London Borough of Islington Pension Fund

PROXY VOTING REVIEW

PERIOD 1st October 2017 to 31st December 2017

Contents

1 Resolution Analysis

- Number of resolutions voted: 387 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 279
- Number of resolutions opposed by client: 82
- Number of resolutions abstained by client: 20
- Number of resolutions Non-voting: 6
- 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	29
EUROPE & GLOBAL EU	1
REST OF THE WORLD	1
TOTAL	31

1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	279
Abstain	20
Oppose	82
Non-Voting	6
Not Supported	0
Withhold	0
US Frequency Vote on Pay	0
Withdrawn	0
TOTAL	387

1.3 Number of Votes by Region

	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total
UK & BRITISH OVERSEAS	274	20	79	0	0	0	0	0	373
EUROPE & GLOBAL EU	5	0	0	6	0	0	0	0	11
REST OF THE WORLD	0	0	3	0	0	0	0	0	3
TOTAL	279	20	82	6	0	0	0	0	387

1.4 Votes Made in the Portfolio Per Resolution Category

	Portfolio						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	27	9	16	0	0	0	0
Articles of Association	3	1	0	0	0	0	0
Auditors	21	2	11	0	0	0	0
Corporate Actions	4	0	2	0	0	0	0
Corporate Donations	9	1	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	137	4	19	0	0	0	0
Dividend	18	0	0	0	0	0	0
Executive Pay Schemes	0	1	9	0	0	0	0
Miscellaneous	19	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	6	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	3	0	0	0	0	0	0
Share Issue/Re-purchase	37	0	25	0	0	0	0
Shareholder Resolution	1	2	0	0	0	0	0

1.5 Votes Made in the UK Per Resolution Category

UK

	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
Annual Reports	17	0	2	0	0	0	0
Remuneration Reports	8	6	6	0	0	0	0
Remuneration Policy	2	3	7	0	0	0	0
Dividend	17	0	0	0	0	0	0
Directors	137	4	19	0	0	0	0
Approve Auditors	6	2	11	0	0	0	0
Share Issues	35	0	1	0	0	0	0
Share Repurchases	1	0	16	0	0	0	0
Executive Pay Schemes	0	1	6	0	0	0	0
All-Employee Schemes	0	0	0	0	0	0	0
Political Donations	9	1	0	0	0	0	0
Articles of Association	2	1	0	0	0	0	0
Mergers/Corporate Actions	5	0	2	0	0	0	0
Meeting Notification related	14	0	0	0	0	0	0
All Other Resolutions	20	0	9	0	0	0	0
Shareholder Resolution	1	2	0	0	0	0	0

1.6 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	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	0	0	0	0	0	0	0
Dividend	0	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

1.7 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	0	0	0	0	0	0	0
Articles of Association	1	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	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	0	0	0	0	0
Miscellaneous	1	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	6	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	2	0	0	0	0	0	0
Share Issue/Re-purchase	1	0	0	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

1.8 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	1	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	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	2	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

1.9 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
29	7	0	7
EU			
Meetings	All For	AGM	EGM
1	0	0	0
SA			
Meetings	All For	AGM	EGM
0	0	0	0
GL			
Meetings	All For	AGM	EGM
1	0	0	0
JP			
Meetings	All For	AGM	EGM
0	0	0	0
US			
Meetings	All For	AGM	EGM
0	0	0	0
TOTAL			
Meetings	All For	AGM	EGM
31	7	0	7

1.10 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
HARGREAVES LANSDOWN PLC	11-10-2017	AGM	20	16	2	2
SKY PLC	12-10-2017	AGM	20	12	1	7
RANK GROUP PLC	19-10-2017	AGM	22	19	1	2
BHP BILLITON GROUP (GBR)	19-10-2017	AGM	23	14	1	8
RENISHAW PLC	20-10-2017	AGM	16	13	1	2
ASHMORE GROUP PLC	20-10-2017	AGM	20	12	0	8
IMAGINATION TECHNOLOGIES GROUP PLC	26-10-2017	AGM	13	8	1	4
IMAGINATION TECHNOLOGIES GROUP PLC	31-10-2017	EGM	1	1	0	0
IMAGINATION TECHNOLOGIES GROUP PLC	31-10-2017	COURT	1	1	0	0
GO-AHEAD GROUP PLC	02-11-2017	AGM	17	15	0	2
JD WETHERSPOON PLC	09-11-2017	AGM	17	13	1	3
JD WETHERSPOON PLC	09-11-2017	EGM	1	0	0	1
GALLIFORD TRY PLC	10-11-2017	AGM	19	15	0	4
SMITHS GROUP PLC	14-11-2017	AGM	21	16	1	4
BARRATT DEVELOPMENTS PLC	15-11-2017	AGM	22	16	2	4
HAYS PLC	15-11-2017	AGM	21	17	2	2
GENUS PLC	16-11-2017	AGM	16	10	0	6
CLOSE BROTHERS GROUP PLC	16-11-2017	AGM	21	15	1	5
TALVIVAARA MINING CO PLC	23-11-2017	EGM	11	5	0	0
JPMORGAN GLOBAL EMERGING MKTS INC TRUST	27-11-2017	AGM	12	10	1	1
FERGUSON PLC	28-11-2017	AGM	21	17	1	3
PREMIER OIL PLC	07-12-2017	EGM	1	1	0	0
ASSOCIATED BRITISH FOODS PLC	08-12-2017	AGM	18	13	1	4
ALDERMORE GROUP PLC	08-12-2017	COURT	1	1	0	0
ALDERMORE GROUP PLC	08-12-2017	EGM	1	1	0	0
BLACKROCK FRONTIERS INVESTMENT TRUST PLC	11-12-2017	EGM	2	2	0	0

SPORTS DIRECT INTERNATIONAL PLC	13-12-2017	EGM	2	0	0	2
BELLWAY PLC	13-12-2017	AGM	19	12	2	5
GVC HOLDINGS PLC	14-12-2017	EGM	3	0	0	3
LONDON STOCK EXCHANGE GROUP PLC	19-12-2017	EGM	1	0	1	0
ACENCIA DEBT STRATEGIES LTD	29-12-2017	EGM	4	4	0	0

2 Notable Oppose Vote Results With Analysis

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

SKY PLC AGM - 12-10-2017

3. *Approve the Remuneration Report*
The changes in CEO pay over the last five years are not considered in line with the Company's TSR performance over the same period. The CEO's total realised variable pay in the year under review is considered highly excessive at 1454% of salary. This is particularly of concern given that the performance targets attached to both the LTIP and the Annual bonus paid during the year are not disclosed, contrary to standard practice (they are only disclosed after two years). It is noted that £11,796,000 was paid to the CEO just under the LTIP. In addition, the ratio of CEO to average employee pay has been estimated and is found unacceptable at 66:1.
Rating: BE.

Vote Cast: *Oppose* Results: For: 70.4, Abstain: 0.8, Oppose/Withhold: 28.8,

12. *To re-elect James Murdoch*
Chairman. Not considered independent upon appointment as he is the former Chief Executive Officer of the Company and he is part of the controlling family and is the son of Rupert Murdoch, the ultimate controlling shareholder through 21st Century Fox. It is considered that the Chairman should not be a former Executive and should not be connected a controlling shareholder in order to protect the rights of the minority shareholders. In addition, there are concerns over his appointment as an objective nomination process was not used. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 77.2, Abstain: 1.1, Oppose/Withhold: 21.7,

RENISHAW PLC AGM - 20-10-2017

5. *Re-elect Sir David McMurtry*
Chairman and CEO. 12 months rolling contract. He is the co-founder of the Company and holds 36.24% of the Company's issued share capital. The holding of combined roles at the top of the Company by an individual raises important governance concerns. In addition, 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 22.2%. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 76.0, Abstain: 3.7, Oppose/Withhold: 20.4,

6. *Re-elect John Deer*
Executive Director and Deputy Chairman. 12 months rolling contract.

Vote Cast: *For* Results: For: 77.4, Abstain: 3.7, Oppose/Withhold: 18.9,

ASHMORE GROUP PLC AGM - 20-10-2017

10. *Approve Remuneration Policy*

There are no significant changes to the proposed policy. Some minor changes proposed include a single profit-derived bonus pool for all employees and cap on the aggregate variable compensation pool for all employees, including executives, currently at 25% of earnings before variable compensation, interest and tax (EBVCIT). It is also noted that the vesting scale for long term incentives have been increased to five years, which is welcomed.

While the introduction of an aggregate cap on the bonus pool is appreciated, there are concerns the lack of defined limit on individual variable compensation awards creates opportunities for excessive payouts to Executives. The variable pay award comprises a cash bonus (part of which may be voluntarily deferred into restricted shares) and a long-term incentive (Omnibus Plan) in the form of both a restricted share award and a restricted matching share award on any voluntarily deferred cash bonus. Half of this restricted share award is subject to additional performance conditions on vesting. The award of restricted matching share is contrary to best practice, in particular given that only half of the matching shares are subject to performance conditions. The performance conditions are the same under the restricted shares awarded, and therefore executives are rewarded twice for same performance. Furthermore, restricted share matching award is considered obsolete under current remuneration practice and therefore, only serves to provide excessive payments to Executives with no recourse to shareholders' value for money. Furthermore, half of the awards under the Omnibus Plan are not subject to performance condition which is inappropriate given the excessive remuneration structure in place. Finally, It is not clear if the Remuneration Committee retains inappropriate discretions to treat good levers differently under the Company's share incentive plans in the event of termination and change of control.

Rating: ADC

Vote Cast: *Oppose* Results: For: 84.9, Abstain: 0.2, Oppose/Withhold: 14.9,

11. *Approve the Remuneration Report*

Disclosure: There is more room for improvements with respect to disclosure. It is noted that financial performance targets for the annual bonus, especially EBIT targets, are not clearly disclosed

Balance: The CEO's total variable pay for the year under review is considered highly excessive at 2676.52% of salary (Cash Bonus: 2580.95%; Vested LTIP: 95.57%). The remuneration of the CEO for the year totalled £2,793,926, of which £2,676,522 was variable remuneration. While the salary of the CEO is just £100,000, his total pay is still considered excessive. Also, as a matter of principle, it is considered that variable remuneration should not exceed 200% of salary for Executive Directors, which is not the case her. The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. The ratio of CEO to average employee pay is also found to be inappropriate at 25:1.

Rating: BD

Vote Cast: *Oppose* Results: For: 85.4, Abstain: 0.4, Oppose/Withhold: 14.2,

19. *Approve Rule 9 Waiver*

Shareholder approval is sought for a waiver of the obligation that could arise on Mark Coombs (Concert Party) to make a general offer for the entire issued share capital of the Company under Rule 9 of the Takeover Code as a result of purchases by the Company of Ordinary Shares pursuant to the Authority to make market purchases as proposed under Resolution 18. If the Company were to repurchase from persons other than Mark Coombs all the ordinary shares for which it is seeking authority, the maximum potential shareholding of Mark Coombs would increase from 40.24% to 42.36% of the issued share capital of the Company. It is also noted that in recognition of concerns over progressive acquisition of control by major shareholders, Ashmore reduced the buyback authority from 10 percent to 5 percent.

However, it is considered that the Listing Rules are being created in order to protect existing minority shareholders. Such waiver raises concerns about potential creeping control of the Company. On this basis, the resolution would only be supported if the Concert Party is committed not to increase its percentage holding in the

Company, which is not the case. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 69.0, Abstain: 0.8, Oppose/Withhold: 30.3,

IMAGINATION TECHNOLOGIES GROUP PLC AGM - 26-10-2017

2. *Approve the Remuneration Report*
Disclosure: It is noted that the numerical values of targets for the current year Annual Bonus Plan are not disclosed as they are regarded commercially sensitive. This is considered contrary to best practice.
Balance: The changes in CEO total pay under the last five years are not considered in line with changes in TSR during the same period. Maximum opportunity granted to the CEO under all the incentive schemes based on current level of awards can exceed 200% of salary, which is excessive. Finally, the slaary of the CEO is considered to be the highest among its peer group.
Rating: AD.

Vote Cast: *Oppose* Results: For: 75.4, Abstain: 6.9, Oppose/Withhold: 17.7,

GO-AHEAD GROUP PLC AGM - 02-11-2017

6. *To re-elect Andrew Allner*
Chairman. Independent upon appointment.

Vote Cast: *For* Results: For: 83.1, Abstain: 0.4, Oppose/Withhold: 16.5,

JD WETHERSPOON PLC EGM - 09-11-2017

1. *Approve Rule 9 Waiver relating to share repurchase*
Shareholder approval is sought for a waiver of the obligation that could arise on Tim Martin (Chairman of the Company) and his close relatives and related trusts, being Felicity Martin, Margit Martin, Louise Martin, Olive Hamilton and Gerald Martin, (together the Concert Party) to make a general offer for the entire issued share capital of the Company under Rule 9 of the Takeover Code as a result of purchases by the Company of Ordinary Shares pursuant to the Authority to make market purchases of up to 5,825,155 Ordinary Shares. This represents less than 15% of the total issued ordinary share capital of the Company. If the Company were to repurchase from persons other than the concert party all the ordinary shares for which it is seeking authority, their interest would increase from 31.91% to 37.54% of the issued share capital.
It is considered that the Listing Rules are being created in order to protect existing minority shareholders. Such waiver raises concerns about potential creeping control of the Company. On this basis, the resolution would only supported if the Concert Party is committed not to increase its percentage holding in the Company, which is not the case. On this basis, an oppose vote is recommended

Vote Cast: *Oppose* Results: For: 80.6, Abstain: 0.5, Oppose/Withhold: 18.9,

JD WETHERSPOON PLC AGM - 09-11-2017

9. *To re-elect Debra van Gene*
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: 88.4, Abstain: 0.3, Oppose/Withhold: 11.3,

10. *To re-elect Elizabeth McMeikan*
Senior Independent Director. Not considered independent as she has been on the Board for over nine years. 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: 88.0, Abstain: 0.3, Oppose/Withhold: 11.7,

SMITHS GROUP PLC AGM - 14-11-2017

12. *To elect Noel Tata*
Independent Non-Executive Director.

Vote Cast: *For* Results: For: 85.8, Abstain: 0.2, Oppose/Withhold: 13.9,

BARRATT DEVELOPMENTS PLC AGM - 15-11-2017

13. *To re-elect Mr J F Lennox*
Independent Non-Executive Director.

Vote Cast: *For* Results: For: 73.5, Abstain: 0.1, Oppose/Withhold: 26.5,

CLOSE BROTHERS GROUP PLC AGM - 16-11-2017

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: 85.3, Abstain: 0.0, Oppose/Withhold: 14.7,

GENUS PLC AGM - 16-11-2017

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: 88.2, Abstain: 0.0, Oppose/Withhold: 11.8,

ASSOCIATED BRITISH FOODS PLC AGM - 08-12-2017

16. *Issue Shares with Pre-emption Rights*
The authority is limited to one third of the Company's issued share capital. This cap can increase to two-third of the issued share capital if shares are issued in connection with an offer by way of 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: 87.6, Abstain: 0.0, Oppose/Withhold: 12.3,

SPORTS DIRECT INTERNATIONAL PLC EGM - 13-12-2017

1. *To approve the extension of the guaranteed minimum value for eligible employees participating in the Company's share schemes to Karen Byers and Sean Nevitt*
On 8 December 2016, the Company announced that it had committed to deliver a minimum value of £3 per share for employees participating in the Sports Direct 2011 share scheme (the "2011 Share Scheme") in respect of share awards vesting in September 2017. On 19 May 2017, the Company announced a further commitment to guarantee a minimum value of £4 per share for employees who postpone vesting of such share awards until September 2018 and are still employed by the Company at that date. In each case, if the market price of the Company's shares is below the guaranteed minimum value on the vesting date, the Company will make up the difference between the market price and the guaranteed minimum value by way of a cash bonus equal to the amount of the difference. This guaranteed minimum value was not originally extended to participants in the Executive Bonus Share Scheme, of which Karen Byers and Sean Nevitt are the only remaining members. However, the Board has now determined that, given their valuable contribution to the Company, they should receive the benefit of the minimum value guarantee in respect of their share awards under the Executive Bonus Share Scheme in the same way as participants in the 2011 Share Scheme. Karen Byers and Sean Nevitt are not directors of the Company and therefore share awards and other compensation granted to them are not subject to shareholder approval under the Companies Act 2006 or the Listing Rules. However, given their senior positions within the Company, the board of directors of the Company (the "Board") considers that, on this occasion, it is appropriate to ask shareholders to consider and, if thought fit, approve their participation in the minimum value guarantee in respect of their share awards under the Executive Bonus Share Scheme.
It is unclear how this payment is in the interest of the Company and its shareholders. The use of a guaranteed minimum value does the opposite of aligning participants'

pay with shareholders' interest. This could mean that the shareholders are at risk of making significant losses while participants would be largely protected. Also, with the use of a guaranteed price, the worse the share price performance the more the Company would have to pay the two senior Executives. Finally, disclosure is clearly lacking as the Company should set out how much would be gained by Karen Byers and Sean Nevitt from this resolution and also how much the Company would have to pay to make up the difference between the market price and the guaranteed minimum value. Based on these concerns, opposition is recommended.

Vote Cast: *Oppose* Results: For: 34.0, Abstain: 0.3, Oppose/Withhold: 65.7,

2. *To approve a proposed payment to John Ashley*

The Company is proposing to pay a retrospective amount to John Ashley (the brother of Mike Ashley) comprising the difference between the amount he received during the period starting at the time of the Company's IPO in February 2007 and ending on 30 April 2015 (when he ceased to be an employee of the Company), and the amount paid in the same period to comparable members of the Company's senior management team who do not have a family connection to Mike Ashley.

The report from Reynolds Porter Chamberlain LLP ("RPC"), the law firm hired by the Company for that matter, concludes that, whilst other members of the Company's senior management team received the same basic salary as John Ashley during the relevant period, they each also received a total gross amount of £11,800,000 in bonus awards made up of a £5,000,000 cash award shortly following the IPO (as disclosed in the IPO prospectus) and subsequent annual share awards based on individual performance and the performance of the Company. The Company states that John Ashley did not receive these awards despite his strong individual performance and comparable contribution and importance to the development of the business over a period of many years. The Company state that this decision was taken, on the advice of third parties, solely to protect against any claim that John Ashley was benefiting because of his family connection with Mike Ashley rather than the awards being made on merit.

The RPC report states that "if the Board or shareholders wanted to treat John Ashley in the same way as comparable members of SDI's senior management team in respect of remuneration and benefits on this basis then it would need to pay him £11,029,296.20 gross (ignoring any interest or tax treatment) – being the sum of £11,800,000 gross less the maximum possible remuneration and benefits in kind received during the Period as referred to above".

It is clear that neither the Company nor shareholders decided at the time that it was in the interest of the Company to treat the brother of the majority shareholder the same way as the other directors. Therefore, it is unclear why a decision that was taken by the Company has now to be changed. It is unclear why the Company considers that the initial arrangement should be changed, especially when John Ashley agreed to this arrangement contractually as well. There were perceptions of a conflict of interest which justified this arrangement at the time. Removing that arrangement now and paying retrospective bonuses to Mr John Ashley could also indicate to shareholders that the company's other announcements and decisions should not be relied upon. Such a decision would continue to reinforce a lack of confidence in the work of the Board and whether or not it acts in the best interests of the shareholders or its majority shareholder. On this basis, it is not considered in the interests of shareholders to support this proposal.

Vote Cast: *Oppose* Results: For: 28.0, Abstain: 4.2, Oppose/Withhold: 67.7,

GVC HOLDINGS PLC EGM - 14-12-2017

1. *Approve Remuneration Policy*

Authority sought to approve the new remuneration policy. The reason for this proposal is that the Remuneration Committee have introduced new incentive schemes which they would like to implement for the year ending 31 December 2017. Historically the Executive Directors' only variable incentive was market priced options based solely on relative share price performance. Upon the Company's admission to the Main Market on 2 February 2016, the Executive Directors were granted market priced options. The Committee noted that the 2016 Annual Report on Remuneration only received a 56.92% vote in favour largely due to the legacy option plan and its structure. The Committee intends that the replacement incentive plans set out have been designed to ensure that structurally they are in line with corporate governance

best practice.
Overall disclosure is adequate. Half of the proposed Annual and Deferred Bonus Plan (ABP) is subject to share deferral, which will vest after three years. This is a welcomed introduction to the annual bonus plan. The Company uses more than one performance condition, though they do not operate interdependently. With respect to the newly proposed LTIP, the performance period of three years is not considered to be sufficiently long-term, although a two year holding period has been introduced which is welcomed. LTIP awards are determined by more than one performance condition, though both are financial metrics. It is recommended that the performance conditions include at least one non-financial KPI. Furthermore, the performance conditions do not operate interdependently.
Total potential variable pay is excessive, amounting to 550% and 450% of salary for the CEO and CFO respectively. This significantly exceeds the recommended limit of 200% of salary. The shareholding requirements are 400% of salary for the CEO and 200% oif salary for the CFO, to be built over five years, which is acceptable.
In relation to contracts, the discretion given to the Committee to disapply performance conditions or time pro-rating on outstanding legacy awards is not acceptable. However, the two year notice provisions for the CEO and Chairman will be void and no element of the notice periods will more than one year under the proposed policy, which is welcomed.
Rating: ADC.

Vote Cast: *Oppose* Results: For: 72.5, Abstain: 0.0, Oppose/Withhold: 27.5,

2. *Approve a New Bonus Plan*
Authority sought to approve the GVC Holdings PLC Annual and Deferred Bonus Plan (ABP). Th ABP entitles the participants to an annual award based on performance over the financial year. Half of the award will be paid in cash following the determination of performance, with the other half deferred into Company shares vesting after three years. The maximum award level for the Chief Executive Officer (CEO) will be 250% of salary and the maximum award level for the Chief Financial Officer (CFO) will be 200% of salary. The Company will use more than one performance condition.
The ABP has some welcomed elements, such as half of the ABP being subject to share deferral, with the amount being deferred as well as the period being within recommended guidelines. However, the maximum opportunity is considered to be excessive, as it is recommended that total variable pay does not exceed 200% of salary. The proposed maximum opportunity of the ABP alone is excessive, and when combined with the maximum opportunity of the proposed LTIP, there is a potential for considerably excessive payouts.
In light of the concern regarding excessiveness of awards, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 73.6, Abstain: 0.0, Oppose/Withhold: 26.4,

3. *Approve New Long Term Incentive Plan*
Authority sought to approve the GVC Holdings PLC 2017 Long Term Incentive Plan (LTIP). The LTIP entitles the participants to an annual share award based on performance over three financial years. Any shares earned will be released to participants after a further two year holding period taking the total period to five years. The maximum award level for the CEO will be 300% of salary and the maximum award level for the CFO will be 250% of salary. The performance conditions set for the period between 1 January 2017 to 31 December 2019 are: relative TSR vs. FTSE 250, with a 50% weighting; and EPS, cumulative over 3 year period, with a weighting of 50%. Malus and clawback provisions apply.
There are some positive elements to the proposed LTIP, namely the addition of a two year holding period as well as applying malus and clawback provisions. However, there are some concerns, such as the excessiveness of awards. The maximum opportunity for the LTIP is excessive alone, and when combined with the annual bonus there is a potential for considerably excessive payouts. Furthermore, the performance period is not considered to be sufficiently long term, and only financial metrics are used as performance conditions, which do not operate interdependently. Lastly, participants of the plan may be entitled to dividend equivalents, which is against best practice.
It is considered that the LTIP proposed does not promote better alignment with Shareholders. Moreover, LTIPs are not considered to be an effective means of

incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature.
In light of the concerns raised, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 87.9, Abstain: 0.0, Oppose/Withhold: 12.1,

LONDON STOCK EXCHANGE GROUP PLC EGM - 19-12-2017

1. *Shareholder Resolution: That Donald Brydon be and is hereby removed from office as a director of the Company with immediate effect.*

This shareholder resolution has been but forward by The Children's Investment Master Fund (TCI), a significant shareholder of the Company with over 5% of the issued share capital.

Background for the proposal: TCI initially requested two resolutions on 9 November 2017, one to remove the Chairman, Donald Brydon, and another to maintain Xavier Rolet as the CEO until 2021. This is in light of the announcement on 19 October 2017 that the Company was initiating a transition process to find a successor to the Company's CEO, Xavier Rolet, who would leave by the end of December 2018. On 29 November 2017, the Company announced that at the Board's request, Xavier Rolet had agreed to step down as CEO with immediate effect. Xavier Rolet also confirmed that he would not be returning to the office of CEO or director under any circumstances. Subsequently, the Company's CFO, David Warren, has been appointed as interim CEO and Donald Brydon agreed to step down as Chairman of the Company at the AGM in 2019, after the recruitment of a new CEO.

In light of Xavier Rolet stepping down with immediate effect and confirming that he would not return to office as CEO or director, and Donald Brydon agreeing not to stand for re-election at the 2019 annual general meeting, the Company has asked TCI to withdraw the Requisition. TCI has withdrawn the second resolution (relating to the extension of Xavier Rolet's tenure in office as CEO) but not the first resolution. TCI's rationale behind this proposal and the Board's rationale for not supporting this resolution are disclosed in the supporting information below.

Voting Recommendation: There are a number of concerns about the Board's behaviours. We note the fulsome praise the then CEO received as a result of the board evaluation and Remuneration Committee's outcomes as expressed in the 2015/16 Annual Report and the subsequent Board recommendations to the 2016 Annual Meeting. We have therefore been surprised with subsequent outcomes. Given the CEO's departure we would expect that the CEO's contract and conditions of notice would be honoured in the detail including the basis of any payments for loss of office. As it turns out this has not been the case. In addition we cannot understand why as part of his severance package, the CEO has had an extension of 30 months' to his notice period. In PIRC's view the Board's mismanagement of the CEO succession strategy, constitutes a major failure of Board leadership, undermining effective governance standards and reflects badly on the role of the chairman. We are also disappointed to see the euphemistic phrase about the CEO's 'operating style [was] also [an] important factor taken into account' in his departure, as stated by the Board. Following the company's 19th October announcement, we were disappointed to note the Board's description of the CEO's lack of certainty about continuing in office reflected by 'pressure' on the CEO's relationship with certain members of the senior management team. We sense that important information has not been provided to shareholders on these matters. In short, we believe that the governance crisis that has impacted the board over recent months has various origins, and in our view not all of these can be laid at the door of the out-going CEO.

Under Xavier Rolet's tenure as Chief Executive Officer, there is evidence that the Company achieved a strong performance. This sudden departure requires further transparency and information. The lack of disclosure is troubling and demonstrates substandard Corporate Governance. Such actions require justification in order for Shareholders to understand and review decisions taken regarding the Company's future. Donald Brydon has therefore failed to maintain good governance standards. Further to this, concerns had already been expressed at the 2017 AGM about Donald Brydon, due to his chairmanship of another FTSE 350 company. In light of the concerns mentioned above, it is therefore recommended to abstain on the proposal to remove Mr Brydon from office.

Vote Cast: *Abstain* Results: For: 20.3, Abstain: 3.2, Oppose/Withhold: 76.5,

3 Oppose/Abstain Votes With Analysis

HARGREAVES LANSDOWN PLC AGM - 11-10-2017

3. *Approve the Remuneration Report*
Elements of the Single Total Figure Remuneration Table are not adequately disclosed as no explanation behind the gain on historic options vesting is given. There is no justification for payment of £220,000 (CEO) and £344,000 (CFO) classified as gain on historic options vesting especially considering that the CEO met no targets for his LTIP performance conditions. On the other hand, performance targets achieved by the CFO are not disclosed. Emoluments paid to the CEO for the period of the year after he had stepped down from the Board was £219,907, no adequate detail has been provided for this payment and whether or not this is the same award disclosed as historic options in the single figure table. In addition it is noted that the increase in CEO salary (18%) is in not line with the rest of the Company (8%). The CEO's variable pay, which represents 235.6% of his salary, is not considered acceptable.
Rating: DC

Vote Cast: *Oppose* Results: For: 96.6, Abstain: 0.0, Oppose/Withhold: 3.4,

4. *Approve Remuneration Policy*
The proposed changes to the new policy have been disclosed (see supporting information below). Most changes are considered positive, in particular the removal of the Long-Term Incentive Plan (LTIP) which is replaced by the new Sustained Performance Plan (SPP), and the overall reduction in maximum variable pay for Executive directors.
Under the new SPP, the award opportunity will reduce by five compared to the previous LTIP, which is welcomed. Also, the awards will vest over a five year performance period, which is considered sufficiently long term. The Company is using more than one performance condition and the awards are also linked to non-financial KPIs, which is commendable. The Company also states that awards are subject to underpinning performance conditions. The Plan is subject to malus provisions, however, clawback policy does not apply. Dividend alternatives will accrue on unvested awards and will be paid at the time of vesting, which is considered inappropriate.
Concerns also remain in relation to the maximum variable potential award for Executive Directors which is still capped at 400% of salary despite decreases in both annual bonus opportunity and long-term incentive opportunity. This cap is still considered excessive. Upon termination, the discretion given to the committee to dis-apply pro-rating on outstanding share awards is of concern.
Rating: BCC

Vote Cast: *Abstain* Results: For: 98.3, Abstain: 0.4, Oppose/Withhold: 1.3,

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: 99.3, Abstain: 0.0, Oppose/Withhold: 0.7,

20. *Approve New Sustained Performance Plan*
It has been proposed to approve the new Sustained Performance Plan (SSP) to replace the existing Long Term Incentive Plan. Under the new SPP, the award opportunity will reduce by five (at 50% of salary) compared to the previous LTIP, which is an improvement. However, maximum potential opportunity under all incentives

will still remain excessive at 400% of salary. Also, the awards will vest over a five year performance period, which is considered sufficiently long term. The Company is using more than one performance condition and the awards are also linked to non-financial KPIs, which is commendable. However, there are concerns regarding the discretion given to the committee to dis-apply pro-rating on outstanding share awards on termination.

Vote Cast: *Abstain* Results: For: 99.0, Abstain: 0.4, Oppose/Withhold: 0.6,

SKY PLC AGM - 12-10-2017

2. *Approve Remuneration Policy*

The Remuneration Committee paused its ongoing review of the Remuneration Policy following the announcement of the Offer from 21st Century Fox in December 2016, is presenting its current remuneration policy for approval this year.

The Company operates three different incentive schemes which adds unnecessary complexity to the remuneration structure: Annual Bonus, Long-Term Incentive Plan (LTIP) and Co- Investment Plan (CIP). There is no financial cap on total variable pay for executives as percentage of salary which is a major concern. Based on the disclosure on the three existing incentive plans, it is clear that the maximum variable pay under can significantly exceed 200% of salary. The LTIP limit is set out as 900,000 shares, which represent £8,203,500 based on the Company's share price on 27 September 2017 or is equivalent to 789% of the current CEO's salary. Also, no share schemes are available to enable all employees to benefit from business success without subscription. The use of a matching share plan (the CIP) is not supported as it can lead to excessive payouts, and can reward directors twice for the same performance. Awards under the LTIP and CIP vest subject to performance conditions which do not run interdependently. Also, performance measures are not linked to non-financial KPIs. Vesting of LTIP awards is based on performance over a three-year period, which is not considered sufficiently long term.

In terms of contracts, upside discretion can be used by the committee to disapply pro-rata vesting of LTIP awards in the event of a termination of employment which is not acceptable. This is even more a concern in light of the potential takeover of the Company by 21st Century Fox. Also, the payments in lieu of notice appear to automatically include payment of a pro-rated bonus for period served, which is not best practice.

Rating: BDD.

Vote Cast: *Oppose* Results: For: 93.0, Abstain: 0.8, Oppose/Withhold: 6.2,

3. *Approve the Remuneration Report*

The changes in CEO pay over the last five years are not considered in line with the Company's TSR performance over the same period. The CEO's total realised variable pay in the year under review is considered highly excessive at 1454% of salary. This is particularly of concern given that the performance targets attached to both the LTIP and the Annual bonus paid during the year are not disclosed, contrary to standard practice (they are only disclosed after two years). It is noted that £11,796,000 was paid to the CEO just under the LTIP. In addition, the ratio of CEO to average employee pay has been estimated and is found unacceptable at 66:1.

Rating: BE.

Vote Cast: *Oppose* Results: For: 70.4, Abstain: 0.8, Oppose/Withhold: 28.8,

7. *To re-elect Martin Gilbert*

Independent Non-Executive Vice-Chairman. Due to his membership of the Nomination Committee at the time of the flawed process that led to Mr. Murdoch being appointed Chairman (January 2016), an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 85.6, Abstain: 8.4, Oppose/Withhold: 6.0,

9. *To re-elect Matthieu Pigasse*
Independent Non-Executive Director. However, similar to last year, Mr. Pigasse missed two Audit Committee meetings and one board meeting in the year under review and no explanation is provided. This raises concerns over his time commitments. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 93.7, Abstain: 0.9, Oppose/Withhold: 5.4,

12. *To re-elect James Murdoch*
Chairman. Not considered independent upon appointment as he is the former Chief Executive Officer of the Company and he is part of the controlling family and is the son of Rupert Murdoch, the ultimate controlling shareholder through 21st Century Fox. It is considered that the Chairman should not be a former Executive and should not be connected a controlling shareholder in order to protect the rights of the minority shareholders. In addition, there are concerns over his appointment as an objective nomination process was not used. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 77.2, Abstain: 1.1, Oppose/Withhold: 21.7,

15. *To re-appoint the Auditors: Deloitte LLP*
Deloitte proposed. Non-audit fees represented 94.44% of audit fees during the year under review and 301.14% 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: 95.4, Abstain: 0.8, Oppose/Withhold: 3.8,

16. *Approve Political Donations*
Proposal to make political donations to political parties and/or independent election candidates, political organisations other than political parties, and to incur political expenditure. The authority is limited to £300,000 and terminates at the next AGM or within 15 months. Whilst the Company has no intention of making political donations, the amount proposed is considered excessive. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 98.4, Abstain: 1.1, Oppose/Withhold: 0.5,

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 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: 98.6, Abstain: 0.9, Oppose/Withhold: 0.5,

RANK GROUP PLC AGM - 19-10-2017

7. *To re-elect Ian Burke*
Incumbent Chairman. Not independent upon appointment. He held the combined roles of CEO and Chairman from July 2011 to May 2014, when he resigned from his Executive position. It is not considered appropriate for a Chairman to have held executive responsibilities within the same company. However, the Company made clear statement on the division of responsibilities between the current CEO and the Chairman. An abstain vote is therefore recommended.

Vote Cast: *Abstain* Results: For: 99.6, Abstain: 0.0, Oppose/Withhold: 0.4,

12. *To re-appoint the Auditors: Ernst & Young LLP*
EY proposed. Non-audit fees represented 50.00% of audit fees during the year under review and 33.33% 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: *Oppose* Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

14. *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: 100.0, Abstain: 0.0, Oppose/Withhold: 0.0,

BHP BILLITON GROUP (GBR) AGM - 19-10-2017

1. *Receive the Annual Report*
The Strategic Review is considered adequate. There are adequate environmental and employment policies in place. Quantified environmental data has been published. 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*

2. *To re-appoint the Auditors: KPMG LLP*
KPMG proposed. Non-audit fees represented 23.80% of audit fees during the year under review and 35.50% 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*

6. *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*

7. *Approve Remuneration Policy*
No changes to the remuneration policy are proposed this year. Under the proposed remuneration policy, the STIP is based on a mix of financial and non-financial performance conditions payable in the form cash (50%) and equity (50%) deferred over a period of two years, which is commendable. The performance period for the LTIP award is over five years which is considered best practice. In case of termination, LTIP awards and annual bonus appears to be, at maximum, pro-rated for period served. This is also considered acceptable. However, significant concerns remain over the excessiveness of the remuneration for the CEO with potential aggregate awards of 728% of base salary in exceptional circumstances and 640% in normal circumstances. Moreover, the Long Term Incentive scheme uses only one performance condition, TSR. It is considered that long-term incentive schemes should apply at least two performance criteria concurrently as well as non-financial performance metrics.
Rating: ADC

Vote Cast: *Oppose*

9. *Approve the Remuneration Report*
In accordance with Section 250R of the Australian Corporations Act, the directors are seeking approval of the remuneration report. The Act does not require directors to act on approval of the resolution and the vote is advisory. The CEO did not receive any LTIP rewards for the year under review. However, the maximum potential award for the CEO under all incentive schemes is considered excessive as it can represent more than 200% of base salary. There are concerns over certain features of the LTIP which are not considered appropriate. Some of these concerns include: performance conditions which do not run interdependently and which do not include a non-financial element, contrary to best practice.
An oppose vote is therefore recommended.

Vote Cast: *Oppose*

10. *Approval of leaving entitlements*
Shareholder approval is being sought for the purposes of sections 200B and 200E of the Australian Corporations Act for any termination benefits that may be provided to a member of the Operations Management Committee (OMC) (including the CEO) under the relevant employment agreement. It is noted that these are not new benefits and are the same as described in the remuneration report over the years. The Company may decided not to pro-rate his outstanding share incentive awards, which is against best practice.

Vote Cast: *Oppose*

11. *Approve the grant of awards to Andrew Mackenzie, under the short and Long-Term Incentive Plan*
The Board is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the grant of 385,075 LTIP awards to Andrew Mackenzie, Chief Executive, under the Company's Long-term Incentive Plan. The proposed grant has an approximate value of USD 6,800,000 which equates to 400% of his annual base salary

Concerns are raised over the plan as the value of this award is considered excessive. Also, awards under the LTI are based on performance conditions which do not run interdependently and which do not include a non-financial element, contrary to best practice. Overall, LTIPs are not considered an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature.
An oppose vote is recommended.

Vote Cast: *Oppose*

18. *To re-elect Lindsay Maxsted*
Independent Non-Executive Director. It is noted that KPMG is the auditor of the Company since December 2003 while he was CEO of KPMG Australia between 2001 and 2007. This connection with the audit firm is considered inappropriate due to his position of Chairman of the Audit Committee. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

23. *Shareholder Resolution: Review the Public Policy Advocacy on Climate Change and Energy*
The shareholders have requested, pursuant to section 249P of the Australian Corporations Act, that the Company review the public policy advocacy on climate change and energy. The shareholders explain that the Australasian Centre for Corporate Responsibility (ACCR) favours policies and practices that protect and enhance the value of our investments. Many investors are deeply concerned about existing and future effects of climate change on society, business and our economy. The shareholders argue that investor concern about climate lobbying is growing and state that The Principles for Responsible Investment (PRI) supports calls on companies to ensure that their public policy advocacy - whether direct or indirect (e.g. through industry bodies) - supports efforts to mitigate and adapt to climate change. The Proponent also criticises the company's link to the Minerals Council of Australia (MCA), which is inconsistent with the Company's current position on climate change. It states that the MCA's activities undermine the possibility of achieving what the company has stated an "effective policy framework" which should include: "a complementary set of measures including a price on carbon, support for low- emissions technologies, energy efficiency and measures to build resilience."
The Board considers that the action BHP is already taking (that is, undertaking the review of industry associations and publishing the information described above), together with BHP's consistent public position on climate change and energy policy. The Board debates that the Company has already published two reports describing its approach to the potential impacts on BHP of both an orderly and a more rapid response to climate change, which includes consideration of short, medium and long term policy responses in Australia and other relevant jurisdictions around the world.
It is considered that the Company provides a good level of disclosure surrounding its policy on climate change. However, it is considered that issues raised by the ACCR should be further addressed by the Company in the notice of meeting and in particular its ties with the MCA and the inconsistencies between their positions on environmental issues. On balance, an abstain vote is recommended.

Vote Cast: *Abstain*

RENISHAW PLC AGM - 20-10-2017

5. *Re-elect Sir David McMurtry*
Chairman and CEO. 12 months rolling contract. He is the co-founder of the Company and holds 36.24% of the Company's issued share capital. The holding of combined roles at the top of the Company by an individual raises important governance concerns. In addition, 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 22.2%. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 76.0, Abstain: 3.7, Oppose/Withhold: 20.4,

2. *Approve Remuneration Policy*
The Company is proposing a few changes to the remuneration policy (see supporting information below). The introduction of a deferred annual equity incentive plan will increase the maximum variable opportunity for the Executive Directors to 150% of salary, which is within acceptable limits. However, the deferral period under the annual bonus will be applied only in case of exceeding bonus targets and is limited to 50% of salary, which is insufficient. The absence of long-term incentive plan (LTIP) is also welcomed as LTIPs are not considered an effective means of incentivising performance. The introduction of shareholding requirement for the Executive Directors is welcomed, however, the level of share ownership is not considered sufficient at 50% of base salary.
Rating: ACB.

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

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

ASHMORE GROUP PLC AGM - 20-10-2017

5. *Re-elect Peter Gibbs*
Chairman. Independent upon appointment. Chairman. Independent upon appointment. He is also 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 14.3%.

Vote Cast: *Oppose* Results: For: 95.9, Abstain: 0.3, Oppose/Withhold: 3.8,

6. *Re-elect Simon Fraser*
Senior Independent Director. Considered independent. He is also the Chairman of the Remuneration Committee. It is noted that the remuneration report registered about 12.79% opposition votes during the 2016 AGM. However, there is no evidence to suggest that shareholders concerns have been addressed, especially relating to the excessiveness of the CEO variable pay. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 93.4, Abstain: 0.0, Oppose/Withhold: 6.6,

10. *Approve Remuneration Policy*
There are no significant changes to the proposed policy. Some minor changes proposed include a single profit-derived bonus pool for all employees and cap on the aggregate variable compensation pool for all employees, including executives, currently at 25% of earnings before variable compensation, interest and tax (EBVCIT). It is also noted that the vesting scale for long term incentives have been increased to five years, which is welcomed.

While the introduction of an aggregate cap on the bonus pool is appreciated, there are concerns the lack of defined limit on individual variable compensation awards creates opportunities for excessive payouts to Executives. The variable pay award comprises a cash bonus (part of which may be voluntarily deferred into restricted shares) and a long-term incentive (Omnibus Plan) in the form of both a restricted share award and a restricted matching share award on any voluntarily deferred cash bonus. Half of this restricted share award is subject to additional performance conditions on vesting. The award of restricted matching share is contrary to best practice, in particular given that only half of the matching shares are subject to performance conditions. The performance conditions are the same under the restricted shares awarded, and therefore executives are rewarded twice for same performance. Furthermore, restricted share matching award is considered obsolete under current remuneration practice and therefore, only serves to provide excessive payments to Executives with no recourse to shareholders' value for money. Furthermore, half of the awards under the Omnibus Plan are not subject to performance condition which is inappropriate given the excessive remuneration structure in place. Finally, It is not clear if the Remuneration Committee retains inappropriate discretions to treat good levers differently under the Company's share incentive plans in the event of termination and change of control.
Rating: ADC

Vote Cast: *Oppose* Results: For: 84.9, Abstain: 0.2, Oppose/Withhold: 14.9,

11. *Approve the Remuneration Report*
Disclosure: There is more room for improvements with respect to disclosure. It is noted that financial performance targets for the annual bonus, especially EBIT targets, are not clearly disclosed
Balance: The CEO's total variable pay for the year under review is considered highly excessive at 2676.52% of salary (Cash Bonus: 2580.95%; Vested LTIP: 95.57%). The remuneration of the CEO for the year totalled £2,793,926, of which £2,676,522 was variable remuneration. While the salary of the CEO is just £100,000, his total pay is still considered excessive. Also, as a matter of principle, it is considered that variable remuneration should not exceed 200% of salary for Executive Directors, which is not the case her. The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. The ratio of CEO to average employee pay is also found to be inappropriate at 25:1.
Rating: BD

Vote Cast: *Oppose* Results: For: 85.4, Abstain: 0.4, Oppose/Withhold: 14.2,

12. *Appoint the Auditors*
KPMG proposed. Non-audit fees represented 50.00% of audit fees during the year under review and 84.62% 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: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

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: 98.8, Abstain: 0.0, Oppose/Withhold: 1.2,

18. *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: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

19. *Approve Rule 9 Waiver*
Shareholder approval is sought for a waiver of the obligation that could arise on Mark Coombs (Concert Party) to make a general offer for the entire issued share capital of the Company under Rule 9 of the Takeover Code as a result of purchases by the Company of Ordinary Shares pursuant to the Authority to make market purchases as proposed under Resolution 18. If the Company were to repurchase from persons other than Mark Coombs all the ordinary shares for which it is seeking authority, the maximum potential shareholding of Mark Coombs would increase from 40.24% to 42.36% of the issued share capital of the Company. It is also noted that in recognition of concerns over progressive acquisition of control by major shareholders, Ashmore reduced the buyback authority from 10 percent to 5 percent.
However, it is considered that the Listing Rules are being created in order to protect existing minority shareholders. Such waiver raises concerns about potential creeping control of the Company. On this basis, the resolution would only be supported if the Concert Party is committed not to increase its percentage holding in the Company, which is not the case. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 69.0, Abstain: 0.8, Oppose/Withhold: 30.3,

IMAGINATION TECHNOLOGIES GROUP PLC AGM - 26-10-2017

2. *Approve the Remuneration Report*
Disclosure: It is noted that the numerical values of targets for the current year Annual Bonus Plan are not disclosed as they are regarded commercially sensitive. This is considered contrary to best practice.
Balance: The changes in CEO total pay under the last five years are not considered in line with changes in TSR during the same period. Maximum opportunity granted to the CEO under all the incentive schemes based on current level of awards can exceed 200% of salary, which is excessive. Finally, the slaary of the CEO is considered to be the highest among its peer group.
Rating: AD.

Vote Cast: *Oppose* Results: For: 75.4, Abstain: 6.9, Oppose/Withhold: 17.7,

3. *Elect Peter Hill*
Newly appointed Chairman. However, there are concerns over his aggregate time commitments. An abstain vote is therefore recommended.

Vote Cast: *Abstain* Results: For: 95.0, Abstain: 4.0, Oppose/Withhold: 1.1,

9. *Appoint the Auditors*
KPMG proposed. Non-audit fees represented 293.69% of audit fees during the year under review and 106.70% 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: 95.1, Abstain: 0.1, Oppose/Withhold: 4.8,

12. *Issue Shares for Cash*
The authority sought is limited to 10% of the Company's 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: 94.2, Abstain: 0.2, Oppose/Withhold: 5.7,

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* Results: For: 98.2, Abstain: 0.1, Oppose/Withhold: 1.7,

GO-AHEAD GROUP PLC AGM - 02-11-2017

11. *To re-appoint the Auditors: Deloitte LLP*
Deloitte proposed. Non-audit fees represented 57.14% of audit fees during the year under review. This level of non-audit fees raises major concerns about the independence of the statutory auditor. Opposition is recommended.

Vote Cast: *Oppose* Results: For: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

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: 98.9, Abstain: 0.2, Oppose/Withhold: 1.0,

JD WETHERSPOON PLC AGM - 09-11-2017

5. *To re-elect Tim Martin*
Executive Chairman. 12 months rolling contract. As a matter of good corporate governance principle, a Chairman with executive responsibilities cannot be supported.

However, the clear division of responsibilities at the head of the Company and the presence of a Senior Independent Director partially mitigate(s) this concern. An abstain vote is therefore recommended.

Vote Cast: *Abstain* Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

9. *To re-elect Debra van Gene*
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: 88.4, Abstain: 0.3, Oppose/Withhold: 11.3,

10. *To re-elect Elizabeth McMeikan*
Senior Independent Director. Not considered independent as she has been on the Board for over nine years. 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: 88.0, Abstain: 0.3, Oppose/Withhold: 11.7,

16. *Authorise Share Repurchase*
The authority is limited to 14.99% 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: 0.0, Oppose/Withhold: 0.3,

JD WETHERSPOON PLC EGM - 09-11-2017

1. *Approve Rule 9 Waiver relating to share repurchase*
Shareholder approval is sought for a waiver of the obligation that could arise on Tim Martin (Chairman of the Company) and his close relatives and related trusts, being Felicity Martin, Margit Martin, Louise Martin, Olive Hamilton and Gerald Martin, (together the Concert Party) to make a general offer for the entire issued share capital of the Company under Rule 9 of the Takeover Code as a result of purchases by the Company of Ordinary Shares pursuant to the Authority to make market purchases of up to 5,825,155 Ordinary Shares. This represents less than 15% of the total issued ordinary share capital of the Company. If the Company were to repurchase from persons other than the concert party all the ordinary shares for which it is seeking authority, their interest would increase from 31.91% to 37.54% of the issued share capital.
It is considered that the Listing Rules are being created in order to protect existing minority shareholders. Such waiver raises concerns about potential creeping control of the Company. On this basis, the resolution would only supported if the Concert Party is committed not to increase its percentage holding in the Company, which is not the case. On this basis, an oppose vote is recommended

Vote Cast: *Oppose* Results: For: 80.6, Abstain: 0.5, Oppose/Withhold: 18.9,

GALLIFORD TRY PLC AGM - 10-11-2017

3. *Approve Remuneration Policy*
The proposed changes to the new policy have been disclosed (see supporting information below). Most of the changes are considered positive (increase in shareholding requirement or post-vesting holding period). Nontheless, significant concerns remain with regard to the proposed remuneration policy. The maximum potential award under all the incentive schemes (Annual Bonus and LTIP) is 350% of salary for the CEO, which is deemed excessive. There are also concerns about the features of the LTIP. There is no evidence that payout under both incentive plans is possible unless at least two performance conditions achieved. The LTIP performance conditions do not include non-financial conditions. The LTIP performance period is three years, which is not considered sufficiently long term, however, a post vesting period will apply from this year on.
On termination, the remuneration committee can use upside discretion to reduce time pro-rata vesting on outstanding LTIP award, contrary to best practice, contrary to best practice.
Rating: ADC

Vote Cast: *Oppose* Results: For: 99.6, Abstain: 0.3, Oppose/Withhold: 0.2,

12. *To re-appoint the Auditors: PricewaterhouseCoopers LLP*
PwC proposed. Non-audit fees represented 16.67% of audit fees during the year under review and 17.65% 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: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

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

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: 99.7, Abstain: 0.2, Oppose/Withhold: 0.1,

SMITHS GROUP PLC AGM - 14-11-2017

11. *To re-elect Sir Kevin Tebbit*
Senior Independent Director. Not considered independent as he has served on the board for over nine years. 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: 95.4, Abstain: 0.5, Oppose/Withhold: 4.0,

13. *To re-appoint the Auditors: PricewaterhouseCoopers LLP*
PwC proposed. Non-audit fees represented 5.00% of audit fees during the year under review and 6.25% 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: 98.2, Abstain: 0.1, Oppose/Withhold: 1.7,

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: 91.8, Abstain: 1.9, Oppose/Withhold: 6.3,

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: 99.0, Abstain: 0.1, Oppose/Withhold: 0.9,

21. *Adopt New Articles of Association*
It has been proposed to adopt new articles of associations in order to update the Company's current articles. The principal changes introduced relate to: fee cap for non-executive directors; Untraced shareholders; Forfeiture of unclaimed dividends; Virtual/hybrid general meetings; Retirement of directors; Method of payment of dividends; Proxy votes; and Rights and Restrictions attached to the Deferred Shares.
With regard to the Non-Executive aggregate fee limit, the Current Articles provide that the basic fee for the Chairman and non-executive directors is subject to a maximum aggregate annual fee of £750,000. This cap has been in place since 2006. To ensure sufficient headroom for the Company to appoint additional directors and/or any future fee increases, the New Articles contain an increased cap of £1,000,000 for non-executive directors and the Chairman's basic fee is no longer subject to this cap.
All the proposed changes are clearly disclosed. While the proposed increase in aggregate fee is considered acceptable given current fee levels, this cap should include the Chairman fee to avoid any excessive increase in fees. Based on this concern, an abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 98.9, Abstain: 0.8, Oppose/Withhold: 0.3,

BARRATT DEVELOPMENTS PLC AGM - 15-11-2017

2. *Approve Remuneration Policy*

The proposed changes to the new policy have been disclosed (see supporting information below). While some changes are considered positive (increase in shareholding requirement, flexibility for committee to consider non-financial performance metrics or removal of matching element from the deferred bonus) other raises concerns. The accrual of dividend equivalents deferred bonus or performance share awards is not supported.

In addition, significant concerns remain with regard to the proposed remuneration policy. The total potential awards under all the incentive schemes can amount to 300% of salary (400% exceptionally) which is excessive. There is no evidence that payout under both incentive plans is possible unless at least two performance conditions achieved. The LTI performance period is three years, which is not considered sufficiently long term however, an additional holding period of two years applies, which is considered in line with best practice.

While accelerated vesting is possible upon a change of control, the number of options/awards that vest are pro-rated based on time and performance achieved against targets.

Rating: ACC

Vote Cast: *Abstain* Results: For: 98.5, Abstain: 0.3, Oppose/Withhold: 1.2,

3. *Approve the Remuneration Report*

All elements of each directors cash remuneration and pension entitlements are disclosed. The changes in CEO pay over the last five years are considered in line with Company's TSR performance over the same period. The changes in CEO salary are in line with the rest of the Company. However, the ratio of CEO pay compared to average employee pay is considered inappropriate at 34:1. Moreover, the CEO's variable pay, which represents more than 200% of his salary, is not considered acceptable.

The payments agreed for Neil Cooper who stepped down are considered appropriate.

Rating: AC

Vote Cast: *Abstain* Results: For: 99.1, Abstain: 0.2, Oppose/Withhold: 0.7,

14. *To re-appoint the Auditors: Deloitte LLP*

Deloitte proposed. Non-audit fees represented 52.14% of audit fees during the year under review and 51.08% 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: 97.9, Abstain: 0.0, Oppose/Withhold: 2.0,

17. *Amend Existing Long Term Incentive Plan*

It has been proposed to amend the existing Long Term Performance Plan (LTPP) of the Company. The amendment includes the ability for participants to receive dividend equivalents payments in respect of vested shares under their award. The other terms of these plans will remain unchanged. The accrual of dividend equivalents is not considered best practice. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 99.5, Abstain: 0.0, Oppose/Withhold: 0.5,

18. *Amend Existing Deferred Bonus Plan*
It has been proposed to amend the Deferred Bonus Plan (DBP) of the Company. The amendment includes the ability for participants to receive dividend equivalents payments in respect of vested shares under their award. The other terms of these plans will remain unchanged. The accrual of dividend equivalents is not considered best practice. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 99.1, Abstain: 0.0, Oppose/Withhold: 0.9,

21. *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: 0.1, Oppose/Withhold: 0.5,

HAYS PLC AGM - 15-11-2017

2. *Approve Remuneration Policy*
The proposed changes to the new policy have been disclosed (see supporting information below). All of the changes are considered positive (increase in bonus deferral amount or post-vesting holding period, etc).
However, significant concerns remain with regard to the proposed remuneration policy. The total potential awards under all the incentive schemes can amount to 300% of salary (350% exceptionally) which is excessive. There is no evidence that payout under both incentive plans is possible unless at least two performance conditions achieved. The Performance Share Plan (PSP) performance conditions do not include non-financial conditions. The PSP performance period is three years, which is not considered sufficiently long term.
UIn case of termination, the remuneration committee does not have the discretion in any circumstances, to disapply time pro-rating or performance conditions on outstanding incentive awards, which is welcomed. However, on recruitment, the exceptional award limit under the PSP can be used as recruitment incentive which is not best practice. Also, a notice period longer than 12 months (reducing to 12 months after a year) may be given to new recruits which is appropriate.
Rating: ADB

Vote Cast: *Oppose* Results: For: 93.4, Abstain: 0.6, Oppose/Withhold: 5.9,

3. *Approve the Remuneration Report*
All figures of single figure table are adequately disclosed. Performance conditions and targets for the annual bonus and LTIPs are stated. 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. However, CEO total realised rewards under all schemes are considered excessive at 259.32% of salary (LTIP:143.56%, Annual Bonus: 115.76%). The ratio of CEO to

average employee pay has been estimated and is found inappropriate at 33:1.
Rating:AC

Vote Cast: *Abstain* Results: For: 96.6, Abstain: 1.0, Oppose/Withhold: 2.4,

15. *To appoint the Auditors: PricewaterhouseCoopers LLP*
PwC proposed. Non-audit fees represented 54.55% of audit fees during the year under review. The non-audit fees paid to PwC relate to non-audit work that was begun prior to its appointment as auditor. It is noted that the involvement of the auditor in this assignment has now ceased. However, this undermines auditors independence due to its familiarity with the audit client's affairs. Abstention is recommended.

Vote Cast: *Abstain* Results: For: 96.4, Abstain: 1.0, Oppose/Withhold: 2.5,

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: 98.6, Abstain: 0.2, Oppose/Withhold: 1.2,

GENUS PLC AGM - 16-11-2017

2. *Approve the Remuneration Report*
Disclosure: All elements of each directors cash remuneration and pension entitlements are disclosed. Specific quantified targets under the long term incentive scheme are disclosed. However, accrued dividends on vested share incentive awards are not separately categorised.
Balance: The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. The variable pay, realised by the CEO, represents 344% of his salary and is considered excessive as it exceeds recommended limits of 200% of salary. The ratio of CEO pay compared to average employee pay is considered inappropriate at 26:1.
Rating: AD

Vote Cast: *Oppose* Results: For: 96.8, Abstain: 0.4, Oppose/Withhold: 2.8,

4. *Re-elect Bob Lawson*
Chairman. Independent upon appointment. 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 14.3%.

Vote Cast: *Oppose* Results: For: 96.5, Abstain: 0.0, Oppose/Withhold: 3.5,

7. *Re-elect Nigel Turner*
Senior Independent Director. Not considered independent owing to a tenure of over nine years. 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: 97.2, Abstain: 0.0, Oppose/Withhold: 2.8,

11. *Appoint the Auditors and Allow the Board to Determine their Remuneration*
Deloitte proposed. Non-audit fees represented 25.00% of audit fees during the year under review and 20.00% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. 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: 98.6, Abstain: 0.0, Oppose/Withhold: 1.4,

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: 88.2, Abstain: 0.0, Oppose/Withhold: 11.8,

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: 99.1, Abstain: 0.1, Oppose/Withhold: 0.7,

CLOSE BROTHERS GROUP PLC AGM - 16-11-2017

2. *Approve the Remuneration Report*
Disclosure: Performance conditions and targets for the Annual Bonus and LTIP are disclosed, however quantified past performance targets have not been provided. Accrued dividends on vested share incentive awards are not separately categorised.
Balance: 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. A 1.9% change in the CEO's salary is considered in line with a 3% change in salary for the rest of the Company. However, the CEO's salary is considered in the upper quartile of a peer comparator group, as such it is considered excessive. Variable remuneration realised the CEO during the year under review equates to 504% of his base salary (Annual Bonus: 273%, Share Awards: 231%) and exceeds recommended limits of 200% of base salary. The ratio of CEO to average employee pay is found inappropriate at 26:1.
Rating: BC

Vote Cast: *Abstain* Results: For: 97.0, Abstain: 2.2, Oppose/Withhold: 0.8,

3. *Approve Remuneration Policy*
The Company is proposing a few changes to the remuneration policy (see supporting information below), which are all considered positive. However, significant concerns remain over the remuneration structure. Maximum potential variable pay for the CEO under all incentives can amount up to 650% of salary which is deemed excessive. Moreover, the use of a LTIP to incentivise performance is not supported as this plan is not considered properly effective nor sufficiently long-term. The future performance conditions under the LTIP are not clearly stated. Also, there is no clear time frame to reach a shareholding requirement. Finally, the Remuneration Committee has inappropriate discretion when determining awards in the event of a change in control.
Rating: CDC

Vote Cast: *Oppose* Results: For: 97.1, Abstain: 0.0, Oppose/Withhold: 2.9,

5. *Elect Mike Biggs*
Newly appointed Chairman. Independent upon appointment. He is also Chairman of Direct Line Insurance Group plc, a FTSE 100 company. 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 the only one FTSE 350 Company.

Vote Cast: *Oppose* Results: For: 96.9, Abstain: 0.0, Oppose/Withhold: 3.1,

15. *Amend Omnibus Share Incentive Plan*
Shareholders are being asked to approve the proposed amendments to the Close Brothers Omnibus Share Incentive Plan (the **"Plan"**). The proposed amendments include: (i) extension of the life of the Plan so that it may be operated until 16 November 2027; (ii) removal of the Share Matching element of the Plan; (iii) increment of a limit on awards under the Plan; (iv) introduction of a two-year post-vesting holding period for LTIP awards.
The proposed amendments are considered positive, however, there are concerns over certain features of the Plan. Although the proposed maximum opportunity decreased from 400% of salary to 350% of salary, it is still deemed to be excessive. As performance conditions have not been disclosed and may be attached to awards at the Remuneration Committee's discretion, there are concerns that awards under the Plan will not necessarily be subject to sufficiently robust performance targets (if any). As a result, shareholders cannot assess whether the Plan will operate to align participants' incentives with shareholders' interests. Also, the three year performance period is not considered sufficiently long-term. The two-year holding period is however welcomed. Moreover, dividend accrued on vested shares are not supported. Finally, LTIPs are not considered an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature. They are also a significant factor in reward for failure. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 97.1, Abstain: 0.0, Oppose/Withhold: 2.9,

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: 85.3, Abstain: 0.0, Oppose/Withhold: 14.7,

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: 97.5, Abstain: 0.1, Oppose/Withhold: 2.4,

JPMORGAN GLOBAL EMERGING MKTS INC TRUST AGM - 27-11-2017

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 the Investment Manager of the Company. Independence from the management Company is considered a key governance issue affecting investment trusts and where administrative duties are carried out by a company related to the manager, safeguards are needed to ensure that the management company is not used as a conduit for shareholder communication with the Board. However, it is clear that the Board has a policy of communicating directly with shareholders as procedures are in place to allow the Board to communicate directly with shareholders and their representative bodies without the involvement of the management group.
There was no dividend or dividend policy put to vote although the company paid interim dividends during the year, which is considered inappropriate. It is considered that shareholder approval of the dividend, or dividend policy, is a necessary safeguard of shareholders rights and should be sought accordingly. Based on this concern, opposition is recommended.

Vote Cast: *Oppose* Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

8. *Appoint the Auditors and Allow the Board to Determine their Remuneration*
EY 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 five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Abstention is recommended.

Vote Cast: *Abstain* Results: For: 99.5, Abstain: 0.4, Oppose/Withhold: 0.1,

FERGUSON PLC AGM - 28-11-2017

2. *Approve the Remuneration Report*
Overall disclosure is satisfactory. The increase in the CEO's salary is in line with the rest of the Company and the changes in CEO total pay over the last five years are considered in line with Company's TSR performance over the same period. The Remuneration Committee used discretion appropriately when determining awards for the departing CEO. However, total variable pay was excessive, amounting to 279.8% of salary for the CEO. The ratio of CEO pay compared to average employee pay is not acceptable, standing at 32:1. Furthermore, the CEO's salary is in the upper quartile of the Company's comparator group.
Rating: BC.

Vote Cast: *Abstain* Results: For: 97.3, Abstain: 1.3, Oppose/Withhold: 1.4,

9. *Re-elect Mr Gareth Davis*
Incumbent Chairman. Considered independent upon appointment. However, he is also the Chairman of two other FTSE 350 companies, William Hill plc and DS Smith plc. A chair of more than one large public company cannot effectively represent corporate cultures which are potentially diverse and the possibility of having to commit additional time to the role in times of crisis is ever present, particularly in diverse international, complex and heavily regulated groups or groups which are undergoing significant governance changes. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 95.3, Abstain: 1.6, Oppose/Withhold: 3.1,

20. *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 a 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: 95.4, Abstain: 0.0, Oppose/Withhold: 4.5,

21. *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: 98.6, Abstain: 0.1, Oppose/Withhold: 1.3,

ASSOCIATED BRITISH FOODS PLC AGM - 08-12-2017

2. *Approve the Remuneration Report*
Overall disclosure is adequate. The increase in the CEO's salary is in line with the rest of the Company, and the changes in CEO pay over the last five years are considered in line with Company's TSR performance over the same period. However, total variable pay during the year under review was excessive, amounting to 305.55% of salary. Furthermore, the ratio of CEO pay compared to average employee pay is not acceptable, standing at 201:1, over ten times higher than the recommended limit of 20:1.
Rating: AC.

Vote Cast: *Abstain* Results: For: 96.7, Abstain: 0.3, Oppose/Withhold: 3.1,

4. *Re-elect Emma Adamo*
Non-Executive Director. Not considered to be independent as she is a representative of Wittington Investments Limited, which holds 59.16% of the Company's voting rights. There is insufficient independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.8, Abstain: 0.0, Oppose/Withhold: 1.2,

7. *Re-elect Javier Ferrán*
Non-Executive Director. Not considered to be independent as he has served on the Board for more than nine years. There is insufficient independent representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 91.6, Abstain: 0.7, Oppose/Withhold: 7.7,

10. *Re-elect Richard Reid*
Non-Executive Director. Not considered independent as he served as a Partner and Chairman of KPMG LLP from 1980 until September 2015, the Company's auditors at the time. There is insufficient independence representation on the Board. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 99.1, Abstain: 0.0, Oppose/Withhold: 0.9,

11. *Re-elect Charles Sinclair*
Incumbent Chairman. Independent on appointment. The Board lacks sufficient female representation and no targets have been set by the Company to address this imbalance. As he is the Chairman of the Nomination Committee, it is recommended shareholders oppose.

Vote Cast: *Oppose* Results: For: 93.8, Abstain: 3.7, Oppose/Withhold: 2.5,

SPORTS DIRECT INTERNATIONAL PLC EGM - 13-12-2017

1. *To approve the extension of the guaranteed minimum value for eligible employees participating in the Company's share schemes to Karen Byers and Sean Nevitt*
On 8 December 2016, the Company announced that it had committed to deliver a minimum value of £3 per share for employees participating in the Sports Direct 2011 share scheme (the "2011 Share Scheme") in respect of share awards vesting in September 2017. On 19 May 2017, the Company announced a further commitment to guarantee a minimum value of £4 per share for employees who postpone vesting of such share awards until September 2018 and are still employed by the Company at that date. In each case, if the market price of the Company's shares is below the guaranteed minimum value on the vesting date, the Company will make up the difference between the market price and the guaranteed minimum value by way of a cash bonus equal to the amount of the difference. This guaranteed minimum value was not originally extended to participants in the Executive Bonus Share Scheme, of which Karen Byers and Sean Nevitt are the only remaining members. However, the Board has now determined that, given their valuable contribution to the Company, they should receive the benefit of the minimum value guarantee in respect of their share awards under the Executive Bonus Share Scheme in the same way as participants in the 2011 Share Scheme. Karen Byers and Sean Nevitt are not directors of the Company and therefore share awards and other compensation granted to them are not subject to shareholder approval under the Companies Act 2006 or the Listing Rules. However, given their senior positions within the Company, the board of directors of the Company (the "Board") considers that, on this occasion, it is appropriate to ask shareholders to consider and, if thought fit, approve their participation in the minimum value guarantee in respect of their share awards under the Executive Bonus Share Scheme.

It is unclear how this payment is in the interest of the Company and its shareholders. The use of a guaranteed minimum value does the opposite of aligning participants' pay with shareholders' interest. This could mean that the shareholders are at risk of making significant losses while participants would be largely protected. Also, with the use of a guaranteed price, the worse the share price performance the more the Company would have to pay the two senior Executives. Finally, disclosure is clearly lacking as the Company should set out how much would be gained by Karen Byers and Sean Nevitt from this resolution and also how much the Company would have to pay to make up the difference between the market price and the guaranteed minimum value. Based on these concerns, opposition is recommended.

Vote Cast: *Oppose* Results: For: 34.0, Abstain: 0.3, Oppose/Withhold: 65.7,

2. *To approve a proposed payment to John Ashley*

The Company is proposing to pay a retrospective amount to John Ashley (the brother of Mike Ashley) comprising the difference between the amount he received during the period starting at the time of the Company's IPO in February 2007 and ending on 30 April 2015 (when he ceased to be an employee of the Company), and the amount paid in the same period to comparable members of the Company's senior management team who do not have a family connection to Mike Ashley.

The report from Reynolds Porter Chamberlain LLP ("RPC"), the law firm hired by the Company for that matter, concludes that, whilst other members of the Company's senior management team received the same basic salary as John Ashley during the relevant period, they each also received a total gross amount of £11,800,000 in bonus awards made up of a £5,000,000 cash award shortly following the IPO (as disclosed in the IPO prospectus) and subsequent annual share awards based on individual performance and the performance of the Company. The Company states that John Ashley did not receive these awards despite his strong individual performance and comparable contribution and importance to the development of the business over a period of many years. The Company state that this decision was taken, on the advice of third parties, solely to protect against any claim that John Ashley was benefiting because of his family connection with Mike Ashley rather than the awards being made on merit.

The RPC report states that "if the Board or shareholders wanted to treat John Ashley in the same way as comparable members of SDI's senior management team in respect of remuneration and benefits on this basis then it would need to pay him £11,029,296.20 gross (ignoring any interest or tax treatment) – being the sum of £11,800,000 gross less the maximum possible remuneration and benefits in kind received during the Period as referred to above".

It is clear that neither the Company nor shareholders decided at the time that it was in the interest of the Company to treat the brother of the majority shareholder the same way as the other directors. Therefore, it is unclear why a decision that was taken by the Company has now to be changed. It is unclear why the Company considers that the initial arrangement should be changed, especially when John Ashley agreed to this arrangement contractually as well. There were perceptions of a conflict of interest which justified this arrangement at the time. Removing that arrangement now and paying retrospective bonuses to Mr John Ashley could also indicate to shareholders that the company's other announcements and decisions should not be relied upon. Such a decision would continue to reinforce a lack of confidence in the work of the Board and whether or not it acts in the best interests of the shareholders or its majority shareholder. On this basis, it is not considered in the interests of shareholders to support this proposal.

Vote Cast: *Oppose* Results: For: 28.0, Abstain: 4.2, Oppose/Withhold: 67.7,

BELLWAY PLC AGM - 13-12-2017

2. *Approve Remuneration Policy*

Overall disclosure is adequate. The proposed change to increase shareholding guidelines for Directors is welcomed. Aside from that, the proposed policy remains largely the same as the current policy, and therefore the same concerns remain. Pension contributions and entitlesments are considered excessive. The annual bonus is not subject to share deferral. The Company only uses one performance condition for the LTIP, and Directors may be entitled to a dividend income which is accrued

on vesting PSP awards. Total variable pay is potentially excessive, as the maximum payout can reach 270% of salary.
Rating: AEC.

Vote Cast: *Oppose* Results: For: 96.8, Abstain: 0.7, Oppose/Withhold: 2.5,

3. *Approve the Remuneration Report*
Overall disclosure is adequate. The increase in the CEO's salary is in line with the rest of the Company, and the changes in CEO pay over the last five years are considered to be in line with the Company's TSR performance over the same period. However, total variable pay for the year under review was excessive, amounting to approximately 365.3% of salary for the CEO. In addition, the ratio of CEO pay compared to average employee pay stands at 27:1, which is not considered acceptable.
Rating: AC.

Vote Cast: *Abstain* Results: For: 96.6, Abstain: 1.6, Oppose/Withhold: 1.8,

5. *Re-elect Mr J K Watson*
Incumbent Chairman. Not considered to be independent on appointment as he has previously held executive responsibilities within the Company. Mr Watson was Chief Executive from 1999 to 2013. He has been employee of the Company since 1978. It is considered that a former executive may not have sufficient detachment to objectively assess executive management and strategy.

Vote Cast: *Abstain* Results: For: 90.5, Abstain: 0.9, Oppose/Withhold: 8.7,

8. *Re-elect Mr J A Cuthbert*
Senior Independent Director. Considered independent. However, the Board lacks sufficient female representation and no statement has been made in the report regarding the Company's plans to address this imbalance. As he is the Chairman of the Nomination Committee, it is recommended shareholders oppose.

Vote Cast: *Oppose* Results: For: 98.3, Abstain: 0.0, Oppose/Withhold: 1.7,

13. *Appoint the Auditors*
KPMG proposed. Non-audit fees represented 5.18% of audit fees during the year under review and 13.42% 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 since 1979. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor, especially given that the audit firm has had a tenure as excessive as this.

Vote Cast: *Oppose* Results: For: 96.6, Abstain: 0.0, Oppose/Withhold: 3.4,

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 a 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,

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: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

GVC HOLDINGS PLC EGM - 14-12-2017

1. *Approve Remuneration Policy*
Authority sought to approve the new remuneration policy. The reason for this proposal is that the Remuneration Committee have introduced new incentive schemes which they would like to implement for the year ending 31 December 2017. Historically the Executive Directors' only variable incentive was market priced options based solely on relative share price performance. Upon the Company's admission to the Main Market on 2 February 2016, the Executive Directors were granted market priced options. The Committee noted that the 2016 Annual Report on Remuneration only received a 56.92% vote in favour largely due to the legacy option plan and its structure. The Committee intends that the replacement incentive plans set out have been designed to ensure that structurally they are in line with corporate governance best practice.
Overall disclosure is adequate. Half of the proposed Annual and Deferred Bonus Plan (ABP) is subject to share deferral, which will vest after three years. This is a welcomed introduction to the annual bonus plan. The Company uses more than one performance condition, though they do not operate interdependently. With respect to the newly proposed LTIP, the performance period of three years is not considered to be sufficiently long-term, although a two year holding period has been introduced which is welcomed. LTIP awards are determined by more than one performance condition, though both are financial metrics. It is recommended that the performance conditions include at least one non-financial KPI. Furthermore, the performance conditions do not operate interdependently.
Total potential variable pay is excessive, amounting to 550% and 450% of salary for the CEO and CFO respectively. This significantly exceeds the recommended limit of 200% of salary. The shareholding requirements are 400% of salary for the CEO and 200% oif salary for the CFO, to be built over five years, which is acceptable.
In relation to contracts, the discretion given to the Committee to disapply performance conditions or time pro-rating on outstanding legacy awards is not acceptable. However, the two year notice provisions for the CEO and Chairman will be void and no element of the notice periods will more than one year under the proposed policy, which is welcomed.
Rating: ADC.

Vote Cast: *Oppose* Results: For: 72.5, Abstain: 0.0, Oppose/Withhold: 27.5,

2. *Approve a New Bonus Plan*
Authority sought to approve the GVC Holdings PLC Annual and Deferred Bonus Plan (ABP). Th ABP entitles the participants to an annual award based on performance over the financial year. Half of the award will be paid in cash following the determination of performance, with the other half deferred into Company shares vesting after three years. The maximum award level for the Chief Executive Officer (CEO) will be 250% of salary and the maximum award level for the Chief Financial Officer (CFO) will be 200% of salary. The Company will use more than one performance condition.
The ABP has some welcomed elements, such as half of the ABP being subject to share deferral, with the amount being deferred as well as the period being within recommended guidelines. However, the maximum opportunity is considered to be excessive, as it is recommended that total variable pay does not exceed 200% of salary. The proposed maximum opportunity of the ABP alone is excessive, and when combined with the maximum opportunity of the proposed LTIP, there is a potential

for considerably excessive payouts.
In light of the concern regarding excessiveness of awards, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 73.6, Abstain: 0.0, Oppose/Withhold: 26.4,

3. *Approve New Long Term Incentive Plan*
Authority sought to approve the GVC Holdings PLC 2017 Long Term Incentive Plan (LTIP). The LTIP entitles the participants to an annual share award based on performance over three financial years. Any shares earned will be released to participants after a further two year holding period taking the total period to five years. The maximum award level for the CEO will be 300% of salary and the maximum award level for the CFO will be 250% of salary. The performance conditions set for the period between 1 January 2017 to 31 December 2019 are: relative TSR vs. FTSE 250, with a 50% weighting; and EPS, cumulative over 3 year period, with a weighting of 50%. Malus and clawback provisions apply.
There are some positive elements to the proposed LTIP, namely the addition of a two year holding period as well as applying malus and clawback provisions. However, there are some concerns, such as the excessiveness of awards. The maximum opportunity for the LTIP is excessive alone, and when combined with the annual bonus there is a potential for considerably excessive payouts. Furthermore, the performance period is not considered to be sufficiently long term, and only financial metrics are used as performance conditions, which do not operate interdependently. Lastly, participants of the plan may be entitled to dividend equivalents, which is against best practice.
It is considered that the LTIP proposed does not promote better alignment with Shareholders. Moreover, LTIPs are not considered to be an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature.
In light of the concerns raised, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 87.9, Abstain: 0.0, Oppose/Withhold: 12.1,

LONDON STOCK EXCHANGE GROUP PLC EGM - 19-12-2017

1. *Shareholder Resolution: That Donald Brydon be and is hereby removed from office as a director of the Company with immediate effect.*
This shareholder resolution has been but forward by The Children's Investment Master Fund (TCI), a significant shareholder of the Company with over 5% of the issued share capital.
Background for the proposal: TCI initially requested two resolutions on 9 November 2017, one to remove the Chairman, Donald Brydon, and another to maintain Xavier Rolet as the CEO until 2021. This is in light of the announcement on 19 October 2017 that the Company was initiating a transition process to find a successor to the Company's CEO, Xavier Rolet, who would leave by the end of December 2018. On 29 November 2017, the Company announced that at the Board's request, Xavier Rolet had agreed to step down as CEO with immediate effect. Xavier Rolet also confirmed that he would not be returning to the office of CEO or director under any circumstances. Subsequently, the Company's CFO, David Warren, has been appointed as interim CEO and Donald Brydon agreed to step down as Chairman of the Company at the AGM in 2019, after the recruitment of a new CEO.
In light of Xavier Rolet stepping down with immediate effect and confirming that he would not return to office as CEO or director, and Donald Brydon agreeing not to stand for re-election at the 2019 annual general meeting, the Company has asked TCI to withdraw the Requisition. TCI has withdrawn the second resolution (relating to the extension of Xavier Rolet's tenure in office as CEO) but not the first resolution. TCI's rationale behind this proposal and the Board's rationale for not supporting this resolution are disclosed in the supporting information below.
Voting Recommendation: There are a number of concerns about the Board's behaviours. We note the fulsome praise the then CEO received as a result of the board evaluation and Remuneration Committee's outcomes as expressed in the 2015/16 Annual Report and the subsequent Board recommendations to the 2016 Annual

Meeting. We have therefore been surprised with subsequent outcomes. Given the CEO's departure we would expect that the CEO's contract and conditions of notice would be honoured in the detail including the basis of any payments for loss of office. As it turns out this has not been the case. In addition we cannot understand why as part of his severance package, the CEO has had an extension of 30 months' to his notice period. In PIRC's view the Board's mismanagement of the CEO succession strategy, constitutes a major failure of Board leadership, undermining effective governance standards and reflects badly on the role of the chairman. We are also disappointed to see the euphemistic phrase about the CEO's 'operating style [was] also [an] important factor taken into account' in his departure, as stated by the Board. Following the company's 19th October announcement, we were disappointed to note the Board's description of the CEO's lack of certainty about continuing in office reflected by 'pressure' on the CEO's relationship with certain members of the senior management team. We sense that important information has not been provided to shareholders on these matters. In short, we believe that the governance crisis that has impacted the board over recent months has various origins, and in our view not all of these can be laid at the door of the out-going CEO.

Under Xavier Rolet's tenure as Chief Executive Officer, there is evidence that the Company achieved a strong performance. This sudden departure requires further transparency and information. The lack of disclosure is troubling and demonstrates substandard Corporate Governance. Such actions require justification in order for Shareholders to understand and review decisions taken regarding the Company's future. Donald Brydon has therefore failed to maintain good governance standards. Further to this, concerns had already been expressed at the 2017 AGM about Donald Brydon, due to his chairmanship of another FTSE 350 company. In light of the concerns mentioned above, it is therefore recommended to abstain on the proposal to remove Mr Brydon from office.

Vote Cast: *Abstain* Results: For: 20.3, Abstain: 3.2, Oppose/Withhold: 76.5,

4 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; Paraguary; 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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