Portfolio Per Resolution Category . . . . .	6
1.6 Votes Made in the UK Per Resolution Category . . . . .	7
1.7 Votes Made in the US Per Resolution Category . . . . .	8
1.8 Shareholder Votes Made in the US Per Resolution Category . . . . .	9
1.9 Votes Made in the EU Per Resolution Category . . . . .	10
1.10 Votes Made in the GL Per Resolution Category . . . . .	11
1.11 Geographic Breakdown of Meetings All Supported . . . . .	12
1.12 List of all meetings voted . . . . .	13
<b>2 Notable Oppose Vote Results With Analysis</b>	<b>15</b>
<b>3 Notable Oppose Vote Results With Analysis</b>	<b>22</b>
<b>4 Oppose/Abstain Votes With Analysis</b>	<b>39</b>
<b>5 Appendix</b>	<b>85</b>

## 1 Resolution Analysis

- Number of resolutions voted: 677 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 481
- Number of resolutions opposed by client: 136
- Number of resolutions abstained by client: 50
- Number of resolutions Non-voting: 7
- Number of resolutions Withheld by client: 0
- Number of resolutions Not Supported by client: 0

### 1.1 Number of meetings voted by geographical location

Location	Number of Meetings Voted
UK & BRITISH OVERSEAS	42
EUROPE & GLOBAL EU	5
USA & CANADA	4
JAPAN	2
<b>TOTAL</b>	<b>53</b>

## 1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	481
Abstain	50
Oppose	136
Non-Voting	7
Not Supported	0
Withhold	0
US Frequency Vote on Pay	3
Withdrawn	0
<b>TOTAL</b>	<b>677</b>

### 1.3 List of meetings not voted and reasons why

Company	Meeting Date	Type	Comment
TUI AG	14-02-2017	AGM	Meeting cancelled
NOVARTIS AG	28-02-2017	AGM	No ballot received
ROCHE HOLDING AG	14-03-2017	AGM	No votable shares

## 1.4 Number of Votes by Region

	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total
UK & BRITISH OVERSEAS	389	44	96	0	0	0	0	0	529
EUROPE & GLOBAL EU	51	5	11	7	0	0	0	1	75
USA & CANADA	27	1	29	0	0	0	0	2	59
JAPAN	14	0	0	0	0	0	0	0	14
<b>TOTAL</b>	<b>481</b>	<b>50</b>	<b>136</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>677</b>

## 1.5 Votes Made in the Portfolio Per Resolution Category

	Portfolio						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	1	1	0	0	0	0
Annual Reports	37	14	28	0	0	0	0
Articles of Association	5	2	2	0	0	0	0
Auditors	39	10	16	0	0	0	0
Corporate Actions	2	0	0	0	0	0	0
Corporate Donations	9	3	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	251	14	35	0	0	0	0
Dividend	31	1	0	0	0	0	0
Executive Pay Schemes	2	0	7	0	0	0	0
Miscellaneous	30	3	0	0	0	0	0
NED Fees	0	1	1	0	0	0	0
Non-Voting	0	0	0	7	0	0	0
Say on Pay	0	0	5	0	0	0	0
Share Capital Restructuring	2	0	0	0	0	0	0
Share Issue/Re-purchase	68	1	37	0	0	0	0
Shareholder Resolution	5	0	4	0	0	0	0

## 1.6 Votes Made in the UK Per Resolution Category

	UK						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
Annual Reports	23	0	5	0	0	0	0
Remuneration Reports	8	11	9	0	0	0	0
Remuneration Policy	4	2	11	0	0	0	0
Dividend	25	1	0	0	0	0	0
Directors	189	12	17	0	0	0	0
Approve Auditors	8	7	13	0	0	0	0
Share Issues	50	0	14	0	0	0	0
Share Repurchases	9	1	19	0	0	0	0
Executive Pay Schemes	2	0	5	0	0	0	0
All-Employee Schemes	0	1	0	0	0	0	0
Political Donations	9	3	0	0	0	0	0
Articles of Association	2	2	2	0	0	0	0
Mergers/Corporate Actions	2	0	0	0	0	0	0
Meeting Notification related	23	0	0	0	0	0	0
All Other Resolutions	35	4	1	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

## 1.7 Votes Made in the US Per Resolution Category

### US/Global US & Canada

	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	1	0	0	0	0
Annual Reports	0	0	0	0	0	0	0
Articles of Association	0	0	0	0	0	0	0
Auditors	1	1	2	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	21	0	17	0	0	0	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	1	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	0	0	4	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	0	0	0	0	0	0	0



## 1.8 Shareholder Votes Made in the US Per Resolution Category

	US/Global US and Canada						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
<b>Social Policy</b>							
Charitable Donations	0	0	0	0	1	0	0
Political Spending/Lobbying	0	1	0	0	0	0	0
<b>Executive Compensation</b>							
Performance Metrics Requirement	0	1	0	0	0	0	0
Remuneration Issues	0	0	0	0	1	0	0
Equity Retention	0	0	0	0	1	0	0
<b>Corporate Governance</b>							
Diversity of the Board/Director Qualification	0	0	0	0	1	0	0
Proxy Access	0	3	0	0	0	0	0

## 1.9 Votes Made in the EU Per Resolution Category

	EU & Global EU						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	2	1	3	0	0	0	0
Articles of Association	2	0	0	0	0	0	0
Auditors	3	2	1	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	29	2	1	0	0	0	0
Dividend	4	0	0	0	0	0	0
Executive Pay Schemes	0	0	1	0	0	0	0
Miscellaneous	3	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	7	0	0	0
Say on Pay	0	0	1	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	8	0	4	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

## 1.10 Votes Made in the GL Per Resolution Category

	Global						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	0	0	0	0	0	0	0
Articles of Association	0	0	0	0	0	0	0
Auditors	0	0	0	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	12	0	0	0	0	0	0
Dividend	2	0	0	0	0	0	0
Executive Pay Schemes	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	0	0	0	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

## 1.11 Geographic Breakdown of Meetings All Supported

### SZ

Meetings	All For	AGM	EGM
0	0	0	0

### AS

Meetings	All For	AGM	EGM
0	0	0	0

### UK

Meetings	All For	AGM	EGM
42	9	0	9

### EU

Meetings	All For	AGM	EGM
5	0	0	0

### SA

Meetings	All For	AGM	EGM
0	0	0	0

### GL

Meetings	All For	AGM	EGM
0	0	0	0

### JP

Meetings	All For	AGM	EGM
2	2	2	0

### US

Meetings	All For	AGM	EGM
4	0	0	0

### TOTAL

Meetings	All For	AGM	EGM
53	11	2	9

## 1.12 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
SPORTS DIRECT INTERNATIONAL PLC	05-01-2017	EGM	1	0	0	1
DOMINO'S PIZZA GROUP PLC	10-01-2017	EGM	1	0	1	0
JOHNSTON PRESS PLC	11-01-2017	EGM	1	1	0	0
DEBENHAMS PLC	12-01-2017	AGM	20	14	3	3
INTUIT INC.	19-01-2017	AGM	12	5	0	7
MARSTON'S PLC	24-01-2017	AGM	20	15	2	3
MITCHELLS & BUTLERS PLC	24-01-2017	AGM	19	12	2	5
WH SMITH PLC	25-01-2017	AGM	17	12	2	3
WALGREENS BOOTS ALLIANCE	26-01-2017	AGM	15	11	0	4
BLACKROCK FRONTIERS INVESTMENT TRUST PLC	31-01-2017	AGM	12	11	1	0
GREENCORE GROUP PLC	31-01-2017	AGM	22	17	0	5
POLAR CAPITAL GLOBAL HEALTHCARE GRWTH & INC	31-01-2017	AGM	8	6	1	1
BRITVIC PLC	31-01-2017	AGM	20	14	1	5
PUNCH TAVERNS PLC	01-02-2017	AGM	14	8	3	3
IMPERIAL BRANDS PLC	01-02-2017	AGM	21	17	1	3
COMPASS GROUP PLC	02-02-2017	AGM	23	16	3	4
TALVIVAARA MINING CO PLC	02-02-2017	EGM	7	1	0	0
ABERDEEN ASSET MANAGEMENT PLC	02-02-2017	AGM	24	18	1	5
SCOTTISH INVESTMENT TRUST PLC	03-02-2017	AGM	13	12	0	1
UDG HEALTHCARE PLC	07-02-2017	AGM	21	16	2	3
VICTREX PLC	08-02-2017	AGM	21	17	0	4
DRAX GROUP PLC	08-02-2017	EGM	1	1	0	0
EASYJET PLC	09-02-2017	AGM	19	15	1	3
THOMAS COOK GROUP PLC	09-02-2017	AGM	22	18	1	3
PARAGON GROUP OF COMPANIES PLC	09-02-2017	AGM	23	13	1	9
SVG CAPITAL PLC	09-02-2017	EGM	1	1	0	0

EI GROUP PLC	09-02-2017	AGM	16	12	1	3
GCP INFRASTRUCTURE INVESTMENTS LTD	10-02-2017	AGM	14	13	1	0
GCP INFRASTRUCTURE INVESTMENTS LTD	10-02-2017	EGM	1	1	0	0
PUNCH TAVERNS PLC	10-02-2017	EGM	1	1	0	0
PUNCH TAVERNS PLC	10-02-2017	COURT	1	1	0	0
ACCENTURE PLC	10-02-2017	AGM	17	11	2	3
SHAFTESBURY PLC	10-02-2017	AGM	20	17	1	2
INFINEON TECHNOLOGIES AG	16-02-2017	AGM	8	6	1	0
BERKELEY GROUP HOLDINGS PLC	23-02-2017	EGM	4	1	1	2
THE SAGE GROUP PLC	28-02-2017	AGM	15	11	1	3
APPLE INC	28-02-2017	AGM	16	5	1	9
THE ALLIANCE TRUST PLC	28-02-2017	EGM	4	1	3	0
SCOTTISH INVESTMENT TRUST PLC	06-03-2017	EGM	2	2	0	0
HARGREAVES LANSDOWN PLC	07-03-2017	EGM	1	0	1	0
THE WALT DISNEY COMPANY	08-03-2017	AGM	16	6	0	9
SSP GROUP PLC	13-03-2017	AGM	18	12	1	5
LAIRD PLC	16-03-2017	EGM	1	1	0	0
CHEMRING GROUP PLC	17-03-2017	AGM	19	10	4	5
CENTAMIN PLC	21-03-2017	AGM	16	9	2	5
ELECTRA PRIVATE EQUITY PLC	23-03-2017	AGM	22	14	2	6
CREST NICHOLSON HOLDINGS PLC	23-03-2017	AGM	18	15	0	3
JAPAN TOBACCO INC	24-03-2017	AGM	2	2	0	0
BEAZLEY PLC	24-03-2017	AGM	24	19	1	4
BRIDGESTONE CORP	24-03-2017	AGM	12	12	0	0
ABERDEEN DIVERSIFIED INCOME & GROWTH TR PLC	30-03-2017	AGM	16	15	0	1
ABERDEEN DIVERSIFIED INCOME & GROWTH TR PLC	30-03-2017	EGM	5	5	0	0
SVG CAPITAL PLC	30-03-2017	AGM	10	8	1	1

## 2 Notable Oppose Vote Results With Analysis

Note: Here a notable vote is one where the Oppose result is at least 10%.

### SVG CAPITAL PLC AGM - 30-03-2017

#### 3. *Re-elect Andrew Sykes*

Incumbent Non-Executive Chairman. Not considered independent as, until July 2014, he was an unpaid non-executive director of the Company's former investment adviser. He is also a significant shareholder. There is sufficient independent representation on the Board.

Vote Cast: *For*

Results: For: 0.8, Abstain: 0.0, Oppose/Withhold: 99.2,

### APPLE INC AGM - 28-02-2017

#### 8. *Shareholder Resolution: Engage Outside Independent Experts for Compensation Reforms*

**Proposed by:** Jing Zhao.

The Proponent recommends that Apple Inc. engage multiple outside independent experts or resources from the general public to reform its executive compensation principles and practices.

**Proponent's Supporting Argument:** According to Apple Notice of 2016 Annual Meeting of Shareholders, "Since 2014, the Compensation Committee has engaged the services of Pay Governance LLC, on matters for which the Compensation Committee is responsible." (p.26). However, any single consulting firm cannot represent the general public, such as independent scholars, think tanks, unions and academic societies, to advise fair, just and ethical compensation principles. The failure of our executive compensation principles and practices is clearly shown in the same \$1,000,000 salary, the same \$20,000,105 stock award and the same \$4,000,000 non-equity incentive plan compensation each in 2015 to our five of six named executive officers (p.35). What is use of the Compensation Committee when it could not differentiate the contribution of the tremendously different functions of the CFO, the Retail and Online Stores SVP, the Internet Software and Services SVP, the Hardware Engineering SVP and the Secretary of the Company. For the purpose of this proposal, the Board and the Compensation Committee have the flexibility to select multiple independent experts or sources.

**Board's Opposing Argument:** The Company's executive compensation programme is designed to attract, motivate, and retain a talented, entrepreneurial, and creative team of executives who will provide leadership for Apple's success in dynamic and competitive markets. Internal pay equity among its executive officers does not demonstrate a failure of compensation principles and practices; rather, it is a hallmark of the team-based approach of the Company's executive compensation programme. The executive officers are expected to operate as a high-performing team, and the Company believes that generally awarding the same base salary, annual cash incentive, and long-term equity awards to each of the executive officers, other than the CEO, successfully supports this goal. Each year, the Compensation Committee conducts a review of Apple's executive compensation program and takes into account numerous factors, including the advice of its independent compensation consultant, management recommendations, pay practices and program designs at peer companies, shareholder feedback, and the Compensation Committee's own business judgement, which is informed by the significant experience of its members. Shareholders also have an opportunity each year to cast an advisory vote on the compensation of our named executive officers, the results of which the Compensation Committee considers each year when reviewing our executive compensation programme. The Company believes that the current programme is in-line with shareholder interest and is reflected by the fact that 95% of votes cast on the say-on-pay proposal was in favour.

**PIRC Analysis:** Many commentators have noted legitimate concerns over how large corporations such as Apple affect the lives of people in the communities in which they operate. The apparent remoteness and seeming lack of accountability to those communities have been creating social and political unrest that could undermine the

legitimacy of their 'licence to operate' and provoke a damaging backlash. Excessive remuneration practices of such corporations can increase the sense of alienation from members of the public that could ultimately be damaging to business. In this context, a shareholder call for wider consultation on a corporation's pay practices could be seen in a very positive light. However, the resolution provides for the engagement of outside agencies to "reform" compensation practices. In PIRC's view the legitimate route would be to use outside consultation to "inform" such practices, with responsibility for implementation (in line with shareholders' interests) lying with the board, or with shareholders in general meeting. Accordingly the resolution cannot be supported and a vote against is recommended.

Vote Cast: *Oppose*

Results: For: 2.2, Abstain: 0.7, Oppose/Withhold: 97.1,

## APPLE INC AGM - 28-02-2017

### 5. Shareholder Resolution: Disclose Charitable Contributions

**Proposed by:** National Center for Public Policy Research.

The Proponent requests that the Company provide an annual report, omitting proprietary information and at reasonable cost, disclosing: the Company's standards for choosing recipients of company assets in the form of charitable contributions; the business rationale and purpose for each of the charitable contributions, if any; personnel participating in the decision to contribute; the benefits to society at-large produced by company contributions; and a follow-up report confirming the contribution was used for the purpose stated. The report should be published on the Company's website.

**Proponent's Supporting Argument:** Absent a system of accountability and transparency, some donated assets may be misused and potentially harm the Company's reputation and shareholder value. Current disclosure is insufficient to allow the Company's Board and shareholders to evaluate the use of corporate assets by outside organisations. For example, the Company has donated to the Center for American Progress (CAP) – an openly left-wing organisation that, as reported by the Washington Post, made statements the head of the Anti-Defamation League called "anti-Semitic and borderline anti-Semitic." Many support CAP's leftist policy work, many others do not. Most Americans would acknowledge that donating to an extremely ideological organisation in this highly polarised political climate is controversial. Fuller disclosure would provide enhanced feedback opportunities from which our company could make more fruitful decisions. Corporate philanthropy should be transparent to better serve the interests of the shareholders.

**Board's Opposing Argument:** Apple already provides detailed information about its core values and its most significant charitable contributions on the Company's website at [apple.com/diversity/creating-opportunities](http://apple.com/diversity/creating-opportunities) and [apple.com/product-red](http://apple.com/product-red). Apple's largest charitable contributions, which are made only following extensive internal vetting and approval from one or more of its executive officers, focus on some of the most important issues facing communities today. Apple publicly discloses detailed information about the cost and impact of these initiatives. Apple believes in leaving the world better than it found it. It actively supports its communities through philanthropic activities. The requested report would do nothing to advance these philanthropic activities, and would provide immaterial incremental additional information. Finally, the report would have limited value to shareholders.

**PIRC Analysis:** The Proponent seems to be more focused on highlighting Apple's support of left-wing charities, as opposed to having a genuine interest in the actual donations and impact to shareholder value. It is not clear how the Proponent expects Apple to evaluate 'the benefits to society at-large produced by company contributions' and 'confirming the contribution was used for the purpose stated'. Addressing all the points of this proposal would be costly and time consuming without providing significant additional information to shareholders. On this basis, shareholders are advised to oppose the resolution.

Vote Cast: *Oppose*

Results: For: 2.1, Abstain: 4.3, Oppose/Withhold: 93.6,



**APPLE INC AGM - 28-02-2017****6. Shareholder Resolution: Adopt Policy to Increase Diversity of Senior Management and Board of Directors**

**Proposed by:** Antonio Avian Maldonado.

The Proponent requests that the Board of Directors adopt an accelerated recruitment policy requiring Apple Inc. to increase the diversity of senior management and its board of directors, two bodies that presently fail to adequately represent diversity and inclusion (particularly Hispanic, African American, Native American and other people of colour).

**Proponent's Supporting Argument:** The tech industry is characterized by the persistent and pervasive under-representation of minorities and women in senior positions as detailed in a 2014 U.S. Equal Employment Opportunity Commission report. According to a USA Today analysis of 2014 Computing Research Association data, "[t]op universities turn out black and Hispanic computer science and computer engineering graduates at twice the rate that leading technology companies hire them." The Company is at an advantageous position to be a leader in promoting diversity in senior management and its board of directors, based on its size, breadth and position as one of the largest companies in the world. According to the Company's website, 'Diversity is critical to innovation and it is essential to Apple's future'. Further, the Company has stated in multiple Proxy Statements that it is 'committed to actively seeking out highly qualified women and individuals from minority groups to include in the pool from which board nominees are chosen'. Shareholders believe that companies with comprehensive diversity programs, and strong commitment to implementation, enhance their long-term value, reducing the Company's potential legal and reputational risks associated with workplace discrimination and building a reputation as a fair employer. Equally, shareholders believe the varied perspectives of a diverse senior management and board of directors would provide a competitive advantage in terms of creativity, innovation, productivity and morale, while eliminating the limitations of "group-think", as it would recognise the uniqueness of experience, strength, culture and thought contributed by each; strengthening its reputation and business.

**Board's Opposing Argument:** It states that its ongoing efforts to increase diversity are much broader than the "accelerated recruitment policy" requested by this proposal, which is focused only on Apple's senior management and Board. Apple takes a holistic view of inclusion and diversity that includes the varied perspectives of its employees as well as app developers, suppliers, and anyone who aspires to a future in tech. Apple publicly discloses information about its inclusion and diversity initiatives and detailed statistics about its progress to date at [apple.com/diversity](http://apple.com/diversity). As disclosed on this dedicated website, its hiring trends over the last three years show steady progress in attracting more women and under-represented minorities (defined as groups whose representation in tech has been historically low - Black, Hispanic, Native American, Native Hawaiian, and Other Pacific Islander). In addition, Apple is cultivating diverse leadership and tech talent through on-campus training, events, and programmes. In closing, the 'accelerated policy' sought by this proposal is not needed as the Company has already demonstrated its commitment to a holistic view of inclusion and diversity.

**PIRC Analysis:** The Proponent raises fair concerns around diversity at senior level in the technology industry. PIRC supports moves that actively promote diversity at all levels since this can create a wider talent pool from which companies can draw to the long-term benefit of shareholders and we accept the Proponent's view of the benefits of diversity. We are, however, concerned at the use of the word "required" in the resolution since this implies the application of recruitment or promotion quotas or other forms of "positive discrimination", which may breach national employment laws. We are particularly concerned that the identification of specific ethnic groups in the resolution could be taken as being discriminatory against members of other ethnic groups. On this basis, shareholder are advised to oppose.

Vote Cast: *Oppose*

Results: For: 4.7, Abstain: 4.4, Oppose/Withhold: 90.9,

**APPLE INC AGM - 28-02-2017****9. Shareholder Resolution: Retention of Equity Awards**

**Proposed by:** Kenneth Steiner.

The Proponent urges that the executive pay committee adopt a policy requiring senior executives to retain a significant percentage of stock acquired through equity

pay programs until reaching normal retirement age and to report to shareholders regarding the policy before the Company's next annual meeting. For the purpose of this policy, normal retirement age would be an age of at least 60 and be determined by the executive pay committee. Shareholders recommend a share retention percentage requirement of 75% of net after-tax shares.

**Proponent's Supporting Argument:** This single unified policy shall prohibit hedging transactions for shares subject to this policy which are not sales but reduce the risk of loss to the executive. Otherwise our directors might be able to avoid the impact of this proposal. This policy shall supplement any other share ownership requirements that have been established for senior executives, and should be implemented without violating current company contractual obligations or the terms of any current pay or benefit plan. Requiring senior executives to hold a significant portion of stock obtained through executive pay plans would focus our executives on our company's long-term success. A Conference Board Task Force report stated that hold-to-retirement requirements give executives 'an ever-growing incentive to focus on long-term stock price performance'.

**Board's Opposing Argument:** Apple believes that its long-term success depends largely on its ability to attract and retain a high-performing executive team. Experienced personnel in the technology industry are in high demand, and competition for executive talent is intense. A policy that would require senior executives to hold 75% of the net after-tax shares from their equity awards until reaching normal retirement age is excessive, not consistent with current practice among its peer groups, and would put Apple at a competitive disadvantage for recruiting and retaining talented executives. The Board believes that the Compensation Committee is the governing body best suited to formulate Apple's executive compensation policies. As described in the Compensation Discussion and Analysis, the Company's executive compensation program emphasises long-term shareholder value creation by using both time-based and performance-based restricted stock units (RSUs) to deliver long-term compensation incentives. The Compensation Committee believes this is the most effective way to attract and retain a talented executive team and align executives' interests with those of shareholders. As a result, Apple's executive compensation program is weighted considerably toward long-term equity awards rather than cash compensation and our executives hold significant unvested RSUs at any particular time. The Compensation Committee believes that this practice creates a substantial retention incentive, encourages executives to focus on Apple's long-term success, and aligns executives interests with the long-term interests of shareholders.

**PIRC Analysis:** While the principle of increasing the retention period on stock granted through the LTIP is considered to be positive, requiring the executives to retain 75% of the equity awards granted to them until retirement is considered too stringent, and would put the Company at a disadvantage when hiring new talent. Further, given the size of the equity grants (the quantum being a separate issue to this proposal), the executives would quickly own large percentages of the Company, with the Company needing to issue more shares to meet demand (resulting in dilution for existing shareholders). On this basis, shareholders are advised to oppose.

Vote Cast: *Oppose*

Results: For: 24.1, Abstain: 0.7, Oppose/Withhold: 75.2,

## THE WALT DISNEY COMPANY AGM - 08-03-2017

### 6. *Shareholder Resolution: Proxy Access Amendment*

**Proposed by:** James McRitchie. The Proponent requests the Board to amend its "Proxy Access" bylaw, as follows: i.) the number of "stockholder nominees" eligible to appear in proxy materials shall be 25% of the directors then serving or 2, whichever is greater; ii.) no limitation shall be placed on the number of stockholders that can aggregate their shares to achieve the 3% "required shares" for an "eligible stockholder" ; and iii.) no limitation shall be imposed on the re-nomination of "stockholder nominees" based on the number or percentage of votes received in any election.

**Supporting Argument:** The Proponent argues that current bylaws restrict stockholder nominees to the greater of two or 20% of directors and under the current 12-member board, stockholder nominees are currently limited to nominating two. The Proponent argues that allowing an unlimited number of shareholders to aggregate shares will facilitate greater participation by individuals and institutional investors in meeting the ownership requirements.

**Opposing Argument:** The Board recommends shareholder oppose and argues that the limit of 20% of the Board (or at least two) for shareholder nominees ensures that shareholders have a meaningful right without overly disrupting the balance of characteristics the Board seeks to achieve through the regular nomination process.

Also, the Board argues that the 20 shareholder limit included in the Company's proxy access bylaw is a reasonable limitation to control the administrative burden of confirming and monitoring share ownership within the group by the Company.

**Analysis:** The proposed changes are in the best interest of shareholders, and further improves shareholders ability to nominate a director. Any director put forward through the use of proxy access will still have to be voted on at the annual meeting by all shareholders. Therefore, shareholders can choose to support who they believe is the best candidate for the job, whether it be a company candidate or a shareholder candidate. Support is therefore recommended.

Vote Cast: *For*

Results: For: 26.7, Abstain: 0.8, Oppose/Withhold: 72.4,

## WALGREENS BOOTS ALLIANCE AGM - 26-01-2017

### *3. Shareholder Resolution: Proxy Access By-law Amendment*

**Proposed by:** Proposed by: John Chevedden.

The Proponent requests the Board of Directors to adopt an enhancement package for the Company bylaws allowing shareholder nominated candidates to be included in the Company's proxy materials, as follows: 1.) the number of shareholder-nominated candidates eligible to appear in proxy materials shall be one quarter of the directors then serving or two, whichever is greater; 2.) no limitation shall be placed on the number of shareholders that can aggregate their shares to achieve the 3% "Required Shares," outstanding shares of the Company entitled to vote in the election of directors; 3.) no limitation shall be placed on the re-nomination of shareholder nominees based on the number or percentage of votes received in any election; 4.) the bylaws shall not require that a nominator provide a statement of intent to continue to hold the required percentage of shares after the annual meeting; and loaned securities shall be counted as belonging to a nominating shareholder if the shareholder represents it.

**Proponent's Argument:** The Proponent argues that the Company's proxy access bylaw contains restrictive bureaucratic provisions that significantly impair the ability of shareholders to use proxy access. Mr. Chevedden argues that under current provisions, even if the 20 largest public pension funds were able to aggregate their shares, they would not meet the 3% criteria at most companies examined by the Council of Institutional Investors.

**Board's Argument:** The Board recommends an oppose vote and argues that the proposed changes are potentially disruptive for the proper functioning of proxy access. The Company's by-law currently permits eligible shareholders to nominate 20% of the current Board. Any increase could have unintended consequences, including laying the groundwork for effecting a change in control, encouraging the pursuit of special interests and disrupting the proper functioning of the Board. In addition, the proposal places no limit on the number of shareholders acting in concert to nominate a director, which could impose a significant administrative burden on the Company.

**Analysis:** The amendments to the existing by-law is considered superior and will enable shareholders to properly make use of proxy access. A vote 'For' is recommended.

Vote Cast: *For*

Results: For: 24.4, Abstain: 4.1, Oppose/Withhold: 71.5,

## APPLE INC AGM - 28-02-2017

### *7. Shareholder Resolution: Proxy Access*

**Proposed by:** James McRitchie.

The Proponent asks the Board of Directors to amend its "Proxy Access for Director Nominations" bylaw, and any other associated documents, to include essential elements for substantial implementation to better facilitate meaningful proxy access by more shareholders as follows: 1. The number of "Shareholder Nominees" eligible

to appear in proxy materials shall be 25% of the directors then serving or 2, whichever is greater. Current bylaws restrict Shareholder Nominees to 20% of directors. Under the current 8-member board, shareholder nominees are currently limited to nominating one. Any shareholder nominee elected under the current bylaws could be easily isolated. 2. No limitation shall be placed on the number of shareholders that can aggregate their shares to achieve the 3% "Ownership Requirements" for "Eligible Shareholders." Under current provisions, even if the 20 largest public pension funds were able to aggregate their shares, they would not meet the 3% criteria at most of companies examined by the Council of Institutional Investors. Allowing an unlimited number of shareholders to aggregate shares will facilitate participation by individuals and institutional investors in meeting the Ownership Requirements. 3. No limitation shall be imposed on the re-nomination of "Shareholder Nominees" based on the number or percentage of votes received in any election. Such limitations do not facilitate the shareholders' traditional state law rights and add unnecessary complexity.

**Proponent's Supporting Argument:** The Proponent argues that "proxy access would "benefit both the markets and corporate boardrooms, with little cost or disruption," raising US market capitalization by up to \$140.3 billion". Although the Company's board adopted a proxy access bylaw in 2015, it contains troublesome provisions, as outlined above, that significantly impair the ability of shareholders to participate as Eligible Shareholders, the ability of Shareholder Nominees to effectively serve if elected, and the ability of Shareholder Nominees to run again if they receive less than 25% of the vote. Adoption of all the requested amendments would largely remedy these issues and would better ensure meaningful proxy access by more shareholders.

**Board's Opposing Argument:** The Board recommends a vote against this proposal as it has already adopted proxy access for director nominations and therefore, this proposal would be unnecessary. The Board states that it closely monitors proxy access developments and in December 2016 as a result of engagement with its largest shareholders, governance experts, and advisers made the following changes: Apple no longer requires shareholders who nominate a proxy access candidate to recall loaned shares and hold them through the annual meeting; Apple increased the availability of proxy access by limiting the circumstances under which the maximum number of proxy access candidates is reduced; shareholders may now re-nominate a proxy access candidate regardless of the level of support received at the annual meeting; Apple has extended the deadline by which nominating shareholders and proxy access candidates must provide certain information to Apple to ten business days from five business days; Apple has narrowed the scope of a nominating shareholder's indemnification obligations to legal and regulatory violations arising out of a nominating shareholder's actions or communications with Apple shareholders or out of information provided by a nominating shareholder to Apple; and Apple has limited the discretion of the Board to unilaterally interpret the proxy access provisions.

**PIRC Analysis:** The Company appears to have amended its bylaws to meet what it considers market best practice. This can be seen by the fact that the Company has already implemented point three of the Proponent's request. The move is welcomed, but there is still a concern that even if the 20 largest public pension funds were able to aggregate their shares, they would not meet the 3% criterion at most of companies examined by the Council of Institutional Investors (including Apple). On this basis, shareholders are advised to vote in favour.

Vote Cast: *For*

Results: For: 31.7, Abstain: 0.7, Oppose/Withhold: 67.6,

## WALGREENS BOOTS ALLIANCE AGM - 26-01-2017

### *6. Shareholder Resolution: Executive Pay and Sustainability Performance*

**Proposed by:** Proposed by: Clean Yield Asset Management.

The Proponent requests the Board's Compensation Committee prepare a report assessing the feasibility of integrating sustainability metrics into the performance measures of senior executives under the Company's compensation incentive plans.

**Proponent's Argument:** The Proponent argues that linking sustainability metrics to executive compensation could reduce the risks related to sustainability underperformance, incentivise employees to meet sustainability goals, and increase accountability. The Proponent argues that numerous studies have shown that companies that integrate environmental, social and governance factors into their business strategy reduce reputational, legal and regulatory risks and improve long-term performance.

**Board's Argument:** The Board recommends shareholders oppose the resolution and argues that the Company continues to demonstrate its commitment to promote sustainability through various means like opening 'net-zero stores, and being a member of the SmartWay programme through the US environmental protection agency. The Board does not believe that the preparation of this report would be a productive use of the Company's resources at this time. Also, the Board argues that the Compensation Committee intends to continue to evaluate whether the incorporation of new performance measures into the Company's executive compensation programmes would help promote the Company's objectives and create long-term stockholder value.

**Analysis:** The incorporation of a sustainability metric into the Company's compensation programme is considered a market best practice, and is in the best interest of all shareholders given the current market focus on improving sustainability. The resolution is not prescriptive, leaving discretion to the Compensation Committee. A vote 'For' is recommended.

Vote Cast: *For*

Results: For: 20.0, Abstain: 13.3, Oppose/Withhold: 66.7,

## **CENTAMIN PLC AGM - 21-03-2017**

### *4.4. Re-elect Trevor Schultz*

Non-Executive Director. Not considered independent as he was previously an Executive Director of the Company. However, there is sufficient independent representation on the Board. A vote in favour is recommended.

Vote Cast: *For*

Results: For: 34.4, Abstain: 1.3, Oppose/Withhold: 64.3,

### 3 Notable Oppose Vote Results With Analysis

Note: Here a notable vote is one where the Oppose result is at least 10%.

#### SPORTS DIRECT INTERNATIONAL PLC EGM - 05-01-2017

##### 1. *Re-elect Dr Keith Hellawell*

Chairman. Independent upon appointment.

Following the annual general meeting of the Company held on 7 September 2016, Dr Keith Hellawell, Chairman of the Board, did not receive the support of a majority of independent shareholders who voted separately, as is now required under the Listing Rules. A new shareholder meeting is taking place to hold a second vote on the re-election of Dr Hellawell as a director. The Board believes that the re-election of Dr Hellawell, when combined with the appointment of David Brayshaw as independent non-executive director on 8 December 2016, will provide a balance of continuity and fresh, independent insight. The Board believes the Company will benefit from Mr Brayshaw's skill set and that his appointment will increase the independent oversight of the Company's business and operations. The Board states that is also mindful of the importance of maintaining the stability of the leadership of the Company as it seeks to implement certain improvements in working practices (announced a day before the 2016 AGM).

The Board has consistently failed to address the employment practices issues raised by some shareholders and trade unions that have also been criticised by a Parliamentary Select Committee report. Further, there appears to be lack of communication among the members of the Board, which put into question the competency of the Board as whole. Mr Hellawell failed to show leadership in a critical period for the Company, which was recently demoted from the FTSE 100 index. Since the last AGM, the retailer reported a 57% drop in first-half profits and other governance issues have been raised with regard to the Company's practices: the Company took the decision to buy a corporate plane for approximately £40 million and to enter into an agreement with Double Take Limited, a company in which Mike Ashley's daughter, is a director. Double Take will license Sports Direct exclusive rights to the cosmetic brand Sport.

It is important for the Shareholders to be confident about the Board's ability to represent their best interests and not those of the controlling shareholder. This is no longer the case with the existing Chairman and an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 80.4, Abstain: 0.7, Oppose/Withhold: 18.9,

#### DEBENHAMS PLC AGM - 12-01-2017

##### 20. *Meeting notification-related Proposal*

All companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues. However, as the proposed change is permissible by the Companies Act, support is recommended.

Vote Cast: *For*

Results: For: 86.4, Abstain: 0.0, Oppose/Withhold: 13.6,

#### INTUIT INC. AGM - 19-01-2017

##### 3. *Approve the Amended and Restated 2005 Equity Incentive Plan*

The Company has put forward a resolution requesting shareholders to approve the Amended and Restated 2005 Equity Incentive Plan to a.) increase the share

reserve by an additional 23.11m shares; b.) reapprove the material terms of performance-based compensation for purposes of Section 162(m); and c.) amend certain terms of the 2005 Equity Incentive Plan. Under the Restated 2005 Plan, the aggregate grant date fair value of all awards granted to any non-employee director during any single calendar year, will not exceed \$625,000, with such limit to be increased an additional \$250,000 for any lead non-employee director or non-employee director who is chairman of the Board.

The Restated 2005 Plan permits the Company to grant non-qualified and incentive stock options, Stock Appreciation Rights (SARs), restricted stock awards, Restricted Stock Units (RSUs), cash-based awards to employees of the Company and its subsidiaries, non-employee directors of the Company and certain advisors and consultants of the Company and its subsidiaries. The Restated 2005 Plan will be administered by the Compensation Committee which has the power to select the individuals who receive awards, determine the number of shares covered thereby, and establish the terms of the awards. No more than 2.00m shares (3.00m for a new hire grant) may be made subject to awards to a single participant in any fiscal year. The maximum cash amount payable pursuant to all cash-based awards granted in any calendar year to any participant will not exceed \$5.00m.

As performance conditions may be attached to awards at the Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. As a result an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 76.2, Abstain: 0.1, Oppose/Withhold: 23.7,

#### 4. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CEB. Based on this rating, it is recommended that shareholders oppose.

Vote Cast: *Oppose*

Results: For: 84.1, Abstain: 0.2, Oppose/Withhold: 15.8,

### **MITCHELLS & BUTLERS PLC AGM - 24-01-2017**

#### 4. *Elect Keith Browne*

Newly appointed Non-Executive Director. Not independent as Mr. Browne is a representative of Elpida Group Limited, a significant shareholder in Mitchells & Butlers. There is insufficient independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 75.8, Abstain: 1.7, Oppose/Withhold: 22.5,

#### 7. *Re-elect Eddie Irwin*

Non-Executive Director. Not considered to be independent as he is a nominee of Elpida Limited, a significant shareholder of the Company. There is insufficient independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 74.4, Abstain: 2.0, Oppose/Withhold: 23.6,

#### 10. *Re-elect Josh Levy*

Non-Executive Director. Not considered to be independent as he is a nominee of Piedmont Inc, a significant shareholder of the Company. There is insufficient

independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 81.7, Abstain: 1.7, Oppose/Withhold: 16.6,

### 11. *Re-elect Ron Robson*

Non-Executive Deputy Chairman. Not considered independent as he is an appointee of Piedmont Inc, a significant shareholder of the Company. There is insufficient independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 74.4, Abstain: 2.0, Oppose/Withhold: 23.6,

## WALGREENS BOOTS ALLIANCE AGM - 26-01-2017

### 3. *Shareholder Resolution: Proxy Access By-law Amendment*

**Proposed by:** Proposed by: John Chevedden.

The Proponent requests the Board of Directors to adopt an enhancement package for the Company bylaws allowing shareholder nominated candidates to be included in the Company's proxy materials, as follows: 1.) the number of shareholder-nominated candidates eligible to appear in proxy materials shall be one quarter of the directors then serving or two, whichever is greater; 2.) no limitation shall be placed on the number of shareholders that can aggregate their shares to achieve the 3% "Required Shares," outstanding shares of the Company entitled to vote in the election of directors; 3.) no limitation shall be placed on the re-nomination of shareholder nominees based on the number or percentage of votes received in any election; 4.) the bylaws shall not require that a nominator provide a statement of intent to continue to hold the required percentage of shares after the annual meeting; and loaned securities shall be counted as belonging to a nominating shareholder if the shareholder represents it.

**Proponent's Argument:** The Proponent argues that the Company's proxy access bylaw contains restrictive bureaucratic provisions that significantly impair the ability of shareholders to use proxy access. Mr. Chevedden argues that under current provisions, even if the 20 largest public pension funds were able to aggregate their shares, they would not meet the 3% criteria at most companies examined by the Council of Institutional Investors.

**Board's Argument:** The Board recommends an oppose vote and argues that the proposed changes are potentially disruptive for the proper functioning of proxy access. The Company's by-law currently permits eligible shareholders to nominate 20% of the current Board. Any increase could have unintended consequences, including laying the groundwork for effecting a change in control, encouraging the pursuit of special interests and disrupting the proper functioning of the Board. In addition, the proposal places no limit on the number of shareholders acting in concert to nominate a director, which could impose a significant administrative burden on the Company.

**Analysis:** The amendments to the existing by-law is considered superior and will enable shareholders to properly make use of proxy access. A vote 'For' is recommended.

Vote Cast: *For*

Results: For: 24.4, Abstain: 4.1, Oppose/Withhold: 71.5,

### 6. *Shareholder Resolution: Executive Pay and Sustainability Performance*

**Proposed by:** Proposed by: Clean Yield Asset Management.

The Proponent requests the Board's Compensation Committee prepare a report assessing the feasibility of integrating sustainability metrics into the performance measures of senior executives under the Company's compensation incentive plans.

**Proponent's Argument:** The Proponent argues that linking sustainability metrics to executive compensation could reduce the risks related to sustainability



underperformance, incentivise employees to meet sustainability goals, and increase accountability. The Proponent argues that numerous studies have shown that companies that integrate environmental, social and governance factors into their business strategy reduce reputational, legal and regulatory risks and improve long-term performance.

**Board's Argument:** The Board recommends shareholders oppose the resolution and argues that the Company continues to demonstrate its commitment to promote sustainability through various means like opening 'net-zero stores, and being a member of the SmartWay programme through the US environmental protection agency. The Board does not believe that the preparation of this report would be a productive use of the Company's resources at this time. Also, the Board argues that the Compensation Committee intends to continue to evaluate whether the incorporation of new performance measures into the Company's executive compensation programmes would help promote the Company's objectives and create long-term stockholder value.

**Analysis:** The incorporation of a sustainability metric into the Company's compensation programme is considered a market best practice, and is in the best interest of all shareholders given the current market focus on improving sustainability. The resolution is not prescriptive, leaving discretion to the Compensation Committee. A vote 'For' is recommended.

Vote Cast: *For*

Results: For: 20.0, Abstain: 13.3, Oppose/Withhold: 66.7,

## GREENCORE GROUP PLC AGM - 31-01-2017

### 6. Approve Remuneration Policy

**Disclosure:** Overall disclosure is considered acceptable.

**Balance:** Total potential rewards under all incentive schemes are excessive. Following the increase in the LTIP maximum opportunity from 100% to 200%, the maximum potential variable award is 350% of base salary, which is highly excessive. The Long Term Incentive Plan (LTIP) performance measures are not appropriately linked to non-financial KPIs and they are not applied interdependently, which does not meet guidelines. The performance period is three years which is not considered sufficiently long term, however a holding period of two years post vesting of LTIP awards has been introduced, which is welcomed.

**Contracts:** On termination, upside discretion can be used by the Committee when determining severance payments under the different incentive plans.  
Rating: ADC.

Vote Cast: *Oppose*

Results: For: 59.9, Abstain: 0.0, Oppose/Withhold: 40.1,

### 14. Amend the 2013 Performance Share Plan

Shareholders are being asked to approve amendments to the Company's LTIP, the Greencore Group Plc 2013 Performance Share Plan. The Board are seeking shareholders' approval to amend the Rules of the Plan by: (i) increasing the maximum individual limit under the Plan in respect of a particular financial year to 200% of annual salary from 100% of annual salary; and (ii) adopting a two-year holding period on vested awards under the Plan for Executive Directors.

**Recommendation:** Overall, the amendments are not sufficient to merit support. The increase in the overall limit is not in line with best practice. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 60.7, Abstain: 0.0, Oppose/Withhold: 39.3,

**BRITVIC PLC AGM - 31-01-2017****16. *Issue Shares with Pre-emption Rights***

The authority is limited to 33% of the share capital and another 33% in connection with a Rights Issue. All directors are standing for annual re-election. This resolution is in line with normal market practice and expires at the next AGM. Support is recommended.

Vote Cast: *For*

Results: For: 88.4, Abstain: 0.4, Oppose/Withhold: 11.3,

**20. *Meeting notification-related Proposal***

All companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues. However, as the proposed change is permissible by the Companies Act, support is recommended.

Vote Cast: *For*

Results: For: 87.4, Abstain: 0.2, Oppose/Withhold: 12.5,

**COMPASS GROUP PLC AGM - 02-02-2017****13. *Re-elect Ireena Vittal***

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. It is also noted that shareholders' expressed some concerns (more than 10% of oppose vote) over Ms Vittal's re-election at last year's AGM. Therefore, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 59.7, Abstain: 5.8, Oppose/Withhold: 34.4,

**ABERDEEN ASSET MANAGEMENT PLC AGM - 02-02-2017****22. *Issue Shares for Cash used for the purpose of financing an acquisition or other capital investment***

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority is sufficient enough. Best practice is to seek special authority from shareholders in relation to specific transactions if such situations arise. Otherwise, the Company should use the general authority, as described in resolution 21, to finance small transactions. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 84.6, Abstain: 0.0, Oppose/Withhold: 15.4,

**UDG HEALTHCARE PLC AGM - 07-02-2017****3 (a). *Approve the Remuneration Report***

**Disclosure:** Overall disclosure could be improved as annual bonus targets are not fully disclosed and accrued dividends on vested awards are not separately categorised.

**Balance:** The CEO's total realised variable pay is considered excessive at 209.5% of salary. However, the balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. Termination arrangements for the former CEO are considered appropriate.

Rating: BC.

Vote Cast: *Abstain*

Results: For: 67.8, Abstain: 14.1, Oppose/Withhold: 18.1,

## VICTREX PLC AGM - 08-02-2017

### 19. *Issue Shares for Cash for the purpose of financing an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority is sufficient enough. Best practice is to seek special authority from shareholders in relation to specific transactions if such situations arise. Otherwise, the Company should use the general authority, as described in resolution 18, to finance small transactions. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 87.3, Abstain: 0.0, Oppose/Withhold: 12.7,

## DRAX GROUP PLC EGM - 08-02-2017

### 1. *Approve the Acquisition of Opus Energy Group Limited*

Shareholders are being asked to approve the proposed acquisition of Opus Energy Group by the Company.

**Background:** On 6 December 2016, Drax announced that it had entered into a binding conditional agreement with the Sellers (see a description under 'Supporting Information' below) in respect of the purchase of the entire issued share capital of Opus Energy Group Limited ("Opus") for cash consideration of £340 million. The Company states that the consideration in respect of the Acquisition will be financed entirely by a new acquisition debt facility of up to £375 million.

**Rationale:** The Company states it has been exploring options to further improve earnings quality and deliver targeted long-term growth, evaluating opportunities to diversify across the markets in which it operates – pellet supply, generation and retail. The Board believes that the Acquisition provides a unique opportunity and is strategically and financially compelling. Opus will enhance Drax's retail offering by combining the leading "challenger" small and medium enterprise ("SME") business with Haven Power's strength in the industrial and commercial ("I&C") market. The combination provides a robust platform for growth, by combining Drax's and Haven Power's commercial capabilities and vertically integrated business model with Opus' established SME business and experience in both electricity and gas. The Acquisition leverages Drax's flexible, reliable, renewable generation offering to create energy solutions for customers. It also furthers Drax's strategic ambition to diversify and improve the quality of its earnings while increasing the contribution of businesses with long-term growth opportunities.

**Recommendation:** Such transactions are considered on the basis of whether the transaction has been adequately explained and whether there is sufficient independent oversight of the recommended transaction. The circular contains full details of the transaction and there is a sufficient balance of independence on the Board. This provides assurance that the decision was taken with appropriate independence and objectivity. Therefore shareholders are recommended to approve.

Vote Cast: *For*

Results: For: 82.7, Abstain: 0.4, Oppose/Withhold: 16.9,

**EASYJET PLC AGM - 09-02-2017****4. Re-elect John Barton**

Incumbent Chairman. Independent upon appointment. However, he is also Chairman of Next plc, a FTSE 100 company. This raises concerns about his external time commitments, as the Chairman should be expected to commit a substantial proportion of his time to the role. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 89.4, Abstain: 0.6, Oppose/Withhold: 10.1,

**THOMAS COOK GROUP PLC AGM - 09-02-2017****3. Approve Remuneration Policy**

**Disclosure:** Disclosure is considered acceptable. Pay policy aims are fully explained in terms of the Company's objectives.

**Balance:** The deferral period is not considered sufficient, as 50% of the bonus should be deferred instead of one-third. There are no non-financial performance criteria used as measures for the PSP, contrary to best practice. The performance conditions are not concurrent. The performance period for the PSP is three years which is too limited. However, the introduction of a two-year holding period is welcome. Malus and clawback may apply. It is noted that the Remuneration Committee introduced a new Strategic Share Incentive Plan (SSIP). The addition of new plan is not considered appropriate, as it adds unnecessary complexity to the remuneration.

**Contracts:** The CEO and CFO are currently on a 6 months notice period. A notice period of 24 months which will reduce by one month for every month served, until the Company's policy position (6 months notice) is reached. If the Company terminates the employment of the Executive Director with immediate effect, a payment in lieu of notice may be made. This may include base salary, pension and benefits. Annual Bonus and LTIP will be pro-rated for good leavers.

Rating: ACB

Vote Cast: *Abstain*

Results: For: 77.4, Abstain: 1.2, Oppose/Withhold: 21.4,

**4. Approve the Remuneration Report**

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. Performance conditions and targets are stated for both Annual Bonus and LTIP. All share incentive awards are fully disclosed with award dates and prices.

**Balance:** The changes in CEO pay over the last five years are considered in line with the changes in Company's TSR performance over the same period. The CEO's variable pay for the year under review represents 34% of his base salary, which is acceptable. It is noted that the ratio of CEO pay compared to average employee pay is not considered appropriate at 29:1.

Rating: AB

Vote Cast: *For*

Results: For: 77.5, Abstain: 0.0, Oppose/Withhold: 22.5,

**6. Re-elect Dawn Airey**

Senior Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 85.0, Abstain: 0.0, Oppose/Withhold: 15.0,

**7. Re-elect Annet Aris**

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 84.9, Abstain: 0.0, Oppose/Withhold: 15.1,

**8. Re-elect Emre Berkin**

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 85.0, Abstain: 0.0, Oppose/Withhold: 15.0,

**12. Re-elect Warren Tucker**

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 85.0, Abstain: 0.0, Oppose/Withhold: 15.0,

**19. Approve the 2017 Strategic Share Incentive Plan**

It is proposed to approve the 2017 Strategic Share Incentive Plan (SSIP).

An individual Executive Director can only participate in the SSIP once every four years. Awards will be subject to (i) a performance condition measuring strategic targets over at least two years and (ii) a performance condition relating to the Company's TSR measured over a period of at least three years.

The participation in the SSIP precludes participation in the PSP (or any other long-term incentive plan) in respect of that particular financial year. An initial share based award may be made based on the achievement against predefined strategic performance target(s) assessed over a period of at least two financial years. The number of shares in the initial share based award will be determined following the assessment of the strategic target(s); this initial share based award will be subject to a TSR multiplier measured over three years commencing in the year the individual is invited to participate in the SSIP. Awards will be subject to an additional holding period following the end of the TSR performance period. The Committee has full discretion to amend the level of vesting (upwards or downwards); and the award will lapse if the participant leaves employment before the initial share based award is made, unless there are specific good leaver circumstances. If the participant leaves employment following the grant of the initial share based award, the award will subsist on its original terms unless the Committee determines otherwise. Claw-back and malus provisions will apply.

However, it is noted that there are no non-financial performance criteria used as measures for the SSIP, contrary to best practice. The performance conditions are also not concurrent. Maximum awards of 150% of salary when combined with Annual bonus can lead to excessive payouts. Furthermore, the use of two share plans add unnecessary complexity to the Remuneration. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 67.3, Abstain: 0.0, Oppose/Withhold: 32.7,

**EI GROUP PLC AGM - 09-02-2017****14. Issue Shares for Cash for the purpose of financing an acquisition or other capital investment**

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice

would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 75.5, Abstain: 0.5, Oppose/Withhold: 24.0,

## INFINEON TECHNOLOGIES AG AGM - 16-02-2017

### 6. *Elect Geraldine Picaud*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 88.8, Abstain: 0.0, Oppose/Withhold: 11.2,

## APPLE INC AGM - 28-02-2017

### 5. *Shareholder Resolution: Disclose Charitable Contributions*

**Proposed by:** National Center for Public Policy Research.

The Proponent requests that the Company provide an annual report, omitting proprietary information and at reasonable cost, disclosing: the Company's standards for choosing recipients of company assets in the form of charitable contributions; the business rationale and purpose for each of the charitable contributions, if any; personnel participating in the decision to contribute; the benefits to society at-large produced by company contributions; and a follow-up report confirming the contribution was used for the purpose stated. The report should be published on the Company's website.

**Proponent's Supporting Argument:** Absent a system of accountability and transparency, some donated assets may be misused and potentially harm the Company's reputation and shareholder value. Current disclosure is insufficient to allow the Company's Board and shareholders to evaluate the use of corporate assets by outside organisations. For example, the Company has donated to the Center for American Progress (CAP) – an openly left-wing organisation that, as reported by the Washington Post, made statements the head of the Anti-Defamation League called "anti-Semitic and borderline anti-Semitic." Many support CAP's leftist policy work, many others do not. Most Americans would acknowledge that donating to an extremely ideological organisation in this highly polarised political climate is controversial. Fuller disclosure would provide enhanced feedback opportunities from which our company could make more fruitful decisions. Corporate philanthropy should be transparent to better serve the interests of the shareholders.

**Board's Opposing Argument:** Apple already provides detailed information about its core values and its most significant charitable contributions on the Company's website at [apple.com/diversity/creating-opportunities](http://apple.com/diversity/creating-opportunities) and [apple.com/product-red](http://apple.com/product-red). Apple's largest charitable contributions, which are made only following extensive internal vetting and approval from one or more of its executive officers, focus on some of the most important issues facing communities today. Apple publicly discloses detailed information about the cost and impact of these initiatives. Apple believes in leaving the world better than it found it. It actively supports its communities through philanthropic activities. The requested report would do nothing to advance these philanthropic activities, and would provide immaterial incremental additional information. Finally, the report would have limited value to shareholders.

**PIRC Analysis:** The Proponent seems to be more focused on highlighting Apple's support of left-wing charities, as opposed to having a genuine interest in the actual donations and impact to shareholder value. It is not clear how the Proponent expects Apple to evaluate 'the benefits to society at-large produced by company contributions' and 'confirming the contribution was used for the purpose stated'. Addressing all the points of this proposal would be costly and time consuming without providing significant additional information to shareholders. On this basis, shareholders are advised to oppose the resolution.

Vote Cast: *Oppose*

Results: For: 2.1, Abstain: 4.3, Oppose/Withhold: 93.6,

#### *6. Shareholder Resolution: Adopt Policy to Increase Diversity of Senior Management and Board of Directors*

**Proposed by:** Antonio Avian Maldonado.

The Proponent requests that the Board of Directors adopt an accelerated recruitment policy requiring Apple Inc. to increase the diversity of senior management and its board of directors, two bodies that presently fail to adequately represent diversity and inclusion (particularly Hispanic, African American, Native American and other people of colour).

**Proponent's Supporting Argument:** The tech industry is characterized by the persistent and pervasive under-representation of minorities and women in senior positions as detailed in a 2014 U.S. Equal Employment Opportunity Commission report. According to a USA Today analysis of 2014 Computing Research Association data, "[t]op universities turn out black and Hispanic computer science and computer engineering graduates at twice the rate that leading technology companies hire them." The Company is at an advantageous position to be a leader in promoting diversity in senior management and its board of directors, based on its size, breadth and position as one of the largest companies in the world. According to the Company's website, 'Diversity is critical to innovation and it is essential to Apple's future'. Further, the Company has stated in multiple Proxy Statements that it is 'committed to actively seeking out highly qualified women and individuals from minority groups to include in the pool from which board nominees are chosen'. Shareholders believe that companies with comprehensive diversity programs, and strong commitment to implementation, enhance their long-term value, reducing the Company's potential legal and reputational risks associated with workplace discrimination and building a reputation as a fair employer. Equally, shareholders believe the varied perspectives of a diverse senior management and board of directors would provide a competitive advantage in terms of creativity, innovation, productivity and morale, while eliminating the limitations of "group-think", as it would recognise the uniqueness of experience, strength, culture and thought contributed by each; strengthening its reputation and business.

**Board's Opposing Argument:** It states that its ongoing efforts to increase diversity are much broader than the "accelerated recruitment policy" requested by this proposal, which is focused only on Apple's senior management and Board. Apple takes a holistic view of inclusion and diversity that includes the varied perspectives of its employees as well as app developers, suppliers, and anyone who aspires to a future in tech. Apple publicly discloses information about its inclusion and diversity initiatives and detailed statistics about its progress to date at [apple.com/diversity](http://apple.com/diversity). As disclosed on this dedicated website, its hiring trends over the last three years show steady progress in attracting more women and under-represented minorities (defined as groups whose representation in tech has been historically low - Black, Hispanic, Native American, Native Hawaiian, and Other Pacific Islander). In addition, Apple is cultivating diverse leadership and tech talent through on-campus training, events, and programmes. In closing, the 'accelerated policy' sought by this proposal is not needed as the Company has already demonstrated its commitment to a holistic view of inclusion and diversity.

**PIRC Analysis:** The Proponent raises fair concerns around diversity at senior level in the technology industry. PIRC supports moves that actively promote diversity at all levels since this can create a wider talent pool from which companies can draw to the long-term benefit of shareholders and we accept the Proponent's view of the benefits of diversity. We are, however, concerned at the use of the word "required" in the resolution since this implies the application of recruitment or promotion quotas or other forms of "positive discrimination", which may breach national employment laws. We are particularly concerned that the identification of specific ethnic groups in the resolution could be taken as being discriminatory against members of other ethnic groups. On this basis, shareholder are advised to oppose.

Vote Cast: *Oppose*

Results: For: 4.7, Abstain: 4.4, Oppose/Withhold: 90.9,

#### *7. Shareholder Resolution: Proxy Access*

**Proposed by:** James McRitchie.

The Proponent asks the Board of Directors to amend its "Proxy Access for Director Nominations" bylaw, and any other associated documents, to include essential elements for substantial implementation to better facilitate meaningful proxy access by more shareholders as follows: 1. The number of "Shareholder Nominees" eligible to appear in proxy materials shall be 25% of the directors then serving or 2, whichever is greater. Current bylaws restrict Shareholder Nominees to 20% of directors. Under the current 8-member board, shareholder nominees are currently limited to nominating one. Any shareholder nominee elected under the current bylaws could

be easily isolated. 2. No limitation shall be placed on the number of shareholders that can aggregate their shares to achieve the 3% "Ownership Requirements" for "Eligible Shareholders." Under current provisions, even if the 20 largest public pension funds were able to aggregate their shares, they would not meet the 3% criteria at most of companies examined by the Council of Institutional Investors. Allowing an unlimited number of shareholders to aggregate shares will facilitate participation by individuals and institutional investors in meeting the Ownership Requirements. 3. No limitation shall be imposed on the re-nomination of "Shareholder Nominees" based on the number or percentage of votes received in any election. Such limitations do not facilitate the shareholders' traditional state law rights and add unnecessary complexity.

**Proponent's Supporting Argument:** The Proponent argues that "proxy access would "benefit both the markets and corporate boardrooms, with little cost or disruption," raising US market capitalization by up to \$140.3 billion". Although the Company's board adopted a proxy access bylaw in 2015, it contains troublesome provisions, as outlined above, that significantly impair the ability of shareholders to participate as Eligible Shareholders, the ability of Shareholder Nominees to effectively serve if elected, and the ability of Shareholder Nominees to run again if they receive less than 25% of the vote. Adoption of all the requested amendments would largely remedy these issues and would better ensure meaningful proxy access by more shareholders.

**Board's Opposing Argument:** The Board recommends a vote against this proposal as it has already adopted proxy access for director nominations and therefore, this proposal would be unnecessary. The Board states that it closely monitors proxy access developments and in December 2016 as a result of engagement with its largest shareholders, governance experts, and advisers made the following changes: Apple no longer requires shareholders who nominate a proxy access candidate to recall loaned shares and hold them through the annual meeting; Apple increased the availability of proxy access by limiting the circumstances under which the maximum number of proxy access candidates is reduced; shareholders may now re-nominate a proxy access candidate regardless of the level of support received at the annual meeting; Apple has extended the deadline by which nominating shareholders and proxy access candidates must provide certain information to Apple to ten business days from five business days; Apple has narrowed the scope of a nominating shareholder's indemnification obligations to legal and regulatory violations arising out of a nominating shareholder's actions or communications with Apple shareholders or out of information provided by a nominating shareholder to Apple; and Apple has limited the discretion of the Board to unilaterally interpret the proxy access provisions.

**PIRC Analysis:** The Company appears to have amended its bylaws to meet what it considers market best practice. This can be seen by the fact that the Company has already implemented point three of the Proponent's request. The move is welcomed, but there is still a concern that even if the 20 largest public pension funds were able to aggregate their shares, they would not meet the 3% criterion at most of companies examined by the Council of Institutional Investors (including Apple). On this basis, shareholders are advised to vote in favour.

Vote Cast: *For*

Results: For: 31.7, Abstain: 0.7, Oppose/Withhold: 67.6,

#### *8. Shareholder Resolution: Engage Outside Independent Experts for Compensation Reforms*

**Proposed by:** Jing Zhao.

The Proponent recommends that Apple Inc. engage multiple outside independent experts or resources from the general public to reform its executive compensation principles and practices.

**Proponent's Supporting Argument:** According to Apple Notice of 2016 Annual Meeting of Shareholders, "Since 2014, the Compensation Committee has engaged the services of Pay Governance LLC, on matters for which the Compensation Committee is responsible." (p.26). However, any single consulting firm cannot represent the general public, such as independent scholars, think tanks, unions and academic societies, to advise fair, just and ethical compensation principles. The failure of our executive compensation principles and practices is clearly shown in the same \$1,000,000 salary, the same \$20,000,105 stock award and the same \$4,000,000 non-equity incentive plan compensation each in 2015 to our five of six named executive officers (p.35). What is use of the Compensation Committee when it could not differentiate the contribution of the tremendously different functions of the CFO, the Retail and Online Stores SVP, the Internet Software and Services SVP, the Hardware Engineering SVP and the Secretary of the Company. For the purpose of this proposal, the Board and the Compensation Committee have the flexibility to select multiple independent experts or sources.

**Board's Opposing Argument:** The Company's executive compensation programme is designed to attract, motivate, and retain a talented, entrepreneurial, and



creative team of executives who will provide leadership for Apple's success in dynamic and competitive markets. Internal pay equity among its executive officers does not demonstrate a failure of compensation principles and practices; rather, it is a hallmark of the team-based approach of the Company's executive compensation programme. The executive officers are expected to operate as a high-performing team, and the Company believes that generally awarding the same base salary, annual cash incentive, and long-term equity awards to each of the executive officers, other than the CEO, successfully supports this goal. Each year, the Compensation Committee conducts a review of Apple's executive compensation program and takes into account numerous factors, including the advice of its independent compensation consultant, management recommendations, pay practices and program designs at peer companies, shareholder feedback, and the Compensation Committee's own business judgement, which is informed by the significant experience of its members. Shareholders also have an opportunity each year to cast an advisory vote on the compensation of our named executive officers, the results of which the Compensation Committee considers each year when reviewing our executive compensation programme. The Company believes that the current programme is in-line with shareholder interest and is reflected by the fact that 95% of votes cast on the say-on-pay proposal was in favour.

**PIRC Analysis:** Many commentators have noted legitimate concerns over how large corporations such as Apple affect the lives of people in the communities in which they operate. The apparent remoteness and seeming lack of accountability to those communities have been creating social and political unrest that could undermine the legitimacy of their 'licence to operate' and provoke a damaging backlash. Excessive remuneration practices of such corporations can increase the sense of alienation from members of the public that could ultimately be damaging to business. In this context, a shareholder call for wider consultation on a corporation's pay practices could be seen in a very positive light. However, the resolution provides for the engagement of outside agencies to "reform" compensation practices. In PIRC's view the legitimate route would be to use outside consultation to "inform" such practices, with responsibility for implementation (in line with shareholders' interests) lying with the board, or with shareholders in general meeting. Accordingly the resolution cannot be supported and a vote against is recommended.

*Vote Cast: Oppose*

*Results: For: 2.2, Abstain: 0.7, Oppose/Withhold: 97.1,*

#### *9. Shareholder Resolution: Retention of Equity Awards*

**Proposed by:** Kenneth Steiner.

The Proponent urges that the executive pay committee adopt a policy requiring senior executives to retain a significant percentage of stock acquired through equity pay programs until reaching normal retirement age and to report to shareholders regarding the policy before the Company's next annual meeting. For the purpose of this policy, normal retirement age would be an age of at least 60 and be determined by the executive pay committee. Shareholders recommend a share retention percentage requirement of 75% of net after-tax shares.

**Proponent's Supporting Argument:** This single unified policy shall prohibit hedging transactions for shares subject to this policy which are not sales but reduce the risk of loss to the executive. Otherwise our directors might be able to avoid the impact of this proposal. This policy shall supplement any other share ownership requirements that have been established for senior executives, and should be implemented without violating current company contractual obligations or the terms of any current pay or benefit plan. Requiring senior executives to hold a significant portion of stock obtained through executive pay plans would focus our executives on our company's long-term success. A Conference Board Task Force report stated that hold-to-retirement requirements give executives 'an ever-growing incentive to focus on long-term stock price performance'.

**Board's Opposing Argument:** Apple believes that its long-term success depends largely on its ability to attract and retain a high-performing executive team. Experienced personnel in the technology industry are in high demand, and competition for executive talent is intense. A policy that would require senior executives to hold 75% of the net after-tax shares from their equity awards until reaching normal retirement age is excessive, not consistent with current practice among its peer groups, and would put Apple at a competitive disadvantage for recruiting and retaining talented executives. The Board believes that the Compensation Committee is the governing body best suited to formulate Apple's executive compensation policies. As described in the Compensation Discussion and Analysis, the Company's executive compensation program emphasises long-term shareholder value creation by using both time-based and performance-based restricted stock units (RSUs) to deliver long-term compensation incentives. The Compensation Committee believes this is the most effective way to attract and retain a talented executive team and align executives' interests with those of shareholders. As a result, Apple's executive compensation program is weighted considerably toward long-term equity awards

rather than cash compensation and our executives hold significant unvested RSUs at any particular time. The Compensation Committee believes that this practice creates a substantial retention incentive, encourages executives to focus on Apple's long-term success, and aligns executives interests with the long-term interests of shareholders.

**PIRC Analysis:** While the principle of increasing the retention period on stock granted through the LTIP is considered to be positive, requiring the executives to retain 75% of the equity awards granted to them until retirement is considered too stringent, and would put the Company at a disadvantage when hiring new talent. Further, given the size of the equity grants (the quantum being a separate issue to this proposal), the executives would quickly own large percentages of the Company, with the Company needing to issue more shares to meet demand (resulting in dilution for existing shareholders). On this basis, shareholders are advised to oppose.

Vote Cast: *Oppose*

Results: For: 24.1, Abstain: 0.7, Oppose/Withhold: 75.2,

## THE ALLIANCE TRUST PLC EGM - 28-02-2017

### 1. *Approve Related Party Transaction*

**Introduction:** As announced on 27 January 2017, the Board is proposing to acquire from Elliott International L.P., the Liverpool Limited Partnership and Elliott Associates L.P. (collectively "Elliott", the Company's largest beneficial shareholders, holding 19.82%) the 95,478,576 Ordinary Shares over which Elliott has direct control or to which it has an economic exposure (through contracts for difference, "CFDs") in five tranches each at a 4.75 per cent. discount to Net Asset Value (the "Repurchase"). As Elliott beneficially controls the voting rights over more than 10 per cent. of the Company's Ordinary Shares, the Repurchase will be a related party transaction and is therefore subject to the approval of Independent Shareholders.

**Rationale:** In December 2016, the Board stated its intention to introduce a more proactive approach to share buybacks, reflecting its determination to materially narrow the discount to net asset value at which the Ordinary Shares trade. Since that period, the Company has repurchased over 33 million Ordinary Shares and the discount has narrowed materially and at 31st January 2017 stood at 4.6 per cent. The Board reaffirms its proactive approach to buying back Ordinary Shares, and going forward is prepared to do so at or around the same discount level as that of the Repurchase, while it is in the interest of shareholders as a whole to do so.

**Recommendation:** There are concerns over the costs associated with the trust as well as the level of discount offered to Elliot. Upon engagement, the Company stated that its annual costs are estimated to increase by less than 5bps; while ongoing shareholders will enjoy a NAV uplift in excess of 100 bps. Furthermore, any shareholder, other than Elliott is able (and will continue to be able) to sell their shares back to the Company at or around a 4.75% discount. As this is not precisely the same treatment offered to Elliot, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 57.3, Abstain: 25.8, Oppose/Withhold: 16.8,

### 2. *Authorise Share Repurchase of the Company's ordinary shares of 2.5 pence*

Shareholders are being asked to approve the repurchase of the Company's shares of 2.5 pence, up to a maximum number of 95,478,576 shares. This purchase is in accordance with the repurchase agreement entered into between the Company and Elliot (see resolution one above) for cancellation. This agreement amounts to a related party transaction as Elliott beneficially controls the voting rights over more than 10 per cent. of the Company's Ordinary Shares

**Rationale:** The Board believes that the Repurchase is in the best interests of the Company and its shareholders as a whole, having regard in particular to the uplift to Net Asset Value per Ordinary Share of approximately one per cent. which will accrue to the benefit of continuing shareholders following the Repurchase and cancellation; the ability for the Company to move forward with its multi-manager proposal against the backdrop of a share register that is settled and supportive for the longer term; and the fact that the targeted total annual costs of the ongoing Company will remain competitive, targeted to be below 65 bps following the Repurchase.

**Recommendation:** In line with the vote recommendation in resolution one, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 83.1, Abstain: 0.4, Oppose/Withhold: 16.5,

## THE WALT DISNEY COMPANY AGM - 08-03-2017

### 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CED. Based on this rating, it is recommended that shareholders oppose.

Vote Cast: *Oppose*

Results: For: 83.6, Abstain: 0.5, Oppose/Withhold: 15.9,

### 5. *Shareholder Resolution: Lobbying Disclosure*

**Proposed by:** Zevin Asset Management on behalf of David Fenton, the Sisters of Saint Francis of Philadelphia, the Congregation of Sisters of St. Agnes, the Center for Community Change, and Daniel Altschuler. The Proponents request the Board of Directors to authorise the preparation of a report, updated annually, disclosing : i.) Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications; ii.) payments by the Company used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient; iii.) Company's membership in and payments to any tax-exempt organization that writes and endorses model legislation; and iv.) description of management's decision making process and the Board's oversight for making the above payments.

**Supporting Argument:** The Proponents argue that the Company spent \$7.18 million in 2014 and 2015 on federal lobbying and this figure does not include lobbying expenditures to influence legislation in states. Also, the Proponents argue that the Company will disclose its non-deductible trade association payments used for political contributions, but this does not include payments used for lobbying which leaves a serious disclosure gap, as trade associations generally spend far more on lobbying than on political contributions.

**Opposing Argument:** The Board recommends shareholders oppose and argues that the Company already provides substantial information regarding its lobbying activities through filings with the U.S. House of Representatives and the U.S. Senate and by law, the amount disclosed by the Company contains the portion of any trade association payments that are used for lobbying as disclosed to the Company by the trade associations. Also, the Board argues that many companies do not currently disclose the requested information and believes that the proposal would put the Company at a disadvantage.

**Analysis:** It is considered that the transparency and completeness of the Company's reporting on lobbying could be improved. The amount of shareholder funds involved appears to be sufficiently significant to warrant greater disclosure to shareholders. Moreover, it is to the benefit of the Company and its shareholders to be open about lobbying activities and so avoid any suspicion (and the damage that may cause to the Company's reputation) that the Company may be using shareholders' funds in an inappropriate way to gain undue influence. The request for a report is considered reasonable and support is recommended.

Vote Cast: *For*

Results: For: 32.2, Abstain: 12.5, Oppose/Withhold: 55.3,

### 6. *Shareholder Resolution: Proxy Access Amendment*

**Proposed by:** James McRitchie. The Proponent requests the Board to amend its "Proxy Access" bylaw, as follows: i.) the number of "stockholder nominees" eligible to appear in proxy materials shall be 25% of the directors then serving or 2, whichever is greater; ii.) no limitation shall be placed on the number of stockholders that can aggregate their shares to achieve the 3% "required shares" for an "eligible stockholder" ; and iii.) no limitation shall be imposed on the re-nomination of "stockholder nominees" based on the number or percentage of votes received in any election.

**Supporting Argument:** The Proponent argues that current bylaws restrict stockholder nominees to the greater of two or 20% of directors and under the current

12-member board, stockholder nominees are currently limited to nominating two. The Proponent argues that allowing an unlimited number of shareholders to aggregate shares will facilitate greater participation by individuals and institutional investors in meeting the ownership requirements.

**Opposing Argument:** The Board recommends shareholder oppose and argues that the limit of 20% of the Board (or at least two) for shareholder nominees ensures that shareholders have a meaningful right without overly disrupting the balance of characteristics the Board seeks to achieve through the regular nomination process. Also, the Board argues that the 20 shareholder limit included in the Company's proxy access bylaw is a reasonable limitation to control the administrative burden of confirming and monitoring share ownership within the group by the Company.

**Analysis:** The proposed changes are in the best interest of shareholders, and further improves shareholders ability to nominate a director. Any director put forward through the use of proxy access will still have to be voted on at the annual meeting by all shareholders. Therefore, shareholders can choose to support who they believe is the best candidate for the job, whether it be a company candidate or a shareholder candidate. Support is therefore recommended.

Vote Cast: *For*

Results: For: 26.7, Abstain: 0.8, Oppose/Withhold: 72.4,

## SSP GROUP PLC AGM - 13-03-2017

### 4. *To re-elect Vagn Sorenson*

Incumbent Chairman. Not independent upon appointment as he is a Senior Industrial Advisor with EQT Partners which has an association with the company. In addition, he has served on the Board for over nine years. There are concerns over his time commitments as he serves on the Boards of numerous companies.

Vote Cast: *Abstain*

Results: For: 79.9, Abstain: 5.2, Oppose/Withhold: 14.9,

### 18. *Meeting Notification-related Proposal*

All companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues. However, as the proposed change is permissible by the Companies Act, support is recommended.

Vote Cast: *For*

Results: For: 88.3, Abstain: 0.0, Oppose/Withhold: 11.7,

## CENTAMIN PLC AGM - 21-03-2017

### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company does not clearly disclose the proportion of women in Executive Management positions and within the whole organisation. Whilst an employment policy exists, the Company fails to adequately discuss human rights issues and the effectiveness of relevant policies, as required by the Companies Act 2006. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 89.9, Abstain: 0.1, Oppose/Withhold: 10.1,

### 3.1. *Approve the Remuneration Report*

**Disclosure:** Overall disclosure is considered acceptable.

**Balance:** The realised variable pay of the Executive Chairman, who is the highest paid director is not considered excessive as his sole reward was the annual bonus at 131% of salary. The changes in the highest paid director's total pay over the last five years are considered in line with the changes in Company's TSR performance over the same period. The salary of the Chief Executive was increased by 13% during the year under review while the average employee pay decreased, which is not acceptable.

Rating: AC.

Vote Cast: *Abstain*

Results: For: 76.4, Abstain: 0.1, Oppose/Withhold: 23.5,

#### 4.3. *Re-elect Edward Haslam*

Senior Independent Director. Considered independent. However, he is chairman of the Nomination Committee and the board has not appointed any female director. The Committee also did not set any target to improve female representation on the Board. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 60.3, Abstain: 0.0, Oppose/Withhold: 39.6,

#### 4.4. *Re-elect Trevor Schultz*

Non-Executive Director. Not considered independent as he was previously an Executive Director of the Company. However, there is sufficient independent representation on the Board. A vote in favour is recommended.

Vote Cast: *For*

Results: For: 34.4, Abstain: 1.3, Oppose/Withhold: 64.3,

#### 4.5. *Re-elect Mark Arnesen*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 78.1, Abstain: 0.0, Oppose/Withhold: 21.9,

### CREST NICHOLSON HOLDINGS PLC AGM - 23-03-2017

#### 13. *Approve the Remuneration Report*

All elements of the Single Total Remuneration Table are adequately disclosed. Next year's fees and salaries for all directors are clearly stated. Disclosure of performance conditions and targets for Annual Bonus is in line with standard practice. However, disclosure of performance conditions and targets for all outstanding LTIP awards is not clear.

The changes in CEO pay over the period since listing are not in line with the changes in Company's TSR over the same period. Maximum variable opportunity for CEO, based on current level of awards under all incentive plans, is excessive as it represents more than 200% of salary. The actual variable pay of the CEO for the year under review is above this threshold which is inappropriate. The CEO salary is also around the median when compared to other CEO salaries in the Comparator group.

Rating: BD.

Vote Cast: *Oppose*

Results: For: 40.7, Abstain: 2.9, Oppose/Withhold: 56.4,

**SVG CAPITAL PLC AGM - 30-03-2017****2. Approve the Remuneration Report**

The CEO's variable pay for the year under review represents 13.3 times her base salary which is highly excessive. A bonus of £600,000 was paid and LTIP awards with a face value of £610,000 were awarded in March 2016. The majority of the amount received by the CEO during the year was attributable to the vesting of LTIPs that were awarded in prior years. It is noted that the size of the payments under the vested LTIP awards was driven by the strong NAV and TSR performance. The performance conditions of the LTIP are not operating interdependently. Due to the HarbourVest takeover bid and the resulting sale of the Company's investment portfolio, the Board decided to allow awards granted in 2016 with a face value of £610,000 to vest early and in full. Such use of discretion is considered unacceptable. Due to the excessiveness of the variable pay arrangements of the CEO, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 71.8, Abstain: 0.0, Oppose/Withhold: 28.2,

**3. Re-elect Andrew Sykes**

Incumbent Non-Executive Chairman. Not considered independent as, until July 2014, he was an unpaid non-executive director of the Company's former investment adviser. He is also a significant shareholder. There is sufficient independent representation on the Board.

Vote Cast: *For*

Results: For: 0.8, Abstain: 0.0, Oppose/Withhold: 99.2,

**5. Re-elect David Robins**

Senior Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 87.7, Abstain: 0.0, Oppose/Withhold: 12.3,

**5. Re-elect Stephen Duckett**

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 87.7, Abstain: 0.0, Oppose/Withhold: 12.3,

**7. Re-elect Helen Mahy**

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 87.3, Abstain: 0.0, Oppose/Withhold: 12.7,

## 4 Oppose/Abstain Votes With Analysis

### SPORTS DIRECT INTERNATIONAL PLC EGM - 05-01-2017

#### 1. *Re-elect Dr Keith Hellawell*

Chairman. Independent upon appointment.

Following the annual general meeting of the Company held on 7 September 2016, Dr Keith Hellawell, Chairman of the Board, did not receive the support of a majority of independent shareholders who voted separately, as is now required under the Listing Rules. A new shareholder meeting is taking place to hold a second vote on the re-election of Dr Hellawell as a director. The Board believes that the re-election of Dr Hellawell, when combined with the appointment of David Brayshaw as independent non-executive director on 8 December 2016, will provide a balance of continuity and fresh, independent insight. The Board believes the Company will benefit from Mr Brayshaw's skill set and that his appointment will increase the independent oversight of the Company's business and operations. The Board states that is also mindful of the importance of maintaining the stability of the leadership of the Company as it seeks to implement certain improvements in working practices (announced a day before the 2016 AGM).

The Board has consistently failed to address the employment practices issues raised by some shareholders and trade unions that have also been criticised by a Parliamentary Select Committee report. Further, there appears to be lack of communication among the members of the Board, which put into question the competency of the Board as whole. Mr Hellawell failed to show leadership in a critical period for the Company, which was recently demoted from the FTSE 100 index. Since the last AGM, the retailer reported a 57% drop in first-half profits and other governance issues have been raised with regard to the Company's practices: the Company took the decision to buy a corporate plane for approximately £40 million and to enter into an agreement with Double Take Limited, a company in which Mike Ashley's daughter, is a director. Double Take will license Sports Direct exclusive rights to the cosmetic brand Sport.

It is important for the Shareholders to be confident about the Board's ability to represent their best interests and not those of the controlling shareholder. This is no longer the case with the existing Chairman and an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 80.4, Abstain: 0.7, Oppose/Withhold: 18.9,

### DOMINO'S PIZZA GROUP PLC EGM - 10-01-2017

#### 1. *Authorise Appropriation of Distributable Profits to the Payment of Distributions; Waive and Release any and all claims in connection with the dividend payments, the share buy-backs and the EBT Payment and Liabilities.*

The Board has become aware of certain technical issues in respect of the Company's procedures for the payment of certain of its dividends and the purchases of certain of its Ordinary Shares and the funding by the Company of the Employee Benefit Trust (EBT) (all together the "Relevant Distributions") in certain Relevant Financial Periods (starting from 2000 for the dividends). At the time the Company made each Relevant Distribution, it either did not have sufficient distributable profits and/or the requisite level of net assets or it had sufficient distributable profits and/or net assets but it had not prepared and filed with Companies House interim accounts showing this. Accordingly, each of the Relevant Distributions were made by the Company otherwise than in accordance with the Act. The total amount of the Relevant Distributions was approximately £84.7 million.

The Company has been advised that, as a consequence of each of the Relevant Distributions that were not made in accordance with the Act, it may have claims against past and present shareholders who were recipients of any of the Dividends and against persons who were directors of the Company at the time of payment of any of the Dividends, at the time of entry into each of the Share Buy-backs and at the time the Company incurred each of the EBT Liabilities and made the EBT Payment. Therefore, it is proposed that the Company enter into the Shareholders' Deed of Release and the Directors' Deed of Release. The consequence of the entry into of these deeds by the Company is that the Company will be unable to make any claims against: (a) the Directors and Former Directors in respect of the Relevant

Distributions; and (b) past and present shareholders of the Company who were recipients of any of the Dividends, in each case in respect of such payment being made or liability being incurred otherwise than in accordance with the Act. In addition, the Company is proposing to enter into the Buy-back Deeds with each of Numis and Altium. The purpose of the entry into of the Buy-back Deeds is to effect the lawful transfer of the Ordinary Shares that are the subject of the Share Buy-backs in accordance with the Act, thereby transferring legal and equitable title in the Ordinary Shares from the relevant Broker to the Company. The Company also proposes to enter into the EBT Deed of Release which will waive and release the Employee Benefit Trust from any and all claims which the Company has or may have in respect of requiring the repayment of the EBT Payment and Liabilities.

The Company does not clarify if payments were made with insufficient distributable reserves and, in that case, which were these transactions. However, as the resolution aims to protect the shareholders from potential future claims, an oppose vote cannot be recommended. With the lack of clarity in the wording of the resolution being an important concern, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 85.0, Abstain: 15.0, Oppose/Withhold: 0.0,

## DEBENHAMS PLC AGM - 12-01-2017

### 2. *Approve the Remuneration Report*

**Disclosure:** Overall disclosure could be improved as LTIP targets are not fully disclosed as they are deemed commercially sensitive.

**Balance:** There were no payouts to executives under the variable incentive schemes in operation. The ratio of CEO to average employee pay has been estimated and is found inappropriate at 44:1. The balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. The change to LTIP targets during the year is not deemed appropriate. The recruitment arrangements for the new CEO, Sergio Bucher are not deemed acceptable. The former CEO's remuneration on departure is considered appropriate.

Rating: BD.

Vote Cast: *Oppose*

Results: For: 95.5, Abstain: 0.0, Oppose/Withhold: 4.5,

### 4. *Elect Ian Cheshire*

Newly-appointed Chairman. Independent on appointment. However, the recruitment process that led to his appointment has not been described in the annual report.

Vote Cast: *Abstain*

Results: For: 96.7, Abstain: 1.8, Oppose/Withhold: 1.5,

### 5. *Elect Lisa Myers*

Newly-appointed independent non-executive director. However, the recruitment process that led to her appointment has not been described in the annual report.

Vote Cast: *Abstain*

Results: For: 98.1, Abstain: 1.8, Oppose/Withhold: 0.1,

### 8. *Re-elect Terry Duddy*

Senior Independent Director. Considered independent. However, it is noted he missed one audit committee meeting in the year under review and no adequate justification has been provided. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 97.2, Abstain: 1.8, Oppose/Withhold: 1.0,



### 15. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 25.00% of audit fees during the year under review and 40.00% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. While the Company explains that the audit will be put to tender in 2018, the Company has not stated if the current auditors will be excluded from this exercise.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 0.1, Oppose/Withhold: 3.0,

### 19. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.0, Oppose/Withhold: 1.9,

## **INTUIT INC. AGM - 19-01-2017**

### 1b. *Elect Scott D. Cook*

Non-Executive Director. Not independent as he is the Founder, former Chairman, CEO and President of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 99.5, Abstain: 0.0, Oppose/Withhold: 0.5,

### 1d. *Elect Diane B. Greene*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.0, Oppose/Withhold: 2.4,

### 1e. *Elect Suzanne Nora Johnson*

Lead Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.0, Oppose/Withhold: 1.8,

### 1f. *Elect Dennis D. Powell*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.3, Oppose/Withhold: 1.0,

### 1g. *Elect Brad D. Smith*

Chairman and CEO. Combined roles at the head of the Company. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.7, Oppose/Withhold: 3.1,

### 3. *Approve the Amended and Restated 2005 Equity Incentive Plan*

The Company has put forward a resolution requesting shareholders to approve the Amended and Restated 2005 Equity Incentive Plan to a.) increase the share reserve by an additional 23.11m shares; b.) reapprove the material terms of performance-based compensation for purposes of Section 162(m); and c.) amend certain terms of the 2005 Equity Incentive Plan. Under the Restated 2005 Plan, the aggregate grant date fair value of all awards granted to any non-employee director during any single calendar year, will not exceed \$625,000, with such limit to be increased an additional \$250,000 for any lead non-employee director or non-employee director who is chairman of the Board.

The Restated 2005 Plan permits the Company to grant non-qualified and incentive stock options, Stock Appreciation Rights (SARs), restricted stock awards, Restricted Stock Units (RSUs), cash-based awards to employees of the Company and its subsidiaries, non-employee directors of the Company and certain advisors and consultants of the Company and its subsidiaries. The Restated 2005 Plan will be administered by the Compensation Committee which has the power to select the individuals who receive awards, determine the number of shares covered thereby, and establish the terms of the awards. No more than 2.00m shares (3.00m for a new hire grant) may be made subject to awards to a single participant in any fiscal year. The maximum cash amount payable pursuant to all cash-based awards granted in any calendar year to any participant will not exceed \$5.00m.

As performance conditions may be attached to awards at the Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. As a result an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 76.2, Abstain: 0.1, Oppose/Withhold: 23.7,

### 4. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CEB. Based on this rating, it is recommended that shareholders oppose.

Vote Cast: *Oppose*

Results: For: 84.1, Abstain: 0.2, Oppose/Withhold: 15.8,

## MARSTON'S PLC AGM - 24-01-2017

### 2. *Approve Remuneration Policy*

**Policy changes:** The Remuneration is proposing several changes to the policy. The addition of a holding period for vested LTIP awards and the increase in shareholding requirement for the CEO are welcomed. However, the increase in the LTIP maximum 'normal' award limit from 125% to 150% of salary is considered inappropriate even if this change is not effective from 2017.

**Policy analysis:** The maximum potential variable pay for the CEO is considered excessive as it can represent more than 200% of his salary. The LTIP performance period, despite the introduction of a holding period, is not considered sufficiently long-term. The LTIP does not use interdependent performance metrics nor uses any non-financial measure. Finally, there are important concerns over the Company's contract policy. The Committee may offer, on recruitment, service contracts with up to an initial 24 month notice period which then reduce to 12 months at the end of this initial period. The length of such new contracts is considered to be excessive. To facilitate the hiring of candidates for executive positions, the Committee retains the discretion to include remuneration components or award outside the policy, which is contrary to best practice. The use of exceptional limit under the LTIP for situations such as recruitment is also not supported. On termination, the discretion to waive pro-rated vesting of outstanding LTIP awards is not acceptable.

Rating: ADE.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 1.4, Oppose/Withhold: 2.1,

#### 11. *Re-elect Catherine Glickman*

Independent Non-Executive Director. She missed two Board meetings and 2 Committee meetings during the year. This raises concerns about her aggregate time commitments. As no justification has been provided, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 97.3, Abstain: 2.4, Oppose/Withhold: 0.3,

#### 13. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 50.00% of audit fees during the year under review and 14.29% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 0.1, Oppose/Withhold: 2.3,

#### 18. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.0, Oppose/Withhold: 1.9,

#### 19. *Adopt New Articles of Association*

It is proposed to amend the Articles of Association in order to increase the total aggregate fees payable to all Directors from £500,000 to £750,000. This amendment is intended to provide sufficient headroom for the next three years (in line with the proposed new Directors' Remuneration Policy). There are no other changes proposed to the Current Articles.

The total aggregate fee paid to six Non-Executive Directors (NEDs) during the year was £440,000. The current headroom therefore does not allow for the appointment of any additional NED if needed. However, an increase of 50% is considered excessive and unnecessary, even for the next three years. On this basis, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.0, Abstain: 1.8, Oppose/Withhold: 0.2,

**MITCHELLS & BUTLERS PLC AGM - 24-01-2017****2. Approve the Remuneration Report**

**Disclosure:** All elements of each director's remuneration are disclosed. Performance conditions and targets for the annual bonus and the LTIP are adequately disclosed. All outstanding share incentive awards are stated with award dates and market prices at the date of grant.

**Balance:** The CEO did not receive any variable pay for the Year Under Review, which is welcomed. However, the changes in CEO total pay under the last five years are not considered in line with changes in TSR during the same period. The ratio of CEO pay compared to average employee pay is not considered appropriate at 39:1.

Rating: AC.

Vote Cast: *Abstain*

Results: For: 98.5, Abstain: 1.4, Oppose/Withhold: 0.1,

**4. Elect Keith Browne**

Newly appointed Non-Executive Director. Not independent as Mr. Browne is a representative of Elpida Group Limited, a significant shareholder in Mitchells & Butlers. There is insufficient independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 75.8, Abstain: 1.7, Oppose/Withhold: 22.5,

**7. Re-elect Eddie Irwin**

Non-Executive Director. Not considered to be independent as he is a nominee of Elpida Limited, a significant shareholder of the Company. There is insufficient independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 74.4, Abstain: 2.0, Oppose/Withhold: 23.6,

**8. Re-elect Bob Ivell**

Incumbent Chairman. Not considered to be independent on appointment as he has previously served in an executive capacity. He is also Chairman of Carpetright plc, a FTSE 350 company, which raises concerns about his external time commitments, as it is considered that the Chairman should be expected to commit a substantial proportion of his time to the role. Mr Ivell is also Chairman of the Nomination Committee which has not set a target to increase the level of female representation on the Board. Women represent only 9.1% of the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 93.4, Abstain: 4.5, Oppose/Withhold: 2.1,

**10. Re-elect Josh Levy**

Non-Executive Director. Not considered to be independent as he is a nominee of Piedmont Inc, a significant shareholder of the Company. There is insufficient independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 81.7, Abstain: 1.7, Oppose/Withhold: 16.6,

### 11. *Re-elect Ron Robson*

Non-Executive Deputy Chairman. Not considered independent as he is an appointee of Piedmont Inc, a significant shareholder of the Company. There is insufficient independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 74.4, Abstain: 2.0, Oppose/Withhold: 23.6,

### 15. *Appoint the Auditors*

Deloitte proposed. No non-audit fees were paid during the year under review and represent 16.67% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.9, Abstain: 1.1, Oppose/Withhold: 0.0,

## **WH SMITH PLC AGM - 25-01-2017**

### 2. *Approve the Remuneration Report*

There are significant concerns over the excessiveness of the CEO remuneration during the year under review. While his fixed pay does not raise major concern, his variable pay for the year under review, which amounts to more than 800% of his salary, is considered highly excessive. Also, the changes in the CEO pay over the last five years are not in line with Company's financial performance over the same period. Finally, the ratio of the CEO pay compared to the average employee pay is deemed highly excessive at 111:1.

Rating: AE.

Vote Cast: *Oppose*

Results: For: 95.9, Abstain: 0.0, Oppose/Withhold: 4.1,

### 10. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 4.29% of audit fees during the year under review and 28.90% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor.

Vote Cast: *Abstain*

Results: For: 98.7, Abstain: 1.3, Oppose/Withhold: 0.0,

### 12. *Approve Political Donations*

The Board is seeking authority to (a) make political donations to political parties or independent election candidates not exceeding £50,000 in total; (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and (c) incur political expenditure not exceeding £50,000 in total. The authority to expire at the next Annual General Meeting or 28 February 2018, whichever is the earlier. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the maximum limit sought under this authority is considered excessive. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 97.9, Abstain: 1.3, Oppose/Withhold: 0.8,

### 15. *Issue Shares for Cash for the purposes of financing a transaction which is determined to be an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority is sufficient enough. Best practice is to seek special authority from shareholders in relation to specific transactions if such situations arise. Otherwise, the Company should use the general authority, as described in resolution 14, to finance small transactions. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 90.2, Abstain: 1.5, Oppose/Withhold: 8.4,

### 16. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.0, Oppose/Withhold: 1.7,

## **WALGREENS BOOTS ALLIANCE AGM - 26-01-2017**

### 1j. *Elect James A. Skinner*

Executive Chairman. It is a generally accepted norm of good practice that the Chairman of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Holding an executive position is incompatible with this and a vote to Oppose is recommended.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.3, Oppose/Withhold: 1.5,

### 2. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CDB. Based on this rating, it is recommended that shareholders oppose.

Vote Cast: *Oppose*

Results: For: 94.9, Abstain: 0.6, Oppose/Withhold: 4.5,

### 3. *Appoint the Auditors*

Deloitte & Touche LLP proposed. Non-audit fees represented 32.29% of audit fees during the year under review and 22% on a three-year aggregate basis. This level of non-audit fees raises concerns about the independence of the statutory auditors. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.2, Oppose/Withhold: 1.0,

#### 4. *Approve the material terms of the performance measures under the Walgreens Boots Alliance Inc Amended and Restated 2011 Cash-Based Incentive Plan*

The Company has put forward a resolution requesting shareholders to approve the material terms of the performance measures used for incentive compensation awarded under the Walgreens Boots Alliance, Inc. Amended and Restated 2011 Cash-Based Incentive Plan, so that certain compensation paid under the Incentive Plan may qualify as performance-based compensation under Section 162(m) of the Code. The Incentive Plan is open to all officers and key employees of the Company or any of its subsidiaries or affiliates, as determined by the Incentive Plan Committee (as of September 1, 2016, approximately 38 Senior Vice President and above employees). The Incentive Plan will be administered by the Compensation Committee which has the power to construe and interpret the Incentive Plan and to make the determinations. Pursuant to the Incentive Plan, the maximum incentive award payable to any one participant for any fiscal year is \$10 million.

The Plan identifies a number of performance criteria that may be used, but leaves it to the discretion of the Committee as to which metrics are chosen. Shareholders cannot tell what performance targets (if any) would be applied to the metrics selected by the Committee. Given that, there is no meaningful way that shareholders can approve or re-approve performance criteria of which they have scant prior knowledge. Accordingly, a vote to oppose is recommended.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.3, Oppose/Withhold: 1.9,

### BLACKROCK FRONTIERS INVESTMENT TRUST PLC AGM - 31-01-2017

#### 8. *Appoint the Auditors*

EY proposed. Non-audit fees represented 34.56% of audit fees during the year under review and 27.12% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

Results: For: 89.6, Abstain: 10.4, Oppose/Withhold: 0.0,

### GREENCORE GROUP PLC AGM - 31-01-2017

#### 5. *Approve the Remuneration Report*

**Disclosure:** Overall disclosure is considered acceptable.

**Balance:** The CEO's total realised variable pay is considered excessive at 269% of salary. The CEO's salary is considered to be in the upper quartile of a peer Comparator group, which raises concern.

Rating: AD.

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

#### 6. *Approve Remuneration Policy*

**Disclosure:** Overall disclosure is considered acceptable.

**Balance:** Total potential rewards under all incentive schemes are excessive. Following the increase in the LTIP maximum opportunity from 100% to 200%, the maximum potential variable award is 350% of base salary, which is highly excessive. The Long Term Incentive Plan (LTIP) performance measures are not appropriately linked to non-financial KPIs and they are not applied interdependently, which does not meet guidelines. The performance period is three years which is not considered sufficiently long term, however a holding period of two years post vesting of LTIP awards has been introduced, which is welcomed.

**Contracts:** On termination, upside discretion can be used by the Committee when determining severance payments under the different incentive plans.  
Rating: ADC.

Vote Cast: *Oppose*

Results: For: 59.9, Abstain: 0.0, Oppose/Withhold: 40.1,

#### 10. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.0, Oppose/Withhold: 3.9,

#### 12. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 129.06% of audit fees during the year under review and 50.22% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. In addition, the current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.0, Oppose/Withhold: 1.8,

#### 14. *Amend the 2013 Performance Share Plan*

Shareholders are being asked to approve amendments to the Company's LTIP, the Greencore Group Plc 2013 Performance Share Plan. The Board are seeking shareholders' approval to amend the Rules of the Plan by: (i) increasing the maximum individual limit under the Plan in respect of a particular financial year to 200% of annual salary from 100% of annual salary; and (ii) adopting a two-year holding period on vested awards under the Plan for Executive Directors.

**Recommendation:** Overall, the amendments are not sufficient to merit support. The increase in the overall limit is not in line with best practice. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 60.7, Abstain: 0.0, Oppose/Withhold: 39.3,

### **POLAR CAPITAL GLOBAL HEALTHCARE GRWTH & INC AGM - 31-01-2017**

#### 1. *Receive the Annual Report*

The Company's investment policy disclosure is considered adequate. There is an institutional voting policy in place.

Polar Capital LLP (the Investment Manager) and its subsidiaries also provides administration and company secretarial duties to the Company. The Company made clear that the Board of Directors receives and reviews any shareholder correspondence, which is welcomed.

However, there is no evidence that ESG matters are taken into account, when making investment decisions. Dividends totalling 4.05p per share have been paid in respect of the year ended 30 September 2016. The dividend has not been put forward for shareholder approval. The legal definition for investment companies permits payments of dividend regardless of capital reserves. It is therefore considered that annual shareholder consent to dividend is a necessary safeguard and should be sought accordingly. An oppose vote is recommended.



Vote Cast: *Oppose*

Results: For: 99.5, Abstain: 0.0, Oppose/Withhold: 0.5,

#### 4. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 2.25% of audit fees during the year under review and 2.31% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. However, the current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

Results: For: 99.6, Abstain: 0.4, Oppose/Withhold: 0.0,

### BRITVIC PLC AGM - 31-01-2017

#### 3. *Approve the Remuneration Report*

**Disclosure:** All elements of each director's remuneration are disclosed. Performance conditions and targets for the annual bonus and the LTIP are adequately disclosed. All outstanding share incentive awards are stated with award dates and market prices at the date of grant.

**Balance:** The CEO variable pay for the year under review is of less than 200% of salary, which is not excessive. However, the changes in total CEO pay over the last five years are not considered in line with the changes in TSR performance over the same period. The ratio of the CEO pay compared to the average employee pay is not acceptable, at 39:1.

Rating: AD

Vote Cast: *Oppose*

Results: For: 93.4, Abstain: 0.7, Oppose/Withhold: 5.9,

#### 7. *Re-elect Gerald Corbett*

Incumbent Chairman. Not considered independent on appointment as he had received performance-related pay previously. He is also Chairman of Segro Group plc, a FTSE 350 company, which raises concerns about his external time commitments, as it is considered that the Chairman should be expected to commit a substantial proportion of his time to the role. He has also served on the Board for over nine years. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 90.2, Abstain: 9.0, Oppose/Withhold: 0.9,

#### 12. *Re-elect Ian McHoul*

Independent Non-Executive Director. There are concerns over a potential conflict of interest between his role as an Executive in a listed company and membership of the remuneration committee. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 99.5, Abstain: 0.4, Oppose/Withhold: 0.1,

#### 13. *Appoint the Auditors*

EY proposed. Non-audit fees represented 16.67% of audit fees during the year under review and 94.44% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.1, Abstain: 0.2, Oppose/Withhold: 0.7,

#### 18. *Issue Shares for Cash for the purpose of financing an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority is sufficient enough. Best practice is to seek special authority from shareholders in relation to specific transactions if such situations arise. Otherwise, the Company should use the general authority, as described in resolution 17, to finance small transactions. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 90.4, Abstain: 0.8, Oppose/Withhold: 8.8,

#### 19. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.3, Abstain: 0.1, Oppose/Withhold: 0.6,

### **PUNCH TAVERNS PLC AGM - 01-02-2017**

#### 2. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 50.00% of audit fees during the year under review and 66.67% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

#### 4. *Approve Remuneration Policy*

Maximum potential awards under all incentive schemes is considered highly excessive as it may amount to 500% of salary, in exceptional circumstances. The time-period of five years granted to reach shareholding guidelines is not considered sufficiently demanding for directors. Best practice is a minimum of shares worth 200% of salary to be built up over a period of three years or less. The Long Term Incentive Plan (LTIP) is based on the achievement of TSR performance. The use of only one performance indicator is not considered adequate. Best practice is to operate at least two different performance conditions interdependently, with at least one of the metrics being linked to non-financial indicators. The performance period is three years, without a further holding period beyond vesting, which is not considered sufficiently long-term.

There are important concerns over the Company's recruitment and termination policies. The Company has an exceptional limit of 400% of salary under the LTIP which can be used to grant a one-off incentive share award, which can be used in circumstances such as recruitment. Such additional awards for recruitment are considered inappropriate. On termination, upside discretion can be used by the Committee when determining severance payments.

Rating: ADC.

Vote Cast: *Oppose*

### *5. Approve the Remuneration Report*

Overall disclosure is appropriate.

Having regard to the strong leadership and excellent overall performance of Duncan Garrood in his first full year as Chief Executive Officer, the Remuneration Committee decided to increase his bonus award from 32.5% to 40% of salary, in line with the outcome for Steve Dando. While this payment is not considered excessive, the use of upside discretion onto an agreed bonus calculation is not considered acceptable. No other variable pay was received by the Executive Directors. The report clearly states that the annual bonus calculation can only be adjusted downwards. The annual bonus is determined by EBITDA performance relative to a sliding scale of annual targets. Once determined, the outcome is then capable of being adjusted downwards only by a factor depending on the achievement of stretching business and personal objectives. Based on this concern, an abstain vote is recommended.

Rating: BC.

*Vote Cast: Abstain*

### *6. Approve Political Donations*

Approval sought to make donations to political organisations and incur political expenditure not exceeding £150,000 in total. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. The proposed limit is considered excessive. An abstain vote is recommended.

*Vote Cast: Abstain*

### *7. Re-elect Stephen Billingham*

Chairman. Not independent upon appointment as he was initially appointed as Executive Chairman in 2013, following the departure of the CEO. He is now a non-executive Chairman as a new CEO was appointed in 2015. A Board chairman with current or former Executive responsibility is not considered appropriate for the running of the Board. An abstain vote is recommended.

*Vote Cast: Abstain*

### *13. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

## **IMPERIAL BRANDS PLC AGM - 01-02-2017**

### *2. Approve the Remuneration Report*

The CEO's Salary is approximately at median when compared to peer group. The changes in CEO salary are considered in line with the average employee pay. The changes in CEO pay over the last five years are considered in line with the Company's TSR performance over the same period. However, the CEO's realised variable

pay for the year under review is considered excessive at 383% of salary. Similarly, the CEO's current maximum variable opportunity is considered excessive as she was granted an LTIP award of 350% of salary. Finally, the Ratio of CEO pay compared to average employee pay is also inappropriate at 103:1.

Rating: BC.

Vote Cast: *Abstain*

Results: For: 93.8, Abstain: 1.0, Oppose/Withhold: 5.3,

### 3. *Approve Remuneration Policy*

Total maximum potential variable awards are considered excessive at 650% of salary for Executives. The maximum opportunity under the LTIP has been increased to 450% of salary for the CEO (formerly 350%) and 350% of salary (formerly 250% of salary) for other executives. This is a particularly unwelcome change as it further increases the excessiveness of potential awards. The performance period for the LTIP is three years which is not considered sufficiently long term however a two year holding period is in use. The Long Term Incentive Plan (LTIP) performance measures are not appropriately linked to non-financial KPIs and they are not applied interdependently, which does not meet guidelines. Directors may be entitled to a dividend income which is accrued on vesting share awards from the date of grant. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. Finally, an inappropriate level of upside discretion can be used by the Committee when determining severance payments.

The changes made to the policy during the year, such as the increase in shareholding guidelines and the post-exit shareholding requirement for the Chief Executive are welcomed. This is however considered insufficient to support the proposed policy.

Rating: ADC.

Vote Cast: *Oppose*

### 14. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 32.56% of audit fees during the year under review and 60.74% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.0, Oppose/Withhold: 3.8,

### 19. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.6, Oppose/Withhold: 1.4,

## COMPASS GROUP PLC AGM - 02-02-2017

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of each director's remuneration are disclosed. Performance conditions and targets for the annual bonus and the LTIP are adequately disclosed. All outstanding share incentive awards are stated with award dates and market prices at the date of grant.

**Balance:** The changes in CEO total pay under the last five years are considered in line with changes in TSR during the same period. However, the CEO variable pay, which represents more than 400% of his salary, is not considered acceptable. The ratio of CEO pay compared to average employee pay is also not considered appropriate at 201:1.

Rating: AD.

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 0.1, Oppose/Withhold: 5.7,

#### 10. *Re-elect John Bason*

Independent Non-Executive Director. There are concerns over a potential conflict of interest between his role as an Executive in a listed company and membership of the remuneration committee. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.7, Abstain: 1.0, Oppose/Withhold: 0.3,

#### 13. *Re-elect Ireena Vittal*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. It is also noted that shareholders' expressed some concerns (more than 10% of oppose vote) over Ms Vittal's re-election at last year's AGM. Therefore, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 59.7, Abstain: 5.8, Oppose/Withhold: 34.4,

#### 14. *Re-elect Paul Walsh*

Incumbent Chairman. Considered independent on appointment. However, there are concerns over the Chairman's potential aggregate time commitments. Therefore, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 87.1, Abstain: 6.7, Oppose/Withhold: 6.1,

#### 17. *Amend Articles: Increase Article 138 Authority*

It is proposed to increase Article 138 Authority.

The Company's Articles of Association provide that the ordinary remuneration of non-executive directors (including the Chairman) shall not exceed in aggregate £1,500,000 per annum or such higher amount as the Company may from time to time determine by ordinary resolution. To ensure that the directors do not inadvertently breach the existing £1,500,000 aggregate (which was first set in 2008) and to ensure that the Company is able to continue to recruit and retain suitable candidates, it is proposed that the authority granted to the directors by Article 138 be increased to £2,250,000.

The aggregate fees paid to the non-executive directors during the year are £1,200,000. The proposed new limit would represent a 50% increase is considered excessive without any adequate justification provided. The current headroom and the level of directors' fees are also considered sufficient. The purpose of the limit is to act as a barrier for excessive fee increases. This increase is therefore considered unnecessary and can lead to excessive payouts. It is recommended shareholders oppose.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.0, Oppose/Withhold: 1.9,

#### 21. *Issue Shares for Cash for the purpose of financing an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority is sufficient enough. Best practice is to seek

special authority from shareholders in relation to specific transactions if such situations arise. Otherwise, the Company should use the general authority, as described in resolution 20, to finance small transactions. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 93.0, Abstain: 0.2, Oppose/Withhold: 6.9,

### 22. Authorise Share Repurchase

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.7, Oppose/Withhold: 1.2,

## ABERDEEN ASSET MANAGEMENT PLC AGM - 02-02-2017

### 3. Appoint the Auditors

PwC proposed. Non-audit fees represented 43.75% of audit fees during the year under review and 34.88% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.7, Abstain: 0.8, Oppose/Withhold: 0.4,

### 13. Re-elect Mr A Suzuki

Non-Executive Director. Not considered independent as he was appointed due to business and capital alliance with Mitsubishi UFJ Trust, where he is an Executive Director. There is insufficient independence on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 0.4, Oppose/Withhold: 2.7,

### 17. Approve the Remuneration Report

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed.

**Balance:** The changes in total CEO total pay over the last five years are considered in line with the changes in TSR performance over the same period. The CEO variable pay, which represents more than 400% of his salary, is considered excessive. The ratio of CEO to average employee pay is also considered inappropriate at 29:1.

Rating: AD

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.4, Oppose/Withhold: 2.0,

### 18. Approve Remuneration Policy

**Disclosure:** Disclosure is considered acceptable. Pay policy aims and changes are fully explained in terms of the Company's objectives.

**Balance:** The maximum award in cash variable pay at 2.5x fixed pay is considered excessive and the maximum cap set in deferred shares at 7.5x of salary is also not acceptable. There are therefore concerns over total potential awards under the "Variable Pay", which is capped at 10x of salary for the CEO and the Head of

Investments. Such limit is considered inappropriate.

**Contracts:** Payments in lieu of notice are limited to base salary plus value of benefits including pension over the period. Upside discretion can be used by the Committee when determining severance payments as under the plan rules for share based entitlements.

Rating: ADC

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.4, Oppose/Withhold: 1.7,

#### *22. Issue Shares for Cash used for the purpose of financing an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority is sufficient enough. Best practice is to seek special authority from shareholders in relation to specific transactions if such situations arise. Otherwise, the Company should use the general authority, as described in resolution 21, to finance small transactions. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 84.6, Abstain: 0.0, Oppose/Withhold: 15.4,

#### *24. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

### **SCOTTISH INVESTMENT TRUST PLC AGM - 03-02-2017**

#### *12. Appoint the Auditors and Allow the Board to Determine their Remuneration*

Deloitte proposed. Non-audit fees represented 23.12% of audit fees during the year under review and 20.74% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.0, Oppose/Withhold: 2.4,

### **UDG HEALTHCARE PLC AGM - 07-02-2017**

#### *3 (a). Approve the Remuneration Report*

**Disclosure:** Overall disclosure could be improved as annual bonus targets are not fully disclosed and accrued dividends on vested awards are not separately categorised.

**Balance:** The CEO's total realised variable pay is considered excessive at 209.5% of salary. However, the balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. Termination arrangements for

the former CEO are considered appropriate.

Rating: BC.

Vote Cast: *Abstain*

Results: For: 67.8, Abstain: 14.1, Oppose/Withhold: 18.1,

### 9. *Issue Shares for Cash*

The authority sought is limited to 10% of the issued share capital and expires at the next AGM. This exceeds the recommended 5% maximum. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 1.0,

### 10. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.1, Abstain: 0.0, Oppose/Withhold: 0.9,

### 4 (j). *Re-elect Linda Wilding*

Independent non-executive director. However it is noted that she missed one audit committee meeting in the year under review and no adequate justification is provided. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.9, Abstain: 0.7, Oppose/Withhold: 0.5,

### 3 (b). *Approve Remuneration Policy*

**Disclosure:** Overall disclosure of policy is good.

**Balance:** Total potential awards under all incentive schemes are considered excessive at 250% of salary. Contrary to best practice, there is no deferral period for the annual bonus. The LTIP in operation does not meet best practice.

**Contracts:** No mitigation statement is made. Upon recruitment, the Committee retains the discretion to propose remuneration arrangements outside the remuneration policy but limited to 300% of salary. This is not considered appropriate.

Rating: ADD.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

## VICTREX PLC AGM - 08-02-2017

### 3. *Approve Remuneration Policy*

**Disclosure:** Disclosure is considered acceptable.

**Balance:** The deferral period for the Annual Bonus is not considered sufficient, as 50% of the bonus should be deferred instead of 25%. There are no non-financial



performance criteria used as measures for the LTIP, contrary to best practice. The performance conditions are not concurrent. The performance period for the LTIP is three years which is too limited. However, the holding period of two years is welcome. The CEO total pay is considered potentially excessive as the variable element of his remuneration can represent up to 275% of his base salary (325% in "exceptional circumstances").

**Contracts:** The discretion given to the Board in awarding additional cash and/or share-based payments under certain conditions when recruiting a new executive raises concern. The remuneration Committee also has discretion to determine that LTIP awards vest at a later date (than the date of termination of contract) and/or to disapply the time pro-rating element of the termination award.

Rating: ADD

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.0, Oppose/Withhold: 3.8,

#### 14. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 23.75% of audit fees during the year under review and 33.04% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.0, Oppose/Withhold: 3.9,

#### 19. *Issue Shares for Cash for the purpose of financing an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority is sufficient enough. Best practice is to seek special authority from shareholders in relation to specific transactions if such situations arise. Otherwise, the Company should use the general authority, as described in resolution 18, to finance small transactions. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 87.3, Abstain: 0.0, Oppose/Withhold: 12.7,

#### 20. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.0, Oppose/Withhold: 3.0,

### THOMAS COOK GROUP PLC AGM - 09-02-2017

#### 3. *Approve Remuneration Policy*

**Disclosure:** Disclosure is considered acceptable. Pay policy aims are fully explained in terms of the Company's objectives.

**Balance:** The deferral period is not considered sufficient, as 50% of the bonus should be deferred instead of one-third. There are no non-financial performance criteria used as measures for the PSP, contrary to best practice. The performance conditions are not concurrent. The performance period for the PSP is three years which is too limited. However, the introduction of a two-year holding period is welcome. Malus and clawback may apply. It is noted that the Remuneration Committee introduced

a new Strategic Share Incentive Plan (SSIP). The addition of new plan is not considered appropriate, as it adds unnecessary complexity to the remuneration.

**Contracts:** The CEO and CFO are currently on a 6 months notice period. A notice period of 24 months which will reduce by one month for every month served, until the Company's policy position (6 months notice) is reached. If the Company terminates the employment of the Executive Director with immediate effect, a payment in lieu of notice may be made. This may include base salary, pension and benefits. Annual Bonus and LTIP will be pro-rated for good leavers.

Rating: ACB

Vote Cast: *Abstain*

Results: For: 77.4, Abstain: 1.2, Oppose/Withhold: 21.4,

#### 18. *Approve the 2017 Performance Share Plan*

It is proposed to approve the 2017 Performance Share Plan.

The maximum limit is set at 200% of salary. Vesting of awards is subject to a three-year performance period, a two year post-vesting holding period has been introduced. The performance measures for the PSP will be a combination of financial measures and share pricebased measures, measured over at least a three-year performance period. Normally, the weightings will be as follows: at least 40% will be based on financial measures; at least 40% will be based on share price-based measures; and the remaining 20% may be based either on financial or share price-based measures. For achievement of a "threshold" performance level, no more than 25% of each respective element of the award will vest. For achievement of a "maximum" performance level, 100% of each respective element of the award will vest. Normally, there will be straight-line vesting for any performance level between "threshold" and "maximum".

Malus and clawback may apply.

However, it is noted that there are no non-financial performance criteria used as measures for the PSP, contrary to best practice. The performance conditions are also not concurrent. Maximum awards of 200% of salary when combined with Annual bonus can lead to excessive payouts. Furthermore, LTIP schemes are not considered an effective means of incentivising performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.1, Abstain: 0.0, Oppose/Withhold: 4.9,

#### 19. *Approve the 2017 Strategic Share Incentive Plan*

It is proposed to approve the 2017 Strategic Share Incentive Plan (SSIP).

An individual Executive Director can only participate in the SSIP once every four years. Awards will be subject to (i) a performance condition measuring strategic targets over at least two years and (ii) a performance condition relating to the Company's TSR measured over a period of at least three years.

The participation in the SSIP precludes participation in the PSP (or any other long-term incentive plan) in respect of that particular financial year. An initial share based award may be made based on the achievement against predefined strategic performance target(s) assessed over a period of at least two financial years. The number of shares in the initial share based award will be determined following the assessment of the strategic target(s); this initial share based award will be subject to a TSR multiplier measured over three years commencing in the year the individual is invited to participate in the SSIP. Awards will be subject to an additional holding period following the end of the TSR performance period. The Committee has full discretion to amend the level of vesting (upwards or downwards); and the award will lapse if the participant leaves employment before the initial share based award is made, unless there are specific good leaver circumstances. If the participant leaves employment following the grant of the initial share based award, the award will subsist on its original terms unless the Committee determines otherwise. Claw-back and malus provisions will apply.

However, it is noted that there are no non-financial performance criteria used as measures for the SSIP, contrary to best practice. The performance conditions are also not concurrent. Maximum awards of 150% of salary when combined with Annual bonus can lead to excessive payouts. Furthermore, the use of two share plans add unnecessary complexity to the Remuneration. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 67.3, Abstain: 0.0, Oppose/Withhold: 32.7,

*21. Issue Shares for Cash for the purpose of financing an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

**PARAGON GROUP OF COMPANIES PLC AGM - 09-02-2017**

*2. Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. All share incentive awards are fully disclosed with award dates and prices. Vesting scale for long term incentive scheme is not disclosed.

**Balance:** The changes in CEO total pay under the last five years are considered in line with changes in TSR during the same period. The CEO variable pay, which represents 240% of his salary, is considered excessive. The ratio of CEO pay compared to average employee pay is also considered inappropriate at 31:1.

Rating: BC

Vote Cast: *Abstain*

Results: For: 98.7, Abstain: 0.5, Oppose/Withhold: 0.9,

*5. Re-elect Mr R G Dench*

Incumbent Chairman. Independent upon appointment. However, he is the Chairman of the nomination committee and no target has been set to increase the level of female representation on the Board, which is currently insufficient at 12.5%. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

*9. Re-elect Mr A K Fletcher*

Non-Executive Director. Not considered to be independent as he serves as a Director of the corporate trustee of the Company's pension plan and receives additional remuneration from the sponsoring company of the pension plan. There is insufficient independence on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

*12. Re-elect Mr H R Tudor*

Non-Executive Director. Not considered to be independent as he was until 2013, an active fund manager at BlackRock, a significant shareholder of the company. There is insufficient independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

### *18. Issue Shares for Cash for the purpose of financing an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

### *3. Approve Remuneration Policy*

**Changes to the policy:** The changes proposed by the remuneration committee in this new Remuneration policy are considered mostly positive. In particular, the formal removal of matching share awards, the addition of two-year holding period under the Performance Share Plan (PSP) and the strengthening of shareholding guidelines are welcomed. However, these changes are not considered sufficient to recommend a support vote.

**Analysis:** The variable pay of the CEO is considered potentially excessive as it can represent up to 400% of base salary. No schemes are available to enable all employees to benefit from business success without subscription. There are no non-financial performance criteria used as measures for the PSP and performance conditions are not used interdependently. In addition, the performance period is three years which is not considered sufficiently long term. The introduction of a two year holding period is welcomed. However, this requirement is only for new recruits and not for existing directors which is not considered sufficient. Having significant shareholding does not mean this should be not be required from them. Similarly, material exceptions to contract policy exist for existing directors, as in the event of early termination, the current Directors' contracts provide for an additional payment of one year's bonus in lieu of notice. Also, current Executive Directors' pensions are determined under defined benefit provisions. Finally, inappropriate upside discretion can be used by the committee in the event of a termination of employment: pro-rata for time in service may be dis-applied for outstanding PSP awards at the discretion of the Committee.

Rating: ADC.

Vote Cast: *Oppose*

Results: For: 47.5, Abstain: 50.0, Oppose/Withhold: 2.5,

### *23. Remove the ratio to the fixed and variable components of remuneration for individual classified as Material Risk Takers*

It is proposed that the Company be authorised to remove the ratio to the fixed and variable components of remuneration previously approved by shareholders at the 2015 Annual General Meeting for those individuals who are classified as Material Risk Takers. At the 2015 AGM, shareholders were asked to approve a limit of 200% on the ratio of fixed to variable components of total remuneration for individuals classified as Material Risk Takers. In February 2016, the Prudential Regulation Authority and the Financial Conduct Authority confirmed in a joint statement that this requirement would not be imposed on smaller firms. As a result, Paragon Bank PLC is not required to impose a limit on variable remuneration for regulatory reasons. The Group wishes to be aligned with the prevailing regulatory environment and to have the flexibility in its remuneration arrangements to be able to respond to future developments. It is not currently proposed to make any changes to the variable pay opportunity for Material Risk Takers, or for The Paragon Group of Companies PLC's executive directors.

It is considered best practice that the variable pay does not exceed 200% of salary. The removal of this limit would allow Material Risk Takers to exceed this limit. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 49.4, Abstain: 50.0, Oppose/Withhold: 0.6,

### *20. Issue Shares with Pre-emption Rights in connection with the issue of additional Tier 1 securities*

Shareholder approval is being sought to authorise the Board to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the

Company up to an aggregate nominal amount of 28,000,000 in connection with the issue of Additional Tier 1 Securities ('AT1 Securities'), representing approximately 10% of the issued ordinary share capital of the Company, excluding treasury shares, as at 31 October 2016. This authority expires at next AGM and is in addition to the authority in resolution 16.

The use of convertible Securities is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. These securities are relatively new instruments and there are concerns that they may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Past events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of convertible securities on both their own price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 49.7, Abstain: 50.0, Oppose/Withhold: 0.3,

#### *19. Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 49.6, Abstain: 50.0, Oppose/Withhold: 0.4,

#### *21. Issue Shares for Cash in connection with the issue of additional Tier 1 securities*

Shareholder approval is being sought to authorise the Board to allot equity securities pursuant to any proposal to issue AT1 Securities, without first offering them to existing shareholders. This authorises the Board to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company on a non pre-emptive basis up to an aggregate nominal amount of £28,000,000 in connection with the issue of AT1 Securities, representing approximately 10% of the Company's issued ordinary share capital, excluding treasury shares, as at 31 October 2016. Together with resolution 20, resolution 21 is intended to provide the Board with the flexibility to issue AT1 Securities which may convert into ordinary shares in the Company. The Company states that this will allow to manage its capital in the most efficient and economic way for the benefit of shareholders.

The use of convertible Securities is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. These securities are relatively new instruments and there are concerns that they may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Past events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of convertible securities on both their own price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 49.7, Abstain: 50.0, Oppose/Withhold: 0.3,

### **EASYJET PLC AGM - 09-02-2017**

#### *2. Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. Performance conditions and targets for the annual bonus and the LTIP are disclosed. However, it is noted that the 2017 LTIP targets for the ROCE element were significantly reduced, which is of concern. The target range was reduced from 15%-20% to 9%-13% (between threshold and maximum performance). The Committee stated that the range of ROCE targets is set to be at least as demanding as

those set in prior years.

**Balance:** The changes in total CEO total pay over the last five years are considered in line with the changes in TSR performance over the same period. The CEO variable pay, which represents less than 200% of her salary, is considered acceptable. The ratio of CEO to average employee pay is considered appropriate at 19:1. There are concerns over the first share award paid to Andrew Findlay. It is noted that part of this buyout award was paid during the year totalling £613,000. This includes £311,837 cash pay-out as well as 22,762 shares which vested on 7 August 2016 (share price of £10.35) and a further 4,680 shares, which was due to vest on 17 December 2016 based on performance measured to 30 September 2016. This first share award does not appear to have been subject to any EasyJet's performance conditions, which is not best practice.

Rating: AC

Vote Cast: *Abstain*

Results: For: 83.3, Abstain: 9.5, Oppose/Withhold: 7.2,

#### 4. *Re-elect John Barton*

Incumbent Chairman. Independent upon appointment. However, he is also Chairman of Next plc, a FTSE 100 company. This raises concerns about his external time commitments, as the Chairman should be expected to commit a substantial proportion of his time to the role. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 89.4, Abstain: 0.6, Oppose/Withhold: 10.1,

#### 13. *Appoint the Auditors*

PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 90.3, Abstain: 8.8, Oppose/Withhold: 1.0,

#### 18. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 90.0, Abstain: 9.1, Oppose/Withhold: 0.9,

### EI GROUP PLC AGM - 09-02-2017

#### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. Targets for the annual bonus (personal objectives) are not fully disclosed as they are deemed commercially sensitive.

**Balance:** The changes in CEO total pay under the last five years are considered in line with changes in TSR during the same period. The CEO variable pay during the year, which represents less than 200% of salary, is considered acceptable. The ratio of CEO pay compared to average employee pay is not considered appropriate at 23:1.

Rating: BC

Vote Cast: *Abstain*

Results: For: 96.2, Abstain: 2.4, Oppose/Withhold: 1.3,

#### 10. *Appoint the Auditors*

EY proposed. Non-audit fees represented 81.22% of audit fees during the year under review and 55.69% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.8, Abstain: 0.5, Oppose/Withhold: 3.7,

#### 14. *Issue Shares for Cash for the purpose of financing an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 75.5, Abstain: 0.5, Oppose/Withhold: 24.0,

#### 15. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.5, Oppose/Withhold: 1.9,

### **GCP INFRASTRUCTURE INVESTMENTS LTD AGM - 10-02-2017**

#### 10. *Appoint the Auditors*

KPMG proposed for its first re-election. Non-audit fees represented 28.85% of audit fees during the year under review. This level of non-audit fees raises some concerns about the independence of the statutory auditor. An abstain vote is therefore recommended.

Vote Cast: *Abstain*

Results: For: 89.3, Abstain: 10.4, Oppose/Withhold: 0.3,

### **ACCENTURE PLC AGM - 10-02-2017**

#### 1b. *Elect Charles H. Giancarlo*

Independent Non-Executive Director. However, there are concerns over his aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 99.3, Abstain: 0.3, Oppose/Withhold: 0.4,

#### 1g. *Elect Pierre Nanterme*

Chairman and CEO. Combined roles at the head of the Company. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.6, Abstain: 0.7, Oppose/Withhold: 2.7,

#### 2. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: DDB. Based on this rating, it is recommended that shareholders oppose.

Vote Cast: *Oppose*

Results: For: 95.2, Abstain: 0.5, Oppose/Withhold: 4.3,

#### 4. *Appoint the Auditors and Allow the Board to Determine their Remuneration*

KPMG LLP proposed. Non-audit fees represented 9.56% of audit fees during the year under review and 9% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditors. However, the current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.7, Abstain: 0.4, Oppose/Withhold: 0.9,

#### 7. *Determine Price range for Re-allotment of Treasury Shares*

The Board requests shareholders to authorise the price range at which the Company may re-allot any shares held in treasury as new shares of the Company. The authority provides that the minimum and maximum prices at which a treasury Class A ordinary share may be re-allotted are 95% and 120%, respectively, of the closing market price of the Class A ordinary shares on the NYSE the day preceding the day on which the relevant share is re-allotted. The authorisation expires after 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.1, Oppose/Withhold: 0.8,

### SHAFTESBURY PLC AGM - 10-02-2017

#### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. All share incentive awards are fully disclosed with award dates and prices.

**Balance:** The changes in total CEO total pay over the last five years are considered in line with the changes in TSR performance over the same period. The ratio of CEO to average employee pay is considered appropriate at 6:1. However, the CEO variable pay, which represents more than 200% of his salary, is not considered



acceptable.  
Rating: AC

Vote Cast: *Abstain*

Results: For: 98.6, Abstain: 0.7, Oppose/Withhold: 0.7,

#### 18. *Issue Shares for Cash for the purpose of financing an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 0.4, Oppose/Withhold: 3.2,

#### 19. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 1.0,

### **INFINEON TECHNOLOGIES AG AGM - 16-02-2017**

#### 5. *Appoint the Auditors*

KPMG proposed. Non-audit fees were approximately 25.29% of audit fees during the year under review. Non-audit fees over a three year basis were approximately 15.16% of audit fees. There are concerns that this level of non-audit fees creates a potential for conflict of interest on the part of the independent auditor. The auditors' tenure is less than five years, which meets the guidelines. However, an abstain vote on the resolution is recommended based on the concerns over the level of non-audit fees.

Vote Cast: *Abstain*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

### **BERKELEY GROUP HOLDINGS PLC EGM - 23-02-2017**

#### 1. *Approve Remuneration Policy*

The Remuneration Committee is proposing that Buy-Backs be included in the LTIP Performance Measurement, in addition to the current existing measure which based on dividend payments. This seems to make the vesting of the LTIP awards easier as it can be achieved through both dividend payments and buy-backs. Also, buy-backs are generally not considered as an appropriate mean of returning money to shareholders and its use as a performance metric is therefore not supported. Overall, both dividend and buy-backs should not be used as a basis to incentivise and drive executive pay. In addition, the Company is proposing to individual introduce remuneration caps on the value provided to executive directors under the new Remuneration Policy each year. The proposed LTIP cap for the Executive Chairman is

£8,000,000 which is still considered excessive. In the operation of the LTIP Cap where options have vested as a result of the performance conditions being met but the value is capped in a given year, the balance of the options will be banked and carried forward. This raises important concerns as it could lead to the Executive Chairman getting rewarded even in years where the Company would be underperforming. Based on the first vesting of options under the 2011 LTIP which occurred on 30 September 2016 and amounts to £26 million for Mr Pidgley, this means the £18 million above the cap would be carried forward for future years.

The LTIP performance metrics are not considered appropriate. Maximum potential awards under the proposed policy are considered highly excessive. In particular any amount above the cap is carried forward which is not supported. Best practice would be for the Company to review its pay model thoroughly in order to further reduce the amounts paid to directors and consider additional performance metrics. An oppose vote is therefore recommended.

Rating: AEC.

Vote Cast: *Oppose*

Results: For: 95.5, Abstain: 1.8, Oppose/Withhold: 2.7,

### *2. Amend the 2011 Long Term Incentive Plan*

The Remuneration Committee is proposing that Buy-Backs be included in the LTIP Performance Measurement, in addition to the current existing measure which based on dividend payments. It is also proposed to implement an individual cap (£8m for the Executive Chairman) on LTIP payments. Any amount in excess of the individual cap would be carried forward, which is unacceptable. In line with the recommendation on resolution 1, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 91.6, Abstain: 1.8, Oppose/Withhold: 6.6,

### *3. Approve Increase in Non-executives Fees*

It is proposed that the aggregate fees for non-executive directors be increased from £500,000 to £1,000,000. The Company explains that it is important that the Board retains sufficient flexibility for the future and states that the proposed increase would provide sufficient headroom for future years. An aggregate fee of £497,750 was paid to non-executive directors in 2015/16. An increase in the aggregate cap is therefore considered acceptable. However, increasing this limit by 100% is deemed excessive. An abstain vote is therefore recommended.

Vote Cast: *Abstain*

Results: For: 96.9, Abstain: 2.6, Oppose/Withhold: 0.5,

## **THE SAGE GROUP PLC AGM - 28-02-2017**

### *3. Re-elect Mr D H Brydon*

Incumbent Chairman. Independent upon appointment. However, Mr. Brydon is also Chairman of another FTSE 100 company, London Stock Exchange Plc. It is considered that a chair cannot effectively represent two corporate cultures. The possibility of having to commit additional time to the role in times of crisis is ever present. Given this, a Chairman should focus his attention onto only one FTSE 350 Company. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.4, Abstain: 0.6, Oppose/Withhold: 2.9,

### *7. Re-elect Mr J Howell*

Independent Non-Executive Director. There are concerns over a potential conflict of interest between his role as an Executive in a listed company and membership of the remuneration committee. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 97.6, Abstain: 0.8, Oppose/Withhold: 1.5,

#### 11. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. Targets for the annual bonus are not disclosed as they are considered commercially sensitive.

**Balance:** The CEO's salary is considered in the upper quartile of a peer comparator group. The ratio of CEO pay compared to average employee pay is not considered appropriate at 36:1. It is also noted that the highest paid executive during the year is Steve Hare, the CFO. His variable pay represents more than 400% of his salary, which is excessive.

Rating: AD

Vote Cast: *Oppose*

Results: For: 90.9, Abstain: 0.1, Oppose/Withhold: 9.1,

#### 14. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

### APPLE INC AGM - 28-02-2017

#### 1.03. *Elect Al Gore*

Non-Executive Director. Not considered independent owing to a tenure of over nine years There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 97.3, Abstain: 0.2, Oppose/Withhold: 2.5,

#### 1.05. *Elect Andrea Jung*

Non-Executive Director. Not considered independent owing to a tenure of over nine years There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 95.2, Abstain: 0.4, Oppose/Withhold: 4.5,

#### 1.06. *Elect Art Levinson*

Non-Executive Director. Not considered independent owing to a tenure of over nine years There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.2, Oppose/Withhold: 1.6,

#### 1.08. *Elect Sue Wagner*

Non-Executive Director. Not considered independent as she is a Director and Co-Founder of BlackRock, which owns approximately six percent of the Company's outstanding share capital. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.2, Oppose/Withhold: 0.3,

## 2. *Appoint the Auditors*

EY proposed. Non-audit fees represented 14.23% of audit fees during the year under review and 16.68% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

Results: For: 98.8, Abstain: 0.4, Oppose/Withhold: 0.8,

## 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CDC. Based on this rating, it is recommended that shareholders oppose.

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 0.5, Oppose/Withhold: 4.7,

## 5. *Shareholder Resolution: Disclose Charitable Contributions*

**Proposed by:** National Center for Public Policy Research.

The Proponent requests that the Company provide an annual report, omitting proprietary information and at reasonable cost, disclosing: the Company's standards for choosing recipients of company assets in the form of charitable contributions; the business rationale and purpose for each of the charitable contributions, if any; personnel participating in the decision to contribute; the benefits to society at-large produced by company contributions; and a follow-up report confirming the contribution was used for the purpose stated. The report should be published on the Company's website.

**Proponent's Supporting Argument:** Absent a system of accountability and transparency, some donated assets may be misused and potentially harm the Company's reputation and shareholder value. Current disclosure is insufficient to allow the Company's Board and shareholders to evaluate the use of corporate assets by outside organisations. For example, the Company has donated to the Center for American Progress (CAP) – an openly left-wing organisation that, as reported by the Washington Post, made statements the head of the Anti-Defamation League called "anti-Semitic and borderline anti-Semitic." Many support CAP's leftist policy work, many others do not. Most Americans would acknowledge that donating to an extremely ideological organisation in this highly polarised political climate is controversial. Fuller disclosure would provide enhanced feedback opportunities from which our company could make more fruitful decisions. Corporate philanthropy should be transparent to better serve the interests of the shareholders.

**Board's Opposing Argument:** Apple already provides detailed information about its core values and its most significant charitable contributions on the Company's website at [apple.com/diversity/creating-opportunities](http://apple.com/diversity/creating-opportunities) and [apple.com/product-red](http://apple.com/product-red). Apple's largest charitable contributions, which are made only following extensive internal vetting and approval from one or more of its executive officers, focus on some of the most important issues facing communities today. Apple publicly discloses detailed information about the cost and impact of these initiatives. Apple believes in leaving the world better than it found it. It actively supports its communities through philanthropic activities. The requested report would do nothing to advance these philanthropic activities, and would provide immaterial incremental additional information. Finally, the report would have limited value to shareholders.

**PIRC Analysis:** The Proponent seems to be more focused on highlighting Apple's support of left-wing charities, as opposed to having a genuine interest in the actual donations and impact to shareholder value. It is not clear how the Proponent expects Apple to evaluate 'the benefits to society at-large produced by company contributions' and 'confirming the contribution was used for the purpose stated'. Addressing all the points of this proposal would be costly and time consuming without providing significant additional information to shareholders. On this basis, shareholders are advised to oppose the resolution.

Vote Cast: *Oppose*

Results: For: 2.1, Abstain: 4.3, Oppose/Withhold: 93.6,

#### *6. Shareholder Resolution: Adopt Policy to Increase Diversity of Senior Management and Board of Directors*

**Proposed by:** Antonio Avian Maldonado.

The Proponent requests that the Board of Directors adopt an accelerated recruitment policy requiring Apple Inc. to increase the diversity of senior management and its board of directors, two bodies that presently fail to adequately represent diversity and inclusion (particularly Hispanic, African American, Native American and other people of colour).

**Proponent's Supporting Argument:** The tech industry is characterized by the persistent and pervasive under-representation of minorities and women in senior positions as detailed in a 2014 U.S. Equal Employment Opportunity Commission report. According to a USA Today analysis of 2014 Computing Research Association data, "[t]op universities turn out black and Hispanic computer science and computer engineering graduates at twice the rate that leading technology companies hire them." The Company is at an advantageous position to be a leader in promoting diversity in senior management and its board of directors, based on its size, breadth and position as one of the largest companies in the world. According to the Company's website, 'Diversity is critical to innovation and it is essential to Apple's future'. Further, the Company has stated in multiple Proxy Statements that it is 'committed to actively seeking out highly qualified women and individuals from minority groups to include in the pool from which board nominees are chosen'. Shareholders believe that companies with comprehensive diversity programs, and strong commitment to implementation, enhance their long-term value, reducing the Company's potential legal and reputational risks associated with workplace discrimination and building a reputation as a fair employer. Equally, shareholders believe the varied perspectives of a diverse senior management and board of directors would provide a competitive advantage in terms of creativity, innovation, productivity and morale, while eliminating the limitations of "group-think", as it would recognise the uniqueness of experience, strength, culture and thought contributed by each; strengthening its reputation and business.

**Board's Opposing Argument:** It states that its ongoing efforts to increase diversity are much broader than the "accelerated recruitment policy" requested by this proposal, which is focused only on Apple's senior management and Board. Apple takes a holistic view of inclusion and diversity that includes the varied perspectives of its employees as well as app developers, suppliers, and anyone who aspires to a future in tech. Apple publicly discloses information about its inclusion and diversity initiatives and detailed statistics about its progress to date at [apple.com/diversity](http://apple.com/diversity). As disclosed on this dedicated website, its hiring trends over the last three years show steady progress in attracting more women and under-represented minorities (defined as groups whose representation in tech has been historically low - Black, Hispanic, Native American, Native Hawaiian, and Other Pacific Islander). In addition, Apple is cultivating diverse leadership and tech talent through on-campus training, events, and programmes. In closing, the 'accelerated policy' sought by this proposal is not needed as the Company has already demonstrated its commitment to a holistic view of inclusion and diversity.

**PIRC Analysis:** The Proponent raises fair concerns around diversity at senior level in the technology industry. PIRC supports moves that actively promote diversity at all levels since this can create a wider talent pool from which companies can draw to the long-term benefit of shareholders and we accept the Proponent's view of the benefits of diversity. We are, however, concerned at the use of the word "required" in the resolution since this implies the application of recruitment or promotion quotas or other forms of "positive discrimination", which may breach national employment laws. We are particularly concerned that the identification of specific ethnic groups in the resolution could be taken as being discriminatory against members of other ethnic groups. On this basis, shareholder are advised to oppose.

Vote Cast: *Oppose*

Results: For: 4.7, Abstain: 4.4, Oppose/Withhold: 90.9,

#### *8. Shareholder Resolution: Engage Outside Independent Experts for Compensation Reforms*

**Proposed by:** Jing Zhao.

The Proponent recommends that Apple Inc. engage multiple outside independent experts or resources from the general public to reform its executive compensation principles and practices.

**Proponent's Supporting Argument:** According to Apple Notice of 2016 Annual Meeting of Shareholders, "Since 2014, the Compensation Committee has engaged

the services of Pay Governance LLC, on matters for which the Compensation Committee is responsible." (p.26). However, any single consulting firm cannot represent the general public, such as independent scholars, think tanks, unions and academic societies, to advise fair, just and ethical compensation principles. The failure of our executive compensation principles and practices is clearly shown in the same \$1,000,000 salary, the same \$20,000,105 stock award and the same \$4,000,000 non-equity incentive plan compensation each in 2015 to our five of six named executive officers (p.35). What is use of the Compensation Committee when it could not differentiate the contribution of the tremendously different functions of the CFO, the Retail and Online Stores SVP, the Internet Software and Services SVP, the Hardware Engineering SVP and the Secretary of the Company. For the purpose of this proposal, the Board and the Compensation Committee have the flexibility to select multiple independent experts or sources.

**Board's Opposing Argument:** The Company's executive compensation programme is designed to attract, motivate, and retain a talented, entrepreneurial, and creative team of executives who will provide leadership for Apple's success in dynamic and competitive markets. Internal pay equity among its executive officers does not demonstrate a failure of compensation principles and practices; rather, it is a hallmark of the team-based approach of the Company's executive compensation programme. The executive officers are expected to operate as a high-performing team, and the Company believes that generally awarding the same base salary, annual cash incentive, and long-term equity awards to each of the executive officers, other than the CEO, successfully supports this goal. Each year, the Compensation Committee conducts a review of Apple's executive compensation program and takes into account numerous factors, including the advice of its independent compensation consultant, management recommendations, pay practices and program designs at peer companies, shareholder feedback, and the Compensation Committee's own business judgement, which is informed by the significant experience of its members. Shareholders also have an opportunity each year to cast an advisory vote on the compensation of our named executive officers, the results of which the Compensation Committee considers each year when reviewing our executive compensation programme. The Company believes that the current programme is in-line with shareholder interest and is reflected by the fact that 95% of votes cast on the say-on-pay proposal was in favour.

**PIRC Analysis:** Many commentators have noted legitimate concerns over how large corporations such as Apple affect the lives of people in the communities in which they operate. The apparent remoteness and seeming lack of accountability to those communities have been creating social and political unrest that could undermine the legitimacy of their 'licence to operate' and provoke a damaging backlash. Excessive remuneration practices of such corporations can increase the sense of alienation from members of the public that could ultimately be damaging to business. In this context, a shareholder call for wider consultation on a corporation's pay practices could be seen in a very positive light. However, the resolution provides for the engagement of outside agencies to "reform" compensation practices. In PIRC's view the legitimate route would be to use outside consultation to "inform" such practices, with responsibility for implementation (in line with shareholders' interests) lying with the board, or with shareholders in general meeting. Accordingly the resolution cannot be supported and a vote against is recommended.

Vote Cast: *Oppose*

Results: For: 2.2, Abstain: 0.7, Oppose/Withhold: 97.1,

### *9. Shareholder Resolution: Retention of Equity Awards*

**Proposed by:** Kenneth Steiner.

The Proponent urges that the executive pay committee adopt a policy requiring senior executives to retain a significant percentage of stock acquired through equity pay programs until reaching normal retirement age and to report to shareholders regarding the policy before the Company's next annual meeting. For the purpose of this policy, normal retirement age would be an age of at least 60 and be determined by the executive pay committee. Shareholders recommend a share retention percentage requirement of 75% of net after-tax shares.

**Proponent's Supporting Argument:** This single unified policy shall prohibit hedging transactions for shares subject to this policy which are not sales but reduce the risk of loss to the executive. Otherwise our directors might be able to avoid the impact of this proposal. This policy shall supplement any other share ownership requirements that have been established for senior executives, and should be implemented without violating current company contractual obligations or the terms of any current pay or benefit plan. Requiring senior executives to hold a significant portion of stock obtained through executive pay plans would focus our executives on our company's long-term success. A Conference Board Task Force report stated that hold-to-retirement requirements give executives 'an ever-growing incentive to focus on long-term stock price performance'.

**Board's Opposing Argument:** Apple believes that its long-term success depends largely on its ability to attract and retain a high-performing executive team. Experienced personnel in the technology industry are in high demand, and competition for executive talent is intense. A policy that would require senior executives to hold 75% of the net after-tax shares from their equity awards until reaching normal retirement age is excessive, not consistent with current practice among its peer groups, and would put Apple at a competitive disadvantage for recruiting and retaining talented executives. The Board believes that the Compensation Committee is the governing body best suited to formulate Apple's executive compensation policies. As described in the Compensation Discussion and Analysis, the Company's executive compensation program emphasises long-term shareholder value creation by using both time-based and performance-based restricted stock units (RSUs) to deliver long-term compensation incentives. The Compensation Committee believes this is the most effective way to attract and retain a talented executive team and align executives' interests with those of shareholders. As a result, Apple's executive compensation program is weighted considerably toward long-term equity awards rather than cash compensation and our executives hold significant unvested RSUs at any particular time. The Compensation Committee believes that this practice creates a substantial retention incentive, encourages executives to focus on Apple's long-term success, and aligns executives interests with the long-term interests of shareholders.

**PIRC Analysis:** While the principle of increasing the retention period on stock granted through the LTIP is considered to be positive, requiring the executives to retain 75% of the equity awards granted to them until retirement is considered too stringent, and would put the Company at a disadvantage when hiring new talent. Further, given the size of the equity grants (the quantum being a separate issue to this proposal), the executives would quickly own large percentages of the Company, with the Company needing to issue more shares to meet demand (resulting in dilution for existing shareholders). On this basis, shareholders are advised to oppose.

Vote Cast: *Oppose*

Results: For: 24.1, Abstain: 0.7, Oppose/Withhold: 75.2,

## THE ALLIANCE TRUST PLC EGM - 28-02-2017

### 1. *Approve Related Party Transaction*

**Introduction:** As announced on 27 January 2017, the Board is proposing to acquire from Elliott International L.P., the Liverpool Limited Partnership and Elliott Associates L.P. (collectively "Elliott", the Company's largest beneficial shareholders, holding 19.82%) the 95,478,576 Ordinary Shares over which Elliott has direct control or to which it has an economic exposure (through contracts for difference, "CFDs") in five tranches each at a 4.75 per cent. discount to Net Asset Value (the "Repurchase"). As Elliott beneficially controls the voting rights over more than 10 per cent. of the Company's Ordinary Shares, the Repurchase will be a related party transaction and is therefore subject to the approval of Independent Shareholders.

**Rationale:** In December 2016, the Board stated its intention to introduce a more proactive approach to share buybacks, reflecting its determination to materially narrow the discount to net asset value at which the Ordinary Shares trade. Since that period, the Company has repurchased over 33 million Ordinary Shares and the discount has narrowed materially and at 31st January 2017 stood at 4.6 per cent. The Board reaffirms its proactive approach to buying back Ordinary Shares, and going forward is prepared to do so at or around the same discount level as that of the Repurchase, while it is in the interest of shareholders as a whole to do so.

**Recommendation:** There are concerns over the costs associated with the trust as well as the level of discount offered to Elliot. Upon engagement, the Company stated that its annual costs are estimated to increase by less than 5bps; while ongoing shareholders will enjoy a NAV uplift in excess of 100 bps. Furthermore, any shareholder, other than Elliott is able (and will continue to be able) to sell their shares back to the Company at or around a 4.75% discount. As this is not precisely the same treatment offered to Elliot, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 57.3, Abstain: 25.8, Oppose/Withhold: 16.8,

### 2. *Authorise Share Repurchase of the Company's ordinary shares of 2.5 pence*

Shareholders are being asked to approve the repurchase of the Company's shares of 2.5 pence, up to a maximum number of 95,478,576 shares. This purchase is in

accordance with the repurchase agreement entered into between the Company and Elliot (see resolution one above) for cancellation. This agreement amounts to a related party transaction as Elliott beneficially controls the voting rights over more than 10 per cent. of the Company's Ordinary Shares

**Rationale:** The Board believes that the Repurchase is in the best interests of the Company and its shareholders as a whole, having regard in particular to the uplift to Net Asset Value per Ordinary Share of approximately one per cent. which will accrue to the benefit of continuing shareholders following the Repurchase and cancellation; the ability for the Company to move forward with its multi-manager proposal against the backdrop of a share register that is settled and supportive for the longer term; and the fact that the targeted total annual costs of the ongoing Company will remain competitive, targeted to be below 65 bps following the Repurchase.

**Recommendation:** In line with the vote recommendation in resolution one, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 83.1, Abstain: 0.4, Oppose/Withhold: 16.5,

#### 4. *Approve change in the Company's investment mandate*

Shareholders are being asked to approve the proposed changes in the Company's investment mandate.

**Background:** On 15 December 2016, the Board announced that it had concluded its strategic review and set out proposals for a new approach to managing the Company's equity portfolio (the "Proposals"). The aim of the new approach is to increase the likelihood of consistently delivering the performance target and build on the Company's 49 year track-record of increasing dividends year on year.

**Proposed Changes:** Under the Proposals, the Company's objective will remain to generate a real return for shareholders over the long term, through a combination of capital growth and increasing the dividend. If the Proposals are approved, the Board will appoint Willis Towers Watson ("WTW"), a leading investment group, to manage the overall equity portfolio, replacing the Company's current manager, Alliance Trust Investments. WTW has assets under advice of approximately US\$2.3 trillion and over US\$87 billion of assets under management. It is stated that WTW has identified eight managers, each manager is to create a portfolio for the Company focused solely on their best ideas). The eight equity managers initially selected by WTW include: Black Creek Investment Management, First Pacific Advisors, GQG Partners, Jupiter Asset Management Limited, Lyrical Asset Management, River and Mercantile Asset Management, Sustainable Growth Advisers and Veritas Asset Management. Each of these bespoke portfolios will typically contain 20 stocks (in addition, one of the managers will manage an emerging markets portfolio of around 50 stocks) and combined will comprise the equity portfolio of the Company. WTW will maintain oversight of the overall equity portfolio, including risk management.

**Rationale:** The Company states that this distinctive approach means that every stock selected is one in which the equity managers have their highest conviction being those investments which they believe are most likely to deliver positive absolute and relative returns. The Board believes that the new investment approach will deliver improved, more consistent returns, with lower manager risk and at a competitive cost. In light of the Board's confidence in the new approach, the target for the equity portfolio to outperform the existing benchmark, the MSCI All Country World Index, will be doubled from 1 per cent. to 2 per cent. per annum, net of costs, over rolling three-year periods.

**Recommendation:** There are concerns over a potential conflict of interest as it is noted - from the press, not the Circular - that Willis Towers Watson were initially appointed as consultants to the Company to advise on restructuring options and have now been chosen to manage the Company's equity portfolio. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 70.6, Abstain: 26.4, Oppose/Withhold: 2.9,

### HARGREAVES LANSDOWN PLC EGM - 07-03-2017

1. *Ratification of the payment of unlawful dividends and appropriation of distributable profits in financial years ended 30 June 2008, 30 June 2009, 30 June 2010, 30 June 2011, 30 June 2012, June 2013, 30 June 2014, 30 June 2015 and 30 June 2016; and authorise the directors of the Company to execute the Shareholders' Deed of Release and Directors' Deed of Release.*



The Board states that it has become aware of a technical issue in respect of the payment of a number of historic dividends paid by the Company (the Relevant Distributions). The Company has always filed its statutory annual accounts on time in accordance with the requirements of the Acts, and at all times had sufficient profits and other distributable reserves to justify the Relevant Distributions. However, the Company has not satisfied the following procedural requirements of the Acts before making the Relevant Distributions:

(a) the Company did not file interim accounts at Companies House before making the Relevant Distributions in March 2008, April 2011, April 2012, April 2013 and March 2016 (the Company's previously filed accounts not showing sufficient distributable profits). In each case this constituted a procedural breach of section 838(6) of the 2006 Act (and section 272 of the 1985 Act in respect of the Relevant Distributions made in 2008) that requires a copy of the interim accounts to have been delivered to Companies House;

(b) although interim accounts were filed by the Company at Companies House prior to the Relevant Distributions paid in April 2014 and February 2015, they were prepared on a consolidated basis and did not include a Company standalone balance sheet. This is permitted under the FCA Handbook but does not satisfy the requirements of the 2006 Act to justify the payment of the Relevant Distributions (the Company's previously filed accounts not showing sufficient distributable profits), as the interim accounts did not specifically set out the distributable profits of the Company. In each case this constituted a procedural breach of section 838(1) of the 2006 Act that requires the interim accounts, which have been filed, to show the profits of the Company available for distribution; and

(c) the annual accounts for financial years ended 30 June 2008, 30 June 2009, 30 June 2010, 30 June 2011 and 30 June 2012 were circulated to members after the payment of the Relevant Distributions on 30 September 2008, 30 September 2009, 29 September 2010, 29 September 2011 and 28 September 2012 (the Company's previously filed accounts not showing sufficient distributable profits). In each case this constituted a procedural breach of section 837(1)(a) of the 2006 Act which requires that the accounts were circulated to the members, in order that they can be used to justify the payment of a dividend.

As a consequence of the Relevant Distributions having been made otherwise than in accordance with the Acts, it may have claims against past and present shareholders who were recipients of the Relevant Distributions and against persons who were directors of the Company at the time of payment of the Relevant Distributions. It is therefore proposed that the Company enter into the Shareholders' Deed of Release and the Directors' Deed of Release. The consequence of the entry into these deeds by the Company is that the Company will be unable to make any claims against: (a) the Recipient Shareholders; and (b) the Directors and Former Directors.

Prior to paying any dividend, the Company should have prepared interim accounts showing the requisite level of distributable profits and, if appropriate, net assets and filed such interim accounts at Companies House prior to making the relevant Dividend in order to satisfy the requirements of the Act (the Companies Act 2006). It is also of concern that a total of 17 dividend payments between 2008 and 2016 were in breach of the Companies Act requirements. However, as the resolution aims to protect the shareholders from potential future claims, an oppose vote cannot be recommended. On this basis, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 98.0, Abstain: 1.6, Oppose/Withhold: 0.4,*

## **THE WALT DISNEY COMPANY AGM - 08-03-2017**

### *1a. Elect Susan E. Arnold*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. Also, she is the Chair of the Compensation Committee. It is noted that the Company received an 'E' compensation rating with respect to contracts with executives. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*Results: For: 97.0, Abstain: 0.2, Oppose/Withhold: 2.8,*

### *1b. Elect John S. Chen*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 91.2, Abstain: 0.2, Oppose/Withhold: 8.5,

*1d. Elect Robert A. Iger*

Chairman and CEO. Combined roles at the head of the Company. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.5, Abstain: 0.7, Oppose/Withhold: 3.8,

*1f. Elect Fred H. Langhammer*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 0.2, Oppose/Withhold: 2.3,

*1g. Elect Aylwin B. Lewis*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 90.9, Abstain: 0.2, Oppose/Withhold: 8.9,

*1h. Elect Robert W. Matschullat*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.2, Oppose/Withhold: 2.0,

*1k. Elect Orin C. Smith*

Lead Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 0.2, Oppose/Withhold: 4.2,

*2. Appoint the Auditors*

PricewaterhouseCoopers LLP proposed. Non-audit fees represented 16.4% of audit fees during the year under review and 20% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditors. The current auditor has been in place for 79 years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.2, Oppose/Withhold: 1.5,

*3. Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects

the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CED. Based on this rating, it is recommended that shareholders oppose.

Vote Cast: *Oppose*

Results: For: 83.6, Abstain: 0.5, Oppose/Withhold: 15.9,

## SSP GROUP PLC AGM - 13-03-2017

### 2. *Approve the Remuneration Report*

**Disclosure:** Overall disclosure is acceptable.

**Balance:** The CEO's total realised variable pay is not considered excessive as the sole variable incentive payout was the annual bonus at 200% of her salary. It is noted that yet again the CEO received the maximum annual bonus possible, raising questions over how challenging the target set is. The ratio of CEO to average employee pay has been estimated and is found excessive at 138:1. The CEO's salary is considered in the higher quartile of a peer comparator group.

Rating: AD.

Vote Cast: *Oppose*

Results: For: 90.6, Abstain: 3.0, Oppose/Withhold: 6.3,

### 4. *To re-elect Vagn Sorenson*

Incumbent Chairman. Not independent upon appointment as he is a Senior Industrial Advisor with EQT Partners which has an association with the company. In addition, he has served on the Board for over nine years. There are concerns over his time commitments as he serves on the Boards of numerous companies.

Vote Cast: *Abstain*

Results: For: 79.9, Abstain: 5.2, Oppose/Withhold: 14.9,

### 5. *To re-elect John Barton as a director*

Senior Independent Director. Considered independent. However, he is Chairman of the Nomination Committee and no target has been set to increase the level of female representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 93.6, Abstain: 4.2, Oppose/Withhold: 2.3,

### 11. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 12.50% of audit fees during the year under review and 4.17% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. However, the current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 0.0, Oppose/Withhold: 2.8,

### 16. *Issue Shares for Cash in connection with an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice

would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 0.0, Oppose/Withhold: 2.8,

### 17. Authorise Share Repurchase

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 0.1, Oppose/Withhold: 2.7,

## CHEMRING GROUP PLC AGM - 17-03-2017

### 1. Receive the Annual Report

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. It is noted that the Company has not provided shareholders with an opportunity to approve dividends paid during the year. Given the lack of opportunity to approve the dividend, shareholders are recommended to oppose.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.0, Oppose/Withhold: 1.9,

### 2. Approve Remuneration Policy

**Changes to the policy:** The Remuneration Committee is proposing to replace the Annual Bonus and Long-Term incentive Plan (the PSP) by a single plan, the Chemring Incentive Plan (CIP). The maximum award level under the CIP will be 250% of salary for the Group Chief Executive and 200% for the other executive directors, reducing from 275% and 250% of salary respectively. There will be no increase in cash annual incentive opportunity under the CIP as 70% of the award will be deferred. The deferred shares will be subject to a five-year locked-in period and to a performance underpin for a three-year period.

**Analysis of the policy:** The removal of the Long-Term Incentive Plan is welcomed and so is the decrease in the maximum award opportunity. The use of a five-year locked-in period is in line with best practice. However, concerns remain over certain aspects of the policy. The maximum potential variable pay is still considered excessive. The proposed change may be also a consequence of the PSP awards not vesting during the past three years and the proposal may actually lead to a pay increase in practice for the Executives. Dividend equivalents will be awarded under the CIP, which is not supported. Finally, the discretion given to the Remuneration Committee to determine the vesting of CIP awards on termination is also excessive.

**Rating: ACC.**

Vote Cast: *Abstain*

### 3. Approve the Remuneration Report

The change in CEO total pay over the last five years is not commensurate with the change in TSR over the same period. The value of variable opportunity based on awards made during the year is approximately 250% of the base salary, which is considered excessive by PIRC. However, the value of the CEO variable pay for the

year under review is less than 200%, which is welcomed. Moreover, the ratio of CEO pay compared to average employee pay is 18:1. Termination payments made to Steve Bowers are considered acceptable.

**Rating: BC.**

*Vote Cast: Abstain*

*Results: For: 97.1, Abstain: 1.0, Oppose/Withhold: 1.9,*

#### *10. Re-elect Nigel Young*

Senior Independent Director (SID). Not considered independent as he was interim Chief Financial Officer between August 2012 and January 2013. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 91.8, Abstain: 2.5, Oppose/Withhold: 5.7,*

#### *11. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 55.56% of audit fees during the year under review and 108.00% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

*Results: For: 89.2, Abstain: 6.4, Oppose/Withhold: 4.4,*

#### *14. Approve the Chemring Incentive Plan*

The Remuneration Committee is proposing to replace the Annual Bonus and Long-Term incentive Plan (the PSP) by a single plan, the Chemring Incentive Plan (CIP), subject to shareholder approval. The removal of the long-term incentive scheme (PSP) is in line with best practice. The maximum award level under the CIP will be 250% of salary for the Group Chief Executive and 200% for the other executive directors, reducing from 275% and 250% of salary respectively. There will be no increase in cash annual incentive opportunity under the CIP as 70% of the award will be deferred. The deferred shares will be subject to a five-year locked-in period and to a performance underpin for a three-year period.

The five-year locked in period is considered appropriate. The use of Malus and Clawback is also welcomed. While the decrease in maximum variable opportunity is welcomed, this is still considered insufficient as the CEO's variable pay can represent more than 200% of his salary. Also, if the targets attached to the CIP are not sufficiently challenging, this policy change may actually lead to an increase in the variable pay of the Executive Directors (PSP awards having not vested during the past years). Also, dividend equivalents will be awarded under the CIP, which is not supported. Finally, the discretion given to the Remuneration Committee to determine the vesting of CIP awards on termination is also excessive. On balance, an abstain vote is therefore recommended.

Rating: CB.

*Vote Cast: Abstain*

#### *15. Adopt New Articles of Association*

It is proposed to adopt new articles of association for the Company (the "New Articles") in order to update the existing articles of association to reflect developments in practice, and to provide clarification and additional flexibility. The proposed changes are fully disclosed, which is welcomed. Most of the proposed changes do not raise concerns. It is noted that one of the proposed amendments relates to the increase in the maximum aggregate fee limit for Non-Executive Directors, from £500,000 to £750,000. The proposed new limit is sought to create additional flexibility to allow the Board to adjust the ordinary remuneration of the non-executive directors and to consider the appointment of additional non-executive directors. The aggregate fee paid to Non-Executive Directors during the year was £409,000. The decision to

increase the cap can be justified in case the Company increases the fee levels and/or recruits additional directors. However, the proposed increase of 50% in the cap is not considered necessary. An abstain vote is therefore recommended.

Vote Cast: *Abstain*

Results: For: 98.8, Abstain: 0.5, Oppose/Withhold: 0.8,

#### 17. *Issue Shares for Cash for the purpose of financing an acquisition or other capital investment*

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 93.0, Abstain: 0.0, Oppose/Withhold: 7.0,

#### 18. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.1, Oppose/Withhold: 0.7,

### CENTAMIN PLC AGM - 21-03-2017

#### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company does not clearly disclose the proportion of women in Executive Management positions and within the whole organisation. Whilst an employment policy exists, the Company fails to adequately discuss human rights issues and the effectiveness of relevant policies, as required by the Companies Act 2006. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 89.9, Abstain: 0.1, Oppose/Withhold: 10.1,

#### 3.1. *Approve the Remuneration Report*

**Disclosure:** Overall disclosure is considered acceptable.

**Balance:** The realised variable pay of the Executive Chairman, who is the highest paid director is not considered excessive as his sole reward was the annual bonus at 131% of salary. The changes in the highest paid director's total pay over the last five years are considered in line with the changes in Company's TSR performance over the same period. The salary of the Chief Executive was increased by 13% during the year under review while the average employee pay decreased, which is not acceptable.

Rating: AC.

Vote Cast: *Abstain*

Results: For: 76.4, Abstain: 0.1, Oppose/Withhold: 23.5,

### 3.2. Approve Remuneration Policy

**Change in policy:** A slight change in policy is the introduction of malus and clawback provisions for the LTIP in operation. The Company states that as a non-UK company it is not required to seek a binding vote for its remuneration policy but adheres to the requirement by presenting its policy annually. Whilst a commendable approach, concrete changes should be effected rather than a mechanical annual presentation of policy.

**Disclosure:** Overall disclosure is considered adequate.

**Balance:** The performance period under the LTIP is three years which is not considered sufficiently long term however half of the awards are subject to a 2 year holding period. LTIP performance conditions operate independently and not concurrently. Total potential awards under all incentive schemes are considered excessive at 275% of salary (Annual Bonus: 125% of salary. LTIP: 150% of salary).

**Contracts:** Recruitment incentives can be provided such as a service contract with a longer initial notice period, the buying out of short and/or long term incentive arrangements and a higher limit for LTIP awards. Upon a change in control, Andrew Pardey and Josef El-Raghy are entitled to payment in lieu of an amount equal to twelve months base salary plus bonus. This is excessive.

Rating: ADC.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.0, Oppose/Withhold: 2.4,

### 4.1. Re-elect Josef ElRaghy

Executive Chairman. 12 months rolling contract. He was the former Managing Director and CEO of the Company. Following the death of the group's CEO, Harry Michael, in November 2011, Mr El-Raghy had taken on the additional role of acting CEO until the appointment of Andrew Pardey in February 2015. Given the role of the chairman and non-executives in holding the executive management accountable, the board chairman should be a separate role to that of an executive director, who has operational responsibilities. However, given the de facto division of responsibilities between the CEO and chairman, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.1, Abstain: 0.1, Oppose/Withhold: 1.8,

### 4.3. Re-elect Edward Haslam

Senior Independent Director. Considered independent. However, he is chairman of the Nomination Committee and the board has not appointed any female director. The Committee also did not set any target to improve female representation on the Board. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 60.3, Abstain: 0.0, Oppose/Withhold: 39.6,

### 7.2. Issue Shares for Cash in connection with an acquisition or specified capital investment

The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.0, Oppose/Withhold: 2.1,

### 8. Authorise Share Repurchase

The authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set

forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.2, Oppose/Withhold: 0.1,

## ELECTRA PRIVATE EQUITY PLC AGM - 23-03-2017

### 1. *Receive the Annual Report*

An adequate institutional voting policy is disclosed and the company indicates that ESG matters are taken into account in investment decisions. Administration and company secretarial duties are undertaken by separate entities which is welcomed.

However, the Company has paid interim dividends during the year under review and same are not put forward for shareholder approval. The vote by shareholders on the payment of a dividend on unqualified accounts, discharges the duties of the directors in tandem with the legal responsibilities of the auditors, and reaffirms the necessity of reliably audited accounts for financial governance to function properly. Given the lack of opportunity to approve the dividend, shareholders are recommended to oppose.

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.0, Oppose/Withhold: 1.3,

### 2. *Approve the Remuneration Report*

Fees paid to all Directors have been clearly disclosed and are in line with the provisions of the Company's Articles. There is no performance related element to the Directors' remuneration. It is however noted that the fee for the Chairman appointed during the year, Neil Johnson is set at £200,000 which is significantly higher than his predecessor (£100,000). This increase is considered excessive. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.6, Oppose/Withhold: 0.3,

### 3. *Approve Remuneration Policy*

The Company's Executive Director remuneration policy is being put forward for shareholder approval.

**Disclosure:** Overall disclosure is acceptable.

**Balance:** Maximum potential awards under all incentive schemes are considered excessive at 350% of salary (450% of salary for new recruits). The use of an exceptional limit for new recruits is not supported. The policy also contains an LTIP which is not in line with best practice. The LTIP performance period is three years, which is not considered sufficiently long term however a two year holding period is in place. The LTIP has a sole performance condition: TSR performance. It is considered best practice for there to be at least two performance conditions operating interdependently. Furthermore, the LTIP should be linked to at least one non-financial performance condition. Dividend equivalent payments are permitted under policy incentive plans. Such payments misalign shareholder and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not.

**Contracts:** Executive Directors are appointed on contracts which may be terminated by either the Company or the Executive Director on six months notice. A mitigation statement is made.

Rating: ADC

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 3.3, Oppose/Withhold: 1.0,



### 12. To elect Gavin Manson as a director, conditional upon the passing of resolution 3

Shareholders are asked to approve the appointment of Gavin Manson as the CFO of the Company. However, this appointment is conditional on the passing of resolution 3, the remuneration policy vote. In line with the voting recommendation in resolution 3, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.0, Oppose/Withhold: 1.0,

### 15. Approve New Long Term Incentive Plan

Shareholders are being asked to approve the Company's Performance Share Plan which is intended to form part of the Company's Executive Director remuneration policy, and in particular as part of remuneration for the intended Chief Financial Officer.

The LTIP performance period is three years, which is not considered sufficiently long term however a two year holding period is in place. The LTIP has a sole performance condition, based on TSR performance. It is considered best practice for there to be at least two performance conditions operating interdependently. Furthermore, the LTIP should be linked to at least one non-financial performance condition. Dividend equivalent payments are permitted under policy incentive plans. Such payments misalign shareholder and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. The potential maximum award level under the plan is considered excessive at 200% of salary, particularly when considered in line with the other variable incentive plan in operation, the annual bonus. Also, the LTIP can be awarded at a higher level in exceptional circumstances such as recruitment (300% of salary). This is not considered appropriate. Finally, upside discretion can be exercised by the remuneration committee.

Rating: DA.

Vote Cast: *Oppose*

Results: For: 95.5, Abstain: 3.3, Oppose/Withhold: 1.2,

### 16. Amend Articles

It is proposed to delete the portion of Article 110 (1) which provides for specific additional amount limits which may be paid to Chairman and Deputy Chairman. The Company states that Article 110 (2) already allows additional remuneration to be paid to directors for services performed outside their ordinary duties.

In the first place, payments for additional work performed by the directors are not considered appropriate. The removal of such limits on these potential additional pay is therefore not supported. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 99.1, Abstain: 0.0, Oppose/Withhold: 0.9,

### 17. Approve Increase in Non-executives Fees

Authority is sought to increase the limit of the aggregate remuneration cap for non-executive directors from £450,000 to £750,000. The Company states that this is in order to ensure that the Directors do not inadvertently breach the existing aggregate cap and to ensure that the Company is able to continue to recruit and retain suitable candidates. The aggregate fees paid to the non-executive directors during the year are £435,000. The proposed new limit would represent a 66% increase and allow for a 72% headroom is considered excessive. While it is noted that the Company is close to reaching its current fee limit, in part due to the significant increase in the fees paid to the Chairman, the purpose of the limit is to act as a barrier for excessive fee increases. It is recommended for shareholders to oppose

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.1, Oppose/Withhold: 1.1,

### 18. Approve Political Donations

Approval sought to make donations to EU political organisations and incur EU political expenditure not exceeding £150,000 in total. The Company did not make any

political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the maximum limit sought under this authority is considered excessive. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.1, Abstain: 0.6, Oppose/Withhold: 1.3,

## CREST NICHOLSON HOLDINGS PLC AGM - 23-03-2017

### 13. *Approve the Remuneration Report*

All elements of the Single Total Remuneration Table are adequately disclosed. Next year's fees and salaries for all directors are clearly stated. Disclosure of performance conditions and targets for Annual Bonus is in line with standard practice. However, disclosure of performance conditions and targets for all outstanding LTIP awards is not clear.

The changes in CEO pay over the period since listing are not in line with the changes in Company's TSR over the same period. Maximum variable opportunity for CEO, based on current level of awards under all incentive plans, is excessive as it represents more than 200% of salary. The actual variable pay of the CEO for the year under review is above this threshold which is inappropriate. The CEO salary is also around the median when compared to other CEO salaries in the Comparator group.

Rating: BD.

Vote Cast: *Oppose*

Results: For: 40.7, Abstain: 2.9, Oppose/Withhold: 56.4,

### 14. *Approve Remuneration Policy*

The Company's previous policy was approved by shareholders in March 2014. No changes are proposed to the new policy at this AGM.

There is no maximum limit for pension contributions and benefits, which is inappropriate. Maximum potential award under all incentive plans is considered excessive as it can represent more than 200% of salary. The deferral period for the annual bonus is considered insufficient. There are concerns over features of the LTIP. Only financial performance conditions are used for the LTIP and these are not operating interdependently. Also, the vesting period is three years, without a further holding period, which is not considered sufficiently long-term. Malus and clawback provisions apply for both Annual Bonus and LTIP which is welcomed.

Finally, there are concerns over the possibility for the Remuneration Committee to use the exceptional award limit (300% of salary) under the LTIP on recruitment.

Rating: BDC.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.0, Oppose/Withhold: 3.9,

### 17. *Authorise Share Repurchase*

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 0.3, Oppose/Withhold: 2.2,

**BEAZLEY PLC AGM - 24-03-2017****1. Receive the Annual Report**

There is clear evidence that environmental and employment policies are in place. However, there are important elements missing from the strategic report. Disclosure of environmental data, and especially quantified carbon emissions, is lacking. These are disclosure requirements for all companies incorporated in the UK and should be followed by all companies listed on the FTSE All-Share Index, regardless of their country of incorporation. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

**2. Approve the Remuneration Report**

The variable pay of the CEO for the year is considered highly excessive as it amounts to 664% of salary (Annual Bonus: 279%, LTIP: 385%). Disclosure of the retrospective annual bonus targets by the Company is not clearly provided. However, the changes in CEO total pay over the last five years are considered in line with the Company's TSR performance over the same period. The ratio of CEO to average employee pay has been estimated and is found acceptable at 18:1. The CEO's salary is considered to be just above the lower quartile of a peer comparator group. The average executive director salary increase for 2017 was 2% – below the average salary increase of the organisation as a whole.

Rating: BC.

Vote Cast: *Abstain*

Results: For: 94.6, Abstain: 3.4, Oppose/Withhold: 2.0,

**3. Approve Remuneration Policy**

The CEO's maximum potential award under all incentive schemes is considered to be excessive as it can amount up to 600% of his base salary. There is no cap for the maximum potential benefits, contrary to best practice. Only NAV per share growth is used as a performance metric for the Long-Term Incentive Plan (LTIP). It is considered best practice to use two separate performance conditions which operate in a concurrent fashion. The use of a non-financial indicator for the reward of the LTIP would be welcomed. An inappropriate level of upside discretion can be used by the Remuneration Committee while determining severance payments.

Rating: ADC.

Vote Cast: *Oppose*

Results: For: 94.6, Abstain: 0.0, Oppose/Withhold: 5.4,

**19. Appoint the Auditors**

KPMG proposed. Non-audit fees represented 90% of audit fees during the year under review and 51.14% on a three-year aggregate basis. This level of non-audit fees raises concerns about the independence of the statutory auditors. Furthermore, the current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 0.0, Oppose/Withhold: 2.8,

**23. Authorise Share Repurchase**

The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.5, Oppose/Withhold: 2.0,

### **ABERDEEN DIVERSIFIED INCOME & GROWTH TR PLC AGM - 30-03-2017**

#### *11. Appoint the Auditors*

Ernst & Young LLP proposed. No non-audit fees were paid to the auditors in the past three years. However, the date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.6, Oppose/Withhold: 1.2,

### **SVG CAPITAL PLC AGM - 30-03-2017**

#### *2. Approve the Remuneration Report*

The CEO's variable pay for the year under review represents 13.3 times her base salary which is highly excessive. A bonus of £600,000 was paid and LTIP awards with a face value of £610,000 were awarded in March 2016. The majority of the amount received by the CEO during the year was attributable to the vesting of LTIPs that were awarded in prior years. It is noted that the size of the payments under the vested LTIP awards was driven by the strong NAV and TSR performance. The performance conditions of the LTIP are not operating interdependently. Due to the HarbourVest takeover bid and the resulting sale of the Company's investment portfolio, the Board decided to allow awards granted in 2016 with a face value of £610,000 to vest early and in full. Such use of discretion is considered unacceptable. Due to the excessiveness of the variable pay arrangements of the CEO, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 71.8, Abstain: 0.0, Oppose/Withhold: 28.2,

#### *8. Appoint the Auditors*

EY proposed. Non-audit fees represented 224.71% of audit fees during the year under review and 91.53% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

However, upon engagement, the Company pointed out the exceptional circumstances of the Harbourvest takeover offer. The Takeover Panel required fair value opinions before certain financial information could be published in response to the Harbourvest bid. The Company considers that it was not practical in the timeframes imposed by the Takeover Code to seek these opinions elsewhere. This explains the level of non-audit fees. Given the fact that the Company will be going into liquidation on 31 May 2017, it would not be prudent, in the opinion of the Board, to seek to appoint a new auditor at this stage. Taking into consideration these circumstances, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 95.5, Abstain: 2.0, Oppose/Withhold: 2.5,

## 5 Appendix

The regions are categorised as follows:

ASIA	China; Hong Kong; Indonesia; India; South Korea; Laos; Macao; Malaysia; Philippines; Singapore; Thailand; Taiwan; Papua New Guinea; Vietnam
SANZA	Australia; New Zealand; South Africa
EUROPE/GLOBAL EU	Albania; Austria; Belgium; Bosnia; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; France; Finland; Germany; Greece; Hungary; Ireland; Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Moldova; Monaco; Montenegro; Netherlands; Norway; Poland; Portugal; Spain; Sweden; Switzerland
JAPAN	Japan
USA/CANADA	USA; Canada; Bermuda
UK/BRIT OVERSEAS	UK; Cayman Islands; Gibraltar; Guernsey; Jersey
SOUTH AMERICA	Argentina; Bolivia; Brazil; Chile; Colombia; Costa Rica; Cuba; Ecuador; El Salvador; Guatemala; Honduras; Mexico; Nicaragua; Panama; Paraguay; Peru; Uruguay; Venezuela
REST OF WORLD	Any Country not listed above

The following is a list of commonly used acronyms and definitions.

Acronym	Description
AGM	Annual General Meeting
CEO	Chief Executive Officer
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FY	Financial Year
KPI	Key Performance Indicators - financial or other measures of a company's performance
LTIP	Long Term Incentive Plan - Equity based remuneration scheme which provides stock awards to recipients
NED	Non-Executive Director
NEO	Named Executive Officer - Used in the US to refer to the five highest paid executives
PLC	Publicly Listed Company
PSP	Performance Share Plan
ROCE	Return on Capital Employed
SID	Senior Independent Director
SOP	Stock Option Plan - Scheme which grants stock options to recipients
TSR	Total Shareholder Return - Stock price appreciation plus dividends

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