PIRC

Cumbria Local Government Pension Scheme

PROXY VOTING REVIEW

PERIOD 1st April 2018 to 30th June 2018

Contents

1 Resolution Analysis

- Number of resolutions voted: 825 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 580
- Number of resolutions opposed by client: 217
- Number of resolutions abstained by client: 28
- Number of resolutions Non-voting: 0
- 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	41
EUROPE & GLOBAL EU	1
TOTAL	42

1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	580
Abstain	28
Oppose	217
Non-Voting	0
Not Supported	0
Withhold	0
US Frequency Vote on Pay	0
Withdrawn	0
TOTAL	825

1.3 List of meetings not voted and reasons why

Company	Meeting Date	Type	Comment
HSBC HOLDINGS PLC	10-04-2018	EGM	information only meeting

1.4 Number of Votes by Region

	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total
UK & BRITISH OVERSEAS	566	27	213	0	0	0	0	0	806
EUROPE & GLOBAL EU	14	1	4	0	0	0	0	0	19
TOTAL	580	28	217	0	0	0	0	0	825

1.5 Votes Made in the Portfolio Per Resolution Category

	Portfolio						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	4	1	1	0	0	0	0
Annual Reports	28	8	46	0	0	0	0
Articles of Association	10	0	2	0	0	0	0
Auditors	56	4	14	0	0	0	0
Corporate Actions	3	0	0	0	0	0	0
Corporate Donations	21	3	1	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	313	11	69	0	0	0	0
Dividend	29	0	0	0	0	0	0
Executive Pay Schemes	0	0	3	0	0	0	0
Miscellaneous	35	0	0	0	0	0	0
NED Fees	1	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	0	0	1	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	80	0	80	0	0	0	0
Shareholder Resolution	0	1	0	0	0	0	0

1.6 Votes Made in the UK Per Resolution Category

	UK						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
Annual Reports	26	2	8	0	0	0	0
Remuneration Reports	2	6	29	0	0	0	0
Remuneration Policy	0	0	7	0	0	0	0
Dividend	29	0	0	0	0	0	0
Directors	303	11	68	0	0	0	0
Approve Auditors	19	4	14	0	0	0	0
Share Issues	74	0	15	0	0	0	0
Share Repurchases	4	0	36	0	0	0	0
Executive Pay Schemes	0	0	3	0	0	0	0
All-Employee Schemes	4	1	1	0	0	0	0
Political Donations	21	3	1	0	0	0	0
Articles of Association	10	0	2	0	0	0	0
Mergers/Corporate Actions	3	0	0	0	0	0	0
Meeting Notification related	32	0	0	0	0	0	0
All Other Resolutions	39	0	29	0	0	0	0
Shareholder Resolution	0	0	0	0	0	0	0

1.7 Votes Made in the US Per Resolution Category

	US/Global US & Canada						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	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

1.8 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	2	0	0	0	0
Articles of Association	0	0	0	0	0	0	0
Auditors	2	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	10	0	1	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	2	0	1	0	0	0	0
Shareholder Resolution	0	1	0	0	0	0	0

1.9 Votes Made in the GL Per Resolution Category

	Global						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	0	0	0	0	0	0	0
Articles of Association	0	0	0	0	0	0	0
Auditors	0	0	0	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	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
Shareholder Resolution	0	0	0	0	0	0	0

1.10 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
41	5	0	5
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
0	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
42	5	0	5

1.11 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
CARNIVAL PLC (GBR)	11-04-2018	AGM	19	7	0	12
RIO TINTO GROUP (GBP)	11-04-2018	AGM	22	13	1	8
BUNZL PLC	18-04-2018	AGM	19	14	0	5
RELX PLC	19-04-2018	AGM	21	17	0	4
HSBC HOLDINGS PLC	20-04-2018	AGM	29	12	3	14
LONDON STOCK EXCHANGE GROUP PLC	24-04-2018	AGM	26	18	0	8
BRITISH AMERICAN TOBACCO PLC	25-04-2018	AGM	20	14	0	6
THE WEIR GROUP PLC	26-04-2018	AGM	23	17	1	5
UNILEVER PLC	02-05-2018	AGM	24	19	0	5
OCADO GROUP PLC	02-05-2018	AGM	22	13	2	7
GLAXOSMITHKLINE PLC	03-05-2018	AGM	23	18	0	5
GLAXOSMITHKLINE PLC	03-05-2018	EGM	1	1	0	0
RECKITT BENCKISER GROUP PLC	03-05-2018	AGM	19	12	1	6
ROLLS-ROYCE HOLDINGS PLC	03-05-2018	AGM	23	20	1	2
PEARSON PLC	04-05-2018	AGM	20	14	3	3
INTERCONTINENTAL HOTELS GROUP PLC	04-05-2018	AGM	23	18	1	4
STANDARD CHARTERED PLC	09-05-2018	AGM	28	19	1	8
RENTOKIL INITIAL PLC	09-05-2018	AGM	23	14	1	8
MELROSE INDUSTRIES PLC	10-05-2018	AGM	18	10	1	7
ITV PLC	10-05-2018	AGM	19	15	0	4
TP ICAP PLC	10-05-2018	AGM	20	14	0	6
AVIVA PLC	10-05-2018	AGM	29	21	0	8
BAE SYSTEMS PLC	10-05-2018	AGM	21	17	1	3
JOHN LAING GROUP PLC	10-05-2018	AGM	18	14	1	3
JOHN WOOD GROUP PLC	11-05-2018	AGM	21	18	0	3
CENTRICA PLC	14-05-2018	AGM	24	17	2	5

G4S PLC	15-05-2018	AGM	21	15	1	5
SPIRAX-SARCO ENGINEERING PLC	15-05-2018	AGM	18	14	2	2
CAIRN ENERGY PLC	15-05-2018	AGM	19	14	1	4
LEGAL & GENERAL GROUP PLC	17-05-2018	AGM	23	18	0	5
PRUDENTIAL PLC	17-05-2018	AGM	29	22	0	7
NEX GROUP PLC	18-05-2018	COURT	1	1	0	0
ASTRAZENECA PLC	18-05-2018	AGM	24	14	0	10
NEX GROUP PLC	18-05-2018	EGM	1	1	0	0
BP PLC	21-05-2018	AGM	24	17	1	6
ROYAL DUTCH SHELL PLC	22-05-2018	AGM	19	14	1	4
BOVIS HOMES GROUP PLC	23-05-2018	AGM	16	10	2	4
LLOYDS BANKING GROUP PLC	24-05-2018	AGM	27	21	0	6
WPP PLC	13-06-2018	AGM	20	11	0	9
TESCO PLC	15-06-2018	AGM	25	19	0	6
RELX PLC	27-06-2018	EGM	2	2	0	0
RELX PLC	27-06-2018	COURT	1	1	0	0

2 Notable Oppose Vote Results With Analysis

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

RIO TINTO GROUP (GBP) AGM - 11-04-2018

4. *Approve the Remuneration Report (Australia)*
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 maximum potential award under all the incentive schemes is 638% of salary which is highly excessive. As stated in resolution 3, the current variable pay of the CEO is also deemed excessive at more than 200% of salary. There are concerns over features of the Long Term Incentives (LTI) plan: no non-financial performance metrics are used and the performance conditions are not interdependent. The contract policy is also of concern as an initial notice period of 24 months, reducing to 12 months after two years, can be given for recruitment purposes. This can allow for excessive severance payments for Executives appointed under these terms. Upon termination, there are significant concerns with regards to the fact that the outstanding PSP awards, after the first 36 months from the date of grant, will not be pro-rated for period served. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 87.7, Abstain: 2.2, Oppose/Withhold: 10.1,

18. *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: 86.9, Abstain: 0.1, Oppose/Withhold: 13.1,

BUNZL PLC AGM - 18-04-2018

15. *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: 89.2, Abstain: 0.0, Oppose/Withhold: 10.8,

RELX PLC AGM - 19-04-2018

2. *Approve the Remuneration Report*
Disclosure is substandard. Disclosure of share based incentive plans in the Single Total Figure of Remuneration is not considered adequate. Payments under the BIP,

LTIP and ESOS are not separately categorised, and there is no clarification provided in the notes of the single figure table. The change in the CEO salary is compared to the changes in salary of "a substantial proportion of the Company's global employee population". No information is provided with regard to this group of employees used for comparison. The CEO's variable pay for the year under review is highly excessive, amounting to 662% of his salary. The ratio of CEO pay compared to average employee pay is not acceptable at 41:1. The CEO's salary is in the upper quartile of the Company's comparator group.
Rating: CE.

Vote Cast: *Oppose* Results: For: 66.8, Abstain: 20.2, Oppose/Withhold: 13.1,

LONDON STOCK EXCHANGE GROUP PLC AGM - 24-04-2018

5. *Re-elect Donald Brydon*
Incumbent Chairman. Independent upon appointment. However, Donald Brydon also chairs Sage Plc, another FTSE 350 company. It is considered that a chair cannot effectively represent two corporate cultures. In addition, Mr Brydon is Chair of the Nomination Committee, and there is currently an insufficient level of female representation on the Board, and no target has been set to address this. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 81.3, Abstain: 3.0, Oppose/Withhold: 15.8,

6. *Re-elect Paul Heiden*
Independent Non-Executive Director. However, it is noted he missed 3 out of 16 Board meetings, and 1 out of 6 Remuneration Committee meetings in the year under review, with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 87.7, Abstain: 0.5, Oppose/Withhold: 11.8,

BRITISH AMERICAN TOBACCO PLC AGM - 25-04-2018

2. *Approve the Remuneration Report*
Overall disclosure is satisfactory. However, the retrospective targets for the Annual Bonus are not appropriately disclosed. The change in the CEO's salary is not in line with the change in the salaries of UK-based employees, as the CEO's salary rose by 3.8% while UK-based employees salaries rose by only 1%. Changes in the CEO's total remuneration over the past five years are not in line with changes in TSR during the same period. Awards granted under the LTIP are considered excessive, amounting to 481.8% of salary. Total variable pay is very excessive, amounting to approximately 730% of salary, which considerably exceeds the recommended limit of 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 217:1, and significantly exceeds the recommended limit of 20:1. Overall, the excessiveness of the Company's remuneration for the year under review raises concerns.
rating: BE.

Vote Cast: *Oppose* Results: For: 74.4, Abstain: 1.7, Oppose/Withhold: 23.9,

8. *Re-elect Dr Marion Helmes*
Independent Non-Executive Director.

Vote Cast: *For* Results: For: 58.2, Abstain: 1.8, Oppose/Withhold: 39.9,

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 would usually be recommended.

Vote Cast: *For* Results: For: 77.0, Abstain: 0.1, Oppose/Withhold: 22.9,

THE WEIR GROUP PLC AGM - 26-04-2018

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

UNILEVER PLC AGM - 02-05-2018

3. *Approve Remuneration Policy*

Key policy changes: Under the new Reward Framework, the Management Co-Investment Plan (MCIP) becomes the only long-term incentive as the GSIP has been discontinued with the final award in February 2018. Under the MCIP, the CEO and CFO can invest up to 67% of their gross annual bonus into Unilever shares which are matched based on performance over four years, with no match shares at threshold, 1.5X matching shares at Target performance and 3x match at Maximum. The use of matching shares is not considered appropriate.
Disclosure: Overall disclosure is acceptable.
Balance: The maximum variable pay for the CEO is 675% of salary (Annual bonus: 225%, MCIP: 450%) which is excessive. While indeed, the Company has simplified its remuneration structure by removing the Global Share Incentive Plan (GSIP) leaving the Annual Bonus & the MCIP. The use of a share matching plan is not supported. In addition, the same performance metric, underlying sales growth is in place for both the Annual Bonus and the MCIP, raising concerns that executives are being rewarded twice for the same performance. There is no evidence that dividends may not accrue on vesting awards from the date of grant. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not.
Contracts: An inappropriate level of upside discretion can be used by the Committee upon termination as time pro-rata vesting may be disapplied. In additon, there is a level of discretion in determining a 'good leaver'
Rating: BDC.

Vote Cast: *Oppose* Results: For: 61.4, Abstain: 4.3, Oppose/Withhold: 34.3,

OCADO GROUP PLC AGM - 02-05-2018

2. *Approve the Remuneration Report*
Disclosure: All elements of the Single Total Remuneration Table are adequately disclosed. However, next year's fees and salaries for all directors are not clearly stated. Also, performance condition metrics attached to both the AIP and LTIP are not disclosed and therefore the vesting scale for LTIP awards is not clear.
Balance:
Changes in CEO pay over the last five years are not considered in line with Company's financial performance over the same period. The CEO salary is around the median when compared to other CEO salaries in the Comparator group. Both the AIP and LTIP awards recieved by the CEO in 2017 are not considered excessive equating to 52.6% and 35.7% of salary repectively. However, the LTIP granted in the year under review represents 200% of the salary which is considered excessive, especially in conjunction with other variable elements. The ratio of CEO pay compared to average employee pay is 37:1 which is considered inappropriate.
Rating: DD

Vote Cast: *Oppose* Results: For: 83.5, Abstain: 0.0, Oppose/Withhold: 16.5,

18. *Authority to allot shares in connection with a rights issue only*
It is proposed that the Board is authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company comprising equity securities up to a nominal amount of £8,838,996. The authority is limited 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: 79.9, Abstain: 0.0, Oppose/Withhold: 20.1,

RECKITT BENCKISER GROUP PLC AGM - 03-05-2018

2. *Approve the Remuneration Report*
Disclosure: Overall disclosure is considered acceptable.
Balance: Due to actual results being below the stretching performance targets set, no bonus will be paid to the Executive Directors for 2017. The Committee considered it appropriate to exercise its discretion to reduce the vesting outcome for the 2015 LTIP by 50% for the CEO and CFO to align pay outcomes with the 'shareholder experience'. The impact of this is to reduce the 2017 single figure for the CEO from £23.7m to £12.5m and to reduce that for the CFO from £5.2m to £3m. This compares to 2016 single figures of £15.3m and £6.8m, respectively. However the realised amount is considered excessive at £11,220,400 or 1187% of the CEO's salary. In addition, the CEO's LTIP award is considered excessive at £6,486,000 (£19,456,000 if the options are included). This gains further importance in light of the fact that the target range used: 6% to 10% EPS CAGR growth is not considered sufficiently stretching. The ratio of CEO to average employee pay has been estimated and is found unacceptable at 32:1. The changes in CEO total pay over the last five years are not commensurate with the changes in Company's TSR performance over the same period.
Rating: AE.

Vote Cast: *Oppose* Results: For: 88.9, Abstain: 0.1, Oppose/Withhold: 11.0,

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

Vote Cast: *For* Results: For: 88.9, Abstain: 0.4, Oppose/Withhold: 10.6,

ROLLS-ROYCE HOLDINGS PLC AGM - 03-05-2018

20. *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: 86.8, Abstain: 0.2, Oppose/Withhold: 13.0,

PEARSON PLC AGM - 04-05-2018

3. *Elect Michael Lynton*
Newly-appointed independent non-executive director. However there are concerns over his aggregate time commitments.

Vote Cast: *Abstain* Results: For: 85.8, Abstain: 0.9, Oppose/Withhold: 13.3,

4. *Re-elect Elizabeth Corley*
Independent Non-Executive Director. However she is Chair of the Remuneration Committee, the remuneration reports and policy votes received significant oppose votes at the last AGM. Although, some discretion has been exercised to reduce pay outcomes in light of the 'shareholder experience' the CEO's overall remuneration for the year is 16% higher than last year. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 85.7, Abstain: 0.8, Oppose/Withhold: 13.4,

5. *Re-elect Vivienne Cox*
Independent Non-Executive Director.

Vote Cast: *For* Results: For: 86.7, Abstain: 0.0, Oppose/Withhold: 13.2,

9. *Re-elect Tim Score*
Independent Non-Executive Director.

Vote Cast: *For* Results: For: 85.7, Abstain: 0.0, Oppose/Withhold: 14.2,

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

Vote Cast: *For* Results: For: 83.9, Abstain: 0.0, Oppose/Withhold: 16.1,

17. *Issue Shares for Cash*
Authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. Within acceptable limits.

Vote Cast: *For* Results: For: 86.8, Abstain: 0.0, Oppose/Withhold: 13.1,

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: 80.8, Abstain: 0.0, Oppose/Withhold: 19.2,

INTERCONTINENTAL HOTELS GROUP PLC AGM - 04-05-2018

2. *Approve the Remuneration Report*
Disclosure: All elements of the Single Total Remuneration Table are adequately disclosed. Next year's fees and salaries for all directors are clearly stated. All share incentive awards are fully disclosed with award dates and prices.
Balance: The changes in CEO pay over the last five years are considered in line with the Company's TSR performance over the same period. The ratio of CEO pay compared to average employee pay is considered appropriate at 11:1. Appropriate payments were made regarding the appointment of Keith as Chief Executive. However, the variable pay of the CEO for the year under review represents more than 200% of salary which is considered excessive. It is therefore noted that the CEO comparison is based on Keith Barr's part year 2017 remuneration. The 149% of salary vesting for LTIP is obtained by dividing the full 15/17 LTIP cycle award by a part-year salary. Instead the annual salary (£775,000) should be used, resulting in 75% of salary. However, the 71% of salary APP award, was for a part year and the full year equivalent would have been 139%.
Rating: AC

Vote Cast: *Abstain* Results: For: 80.8, Abstain: 1.8, Oppose/Withhold: 17.3,

8. *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: 87.8, Abstain: 0.1, Oppose/Withhold: 12.1,

RENTOKIL INITIAL PLC AGM - 09-05-2018

2. *Approve Remuneration Policy*

The current policy was approved on 11 May 2016 and was not due for a vote this year. However, the Remuneration Committee undertook a review in light of recent financial progress and consulted with Shareholders. Subsequently, various changes to the current remuneration framework were proposed which led to the proposal of a new policy subject to shareholder approval at this year's AGM.

The proposed policy changes are as follows: (i) increase in the maximum opportunity for the annual bonus from 100% to 150% of salary; (ii) upon application of the individual performance modifier the bonus payout for corporate financial performance will be increased by up to 25%, capped at an overall maximum of 180% of salary; (ii) Executive Directors will defer 40% of annual bonus (beginning with bonus earned in relation to 2018 performance) into a new Deferred Bonus Plan, with a minimum deferral period of three years; (iv) annual share awards under the PSP will be increased from 200% to 250% of salary for the Chief Executive - may be increased to 300% of salary (versus 250% under the current policy) in exceptional circumstances; (v) a two year post-vesting holding period will apply to any awards granted in or after 2018; (vi) Executive Directors' shareholding guidelines will increase from 200% to 300% of annual base salary for the Chief Executive and from 150% to 200% of annual base salary for the Chief Financial Officer; (vii) lastly, future Executive Directors appointed will be eligible for a pension contribution or cash equivalent of 15% of salary.

Overall disclosure is satisfactory. The proposed limit of 15% of salary for the pension contributions of newly appointed Executive Directors is welcomed. However, this change does not apply to current Executive Directors or internal appointments; the CEO's current pension contribution is considered excessive at 25% of salary. The portion of the annual bonus which is subject to share deferral is not considered adequate, as it is recommended that at least half of the annual bonus is deferred into shares. The increase in the maximum opportunity for the annual bonus is not a welcomed change. With respect to the PSP, the three year performance period is not considered to be sufficiently long term. However, the introduction of a two year post-vesting holding period under the new policy is welcomed. The Company uses more than one performance condition, though they are both financial based and do not operate interdependently. It is recommended that at least one non-financial KPI is used, and that performance conditions operate interdependently. The proposed increase in the maximum opportunity from 200% to 250% of salary for the CEO is an inappropriate change. Moreover, the limit can be increased to 300% of salary in exceptional circumstances, which is contrary to best practice.

Total potential variable pay is excessive at 400% of salary for the CEO. Furthermore, when taking into account the effects of the individual performance modifier for the annual bonus, and the exceptional limit under the PSP, variable pay can reach 480% of salary. This is considered excessive, especially when compared to the recommended limit of variable pay of 200% of salary.

Shareholding requirements have been increased for Executives under the new policy, which is welcomed. At 300% of salary for the CEO, and 200% of salary for other Executives, which are to be built over five years, the shareholding guidelines are considered adequate and the changes promote better alignment with shareholder interests.

In relation to contracts, there is no guarantee that the Committee does not have the power to exercise upside discretion to dis-apply time pro-rating and performance conditions on termination of employment or on a change of control. On recruitment the Committee can exercise discretion to make variable pay awards of up to 480% of salary, which is excessive. In addition, this limit excludes any awards made to compensate the Executive Director for remuneration forfeited from their previous employer, which is inappropriate. Different measures and targets may be applied to a new appointment's annual bonus in the year of joining, which is contrary to best practice.

Rating: BDD.

Vote Cast: *Oppose* Results: For: 72.4, Abstain: 3.5, Oppose/Withhold: 24.1,

4. *Amend the Performance Share Plan 2016 (the 2016 PSP)*
Authority sought to amend the Performance Share Plan (PSP), which was first approved by shareholders at the AGM in 2016. The Company) seeks approval for some minor amendments to its existing terms. The amendments are as follow: proposal to increase the maximum opportunity from 200% of salary to 250% of salary, and to 300% of salary in exceptional circumstances; introduction of a two year post-vesting holding period, applying after the three year performance period; permit the application of clawback to five years; permit the accrual of dividends between the grant date and the actual date of vest or exercise; it is proposed that the Remuneration Committee are given discretion to also allow early vesting in the event of any other exceptional circumstance; proposed amendments have been made throughout the rules for compliance with legislative changes, which include the Market Abuse Regulations which came into effect in 2016 and the General Data Protection Regulation which applies in full from 25 May 2018; allow an addendum to be added to the 2016 PSP (which will be valid until the expiry of the 2016 PSP) to allow the granting of awards to participants in France under an approved plan; proposed amendments have been made to the US Schedule to ensure that the awards to US tax payers are in accordance with US tax rules following the changes to the main body of the PSP.
The introduction of a two year holding period is a welcomed change. However, the increase in the maximum opportunity is considered inappropriate and can lead to excessive payouts. It is recommended that total variable pay is limited to 200% of salary, yet PSP awards alone can exceed this limit. In light of this concern, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 73.6, Abstain: 1.4, Oppose/Withhold: 25.0,

MELROSE INDUSTRIES PLC AGM - 10-05-2018

2. *Approve the Remuneration Report*
Disclosure is substandard. There is inadequate disclosure regarding the specific performance conditions and targets for the annual bonus. There is a concern that share incentive awards under the Value Incentive Plan cannot be estimated, and there is therefore a lack of transparency. In addition, there is no information provided regarding the reasons for the significant opposition to the remuneration policy put forward at the extraordinary general meeting on 11 May 2017, nor is there any mention of shareholder engagement and steps taken to address shareholder concerns.
The change in the CEO's salary is in line with the rest of the Company. However, the Company disclosed only the change in the salaries of senior head office employees, which is inappropriate, as this is not reflective of the change in the salaries of the general workforce. The changes in CEO pay over the last five years are not considered in line with the changes in the Company's TSR performance over the same period. The ratio of CEO pay compared to average employee pay is not acceptable at 25:1. Total variable pay for the year under review was highly excessive, amounting to £42,198,280 for the CEO, which is 8884% of his salary. Given that the recommended limit for total variable pay is 200% of salary, such an award is considered inappropriate. The majority of this was from the Value Incentive Plan (£41,770,280). The Company explained that they created £3.6 billion in value for shareholders in that five year period equating to an annual average of 22% and this remuneration strategy has directly driven historical outperformance. In spite of the Company's explanation, the amount is considered highly excessive. Moreover, the Executive Directors received pay under the annual bonus, which is inappropriate.
Rating: DE.

Vote Cast: *Oppose* Results: For: 74.3, Abstain: 3.6, Oppose/Withhold: 22.0,

12. *Re-appoint the Auditors, Deloitte LLP*
Deloitte proposed. Non-audit fees represented 51.85% of audit fees during the year under review and 38.46% 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. Furthermore, the use of Deloitte as the consultant to the Remuneration Committee is considered inappropriate and raises concerns.

Vote Cast: *Oppose* Results: For: 89.4, Abstain: 0.1, Oppose/Withhold: 10.6,

ITV PLC AGM - 10-05-2018

14. *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: 83.4, Abstain: 0.0, Oppose/Withhold: 16.6,

TP ICAP PLC AGM - 10-05-2018

2. *Approve the Remuneration Report*
Overall disclosure is adequate. Changes in CEO pay over the last five years are in line with the Company's financial performance over the same period. The ratio of CEO pay compared to average employee pay is acceptable, at 9:1. The change in the CEO's salary is not in line with the rest of the Company, as the CEO's salary rose by 9% while average employee pay increased by 5.6%; such a difference in the change of salaries is not considered acceptable. The Company only compares the change in CEO salary with the change in the salaries of the senior management, which is inappropriate. Awards granted under the transformation LTIP are considered very excessive, with a maximum attainable value of £15 million, which is the equivalent of 2500% of the CEO's salary. Total variable pay for the year under review was also excessive, amounting to 287% of salary. Lastly, the CEO's salary is in the upper quartile of the Comapny's comparator group.
Rating: AE.

Vote Cast: *Oppose* Results: For: 88.3, Abstain: 1.0, Oppose/Withhold: 10.7,

JOHN WOOD GROUP PLC AGM - 11-05-2018

17. *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: 84.1, Abstain: 0.0, Oppose/Withhold: 15.9,

19. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*
The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or 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: 89.8, Abstain: 0.0, Oppose/Withhold: 10.2,

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

Vote Cast: *For* Results: For: 88.0, Abstain: 0.4, Oppose/Withhold: 11.6,

CENTRICA PLC AGM - 14-05-2018

18. *Approve Political Donations*
The proposed authority is subject to an overall aggregate limit on political donations and expenditure of £125,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 86.5, Abstain: 3.2, Oppose/Withhold: 10.3,

PRUDENTIAL PLC AGM - 17-05-2018

12. *Re-elect Mr Anthony Nightingale*
Independent Non-Executive Director.

Vote Cast: *For* Results: For: 86.2, Abstain: 1.2, Oppose/Withhold: 12.7,

ASTRAZENECA PLC AGM - 18-05-2018

5c. *Re-elect Marc Dunoyer*
Chief Financial Officer. Twelve months rolling contract.

Vote Cast: *For* Results: For: 74.5, Abstain: 3.8, Oppose/Withhold: 21.7,

5e. *Re-elect Philip Broadley*
Independent Non-Executive Director.

Vote Cast: *For* Results: For: 63.0, Abstain: 3.1, Oppose/Withhold: 33.8,

5g. *Re-elect Deborah DiSanzo*
Independent Non-Executive Director.

Vote Cast: *For* Results: For: 89.9, Abstain: 0.1, Oppose/Withhold: 10.0,

ROYAL DUTCH SHELL PLC AGM - 22-05-2018

2. *Approve the Remuneration Report*
Disclosure: Disclosure of performance conditions and targets is adequate. However, dividends accrued on long term incentive awards are not separately categorised.
Balance: Awards granted are considered excessive considering that the LTIP maximum vesting opportunity is 680% of salary. The CEO's total realised variable pay is considered excessive at 471% of salary (Annual Bonus: 201%, LTIP: 270%). The CEO's salary is considered in the upper quartile of a peer comparator group.
Rating: AE.

Vote Cast: *Oppose* Results: For: 74.2, Abstain: 0.8, Oppose/Withhold: 25.0,

19. *Shareholder Resolution: Publish targets that are aligned with the goal of the Paris Climate Agreement*
Proposed by: Follow this. The Proponent requests Shell to set and publish targets that are aligned with the goal of the Paris Climate Agreement to limit global warming to well-below 2C. These targets should cover the greenhouse gas (GHG) emissions of Shell's operations and the use of its energy products, they need to include long-term (2050) and intermediate objectives, to be quantitative and to be reviewed regularly. The Proponents request that the Company base these targets on tangible metrics such as GHG intensity metrics (GHG emissions per unit of energy produced) or to use other metrics that the company finds suitable to align its targets with a well-below 2c pathway.
Proponent's Supporting Argument: The Proponent states it supports Shell to take leadership by being one of the first majors to commit to the Paris Climate Agreement by setting clear targets. These inspirational targets will stimulate imagination beyond oil and gas, lend credence to investments in the exploration of new business models, increase brand value, justify extending the licence to operate, and signal a sense of urgency. The Proponent argues that institutional investors need transparency about long term targets in order to mitigate climate-related risk to comply with their fiduciary duty. Shell setting a clear target regarding its role in energy transition will provide this transparency and reduce the risk of stranded assets. The Proponent further discloses how this year's resolution differs from last year's (see 'supporting information' below). These changes were made in order to overcome the Company's objections and after input from institutional investors.
Board's Opposing Argument: Shell recommends that shareholders oppose and states that they already have an approach that is wider-ranging and more progressive than that proposed by Follow This. Shell states that it is an industry leader in this area as demonstrated through its support for the recommendations of the Task force on climate-related Financial disclosures, work with the task force to develop more specific guidance and best practices on related disclosures, inclusion of the Company's emissions management performance in the Executive Scorecard and recent announcements on net carbon footprints. The Company gives reasons for its recommended opposition as follows:

(i) The Company in November 2017 announced a net carbon ambition covering not just emissions from its own operations but also those produced by customers when using Shell's products. Under this ambition, the Company aims to cut the net carbon footprint of its energy products – expressed in grams of CO2 per megajoule consumed by around half by 2050. As an interim step, by 2035, the aim is to reduce the net carbon footprint by around 20%. In addition, Shell has identified a suite of potential business activities to help meet it, such as growing the New energies business.
(ii) Shell is committed to transparency and is reporting based on TCFD recommendations in 2018. The Company will also report on its net carbon footprint annually, provide updates on the progress of developing the business activities to meet its ambition, and reassess its ambition every five years in alignment with the Paris Agreement Nationally Determined Contributions (NDC) process.
(iii) Shell's net carbon footprint ambition goes well beyond the scope 1, 2 and 3 emissions of energy products required in the proposal by Follow This. The Company's approach covers emissions directly from Shell operations, those caused by third parties who supply energy for production and customers' emissions from consumption of these products. It includes the extraction, transportation and processing of raw materials, transport of products, and customers' emissions through using products sold by Shell. Also included are emissions from elements of this life cycle not owned by Shell, such as oil and gas processed by Shell but not produced by Shell, or from oil products and electricity marketed by Shell that have not been processed or generated at a Shell facility.
(iv) Shell's net carbon footprint ambition gives the Company the flexibility to continue to thrive in whatever world society moves towards. The resolution could, if supported, tie the hands of existing and future Shell management to measures which could force the Company to move too quickly – or too slowly – through the energy transition which is not in the best interests of Shell or its shareholders and could put Shell on a potentially less competitive pathway.
PIRC Analysis: It is noted that the Proponents have made improvements to their proposal, over and beyond what was requested last year. It is also noted that there is flexibility for Shell regarding choice of metrics to base targets on and the timing. However, Shell's recent efforts regarding this issue are laudable, given the published November 2017 ambition. Shell would be the first major to publish such an ambition. That being said, Shell has not set itself a binding target. It is believed that a clear target will provide more assurance. Therefore on balance, an abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 5.1, Abstain: 7.7, Oppose/Withhold: 87.2,

BOVIS HOMES GROUP PLC AGM - 23-05-2018

2. *Approve the Remuneration Report*
Overall disclosure is adequate. The ratio of CEO pay compared to average employee pay is unacceptable at 28:1. However, the changes in the CEO total pay under the last five years are considered in line with changes in TSR during the same period. Total variable pay for the year under review is acceptable at 182.2% of salary for the CEO. The change in the CEO's salary is in line with the rest of the Company, as the CEO's salary rose by 2.5% while the salaries of employees as a whole increased by 9.05%. The CEO's salary is in the lower quartile of the Company's comparator group. However, the recruitment award granted to the newly appointed CEO, GP Fitzgerald, raises some concerns. Such recruitment awards are considered inappropriate and appear to be a golden hello, rather than fulfilling the purpose of variable pay, which is to incentivise, reward and retain.
Rating: AC.

Vote Cast: *Abstain* Results: For: 61.2, Abstain: 1.9, Oppose/Withhold: 36.9,

7. *Re-elect Nigel Keen*
Independent Non-Executive Director. He missed one out of eleven Remuneration Committee meetings and one out of four Audit Committee meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 90.0, Abstain: 0.0, Oppose/Withhold: 10.0,

LLOYDS BANKING GROUP PLC AGM - 24-05-2018

14. *Approve the Remuneration Report*
Disclosure: Overall disclosure is acceptable.
Balance: The changes in CEO pay over the last five years are in line with the changes in Company's TSR performance over the same period. The LTIP grant worth 300% of salary granted to the CEO during the year is considered excessive. Also, there are concerns over the level of variable pay of the CEO which represents 293% of the annual salary excluding the Fixed Share Allowance of £90,000, the use of which is not supported. The ratio of CEO to average employee pay has been estimated and is found excessive at 109:1.
Rating: AD.

Vote Cast: *Oppose* Results: For: 78.2, Abstain: 1.3, Oppose/Withhold: 20.5,

WPP PLC AGM - 13-06-2018

3. *Approve the Remuneration Report*
Overall disclosure is satisfactory. However, the remuneration report received significant shareholder opposition at last year's AGM (20.79%). The Committee has included a statement which highlights the reasons for the significant level of shareholder opposition, and has highlighted shareholder engagement in the past which references the reason for the significant level of opposition.
The CEO's salary is in line with the rest of the Company, as the CEO's salary did not change while the change in employees' salaries was an increase of 1.8%. The CEO's salary is in the upper quartile of the Company's comparator group. 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. EPSP awards granted during the year under review are highly excessive at 601% of salary for the CEO. Total variable pay for the year under review is highly excessive, amounting to 1060% of salary for the CEO; this considerably exceeds the recommended limit of 200% of salary. There was no pay-out under the STIP due to performance targets not being achieved. A significant portion of the CEO's variable pay for the year under review was paid in the form of dividend equivalents, which is contrary to best practice. Dividend equivalents amounted to £2,170,000 for the CEO - 188.9% of his salary. The ratio of CEO pay compared to average employee pay is unacceptable at 81:1. There is no mention of any termination payments that are planned or have been made to the recently departed CEO. However, upon engaging with the Company, it was revealed that Martin Sorrell will be treated as having retired on leaving the Company under the share scheme rules. Consequently, his outstanding share awards will be pro-rated for time in line with the plan rules and will vest over the next five years, to the extent performance targets are achieved. No discretion was exercised. He did not receive any compensation for loss of office and he will not be entitled to any future payments in lieu of notice following his retirement.
Rating: CD.

Vote Cast: *Oppose* Results: For: 72.8, Abstain: 0.0, Oppose/Withhold: 27.2,

4. *Re-elect Roberto Quarta*
Chairman. Independent upon appointment. Upon the departure of Sir Martin Sorrell, Roberto Quarta assumed the position of Executive Chairman on an interim basis. The appointment of a chairman in an executive capacity is considered to be an obstacle to independence. The Chairman should meet the definition of independence

upon appointment in order to effectively fulfill his role. Given the role of the chair and non-executives in holding the executive management accountable, the Board Chairman should be a separate role to that of an Executive Director, who has operational responsibilities. Nevertheless, there is evidence of de facto division of responsibilities at the head of the Company, as the Company, upon engagement, made clear that Mr Quarta does not have the responsibilities of the Chief Executive, and that the running of the Company is undertaken by the joint Chief Operating Officers. Furthermore, the Company also states that the Board is conducting an internal and external review process on an expedited basis to confirm the appointment of the new CEO, at which point Mr Quarta will return to be the Non-Executive Chairman. Mr Quarta is Chairman of Smith & Nephew 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. Furthermore, there are concerns over the Company's succession planning, as is exemplified by the lack of planning in the aftermath of the CEO's departure. As Chair of the Nomination and Governance Committee, concerns are raised over Mr Quarta's oversight of succession planning in the Company.

Vote Cast: *Oppose* Results: For: 84.5, Abstain: 0.0, Oppose/Withhold: 15.5,

6. *Re-elect Ruigang Li*

Independent Non-Executive Director. However, he missed three out of four Nomination and Governance Committee meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 85.3, Abstain: 0.0, Oppose/Withhold: 14.7,

8. *Re-elect Hugo Shong*

Independent Non-Executive Director. He missed one out of six scheduled Board meetings, and one out of four Nomination and Governance Committee meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 87.3, Abstain: 0.0, Oppose/Withhold: 12.7,

3 Oppose/Abstain Votes With Analysis

CARNIVAL PLC (GBR) AGM - 11-04-2018

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

Vote Cast: *Oppose* Results: For: 96.9, Abstain: 0.0, Oppose/Withhold: 3.0,

5. *To re-elect Arnold W. Donald*
President and Chief Executive Officer. One year fixed term of office renewing automatically. In the event of his earlier termination, the employment agreement provides for compensation of one times his base salary and target bonus for the year of termination. Upon a change in control, his contract allows him to receive severance payments in excess of one-year salary and benefits.

Vote Cast: *Oppose* Results: For: 97.4, Abstain: 0.0, Oppose/Withhold: 2.5,

6. *To re-elect Richard J. Glasier*
Non-Executive Director. Not considered independent owing to a tenure of more than nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose* Results: For: 94.5, Abstain: 0.1, Oppose/Withhold: 5.3,

8. *To re-elect Sir John Parker*
Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose* Results: For: 95.2, Abstain: 0.0, Oppose/Withhold: 4.8,

9. *To re-elect Stuart Subotnick*
Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose* Results: For: 91.1, Abstain: 0.1, Oppose/Withhold: 8.8,

10. *To re-elect Laura Weil*
Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose* Results: For: 97.1, Abstain: 0.1, Oppose/Withhold: 2.8,

11. *To re-elect Randall J. Weisenburger*
Senior Independent Director. Not considered independent as 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: 96.0, Abstain: 0.0, Oppose/Withhold: 4.0,

12. *Advisory Vote on Executive Compensation*

Disclosure:- Annual cash incentives are based on operating income. The Company granted long-term incentives in the form of Performance-Based Share (PBS) grants, Management Incentive Plan-tied equity (MTE) and Shareholder Equity Alignment ("SEA"). PBS grants are based on operating income and Return on Invested Capital (ROIC) performance goals over a three-year period, as modified based on the Company's total shareholder return (TSR) rank relative to the 2017 Peer Group. The Company has disclosed the financial targets for its short-term incentives. However, there is no disclosure of the targets for the 2017 PBS grants. The SEA grant is based upon Carnival Corporation's absolute TSR performance as modified by our TSR rank relative to the 2017 Peer Group.

Balance: - For fiscal 2017, executive compensation was aligned with companies of a similar market capitalization however it was not aligned with peer group averages. Annual cash awards were considered excessive, with overall pay levels above peer group averages. The CEO's actual bonus for fiscal 2017 was $4,377,000 representing 291.8% of his base salary. A maximum limit on the annual bonus of 200% of base salary is considered best practice. Also, the Company failed to include non-financial metrics into the annual bonus structure, which is considered best practice as it provides a wider evaluation of Company performance, and is often linked with driving long-term growth as opposed to financial metrics, which can be easily manipulated year on year. The Company uses operating income as a performance metric for both the short-term and long-term incentives, allowing executives to be rewarded twice for the same performance.

Contract: - The Company has a compensation claw back policy however it is not considered robust and fail to appropriately define good reason and cause. Arnold W. Donald (CEO) and Michael Thamm (CEO, Costa Group) are the only Named Executive Officers (NEOs) with employment agreements providing cash severance. In a change in control, Mr. Donald would be eligible for two years of salary and target bonus, which is contrary to best practice. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 92.3, Abstain: 0.1, Oppose/Withhold: 7.6,

13. *Approve the Remuneration Report*

The 50% increase in base salary of the CEO compared to 4.8% for the rest of the Company is not considered appropriate. The CEO's salary is in the upper quartile in PIRC's comparator group. Despite receiving significant shareholder opposition to the remuneration report in 2017, it does not appear that the Company has made any attempt review or act upon the concerns raised. The changes in CEO pay over the last five years are not in line with the TSR performance over the same period. The total variable pay rewarded to the CEO in the year under review is considered highly excessive representing 633.6% of base salary. Also, the ratio of CEO pay compared to average employee has been estimated and found to be inappropriate at 225:1.

Rating: BE.

Vote Cast: *Oppose* Results: For: 92.6, Abstain: 0.1, Oppose/Withhold: 7.3,

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

PwC proposed. There were no non-audit fees during the year under review and 2.40% 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. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 96.3, Abstain: 0.4, Oppose/Withhold: 3.2,

16. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, no dividend has been put to the vote for shareholder approval, despite four quarterly dividends totalling $1.55 per ordinary share were paid during the year under review. Failure to give shareholders the opportunity to approve dividend distribution at the AGM is viewed as a failure to comply with best practice, regardless of whether payments are made as interim, special or final dividends. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.7, Abstain: 0.7, Oppose/Withhold: 0.6,

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

Vote Cast: *Oppose* Results: For: 99.0, Abstain: 0.2, Oppose/Withhold: 0.8,

RIO TINTO GROUP (GBP) AGM - 11-04-2018

1. *Receive the Annual Report*
Strategic Report meets guidelines. Adequate environmental policy is in place and relevant, up-to-date, quantified environmental reporting is disclosed. The proportion of women on the Board, in Executive Management positions and within the whole organisation is disclosed. However, it is noted that shareholders were not asked to vote on the dividend paid during the year, contrary to best practice. Therefore an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 95.9, Abstain: 0.5, Oppose/Withhold: 3.6,

2. *Approve Remuneration Policy*
Policy changes: The Company is removing a performance measure relating to relative EBIT margin improvement as it is described as being 'complex, opaque and impossible to track' during the performance period. Given this admission, it is inconceivable why it was chosen as a metric in the first instance. Vesting for Performance Share Awards (PSA) granted for 2018 will be subject two equally weighted measures of relative total shareholder return (TSR) against the Euromoney Global Mining Index and the MSCI World Index. Best practice is for at least two different metrics operating interdependently, with the inclusion of a non-financial performance metric. (ii) The Company is also seeking shareholder approval of a new umbrella agreement - the Equity Incentive Plan (EIP) which will govern all future long-term, share-based remuneration, including PSA and the deferred element of the STIP as well as restricted share awards. These changes are not considered sufficient to warrant support for the policy.
Disclosure: Overall policy disclosure is acceptable.
Balance: Total maximum potential awards under all incentive schemes are considered excessive at 638% of salary. The LTIP currently in operation is the Performance Share Award (PSA). Awards vest subject to RSR relative to two different indices. This is contrary to best practice as it is considered that awards should be subject to at least two performance metrics, operating interdependently. In addition, they should be linked to non-financial performance conditions. Dividend equivalents are permitted under the plan. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not.
Contracts: It is noted that in exceptional circumstances, an initial notice period of up to 24 months during the first two years of employment, reducing to up to 12 months thereafter, may be necessary to secure an external appointment. This is not considered appropriate. The Company states that no form of golden hello will be

provided upon recruitment.
Rating: ADC.

Vote Cast: *Oppose* Results: For: 92.7, Abstain: 3.0, Oppose/Withhold: 4.2,

3. *Approve the Remuneration Report*
Disclosure: Overall disclosure is acceptable. However accrued dividends are not separately categorised.
Balance: Appropriate discretion was used by the Board during the year, as given that fatalities occurred in 2017, reductions were applied as required by the Policy, with the safety results for the chief executive and the chief financial officer being reduced from 49.5 per cent of maximum to 37 per cent and 42 per cent, respectively. The CEO's realised variable pay is considered slightly excessive at 210% of his salary. The CEO was awarded an LTIP equivalent to 400% of his salary which is considered excessive. However, the balance of CEO realised total pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. The ratio of CEO to average employee pay has been estimated and is found unacceptable at 42:1.
Rating: AC

Vote Cast: *Abstain* Results: For: 87.5, Abstain: 3.2, Oppose/Withhold: 9.3,

4. *Approve the Remuneration Report (Australia)*
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 maximum potential award under all the incentive schemes is 638% of salary which is highly excessive. As stated in resolution 3, the current variable pay of the CEO is also deemed excessive at more than 200% of salary. There are concerns over features of the Long Term Incentives (LTI) plan: no non-financial performance metrics are used and the performance conditions are not interdependent. The contract policy is also of concern as an initial notice period of 24 months, reducing to 12 months after two years, can be given for recruitment purposes. This can allow for excessive severance payments for Executives appointed under these terms. Upon termination, there are significant concerns with regards to the fact that the outstanding PSP awards, after the first 36 months from the date of grant, will not be pro-rated for period served. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 87.7, Abstain: 2.2, Oppose/Withhold: 10.1,

5A. *Approve the 2018 Equity Incentive Plan*
Shareholder approval is being sought for the adoption of a new discretionary employee share plan, the Rio Tinto 2018 Equity Incentive Plan (2018 EIP) for executive directors and employees. However, the committee will decide who will be granted awards and over how many shares.
Plan Summary: Awards under the plan can take the form of (i) Conditional Awards - under which the participant receives shares for free automatically to the extent the award vests (which may be subject to the achievement of performance conditions); (ii) Forfeitable Shares - under which the participant receives free shares on grant, which must be given back to the extent the award lapses; or; (iii) Options - under which the participant can acquire shares, to the extent their award has vested, either at no cost or at a price set when the option is granted. The current intention is that awards will be made in the form of Conditional Awards to replicate awards currently made under the PSP, MSP and BDP and in line with the Group's Remuneration Policy. The inclusion of other award types is to provide for sufficient flexibility in the future should the Group's remuneration approach change during the life of the Plan. Awards may also be granted as cash awards. It is disclosed that the vesting of awards granted to executive directors (other than deferred bonus awards) will always be subject to a performance condition, except as otherwise permitted by the Group's Remuneration Policy. Dividend equivalents are permitted under the plan. Such rewards misalign shareholders and executive interests as shareholders must

subscribe for shares in order to receive dividends whereas participants in the scheme do not.
There are certain concerns over the plan. These include: the flexibility to award different types of awards under one plan, the lack of disclosure of performance conditions and award limits and the discretion to disapply time pro-rata vesting for 'good leavers'. More importantly, 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.

Vote Cast: *Oppose* Results: For: 95.0, Abstain: 0.1, Oppose/Withhold: 4.9,

14. *Re-elect Simon Thompson*
Chairman with effect from the 2018 AGM. Considered independent on appointment. He is also Chairman of 3i 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: 96.4, Abstain: 0.8, Oppose/Withhold: 2.9,

15. *Appoint the Auditors*
PwC proposed. Non-audit fees represented 22.38% of audit fees during the year under review and 16.11% 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: 98.1, Abstain: 0.2, Oppose/Withhold: 1.7,

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

Vote Cast: *Oppose* Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.7,

5B. *Approve potential termination benefits paid under the Rio Tinto 2018 Equity Incentive Plan*
It is proposed to approve for the purposes of sections 200B and 200E of the Australian Corporations Act 2001 the termination benefits given under the 2018 EIP that may be provided to individuals (Relevant Executives) who hold, or held in the last three years prior to cessation of employment a managerial or executive office, as defined in the Act, in Rio Tinto Limited or a related body corporate, including key management personnel (KMP) (which includes all Rio Tinto directors) and directors of subsidiary companies of Rio Tinto Limited.
The terms include discretion not to apply time pro-rating for awards subject to a performance conditions where the executive leaves on or after the third anniversary of grant which is not considered appropriate. Also it is noted that the Committee has discretion to vary the vesting date and/or the number of awards that vest. As such, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.9, Abstain: 0.1, Oppose/Withhold: 1.9,

BUNZL PLC AGM - 18-04-2018

3. *Re-appoint Philip Rogerson*
Chairman. Independent upon appointment. Mr. Rogerson is Chairman of the Board of another FTSE 350 listed company, De la Rue Plc. In addition, 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, he has the responsibility of addressing the lack of female Board representation. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 93.3, Abstain: 0.4, Oppose/Withhold: 6.3,

8. *Re-appoint Jean-Charles Pauze*
Independent Non-Executive Director. However, it is noted he missed an Audit Committee meeting in the year under review with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

14. *Approve the Remuneration Report*
Overall disclosure is adequate. The change in the CEO's salary is in line with the rest of the Company, as the CEO's salary rose by 2%, while average employee pay increased by approximately 3.77%. Changes in the CEO's total remuneration over the past five years are considered to be in line with changes in TSR during the same period. Total variable pay was not excessive, amounting to 172.6% of salary for the CEO. However, awards granted in the year under review are considered excessive as the LTIP awards granted amounted to 312.5% of the CEO's salary. Furthermore, the ratio of CEO pay compared to average employee pay is not acceptable at 54:1. It is noted that the CEO received a significant sum, £389,400 in benefits. Frank van Zanten's benefits include a transitional international relocation package from Amsterdam to London following his appointment as Chief Executive in April 2016 which are grossed up for taxes. This includes assistance with accommodation, removal costs and school fees. However, the CEO received a significant amount of benefits in the previous year. Two consecutive years of considerable benefits raises concerns.
Rating: BD.

Vote Cast: *Oppose* Results: For: 96.2, Abstain: 0.0, Oppose/Withhold: 3.8,

17. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*
The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such 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: 96.4, Abstain: 0.0, Oppose/Withhold: 3.6,

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

RELX PLC AGM - 19-04-2018

2. *Approve the Remuneration Report*
Disclosure is substandard. Disclosure of share based incentive plans in the Single Total Figure of Remuneration is not considered adequate. Payments under the BIP, LTIP and ESOS are not separately categorised, and there is no clarification provided in the notes of the single figure table. The change in the CEO salary is compared to the changes in salary of "a substantial proportion of the Company's global employee population". No information is provided with regard to this group of employees used for comparison. The CEO's variable pay for the year under review is highly excessive, amounting to 662% of his salary. The ratio of CEO pay compared to average employee pay is not acceptable at 41:1. The CEO's salary is in the upper quartile of the Company's comparator group.
Rating: CE.

Vote Cast: *Oppose* Results: For: 66.8, Abstain: 20.2, Oppose/Withhold: 13.1,

9. *Re-elect Wolfhart Hauser*
Senior Independent Director. Considered independent. However, he is Chair of the Remuneration Committee. Given the excessiveness of the Company's remuneration during the year under review and as concerns from previous years still remain, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 93.5, Abstain: 0.0, Oppose/Withhold: 6.5,

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 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: 96.2, Abstain: 0.2, Oppose/Withhold: 3.7,

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

Vote Cast: *Oppose* Results: For: 98.2, Abstain: 0.1, Oppose/Withhold: 1.8,

HSBC HOLDINGS PLC AGM - 20-04-2018

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. The vote by shareholders on the payment of a dividend on unqualified accounts, discharges the duties of the directors in tandem with the legal responsibilities of the auditors, and reaffirms the necessity of reliably audited accounts for financial governance to function properly. Given the lack of opportunity to approve the dividend, shareholders are recommended to oppose.

Vote Cast: *Oppose* Results: For: 98.3, Abstain: 0.4, Oppose/Withhold: 1.4,

2. *Approve the Remuneration Report*
Disclosure: All elements of the single figure table are adequately disclosed. However certain targets attached to the annual incentive.
Balance: The CEO's realised variable pay for the year under review, together with the Fixed Pay allowance, exceed 200% of salary for the CEO. In addition the taxable benefits paid to the CEO alone amount to 40% of his salary, which is excessive. The ratio of CEO to average employee pay is considered unacceptable at 124:1. LTIP awards were made to executive directors, Iain Mackay and Marc Moses at 319% of their salaries, which is considered excessive, being above the acceptable limit of 200% of salary. There are concerns over leaving arrangements for Stuart Gulliver who has stepped down as Group Chief Executive. In addition, the Group Chairman was paid a one-time reolcation benefit of £300,000 which is inappropriate.
Rating: BD.

Vote Cast: *Oppose* Results: For: 96.7, Abstain: 0.3, Oppose/Withhold: 3.0,

3e. *Re-elect Henri De Castries*
Independent Non-Executive Director. This Director has missed two Board meetings he was eligible to attend. No explanation has been provided by the Company. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 99.7, Abstain: 0.2, Oppose/Withhold: 0.0,

3d. *Re-elect Laura Cha*
Independent Non-Executive Director. This Director has missed one Board meeting she was eligible to attend. No explanation has been provided by the Company. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.6, Abstain: 0.2, Oppose/Withhold: 1.2,

3f. *Re-elect Lord Evans of Weardale*
Independent Non-Executive Director. This Director has missed one Board meetings he was eligible to attend. No explanation has been provided by the Company. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.3, Abstain: 0.2, Oppose/Withhold: 1.5,

3g. *Re-elect Irene Lee*
Independent non-executive director. However there are concerns over her aggregate time commitments.

Vote Cast: *Abstain* Results: For: 96.1, Abstain: 1.6, Oppose/Withhold: 2.4,

3k. *Re-elect David Nish*
Independent non-executive director. This Director has missed two Board meetings that he was eligible to attend. No explanation has been provided by the Company. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.6, Abstain: 0.2, Oppose/Withhold: 2.2,

3l. *Re-elect Jonathan Symonds*
Senior Independent Director. Not considered independent as he is the Chairman of HSBC Bank Plc, the Company's UK subsidiary. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition he sits on the Audit Committee, which should be solely comprised of independent directors. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.3, Abstain: 0.2, Oppose/Withhold: 1.4,

3m. *Re-elect Jackson Tai*
Independent Non-Executive Director. It is noted he missed one Board meeting he was eligible to attend. No justification is provided by the Company. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.8, Abstain: 0.2, Oppose/Withhold: 2.0,

4. *Appoint the Auditors*
PWC proposed. Non-audit fees represented 25.00% of audit fees during the year under review and 29.51% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor.

Vote Cast: *Abstain* Results: For: 99.7, Abstain: 0.2, Oppose/Withhold: 0.1,

6. *Approve Political Donations*
The proposed authority is subject to an overall aggregate limit on political donations and expenditure of £200,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 92.9, Abstain: 0.2, Oppose/Withhold: 6.8,

7. *Issue Shares with Pre-emption Rights*
Authority is limited to two-thirds of the Company's issued share capital. However, that authority is limited as follows:
(a) up to 20% of the Company's issued ordinary share capital may be used for general allotments (for cash);

(b) up to one third of the Company's issued share capital with pre-emption rights;
(c) up to two-thirds of the Company's issued ordinary share capital in connection with a rights issue only. Any allotments or grants under paragraphs (a) or (b) will reduce the level of this two-thirds authority;
(d) issue of sterling (up to £150,000), US dollar (up to USD150,000) and euro (up to EUR150,000) non-cumulative preference shares without having first to obtain the consent of shareholders in general meeting.
Issuance of share of up to 10% of the issued share capital for cash is considered excessive. The use of this authority to issue preference shares is also not supported. An oppose vote is therefore recommended.

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

9. *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: 95.0, Abstain: 0.2, Oppose/Withhold: 4.7,

10. *Issue Re-purchased Shares with Pre-emption Rights*
Authority proposed to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company pursuant to paragraph (a) of Resolution 7 be extended by the addition of such number of ordinary shares of US$0.50 each repurchased by the Company under the authority granted pursuant to Resolution 11, to the extent that such extension would not result in any increase in the authority to allot shares or grant rights to subscribe for or convert securities into shares pursuant to paragraphs (b) and (c) of Resolution 7. Share repurchase authority under resolution 10 is limited to 10% of the Company's issued share capital. This will allow the Company to issue repurchased shares. Given the oppose vote recommended for the repurchase of shares without adequate justification, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.3, Abstain: 0.2, Oppose/Withhold: 1.5,

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

Vote Cast: *Oppose* Results: For: 96.4, Abstain: 0.3, Oppose/Withhold: 3.3,

12. *Issue Shares with Pre-emption Rights in Relation to Contingent Convertible Securities (CCSs)*
Authority to allot shares and grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of US$1,999,610,418, representing approximately 20% of the Company's issued ordinary share capital as at 23 February 2017, such authority to be exercised in connection with the issue of CCSs. CCSs are debt securities which convert into ordinary shares in certain prescribed circumstances (see supporting information). They benefit from a specific regulatory capital treatment under European Union legislation. This authority is in addition to resolution 13 and will expire at next AGM.

The Company explains that this resolution is a recurring resolution at its AGM and will be used to comply or maintain compliance with regulatory capital requirements or targets applicable to the Group. The terms of HSBC's existing CCSs have received regulatory approval from the Prudential Regulation Authority (PRA). The dilution involved for those shareholders not able to subscribe may significantly decrease their interest in the Bank. Dis-applying pre-emption rights may result in excessive dilution.
The use of CCSs are not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CCSs are relatively new instruments and there are concerns that CCSs may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Previous events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of CCSs on both the CCS price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 95.4, Abstain: 0.3, Oppose/Withhold: 4.3,

13. *Issue Shares for Cash in Relation to Contingent Convertible Securities (CCSs)*
This resolution will give the Directors authority to allot CCSs, or shares issued upon conversion or exchange of CCSs, without the need to first offer them to existing shareholders. This will allow the Directors greater flexibility to manage the Company's capital in the most efficient and economical way for the benefit of shareholders. If passed, Resolution 13 will authorise the Directors to allot shares and grant rights to subscribe for or to convert any security into shares in the Company on a non-pre-emptive basis up to an aggregate nominal amount of S$1,999,610,418, representing approximately 20% of the Company's issued share capital. In line with the voting recommendation on resolution 12, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 94.1, Abstain: 0.2, Oppose/Withhold: 5.7,

LONDON STOCK EXCHANGE GROUP PLC AGM - 24-04-2018

3. *Approve the Remuneration Report*
Overall disclosure is adequate. The departing CEO's salary did not increase during the year under review, while average pay of UK employees increased by 2.5%, which is welcomed. However, it is recommended that the figure for change in average employee pay provided by the Company be more comprehensive and takes into account salary changes for employees outside the UK. Changes in the CEO's total remuneration over the past five years are considered to be in line with changes in TSR during the same period. However, the face value of LTIP awards granted to the Interim CEO amount to approximately 292% of salary, which is excessive. In addition, total variable pay for the year under review for the departing CEO is also considered excessive, amounting to approximately 615.2% of salary, with the LTIP alone being 437.8% of salary. The ratio of the CEO's pay compared to average employee pay is not acceptable at 28:1.
Rating: AD.

Vote Cast: *Oppose* Results: For: 93.4, Abstain: 0.7, Oppose/Withhold: 5.9,

5. *Re-elect Donald Brydon*
Incumbent Chairman. Independent upon appointment. However, Donald Brydon also chairs Sage Plc, another FTSE 350 company. It is considered that a chair cannot effectively represent two corporate cultures. In addition, Mr Brydon is Chair of the Nomination Committee, and there is currently an insufficient level of female representation on the Board, and no target has been set to address this. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 81.3, Abstain: 3.0, Oppose/Withhold: 15.8,

6. *Re-elect Paul Heiden*
Independent Non-Executive Director. However, it is noted he missed 3 out of 16 Board meetings, and 1 out of 6 Remuneration Committee meetings in the year under review, with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 87.7, Abstain: 0.5, Oppose/Withhold: 11.8,

10. *Re-elect Stephen O'Connor*
Independent Non-Executive Director. However, it is noted he missed 2 out of 16 Board meetings in the year under review, with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 92.0, Abstain: 7.0, Oppose/Withhold: 1.1,

11. *Re-elect Mary Schapiro*
Independent Non-Executive Director. However, it is noted she missed 4 out of 16 Board meetings in the year under review, with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 92.0, Abstain: 7.0, Oppose/Withhold: 1.1,

20. *Approve the London Stock Exchange Group Restricted Share Award Plan 2018 (the RSAP)*
Authority is sought to approve the adoption of the London Stock Exchange Group Restricted Share Award Plan 2018 (the RSAP), which provides for the grant of awards over Shares in the Company. The RSAP will replace the Company's existing restricted share award plan which was adopted by the Board of Directors of the Company on 22 May 2008. The RSAP is intended primarily to replicate deferred compensation forfeited at previous employers and/or to facilitate the retention of key talent during acquisitions and to align the interests of such employees with those of shareholders by enabling these selected employees to receive an award of Shares that will vest upon expiry of a restricted period. Any employee who has not given or been given notice terminating his employment will be eligible to participate in the RSAP. Directors will be eligible to participate in the RSAP but it is not intended that Awards will be granted to Executive Directors under the RSAP save in circumstances where an Award is granted to replace any deferred compensation which an executive director has forfeited by virtue of his or her recruitment by the Company.
There are some concerns regarding the plan. Performance conditions may be dis-applied and. It is also not considered appropriate to introduce a plan with the purpose of replacing deferred compensation forfeited elsewhere. In light of the concerns raised, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.6, Abstain: 0.7, Oppose/Withhold: 1.7,

24. *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: 97.8, Abstain: 0.0, Oppose/Withhold: 2.2,

25. *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,

BRITISH AMERICAN TOBACCO PLC AGM - 25-04-2018

2. *Approve the Remuneration Report*
Overall disclosure is satisfactory. However, the retrospective targets for the Annual Bonus are not appropriately disclosed. The change in the CEO's salary is not in line with the change in the salaries of UK-based employees, as the CEO's salary rose by 3.8% while UK-based employees salaries rose by only 1%. Changes in the CEO's total remuneration over the past five years are not in line with changes in TSR during the same period. Awards granted under the LTIP are considered excessive, amounting to 481.8% of salary. Total variable pay is very excessive, amounting to approximately 730% of salary, which considerably exceeds the recommended limit of 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 217:1, and significantly exceeds the recommended limit of 20:1. Overall, the excessiveness of the Company's remuneration for the year under review raises concerns.
rating: BE.

Vote Cast: *Oppose* Results: For: 74.4, Abstain: 1.7, Oppose/Withhold: 23.9,

10. *Re-elect Dimitri Panayotopoulos*
Independent Non-Executive Director. However, he is Chair of the Remuneration Committee. Given the excessiveness of the Company's remuneration during the year under review, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 96.7, Abstain: 1.2, Oppose/Withhold: 2.1,

13. *Elect Luc Jobin*
Non-Executive Director. Not considered independent as he served as the CEO of Imperial Tobacco Canada, a subsidiary of the Company, from 2003 to 2005, and was the Executive Vice President and Chief Financial Officer from 1998 to 2003. There is sufficient independent representation on the Board. However, he sits on the Remuneration Committee. The three principal Committees should be fully independent according to best practice guidelines. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 99.0, Abstain: 0.1, Oppose/Withhold: 0.9,

14. *Elect Holly Keller Koeppel*
Non-Executive Director. She served on the Board of Directors of Reynolds American Inc. (RAI), which was acquired by British American Tobacco in 2017, from July 16, 2008 until the acquisition. She is therefore not considered independent owing to a tenure of over nine years, though there is sufficient independent representation

on the Board. However, she sits on the Audit Committee. The three principal Committees should be fully independent according to best practice guidelines. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.1, Abstain: 0.1, Oppose/Withhold: 1.8,

15. *Elect Lionel Nowell, III*
Non-Executive Director. He served as the Senior Independent Director of Reynolds American Inc. (RAI), which was acquired by British American Tobacco in 2017, and was a Non-Executive Director from 2007 until the acquisition. He is not considered independent owing to a tenure of over nine years at RAI, though there is sufficient independent representation on the Board. However, he sits on the Audit Committee. The three principal Committees should be fully independent according to best practice guidelines. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.1, Abstain: 0.1, Oppose/Withhold: 1.8,

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

THE WEIR GROUP PLC AGM - 26-04-2018

4. *Approve Remuneration Policy*
Overall disclosure is satisfactory. With respect to the principal policy changes, the LTIP will be replaced by the SRP, with a reduction in the maximum opportunity. Under the new plan, annual restricted share awards will be limited to 125% of salary for the CEO and 100% for the CFO, instead of the previous maximum opportunity for LTIP awards (CEO: 250% of salary; CFO: 200% of salary). The annual bonus has been amended, with Group PBTA having a weighting of 50% of awards, increased from 40%. The other performance conditions have been replaced by working capital, with a weighting of 20%, and strategic measures, with a weighting of 30%. The shareholding guidelines for Executive Directors have been doubled. The guidelines are now: 400% of salary for the CEO; 300% of salary for the CFO. In addition, shareholding guidelines will be extended to a post employment period.
There are some concerns regarding the policy. The amount deferred under the annual bonus is not considered adequate. In addition, performance conditions for the annual bonus do not operate interdependently. With respect to the newly introduced SRP, it is unclear how performance will be judged and measured as there are no performance measures attached. Despite the reduction in the maximum opportunity of the SRP from the LTIP, total potential variable pay is still considered excessive, as awards of up to 275% of salary can be made to the CEO. With respect to contracts, the Remuneration Committee may exercise its discretion to apply a different pro-rata methodology or to dis-apply time pro-rating completely for outstanding share awards on termination. Such termination provisions can therefore be subject to upside discretion, which can lead to excessive payments. On a change of control, the Committee can decide to dis-apply performance conditions and time pro-rating, which is inappropriate.
Rating: BDC.

Vote Cast: *Oppose* Results: For: 92.3, Abstain: 0.0, Oppose/Withhold: 7.6,

5. *Approve the Weir Group Share Reward Plan (SRP)*
Shareholders are being asked to approve the new Share Reward Plan. The SRP will replace the Company's current LTIP. The Company believes that this plan is better aligned with the long-term interests of the business, and that performance would be better rewarded in the cyclical and volatile nature of the markets.
Awards under the SRP may be granted as Restricted Share Awards and, to facilitate the deferral of annual bonus awards into ordinary shares in the Company (Shares), Deferred Bonus Awards. Vesting of awards will be phased in four equal tranches over a five-year period. This will normally be split into four equal tranches of 25% (of the total award) which vest after two, three, four and five years following grant. Following vesting, an additional two-year holding period will also apply to each tranche, such that 50% of vested shares in an award are released five years from grant, 25% are released after six years and the final 25% is released after seven years. No performance measures are associated with the awards. The underpin will consist of a 'basket' of pre-determined key metrics. If any of the following thresholds have not been met, it would trigger the Committee to consider whether a discretionary adjustment was required:(i) maintain average absolute dividend per share over the vesting period at least in line with the 2017 declared dividend per share; (ii) no breach of debt covenant or renegotiation of covenant terms outside of a normal refinancing cycle; (iii) maintain average ROCE over the vesting period above the average Weighted Average Cost of Capital for that period;(iv) no material failure in governance or an illegal act resulting in significant reputational damage and/or material financial loss to the Group.
There are some improvements in this plan over the previous LTIP, namely: the reduction in the maximum opportunity; the increase in time horizon; the longer vesting period; the underpin, which is based on a variety of metrics that are not solely financial based. However, it is not clear how overall performance is judged and rewarded according to the plan, as the Company have mentioned the underpin but it is not clearly explained. In addition, dividend equivalents are used. Such rewards mis-align shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. In addition, the underpin may be subject to a discretionary downward adjustment in the vent that any of the thresholds are not met. The language here does not seem certain. It is also of concern that there has been no vesting under the LTIP in the last few years. This could be a replacement for that plan which may have been stricter. Ultimately, these plans are not considered to be an effective means of incentivising performance and are subject to manipulation due to their discretionary nature. Furthermore, maximum limits under all variable incentive plans is still considered excessive at 275% of salary. A vote in opposition would usually be recommended. However, as this is replacing the LTIP and is an improvement, an abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 93.1, Abstain: 0.7, Oppose/Withhold: 6.2,

14. *Re-elect Sir Jim McDonald*
Independent Non-Executive Director. However, he missed one Audit Committee meeting, for which the Company provided an adequate justification, and one Board meeting; no justification was provided for missing the Board meeting. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 98.6, Abstain: 0.0, Oppose/Withhold: 1.4,

15. *Re-elect Richard Menell*
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 fulfill the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 94.2, Abstain: 0.0, Oppose/Withhold: 5.8,

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

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: 0.0, Oppose/Withhold: 1.4,

UNILEVER PLC AGM - 02-05-2018

1. *Receive the Annual Report*
Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. Dividends have been declared for the year under review, however, the Company has not put any to shareholders' vote. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 98.8, Abstain: 0.1, Oppose/Withhold: 1.1,

2. *Approve the Remuneration Report*
Disclosure: All elements of the single figure table are disclosed. Performance conditions and targets for the annual bonus and LTIP are disclosed. Accrued dividends on share incentive awards are separately categorised.
Balance: The CEO's total realised awards under all incentive schemes is considered excessive at 820% of salary which is considered highly excessive. In addition, awards made to the CEO under variable incentive schemes are considered excessive amounting to EUR 6,548, 790. The ratio of CEO to average employee pay has been estimated and is found excessive at 133:1. The balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period
Rating: BD.

Vote Cast: *Oppose* Results: For: 95.2, Abstain: 2.1, Oppose/Withhold: 2.7,

3. *Approve Remuneration Policy*

Key policy changes: Under the new Reward Framework, the Management Co-Investment Plan (MCIP) becomes the only long-term incentive as the GSIP has been discontinued with the final award in February 2018. Under the MCIP, the CEO and CFO can invest up to 67% of their gross annual bonus into Unilever shares which are matched based on performance over four years, with no match shares at threshold, 1.5X matching shares at Target performance and 3x match at Maximum. The use of matching shares is not considered appropriate.
Disclosure: Overall disclosure is acceptable.

Balance: The maximum variable pay for the CEO is 675% of salary (Annual bonus: 225%, MCIP: 450%) which is excessive. While indeed, the Company has simplified its remuneration structure by removing the Global Share Incentive Plan (GSIP) leaving the Annual Bonus & the MCIP. The use of a share matching plan is not supported. In addition, the same performance metric, underlying sales growth is in place for both the Annual Bonus and the MCIP, raising concerns that executives are being rewarded twice for the same performance. There is no evidence that dividends may not accrue on vesting awards from the date of grant. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not.
Contracts: An inappropriate level of upside discretion can be used by the Committee upon termination as time pro-rata vesting may be disapplied. In additon, there is a level of discretion in determining a 'good leaver'
Rating: BDC.

Vote Cast: *Oppose* Results: For: 61.4, Abstain: 4.3, Oppose/Withhold: 34.3,

22. *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: 97.0, Abstain: 0.1, Oppose/Withhold: 2.9,

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

Vote Cast: *Oppose* Results: For: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

OCADO GROUP PLC AGM - 02-05-2018

2. *Approve the Remuneration Report*
Disclosure: All elements of the Single Total Remuneration Table are adequately disclosed. However, next year's fees and salaries for all directors are not clearly stated. Also, performance condition metrics attached to both the AIP and LTIP are not disclosed and therefore the vesting scale for LTIP awards is not clear.
Balance:
Changes in CEO pay over the last five years are not considered in line with Company's financial performance over the same period. The CEO salary is around the median when compared to other CEO salaries in the Comparator group. Both the AIP and LTIP awards recieved by the CEO in 2017 are not considered excessive equating to 52.6% and 35.7% of salary repectively. However, the LTIP granted in the year under review represents 200% of the salary which is considered excessive, especially in conjunction with other variable elements. The ratio of CEO pay compared to average employee pay is 37:1 which is considered inappropriate.
Rating: DD

Vote Cast: *Oppose* Results: For: 83.5, Abstain: 0.0, Oppose/Withhold: 16.5,

3. *Re-elect Lord Rose*
Incumbent Chairman. Not considered independent on appointment because he received matched restricted shares (worth £400,000) on appointment. There are concerns over his aggregate time commitments, the post of Chairman is highly significant as chairmen are primarily responsible for the culture of the board, and by extension the organisation as a whole and for ensuring that the board operates effectively. As such the chairman is expected to and should commit a substantial proportion of his or her time to the role. There is insufficient gender representation on the board. Currently, there are 2 female directors on the board representing 18% of the board. This is not considered sufficient. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.2, Abstain: 0.9, Oppose/Withhold: 0.9,

6. *Re-elect Neill Abrams*
Executive Director and Company Secretary. 12 months rolling contract. The Company Secretary is an officer of the Company with all of the responsibilities that attach to that status. The holder of the post is often seen as the guardian of governance and an independent adviser to the Board. For this reason, it is considered a conflict of interest for a person to serve the company secretarial function and serve another position on the Board. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 99.6, Abstain: 0.1, Oppose/Withhold: 0.2,

9. *Re-elect Jörn Rausing*
Non-Executive Director. Not considered 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: 96.3, Abstain: 0.0, Oppose/Withhold: 3.7,

11. *Re-elect Douglas McCallum*
Independent Non-Executive Director. However he is Chairman of the Remuneration Committee which appointed the immediate former auditor as its remuneration adviser. It is considered that company/committee advisers should be independent of the Company which is not the case.

Vote Cast: *Oppose* Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.7,

14. *Appoint the Auditors*
Deloitte proposed. Non-audit fees represented 78.55% 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: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

16. *Approve Political Donations*
The proposed authority is subject to an overall aggregate limit on political donations and expenditure of £150,000. The Company did not make any political donations or incur any political expenditure. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.6,

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

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: 99.9, Abstain: 0.0, Oppose/Withhold: 0.1,

GLAXOSMITHKLINE PLC AGM - 03-05-2018

1. *Receive the Annual Report*
Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. However, it is noted that no dividend has been put to the vote for shareholder approval although interim and special dividends were declared during the year under review. The annual vote by shareholders on the payment of a dividend (or dividend policy) on unqualified accounts, discharges the duties of the directors in tandem with the legal responsibilities of the auditors, and reaffirms the necessity of reliably audited accounts for financial governance to function properly. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 96.6, Abstain: 0.2, Oppose/Withhold: 3.1,

2. *Approve the Remuneration Report*
Overall disclosure is satisfactory, though not all targets for the PSP have been disclosed. The change in the CEO's salary is in line with the rest of the Company, as the salary increase for both the CEO and the wider workforce was 2.5%. The changes in the CEO pay over the last five years are in line with the Company's TSR performance over the same period. However, PSP awards granted to the new CEO, Emma Walmsley, are considered highly excessive, amounting to 548% of salary. In addition, total variable pay for the new CEO was also excessive at 345% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 61:1. Lastly, the CEO's salary is in the upper quartile of the Comapny's comparator group.
Rating: BD.

Vote Cast: *Oppose* Results: For: 73.0, Abstain: 19.3, Oppose/Withhold: 7.7,

8. *Re-elect Dr Vivienne Cox*
Independent Non-Executive Director. However, she missed one out of five Remuneration Committee meetings with no adequate justification provided. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 96.9, Abstain: 0.2, Oppose/Withhold: 2.9,

19. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*
The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or 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: 94.1, Abstain: 0.3, Oppose/Withhold: 5.6,

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

RECKITT BENCKISER GROUP PLC AGM - 03-05-2018

2. *Approve the Remuneration Report*
Disclosure: Overall disclosure is considered acceptable.
Balance: Due to actual results being below the stretching performance targets set, no bonus will be paid to the Executive Directors for 2017. The Committee considered it appropriate to exercise its discretion to reduce the vesting outcome for the 2015 LTIP by 50% for the CEO and CFO to align pay outcomes with the 'shareholder experience'. The impact of this is to reduce the 2017 single figure for the CEO from £23.7m to £12.5m and to reduce that for the CFO from £5.2m to £3m. This compares to 2016 single figures of £15.3m and £6.8m, respectively. However the realised amount is considered excessive at £11,220,400 or 1187% of the CEO's salary. In addition, the CEO's LTIP award is considered excessive at £6,486,000 (£19,456,000 if the options are included). This gains further importance in light of the fact that the target range used: 6% to 10% EPS CAGR growth is not considered sufficiently stretching. The ratio of CEO to average employee pay has been estimated and is found unacceptable at 32:1. The changes in CEO total pay over the last five years are not commensurate with the changes in Company's TSR performance over the same period.
Rating: AE.

Vote Cast: *Oppose* Results: For: 88.9, Abstain: 0.1, Oppose/Withhold: 11.0,

4. *Re-elect Nicandro Durante*
Independent non-executive director. There are concerns over a potential conflict of interest between his role as an Executive in a listed company and membership of

the remuneration committee. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 99.0, Abstain: 0.5, Oppose/Withhold: 0.5,

5. *Re-elect Mary Harris*
Independent Non-Executive Director. However she is Chairman of the Remuneration Committee and concerns over remuneration at the Company cannot be considered sufficiently addressed. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.6, Abstain: 0.0, Oppose/Withhold: 1.4,

9. *Re-elect André Lacroix*
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. In addition he sits on the Audit Committee which should be solely comprised of independent NEDs.Therefore, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 96.8, Abstain: 0.0, Oppose/Withhold: 3.2,

10. *Re-elect Chris Sinclair*
Chairman. Independent upon appointment. There are concerns over his time commitments as he is Chair of Mattel Inc, an S & P 500 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. He missed one Board meeting in the year under review with no adequate justification provided. In addition he is Chairman of the nomination Committee and no target is set to increase the level of female representation on the Board, currently insufficient at 22%.

Vote Cast: *Oppose* Results: For: 97.4, Abstain: 0.7, Oppose/Withhold: 2.0,

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: 94.9, Abstain: 0.5, Oppose/Withhold: 4.6,

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

ROLLS-ROYCE HOLDINGS PLC AGM - 03-05-2018

2. *Approve the Remuneration Report*
Disclosure: Overall disclosure is considered acceptable.
Balance: The CEO's LTIP award for the year under review is considered excessive at 250% of his salary (£9,312,502). The ratio of CEO to average employee pay has been estimated and is found inappropriate at 35:1 (the Company has disclosed a ratio of 41:1). The changes in CEO pay over the last five years are considered commensurate with Company's TSR performance. The realised variable pay of the CEO during the year was 122% of his salary which is acceptable, being the annual bonus only. Termination arrangements for former executives, Colin Smith and David Smith are acceptable. Remuneration for Stephen Daintith who joined the Board as Executive Director in April 2017 is not acceptable.
Rating: AD.

Vote Cast: *Oppose* Results: For: 98.6, Abstain: 0.3, Oppose/Withhold: 1.1,

15. *Re-alect Jasmin Staiblin*
Independent Non-Executive Director. However there are concerns over her aggregate time commitments.

Vote Cast: *Abstain* Results: For: 98.5, Abstain: 0.8, Oppose/Withhold: 0.8,

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

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

PEARSON PLC AGM - 04-05-2018

3. *Elect Michael Lynton*
Newly-appointed independent non-executive director. However there are concerns over his aggregate time commitments.

Vote Cast: *Abstain* Results: For: 85.8, Abstain: 0.9, Oppose/Withhold: 13.3,

4. *Re-elect Elizabeth Corley*
Independent Non-Executive Director. However she is Chair of the Remuneration Committee, the remuneration reports and policy votes received significant oppose votes at the last AGM. Although, some discretion has been exercised to reduce pay outcomes in light of the 'shareholder experience' the CEO's overall remuneration for the year is 16% higher than last year. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 85.7, Abstain: 0.8, Oppose/Withhold: 13.4,

13. *Approve the Remuneration Report*
Disclosure: Overall disclosure is considered acceptable.
Balance: The changes in CEO total pay over the last five years are not commensurate with the changes in Company's TSR performance over the same period. The Company has stated that the CEO's total remuneration for 2017 is higher than that of 2016 by 16% due to the annual bonus for the year being higher than that of 2016. The Remuneration Committee has reduced the 2017 grant of long-term incentives to the Executive Directors in the year by approximately 30%. However the level of LTIP awards is considered excessive at 275% of salary. Regarding the annual bonus, the Remuneration Committee exercised its discretion and reduced these outcomes by 5% to account for the exceptional change in the tax rate during the year so that the Executive Directors did not benefit from this. Further bonus reductions were carried out in the context of the 'shareholder experience' in the year. Therefore, the CEO's realised variable pay is not considered excessive at 80% of salary as his sole reward was the reduced annual bonus at 80% of his salary and no LTIP vested.
Rating: AC

Vote Cast: *Abstain* Results: For: 98.5, Abstain: 0.9, Oppose/Withhold: 0.6,

14. *Appoint the Auditors*
PwC proposed. Non-audit fees represented 33.33% of audit fees during the year under review and 36.84% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An audit tender is not planned until 2022.

Vote Cast: *Oppose* Results: For: 93.6, Abstain: 0.0, Oppose/Withhold: 6.4,

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: 80.8, Abstain: 0.0, Oppose/Withhold: 19.2,

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

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

INTERCONTINENTAL HOTELS GROUP PLC AGM - 04-05-2018

2. *Approve the Remuneration Report*
Disclosure: All elements of the Single Total Remuneration Table are adequately disclosed. Next year's fees and salaries for all directors are clearly stated. All share

incentive awards are fully disclosed with award dates and prices.
Balance: The changes in CEO pay over the last five years are considered in line with the Company's TSR performance over the same period. The ratio of CEO pay compared to average employee pay is considered appropriate at 11:1. Appropriate payments were made regarding the appointment of Keith as Chief Executive. However, the variable pay of the CEO for the year under review represents more than 200% of salary which is considered excessive. It is therefore noted that the CEO comparison is based on Keith Barr's part year 2017 remuneration. The 149% of salary vesting for LTIP is obtained by dividing the full 15/17 LTIP cycle award by a part-year salary. Instead the annual salary (£775,000) should be used, resulting in 75% of salary. However, the 71% of salary APP award, was for a part year and the full year equivalent would have been 139%.
Rating: AC

Vote Cast: *Abstain* Results: For: 80.8, Abstain: 1.8, Oppose/Withhold: 17.3,

5. *Appoint the Auditors*
EY proposed. Non-audit fees represented 23.08% of audit fees during the year under review and 26.39% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose* Results: For: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

10. *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: 98.3, Abstain: 0.1, Oppose/Withhold: 1.7,

11. *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: 1.0,

4(e). *Re-elect Ian Dyson*
Independent Non-Executive Director. However, this director has missed one nomination committee and one remuneration committee meetings. No adequate justification. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 90.9, Abstain: 0.0, Oppose/Withhold: 9.0,

STANDARD CHARTERED PLC AGM - 09-05-2018

3. *Approve the Remuneration Report*
The CEO salary is in the median of its comparator group. A 238% increase in the CEO's annual incentive is not in line with a 10% increase for all employees. Upon engagement the Company stated that the 238% increase in annual incentive for the CEO takes into account the change in incentives mix for the annual incentive (the maximum annual incentive opportunity was 40% of fixed remuneration in 2016, and 80% of fixed remuneration in 2017) but does not take into account the corresponding reduction in LTIP opportunity (from 160% in 2016, to 120% in 2017). Overall, total incentives increased from 178% of fixed remuneration in 2016 to 181% of fixed remuneration in 2017. 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 Fixed Pay Allowance (FPA), which amounts to 100% of salary for the CEO, is included in the fixed remuneration and therefore significantly increases the variable award opportunity for executive directors, whose incentives are capped as percentage of fixed pay. With reference to salary, the CEO's LTIP award is equivalent to 288% of salary, which is deemed excessive. The total variable remuneration rewarded to the CEO in the year under is 146% which is considered acceptable. Finally, the ratio of CEO to average employee pay is considered inappropriate at 98:1.
Rating: AD.

Vote Cast: *Oppose* Results: For: 95.0, Abstain: 1.7, Oppose/Withhold: 3.3,

6. *Re-elect Dr Louis Cheung*
Independent Non-Executive Director. However it is noted he missed one remuneration committee meeting out of six he was eligible to attend without an adequate justification provided. An oppose vote is recommended.

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

11. *Re-elect Christine Hodgson*
Senior Independent Director. Considered independent. However she is Chairman of the remuneration committee and shareholder concerns over remuneration as evidence by the significant oppose vote on the report last year, have not been adequately addressed.

Vote Cast: *Oppose* Results: For: 97.5, Abstain: 1.1, Oppose/Withhold: 1.4,

17. *Appoint the Auditors*
KPMG proposed. Non-audit fees represented 8.19% of audit fees during the year under review and 14.78% 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. The Company disclosed that a full tender took place in 2017 following which EY will be appointed auditor for the year ending 31 December 2020. During the intervening period, EY and the Group will start the transition process. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 98.2, Abstain: 0.7, Oppose/Withhold: 1.1,

21. *Extend the Authority to Allot Shares to Include the Shares Repurchased by the Company*
It is proposed to extend the authority to issue shares for cash up to 10% of the issued share capital (as permitted by Hong-Kong Listing Rules and which is included in the resolution 20) by authorising the Board to issue share repurchased by the Company under resolution 26. This represent an additional 10% of the issued share

capital and is considered excessive. It is noted that this extension would not result in the authority to allot shares or grant rights to subscribe for or convert securities into shares pursuant to resolution 20 exceeding two-third of the issued share capital. The authority and limits given through resolution 20 are considered sufficient and an oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 96.3, Abstain: 0.5, Oppose/Withhold: 3.1,

22. *Allot Shares in Relation to any Issue of Equitable Convertible Additional Tier 1 Securities*
Authority to allot Equity Convertible Additional Tier 1 Securities (ECAT1s), or shares issued upon conversion or exchange of ECAT1s, up to an aggregate nominal amount of US$330,063,429 (or 660,126,858 shares), representing approximately 20 per cent of the Company's issued ordinary share capital. This authority expires at next AGM.
The use of Contingent Convertible Securities or CoCos is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.9, Abstain: 0.5, Oppose/Withhold: 1.6,

24. *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: 95.9, Abstain: 0.5, Oppose/Withhold: 3.6,

25. *Issue Shares for Cash in Relation to any Issue of Equitable Convertible Additional Tier 1 Securities*
Authority to allot Equity Convertible Additional Tier 1 Securities ECAT1s, or shares issued upon conversion or exchange of ECAT1s, for cash up to 20 per cent of the Company's issued ordinary share capital. This authority expires at next AGM. In line with the vote recommendation for resolution 22, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 96.9, Abstain: 0.5, Oppose/Withhold: 2.6,

26. *Authorise Share Repurchase of Ordinary shares*
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: 0.1, Oppose/Withhold: 1.0,

RENTOKIL INITIAL PLC AGM - 09-05-2018

2. *Approve Remuneration Policy*

The current policy was approved on 11 May 2016 and was not due for a vote this year. However, the Remuneration Committee undertook a review in light of recent financial progress and consulted with Shareholders. Subsequently, various changes to the current remuneration framework were proposed which led to the proposal of a new policy subject to shareholder approval at this year's AGM.

The proposed policy changes are as follows: (i) increase in the maximum opportunity for the annual bonus from 100% to 150% of salary; (ii) upon application of the individual performance modifier the bonus payout for corporate financial performance will be increased by up to 25%, capped at an overall maximum of 180% of salary; (ii) Executive Directors will defer 40% of annual bonus (beginning with bonus earned in relation to 2018 performance) into a new Deferred Bonus Plan, with a minimum deferral period of three years; (iv) annual share awards under the PSP will be increased from 200% to 250% of salary for the Chief Executive - may be increased to 300% of salary (versus 250% under the current policy) in exceptional circumstances; (v) a two year post-vesting holding period will apply to any awards granted in or after 2018; (vi) Executive Directors' shareholding guidelines will increase from 200% to 300% of annual base salary for the Chief Executive and from 150% to 200% of annual base salary for the Chief Financial Officer; (vii) lastly, future Executive Directors appointed will be eligible for a pension contribution or cash equivalent of 15% of salary.

Overall disclosure is satisfactory. The proposed limit of 15% of salary for the pension contributions of newly appointed Executive Directors is welcomed. However, this change does not apply to current Executive Directors or internal appointments; the CEO's current pension contribution is considered excessive at 25% of salary. The portion of the annual bonus which is subject to share deferral is not considered adequate, as it is recommended that at least half of the annual bonus is deferred into shares. The increase in the maximum opportunity for the annual bonus is not a welcomed change. With respect to the PSP, the three year performance period is not considered to be sufficiently long term. However, the introduction of a two year post-vesting holding period under the new policy is welcomed. The Company uses more than one performance condition, though they are both financial based and do not operate interdependently. It is recommended that at least one non-financial KPI is used, and that performance conditions operate interdependently. The proposed increase in the maximum opportunity from 200% to 250% of salary for the CEO is an inappropriate change. Moreover, the limit can be increased to 300% of salary in exceptional circumstances, which is contrary to best practice.

Total potential variable pay is excessive at 400% of salary for the CEO. Furthermore, when taking into account the effects of the individual performance modifier for the annual bonus, and the exceptional limit under the PSP, variable pay can reach 480% of salary. This is considered excessive, especially when compared to the recommended limit of variable pay of 200% of salary.

Shareholding requirements have been increased for Executives under the new policy, which is welcomed. At 300% of salary for the CEO, and 200% of salary for other Executives, which are to be built over five years, the shareholding guidelines are considered adequate and the changes promote better alignment with shareholder interests.

In relation to contracts, there is no guarantee that the Committee does not have the power to exercise upside discretion to dis-apply time pro-rating and performance conditions on termination of employment or on a change of control. On recruitment the Committee can exercise discretion to make variable pay awards of up to 480% of salary, which is excessive. In addition, this limit excludes any awards made to compensate the Executive Director for remuneration forfeited from their previous employer, which is inappropriate. Different measures and targets may be applied to a new appointment's annual bonus in the year of joining, which is contrary to best practice.

Rating: BDD.

Vote Cast: *Oppose* Results: For: 72.4, Abstain: 3.5, Oppose/Withhold: 24.1,

3. *Approve the Remuneration Report*

Overall disclosure is adequate. The change in the CEO's salary is in line with the change in the salaries of UK employees, as the CEO's salary rose by 1% while UK employees salaries increased by 0.6%. However, it is recommended that a more comprehensive group of employees is used when comparing the change in CEO's

salary to the change in the salaries of the rest of the workforce. The change in CEO total pay over the last five years is not in line with the change in TSR over the same period. Total variable pay for the year under review is excessive, amounting to 465.8% of salary for the CEO. The ratio of CEO pay compared to average employee pay is not acceptable at 50:1.
Rating: AD.

Vote Cast: *Oppose* Results: For: 96.5, Abstain: 0.1, Oppose/Withhold: 3.5,

4. *Amend the Performance Share Plan 2016 (the 2016 PSP)*
Authority sought to amend the Performance Share Plan (PSP), which was first approved by shareholders at the AGM in 2016. The Company) seeks approval for some minor amendments to its existing terms. The amendments are as follow: proposal to increase the maximum opportunity from 200% of salary to 250% of salary, and to 300% of salary in exceptional circumstances; introduction of a two year post-vesting holding period, applying after the three year performance period; permit the application of clawback to five years; permit the accrual of dividends between the grant date and the actual date of vest or exercise; it is proposed that the Remuneration Committee are given discretion to also allow early vesting in the event of any other exceptional circumstance; proposed amendments have been made throughout the rules for compliance with legislative changes, which include the Market Abuse Regulations which came into effect in 2016 and the General Data Protection Regulation which applies in full from 25 May 2018; allow an addendum to be added to the 2016 PSP (which will be valid until the expiry of the 2016 PSP) to allow the granting of awards to participants in France under an approved plan; proposed amendments have been made to the US Schedule to ensure that the awards to US tax payers are in accordance with US tax rules following the changes to the main body of the PSP.
The introduction of a two year holding period is a welcomed change. However, the increase in the maximum opportunity is considered inappropriate and can lead to excessive payouts. It is recommended that total variable pay is limited to 200% of salary, yet PSP awards alone can exceed this limit. In light of this concern, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 73.6, Abstain: 1.4, Oppose/Withhold: 25.0,

9. *Re-elect Richard Burrows*
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 fulfill the responsibilities assigned to that role. In addition, he missed one out of ten Board meetings with no adequate justification provided. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 91.3, Abstain: 4.1, Oppose/Withhold: 4.6,

10. *Re-elect John McAdam*
Incumbent Chairman. Not independent upon appointment as he participated in a one-off incentive arrangement approved by shareholders in 2008 in connection with the recruitment at that time of a new leadership team for the business. In addition we note his previous connection to the current chief executive, who he worked alongside in an executive capacity at ICI. Furthermore, he is also Chairman of United Utilities 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. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 96.8, Abstain: 0.1, Oppose/Withhold: 3.1,

12. *Re-elect Angela Seymour-Jackson*
Independent Non-Executive Director. However, she missed one out of seven Nomination Committee meetings with no adequate justification provided.

Vote Cast: *Oppose* Results: For: 80.2, Abstain: 10.1, Oppose/Withhold: 9.7,

15. *Re-appoint the Auditors, KPMG LLP*
KPMG proposed. Non-audit fees represented 4.00% of audit fees during the year under review and 15.28% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain* Results: For: 98.1, Abstain: 1.8, Oppose/Withhold: 0.1,

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 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: 96.9, Abstain: 0.2, Oppose/Withhold: 2.9,

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

Vote Cast: *Oppose* Results: For: 97.5, Abstain: 0.3, Oppose/Withhold: 2.2,

MELROSE INDUSTRIES PLC AGM - 10-05-2018

1. *Receive the Annual Report*
Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. However, the Company failed to disclose the proportion of women in Executive Management positions. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 94.0, Abstain: 1.3, Oppose/Withhold: 4.7,

2. *Approve the Remuneration Report*
Disclosure is substandard. There is inadequate disclosure regarding the specific performance conditions and targets for the annual bonus. There is a concern that share incentive awards under the Value Incentive Plan cannot be estimated, and there is therefore a lack of transparency. In addition, there is no information provided regarding the reasons for the significant opposition to the remuneration policy put forward at the extraordinary general meeting on 11 May 2017, nor is there any

mention of shareholder engagement and steps taken to address shareholder concerns.
The change in the CEO's salary is in line with the rest of the Company. However, the Company disclosed only the change in the salaries of senior head office employees, which is inappropriate, as this is not reflective of the change in the salaries of the general workforce. The changes in CEO pay over the last five years are not considered in line with the changes in the Company's TSR performance over the same period. The ratio of CEO pay compared to average employee pay is not acceptable at 25:1. Total variable pay for the year under review was highly excessive, amounting to £42,198,280 for the CEO, which is 8884% of his salary. Given that the recommended limit for total variable pay is 200% of salary, such an award is considered inappropriate. The majority of this was from the Value Incentive Plan (£41,770,280). The Company explained that they created £3.6 billion in value for shareholders in that five year period equating to an annual average of 22% and this remuneration strategy has directly driven historical outperformance. In spite of the Company's explanation, the amount is considered highly excessive. Moreover, the Executive Directors received pay under the annual bonus, which is inappropriate.
Rating: DE.

Vote Cast: *Oppose* Results: For: 74.3, Abstain: 3.6, Oppose/Withhold: 22.0,

4. *Re-elect Christopher Miller*
Executive Chairman. 12 months rolling contract. As a matter of good corporate governance principle, a Chairman with executive responsibilities cannot be supported. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 91.1, Abstain: 0.1, Oppose/Withhold: 8.8,

8. *Re-elect Justin Dowley*
Senior Independent Director. Considered independent. Chairman of the Remuneration Committee. There was significant shareholder opposition (17.96%) for the policy, which was approved at the extraordinary general meeting on 11 May 2017. There is no information provided regarding the reasons for such significant opposition, nor is there any mention of shareholder engagement and steps taken to address shareholder concerns. The use of Deloitte, who act as the Company's audit firm, as a consultant to the Remuneration Committee is considered inappropriate and raises concerns. Furthermore, the lack of disclosure as well as the excessiveness of the Company's remuneration for the year under review is unacceptable. As Chairman of the Remuneration Committee he harbours the responsibility for addressing the aforementioned issues. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 94.7, Abstain: 0.1, Oppose/Withhold: 5.2,

10. *Re-elect David Lis*
Independent Non-Executive Director. He is the Chairman of the Nomination Committee and no target has been set to increase the level of female representation on the Board, which is currently insufficient at 12.5%. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 86.5, Abstain: 7.8, Oppose/Withhold: 5.7,

12. *Re-appoint the Auditors, Deloitte LLP*
Deloitte proposed. Non-audit fees represented 51.85% of audit fees during the year under review and 38.46% 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. Furthermore, the use of Deloitte as the consultant to the Remuneration Committee is considered inappropriate and raises concerns.

Vote Cast: *Oppose* Results: For: 89.4, Abstain: 0.1, Oppose/Withhold: 10.6,

16. *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: 96.4, Abstain: 0.0, Oppose/Withhold: 3.6,

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

Vote Cast: *Oppose* Results: For: 98.5, Abstain: 0.1, Oppose/Withhold: 1.4,

ITV PLC AGM - 10-05-2018

2. *Approve the Remuneration Report*
Disclosure: All elements of Executive and Non-Executive Director remuneration are adequately disclosed as are next year's salaries and fees for directors. However, performance conditions and targets for the 2018 LTIP have not been disclosed. The Company have stated that the conditions will be published upon completion of it's strategy.
Balance: The CEO's salary is considered in the median of a peer comparator group. Changes in CEO pay under the last five years are considered in line with changes in TSR during the same period which is welcome. However, the CEO's total realised variable pay is considered excessive at 240.07% of salary (Annual Bonus: 171.65%, LTIP: 68.42%). Also, The ratio of CEO to average employee pay has been estimated and is found inappropriate at 34:1.
The buy-out awards made in respect to Carolyn McCall joining ITV PLC are, for the most part, considered acceptable although the Company have not disclosed the performance conditions that will be attached to the 2016 LTIP awards which is of concern.
Payments made to Adam Crozier upon stepping down from the board are mostly acceptable. There are concerns with the arrangement for the 2017 annual bonus which will not be subject to a deferral period
Rating: BD

Vote Cast: *Oppose* Results: For: 98.0, Abstain: 0.2, Oppose/Withhold: 1.8,

12. *Re-appoint the Auditors KPMG LLP*
KPMG proposed. There were no non-audit fees during the year under review and 20.59% 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: 98.6, Abstain: 0.0, Oppose/Withhold: 1.4,

16. *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: 95.7, Abstain: 0.0, Oppose/Withhold: 4.3,

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

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

TP ICAP PLC AGM - 10-05-2018

2. *Approve the Remuneration Report*
Overall disclosure is adequate. Changes in CEO pay over the last five years are in line with the Company's financial performance over the same period. The ratio of CEO pay compared to average employee pay is acceptable, at 9:1. The change in the CEO's salary is not in line with the rest of the Company, as the CEO's salary rose by 9% while average employee pay increased by 5.6%; such a difference in the change of salaries is not considered acceptable. The Company only compares the change in CEO salary with the change in the salaries of the senior management, which is inappropriate. Awards granted under the transformation LTIP are considered very excessive, with a maximum attainable value of £15 million, which is the equivalent of 2500% of the CEO's salary. Total variable pay for the year under review was also excessive, amounting to 287% of salary. Lastly, the CEO's salary is in the upper quartile of the Comapny's comparator group.
Rating: AE.

Vote Cast: *Oppose* Results: For: 88.3, Abstain: 1.0, Oppose/Withhold: 10.7,

9. *Re-elect Stephen Pull*
Independent Non-Executive Director. The excessiveness of remuneration under the transformation plan during the year under review is unacceptable. Furthermore, the significant shareholder opposition to the remuneration policy and LTIP at last year's AGM was left unaddressed. As Chairman of the Remuneration Committee, he is responsible for addressing the aforementioned issues. An oppose vote is therefore recommended.

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

10. *Re-elect Rupert Robson*
Incumbent Chairman. Independent upon appointment. However, he is the Chairman of the Nomination Committee and no target has been set to increase the level of female representation on the Board, which is currently insufficient at 22.2%. Furthermore, he is also Chairman of Sanne Group plc, a FTSE 250 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: 92.3, Abstain: 2.6, Oppose/Withhold: 5.1,

13. *Re-appoint the Auditors, Deloitte LLP*
Deloitte proposed. Non-audit fees represented 1.65% of audit fees during the year under review and 26.35% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose* Results: For: 97.7, Abstain: 0.0, Oppose/Withhold: 2.2,

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 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: 90.6, Abstain: 0.0, Oppose/Withhold: 9.4,

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

Vote Cast: *Oppose* Results: For: 98.7, Abstain: 0.0, Oppose/Withhold: 1.2,

AVIVA PLC AGM - 10-05-2018

2. *Approve the Remuneration Report*
Disclosure: Next year's fees and salaries are clearly disclosed. All outstanding share incentive awards are also fully disclosed with award dates and prices. However accrued dividends on share incentive awards are not separately categorised. The terms of Maurice Tulloch's appointment to the Board as Executive Director have not been adequately disclosed.
Balance: The CEO's salary is ranked in the upper quartile of a peer comparator group which raises concerns over the excessiveness of the salary. 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. Also,The CEO's realised variable pay has been estimated and is found excessive at 283.16% of salary (Annual Bonus: 189.2%, LTIP: 93.96%).

Furthermore, the ratio of CEO to average employee pay has been estimated and is found unacceptable at 75:1.
Rating: BD

Vote Cast: *Oppose* Results: For: 97.0, Abstain: 0.2, Oppose/Withhold: 2.9,

3. *Approve Remuneration Policy*
Policy Change: (i) The introduction of phased vesting over three years while leaving deferral at 67%.
(ii) Pension contributions will be reduced for future ED appointments.
(iii) Shareholding requirements are being increased for EDs 150% to 200%.
(iiii) Metrics relating to the LTIP award will be changed. 50% of the award will remain linked to Operating EPS, however, vesting of this portion of the LTIP can only commence after two hurdles are met; return on equity and SII Shareholder Cover Ratio. The other 50% will continue to be determined by Total Shareholder Return (TSR). PIRC is disappointed to note that the Company decided not to introduce the proposed non-financial metrics relating to the LTIP. Non-financial parameters allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance.
Disclosure: Policy disclosure with regards to Directors' salaries and fees is considered adequate. Pension contributions and entitlements are provided and they are considered excessive
Balance: Total potential variable incentive award is considered excessive at 550% of salary. Bonus awards are paid to the Executive Directors, partly in cash and partly in shares which is within guidelines. Two-thirds of any bonus awarded is deferred into shares which vest after three years which is considered adequate. Awards under the LTIP are subject to performance conditions which work independently of each other. This is against guidelines as they should work in interdependent manner. No non-financial indicators are used, non-financial parameters allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. Also, the three-year performance period is not considered sufficiently long term, although a holding period of two years applies on vesting awards which is welcome. Dividend or dividend equivalents may be accrued on vesting awards from the date of grant. Such rewards are not supported as they misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not.
Contracts: In the event of termination of employment for a "good leaver", a pro rata bonus may become payable for the period of active service. LTIP awards may vest at original dates, subject to applicable performance conditions which is considered in line with acceptable practice. However, the Committee has discretion to disapply pro rata for actual time in service. This is against best practice as Directors may be rewarded for performance not obtained. The Company also states that the Remuneration Committee has overriding discretion on how awards vest in the case of a change of control which is inappropriate.
Rating: ADC

Vote Cast: *Oppose* Results: For: 97.0, Abstain: 0.1, Oppose/Withhold: 2.9,

7. *Re-elect Glyn Barker*
Senior Independent Director. Not considered independent due to his previous roles at the Company's statutory auditors. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role.

Vote Cast: *Oppose* Results: For: 94.6, Abstain: 0.1, Oppose/Withhold: 5.4,

17. *Appoint the Auditors*
PwC proposed. Non-audit fees represented 17.05% of audit fees during the year under review and 52.79% on a three-year aggregate basis. This level of non-audit

fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose* Results: For: 98.1, Abstain: 0.1, Oppose/Withhold: 1.8,

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

Vote Cast: *Oppose* Results: For: 93.9, Abstain: 0.4, Oppose/Withhold: 5.7,

23. *Issue Shares with Pre-emption Rights in relation to any issuance of Solvency II (SII) Instruments*
Authority is sought to allot shares and grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of £100,000,000, representing approximately 9.97% of the Company's issued ordinary share capital as at 10 March 2017, such authority to be exercised in connection with the issue of Solvency II (SII) instruments. The authority expires at the next AGM. The Company explains that this authority is needed so that the Company has the flexibility to manage and maintain its and the Group's capital structure more effectively in the light of evolving regulatory capital requirements, market conditions and appetite for different instruments and their cost-effectiveness. It is noted that these SII instruments include Tier 1 instruments such as Equity Convertible Instruments or ECIs.
The use of Contingent Convertible Securities or CoCos is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.6, Abstain: 0.4, Oppose/Withhold: 2.0,

24. *Issue Shares for Cash in relation to any issuance of Solvency II (SII) Instruments*
Authority is sought to allot equity shares for cash up to an aggregate nominal amount of £100,000,000, representing approximately 9.97% of the Company's issued ordinary share capital as at 10 March 2017, such authority to be exercised in connection with the issue of Solvency II (SII) instruments. The authority expires at the next AGM. The Company explains that this authority is needed to give it the flexibility necessary to allot equity securities pursuant to any proposal to issue SII Instruments without the need to comply with the strict preemption requirements of the UK statutory regime.
The use of Contingent Convertible Securities or CoCos is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.4, Abstain: 0.4, Oppose/Withhold: 2.2,

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

Vote Cast: *Oppose* Results: For: 97.9, Abstain: 0.2, Oppose/Withhold: 1.9,

BAE SYSTEMS PLC AGM - 10-05-2018

2. *Approve the Remuneration Report*
Overall disclosure is adequate. The change in the CEO's salary is in line with the change in the salaries of average UK employees, as the CEO's salary decreased by 5.5% while the salaries of the latter increased by 2.9%. However, it is recommended that a more comprehensive group is used to reflect employee salary change, rather than just UK employees. The LTIP awards granted to the newly appointed CEO, Charles Woodburn, are considered excessive at 489% of salary; this is considered particularly excessive when considering that the recommended limit on total variable pay is 200% of salary. The total variable pay received by the newly appointed CEO was not excessive, although for the departing CEO, Ian King, total realised variable pay is 274% of salary, which is excessive. The ratio of CEO pay compared to average employee pay is unacceptable at 33:1.
Rating: AD.

Vote Cast: *Oppose* Results: For: 97.1, Abstain: 1.3, Oppose/Withhold: 1.6,

7. *Re-elect Harriet Green*
Independent Non-Executive Director. However, she missed one out of eight Board meetings and one out of four Nomination Committee meetings, with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.4, Abstain: 0.2, Oppose/Withhold: 1.4,

12. *Re-elect Ian Tyler*
Independent Non-Executive Director. However, there are concerns over his aggregate time commitments.

Vote Cast: *Abstain* Results: For: 97.9, Abstain: 1.3, Oppose/Withhold: 0.8,

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: 98.4, Abstain: 0.3, Oppose/Withhold: 1.3,

JOHN LAING GROUP PLC AGM - 10-05-2018

10. *Approve the Remuneration Report*
Disclosure: All elements of the Single Total Remuneration Table are adequately disclosed. Performance conditions and targets for the annual bonus and the LTIP are disclosed. Face values of all outstanding share awards are disclosed. The increase in CEO salary is not in line with the rest of the Company as the CEO's salary was increased by 7.01% during the year and the average employee salary was increased by 4% in the same period.
Balance: The ratio of CEO pay compared to average employee pay is acceptable at 5:1. The CEO's salary is below the median of PIRC's comparator group. Total variable pay for the year under review was excessive at approximately 257% (Annual Bonus: 79% : LTIP: 178%).
Rating: AC.

Vote Cast: *Abstain* Results: For: 96.8, Abstain: 3.1, Oppose/Withhold: 0.1,

11. *Appoint the Auditors*
Deloitte proposed. Non-audit fees represented 21.50% of audit fees during the year under review and 18.16% 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: 95.2, Abstain: 0.0, Oppose/Withhold: 4.8,

16. *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: 91.5, Abstain: 0.0, Oppose/Withhold: 8.5,

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

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

JOHN WOOD GROUP PLC AGM - 11-05-2018

9. *Re-elect Jeremy Wilson*
Independent Non-Executive Director. There are concerns that he has missed one of nine board meetings which he was eligible to attend. No justification has been provided by the Company. Therefore an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 96.4, Abstain: 0.0, Oppose/Withhold: 3.6,

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: 89.8, Abstain: 0.0, Oppose/Withhold: 10.2,

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

CENTRICA PLC AGM - 14-05-2018

2. *Approve the Remuneration Report*
Overall disclosure is adequate. The change in the CEO's salary is in line with the rest of the Company as the CEO's salary rose by 1.62%, while employee salaries increased by 2.20%. Total variable pay for the year under review is acceptable at 47.8% of salary. However, 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. Awards granted during the year under review were excessive at 296% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 21:1; it is recommended that the ratio does not exceed 20:1.
It is noted that the remuneration report received 13.24% opposition form shareholders at last year's AGM. There is no mention of the reason for the significant level of opposition, nor is there any mention of shareholder engagement regarding this opposition.
Rating: AD.

Vote Cast: *Oppose* Results: For: 95.1, Abstain: 0.2, Oppose/Withhold: 4.7,

3. *Approve Remuneration Policy*
Proposed Policy Changes: The weighting of the financial performance condition in the Annual Incentive Plan (AIP) will be increased to 75%. Total shareholder return (TSR) will be included as a financial performance condition in the Long Term Incentive Plan (LTIP). The shareholding requirement for Executives will be increased from 200% to 300% of salary. A post-cessation shareholding of 50% of requirement for 24 months will be introduced. The maximum pension salary supplement for newly recruited Executives will be reduced to 25% of salary.
Overall disclosure is adequate. The setting of a maximum limit for benefits is welcomed. Pension contributions and entitlements are disclosed, though they are considered excessive, including the new limit of 25% of salary for new appointments. Half of the annual bonus is deferred into shares for three years, which is

considered adequate. The Company is using more than one performance condition, though they do not operate interdependently. With regard to the LTIP, the Company uses more than one performance conditions and includes non-financial KPIs, which is welcomed. However, the performance conditions do not operate interdependently. At three years the performance period is not considered to be sufficiently long-term, though a two year post-vesting holding period applies, which is welcomed. Total potential variable pay is excessive at 500% of salary; it is recommended that variable pay is limited to 200% of salary. The increase in the shareholding requirements is welcomed. Termination provisions are within guidelines. However, the Committee has an overriding discretion in the event of a takeover. With respect to recruitment, the maximum opportunity is ordinarily within normal policy limits, though the Committee may exercise discretion to increase overall maximum opportunity of incentive awards by up to 25%.
Rating: ADB.

Vote Cast: *Oppose* Results: For: 95.4, Abstain: 0.0, Oppose/Withhold: 4.6,

5. *Re-elect Rick Haythornthwaite*
Incumbent Chairman. Independent upon appointment. However, the Board lacks sufficient female representation and no target has been set to address this imbalance. As he is the Chairman of the Nomination Committee, responsibility lies with him to address this. However, on engaging with the Company, it was made clear that throughout 2017 there were three female directors, representing 25% of the Board. Lesley Knox stepped down as a director at the end of the year and a search is underway to replace her. The Company states that it fully expects the new director to be female, thus restoring the 25% representation.
Mr Haythornthwaite is also Chairman of MasterCard Inc, an S&P 500 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 only one Company. It is recommended shareholders oppose

Vote Cast: *Oppose* Results: For: 87.9, Abstain: 6.7, Oppose/Withhold: 5.3,

8. *Re-elect Margherita Della Valle*
Independent Non-Executive Director. However, there are concerns over a potential conflict of interest between her role as an Executive in a listed company (Deputy CFO of Vodafone Group plc) and membership of the Remuneration Committee. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 96.3, Abstain: 3.1, Oppose/Withhold: 0.6,

18. *Approve Political Donations*
The proposed authority is subject to an overall aggregate limit on political donations and expenditure of £125,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 86.5, Abstain: 3.2, Oppose/Withhold: 10.3,

22. *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: 95.5, Abstain: 0.0, Oppose/Withhold: 4.5,

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

Vote Cast: *Oppose* Results: For: 97.0, Abstain: 0.0, Oppose/Withhold: 3.0,

G4S PLC AGM - 15-05-2018

1. *Receive the Annual Report*
Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. The Company reported 25 fatalities during the year under review which raises concerns over the Company's health and safety policies. However, this level is a 47% improvement for the previous year. On balance, an abstain vote is recommended.

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

2. *Approve the Remuneration Report*
Disclosure: All elements of each Director's cash remuneration are disclosed as are the performance conditions and targets for the the LTIP. However, some details concerning the personal objectives for Tim Weller's Annual Bonus have not been disclosed as they are deemed to be commercially sensitive. Also, dividend equivalents paid on vested shares are not separately categorised.
Balance: The CEO's salary is in the upper quartile of the comparator group which raises concerns over the excessiveness of the salary. Furthermore, the ratio of CEO pay compared to average employee pay is 269:1, which is unacceptable. The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over the last five years is not aligned to the change in TSR over the same period. Over the five year period average annual increase in CEO pay has been approximately 36.32% whereas, on average, TSR has increased by 5.23%. What's more, the ratio of CEO pay compared to average employee pay is 263:1, which is unacceptable. There are further concerns that annual bonus targets include health and safety targets, when ensuring the health and safety of colleagues should be a bare minimum and Executives should not be financially incentivised for achieving this.
Rating: BD

Vote Cast: *Oppose* Results: For: 97.3, Abstain: 0.0, Oppose/Withhold: 2.6,

6. *Re-elect John Connolly*
Chairman. Independent upon appointment. 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: 95.9, Abstain: 0.6, Oppose/Withhold: 3.5,

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: 95.7, Abstain: 0.0, Oppose/Withhold: 4.2,

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

Vote Cast: *Oppose* Results: For: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

20. *Adopt New Articles of Association*
The Company is proposing 12 amendments to its Articles of Association. Although the majority of amendments are considered to be acceptable, there are concerns over the proposed increase to the cap on NED fees. The current limit is an aggregate amount of £1,000,000 each year rising to £1,500,000 if supported. The proposed limit is considered unnecessarily excessive especially given that the justification for the proposal, to provide sufficient headroom and flexibility to the Board, remains appropriate with the current limit of £1,000,000. Therefore an oppose vote is recommended.

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

SPIRAX-SARCO ENGINEERING PLC AGM - 15-05-2018

2. *Approve the Remuneration Report*
Disclosure: All elements of the Single Total Remuneration Table are adequately disclosed. Performance conditions and targets for the annual bonus and the LTIP are disclosed. Face values of all outstanding share awards are disclosed. The increase in CEO salary is not in line with the rest of the Company.
Balance: The ratio of CEO pay compared to average employee pay is unacceptable at 28:1. The CEO salary is considered to be below the median of PIRC's comparator group. The changes in CEO pay over the last five years are in line with the changes in Company's TSR performance over the same period. The CEO's total variable pay for the year under review amounts to 282% of salary (Annual bonus: 125% : PSP: 157%), which is excessive.
Rating: AC.

Vote Cast: *Abstain* Results: For: 97.7, Abstain: 1.3, Oppose/Withhold: 1.0,

6. *Re-elect Mr J. Pike as a Director*
Chairman. Independent on appointment. However he is Chair of RPC Group Plc, another FTSE 350. The role of the Chairman is considered to be crucial to good governance as they are primarily responsible for the culture of the board, and by extension the organisation as a whole and for ensuring that the board operates

effectively. 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. As such the Chairman should be expected to commit a substantial proportion of his or her time to the role.

Vote Cast: *Oppose* Results: For: 89.2, Abstain: 4.1, Oppose/Withhold: 6.7,

11. *Re-elect Mr C.G. Watson as a Director.*
Senior Independent Director. Considered independent. However, he is an Executive of Spectris Plc, another FTSE 350 Company and sits on the Remuneration Committee.

Vote Cast: *Abstain* Results: For: 97.8, Abstain: 0.6, Oppose/Withhold: 1.6,

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

CAIRN ENERGY PLC AGM - 15-05-2018

2. *Approve the Remuneration Report*
Disclosure: All elements of the Single Total Remuneration Table are adequately disclosed. Performance conditions and targets for the annual bonus and the LTIP are disclosed. Face values of all outstanding share awards are disclosed. The increase in CEO salary is in line with the rest of the Company.
Balance: The ratio of CEO pay compared to average employee pay is acceptable at 8:1. The CEO's salary is considered in the lower quartile of PIRC's comparator group. Total variable pay for the year under review was excessive at approximately 412% (Annual Bonus: 96% : LTIP: 316%). Furthermore, the LTIP was granted at 250% of salary which is excessive. Changes in CEO pay over the last five years are not considered in line with Company's financial performance over the same period. The TSR at a decrease of 0.68% versus CEO realised pay at 34.18% over the last five years is not balanced.
Rating: AD.

Vote Cast: *Oppose* Results: For: 98.0, Abstain: 0.3, Oppose/Withhold: 1.6,

3. *Re-appoint the Auditors, PricewaterhouseCoopers LLP*
PwC proposed. Non-audit fees represented 41% of audit fees during the year under review and 30% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor.

Vote Cast: *Abstain* Results: For: 98.5, Abstain: 0.6, Oppose/Withhold: 0.8,

5. *Re-elect Ian Tyler*
Incumbent Chairman. Independent upon appointment. However he is the Chairman of the nomination committee and no target has been set to increase the level of female representation on the Board, which is currently insufficient at 22%. He is also the Chairman of another FTSE 350, Bovis Homes Group Plc which raises concerns about his aggregate time commitments.

Vote Cast: *Oppose* Results: For: 91.0, Abstain: 2.7, Oppose/Withhold: 6.2,

16. *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 specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

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

Vote Cast: *Oppose* Results: For: 98.7, Abstain: 0.0, Oppose/Withhold: 1.3,

LEGAL & GENERAL GROUP PLC AGM - 17-05-2018

15. *Approve the Remuneration Report*
Disclosure: All elements of each director's cash remuneration and pension contribution are disclosed as are share incentive awards are with award dates and prices.
Balance: The Group CEO's realised variable pay for the year under review is considered excessive at 261.97% of salary (Annual Bonus: 128.6%, April 2013 LTIP: 133.37%). Furthermore, the ratio of CEO to average employee pay has been estimated and is found unacceptable at 35:1. The balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over the last five years is aligned to the change in TSR over the same period. Over the five year period average annual decrease in CEO pay has been approximately 1.80% whereas, on average, TSR has increased by 20.93%.
Rating: AD

Vote Cast: *Oppose* Results: For: 98.1, Abstain: 0.1, Oppose/Withhold: 1.8,

17. *Issue Shares with Pre-emption Rights in respect of Contingent Convertible Securities*
Authority is sought to allot shares and grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of £20,000,000 representing approximately 13.4% of the Company's issued ordinary share capital as at 31 March 2018, such authority to be exercised in connection with the issue of Solvency II (SII) Restricted Tier 1 (RT1) instruments. The authority expires at the next AGM. The Company explains that this authority is needed so that the Company has the flexibility to manage and maintain its and the Group's capital structure more effectively in the light of evolving regulatory capital requirements,

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

Vote Cast: *Oppose* Results: For: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,

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 proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 96.3, Abstain: 0.0, Oppose/Withhold: 3.7,

21. *Issue Shares for Cash in Connection with the Issue of CCS*
Authority for the Board to allot shares and grant rights to subscribe for or to convert any security into shares in the company on a non-pre-emptive basis up to an aggregate nominal amount of £20,000,000, representing approximately 13.4% of the company's issued ordinary share capital as at 31 March 2018. This authority is supplementary to Resolution 22, giving the company the additional flexibility to offer such instruments without first offering them to existing shareholders and will expire at next AGM. In line with the voting recommendation in resolution 17, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.7, Abstain: 0.0, Oppose/Withhold: 2.2,

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

Vote Cast: *Oppose* Results: For: 98.4, Abstain: 0.1, Oppose/Withhold: 1.5,

PRUDENTIAL PLC AGM - 17-05-2018

1. *Receive the Annual Report*
Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. However, the Company paid interim dividends during the year. Same have not been put forward for shareholder approval. For that reason, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 96.4, Abstain: 2.2, Oppose/Withhold: 1.4,

2. *Approve the Remuneration Report*
Disclosure: Overall disclosure could be improved as performance targets attached to the Annual Incentive Plan (AIP) payments are not fully disclosed. Dividends accrued on vested share awards are not separately categorized.
Balance: The Group CEO's total realised variable pay is considered excessive at 619% of salary (Annual Bonus: 188%, LTIP: 431%). The Chairman & CEO, NABU, Barry Stowe's bonus amounts to 608% of salary. The ratio of CEO to average employee pay has been estimated and is found unacceptable at 56:1.
Rating: BD.

Vote Cast: *Oppose* Results: For: 93.7, Abstain: 1.3, Oppose/Withhold: 5.0,

9. *Re-elect Mr Paul Manduca*
Incumbent Chairman. Independent on appointment. However he is Chairman of the Nomination Committee and no target has been set to increase the level of female representation on the Board, currently insufficient at 12.5%.

Vote Cast: *Oppose* Results: For: 91.5, Abstain: 2.3, Oppose/Withhold: 6.2,

19. *Appoint the Auditors*
KPMG proposed. Non-audit fees represented 25.00% of audit fees during the year under review and 30.58% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose* Results: For: 97.3, Abstain: 0.0, Oppose/Withhold: 2.7,

25. *Renewal of Authority to Issue Mandatory Convertible Securities (MCS)*
Shareholders are being asked to give the Board the authority to issue mandatory convertible securities ('MCS'). This authority is limited to shares representing approximately 20 per cent of the issued ordinary share capital of the Company. The Company explains that this authority is needed so that the Company has the flexibility to manage and maintain its and the Group's capital structure more effectively in the light of evolving regulatory capital requirements, market conditions and appetite for different instruments and their cost-effectiveness.
The use of Contingent Convertible Securities (or CoCos) is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CoCos are relatively new instruments and there are concerns that CoCos may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Recent events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of CoCos on both the CoCo price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.9, Abstain: 0.3, Oppose/Withhold: 1.8,

26. *Renewal of Authority to Issue Mandatory Convertible Securities (MCS) for Cash*
Shareholders are being asked to give the Board the authority to issue mandatory convertible securities ('MCS') on a non-pre-emptive basis. In line with the recommendation on resolution 25, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.0, Abstain: 0.0, Oppose/Withhold: 3.0,

27. *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,

ASTRAZENECA PLC AGM - 18-05-2018

5a. *Re-elect Leif Johansson*
Incumbent Chairman. Independent upon appointment. However, he missed one out of five Remuneration Committee meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

6. *Approve the Remuneration Report*
Overall disclosure is satisfactory. However, one point of concern is that bonus targets for the year under review are not fully disclosed; this lack of disclosure is contrary to best practice. The change in the CEO's salary is in line with the rest of the Company as the CEO's salary rose by 2.5% while the average percentage change for the Company's chosen group of employees is an increase of 4.1%. It is noted that the chosen group comprises employees in the UK, US and Sweden. However, a more comprehensive comparator group that takes into account employees across the whole Company would be more appropriate and would provide a more accurate representation of the change in employee salaries. 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. PSP awards granted during the year under review are excessive, amounting to 500% of salary for the CEO. In addition, total variable pay for the year under review was excessive, amounting to 626% of salary for the CEO. The ratio of CEO pay compared to average employee pay is not acceptable at 53:1.
Rating: BE.

Vote Cast: *Oppose* Results: For: 99.9, Abstain: 0.1, Oppose/Withhold: 0.0,

7. *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 up to USD 250,000 in total. The authority expires at the next AGM, however, it exceeds recommended limits. It is noted the Company does not have a policy of making donations to political parties and the Board has no intention of changing this policy. In spite of this policy, during the year under review, contributions, amounting to $1,282,250, were made by the Group's US legal entities and were donated to national political organisations, state-level political party committees and to campaign committees of various state candidates. No specific information was provided regarding the nature of these donations. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.8, Abstain: 0.1, Oppose/Withhold: 1.1,

10. *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: 90.2, Abstain: 2.8, Oppose/Withhold: 7.0,

11. *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: 99.9, Abstain: 0.1, Oppose/Withhold: 0.0,

13. *Adopt New Articles of Association*
Authority is sought to adopt new Articles of Association. The principal changes are summarised below.
(i) The New Articles permit the Company to hold "hybrid" general meetings where shareholders have the option to attend and participate either in person (in a main location or in specified satellite locations) or virtually by electronic means. (ii) The New Articles amend the provisions of the Current Articles relating to shareholders who are considered untraced after a period of twelve years to give the Company more flexibility. They replace the requirement to place notices in newspapers with a requirement for the Company to take reasonable steps to trace the shareholder (including, for example, engaging an asset reunification company or other tracing agent) and let the shareholder know that the Company intends to sell their shares. (iii) The New Articles remove the requirement for a Director to hold, within two months of the date of the Director's appointment, ordinary shares of the Company of an aggregate nominal amount of US$125, which currently represents 500 ordinary shares. (iv) The New Articles widen the power of the chairman of the general meeting to adjourn a general meeting without the consent of the meeting where the chairman is of the opinion that the adjournment would facilitate the conduct of the business of the meeting. (v) The New Articles simplify the voting and quorum requirements applicable to committees to whom the Directors have delegated their powers, to streamline the operations of these committees. (vi) The provisions in the Current Articles authorising the Directors to exercise their power to allot new shares in the capital of the Company and to allot shares of the Company and to sell treasury shares for cash as if the pre-emption provisions of section 561 of the Act do not apply have been removed in the New Articles because the Directors, in line with investor guidance, have sought and intend to continue to seek these authorities from shareholders annually at the Annual General Meeting.
The majority of the changes do not raise any serious governance concerns. However, the increase in the Chairman's power with regard to the adjournment of a general meeting without the consent of the meeting is placing excessive power in the hands of the Chairman. In the interest of safeguarding shareholder interests, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 99.9, Abstain: 0.1, Oppose/Withhold: 0.0,

5d. *Re-elect Geneviève Berger*
Independent Non-Executive Director. However, she missed one out of six Board meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 99.7, Abstain: 0.1, Oppose/Withhold: 0.2,

5f. *Re-elect Graham Chipchase*
Independent Non-Executive Director. It is noted that he missed one out of six Board meetings and one out of five Nomination Committee meetings with no adequate justification provided. In addition, the Company's remuneration during the year under review is considered excessive. As Chair of the Remuneration Committee, it is his responsibility to address such issues. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.3, Abstain: 0.6, Oppose/Withhold: 2.1,

5h. *Re-elect Rudy Markham*
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 fulfill the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.6, Abstain: 0.4, Oppose/Withhold: 1.0,

5l. *Re-elect Marcus Wallenberg*
Non-Executive Director. Not considered independent as he is a Non-Executive Director and the former CEO of Investor AB, which has a 4.07% interest in the issued share capital of the Company. He has also served on the Board for over nine years. There is sufficient independent representation on the Board. However, there are concerns over his aggregate time commitments. Furthermore, he missed two out of six Board meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 98.4, Abstain: 0.6, Oppose/Withhold: 1.0,

BP PLC AGM - 21-05-2018

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

Vote Cast: *Oppose* Results: For: 98.1, Abstain: 0.3, Oppose/Withhold: 1.6,

2. *Approve the Remuneration Report*
Overall disclosure is satisfactory, however targets for the performance share awards granted during the year under review and the vesting scale are not disclosed. The CEO's salary did not rise while average employee pay decreased by 7.22%. Performance Share awards granted during the year under review are excessive, amounting to 363.7% of salary for the CEO. Total variable pay for the year under review is also inappropriately excessive, amounting to 581% of salary. The ratio of CEO pay compared to average employee pay is unacceptable at 48:1. The CEO's salary is in the upper quartile of the Company's comparator group.
Rating: BE.

Vote Cast: *Oppose* Results: For: 96.1, Abstain: 0.3, Oppose/Withhold: 3.6,

8. *Elect Dame Alison Carnwath*
Proposed new independent Non-Executive Director. However, there are concerns over her potential aggregate time commitments.

Vote Cast: *Abstain* Results: For: 95.1, Abstain: 1.3, Oppose/Withhold: 3.6,

13. *Re-elect Mrs P R Reynolds*
Independent Non-Executive Director. However, she missed one out of four Audit Committee meetings with no adequate justification provided.

Vote Cast: *Oppose* Results: For: 97.9, Abstain: 0.1, Oppose/Withhold: 2.0,

15. *Re-elect Mr C-H Svanberg*
Incumbent Chairman. Independent on appointment. Mr Svanberg is Chairman of the Board of Volvo AB, a significant listed Company (Eurofirst 100). 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 major listed company. This raises concerns about his external time commitments, as the Chairman should be expected to commit a substantial proportion of his time to the role. An oppose vote is therefore recommended.

Vote Cast: *Oppose* Results: For: 97.0, Abstain: 0.2, Oppose/Withhold: 2.7,

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: 95.1, Abstain: 0.3, 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: 97.8, Abstain: 0.2, Oppose/Withhold: 1.9,

ROYAL DUTCH SHELL PLC AGM - 22-05-2018

1. *Receive the Annual Report*
Strategic report meets guidelines. Adequate environmental and employment policies are in place as well as quantified reporting. The Company also disclosed the

proportion of women on the Board, in Executive Management positions and within the whole organisation. However, no vote on the dividend or dividend policy has been put to shareholders. As a result, it is recommended to oppose.

Vote Cast: *Oppose* Results: For: 98.4, Abstain: 0.2, Oppose/Withhold: 1.4,

2. *Approve the Remuneration Report*
Disclosure: Disclosure of performance conditions and targets is adequate. However, dividends accrued on long term incentive awards are not separately categorised.
Balance: Awards granted are considered excessive considering that the LTIP maximum vesting opportunity is 680% of salary. The CEO's total realised variable pay is considered excessive at 471% of salary (Annual Bonus: 201%, LTIP: 270%). The CEO's salary is considered in the upper quartile of a peer comparator group.
Rating: AE.

Vote Cast: *Oppose* Results: For: 74.2, Abstain: 0.8, Oppose/Withhold: 25.0,

8. *Re-elect Gerard Kleisterlee*
Senior Independent Director. Considered independent. However he is Chairman of the remuneration committee and concerns remain over the excessive levels of remuneration, as evidence by repeated recommended oppose votes against the report.

Vote Cast: *Oppose* Results: For: 96.3, Abstain: 0.6, Oppose/Withhold: 3.1,

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: 98.0, Abstain: 0.1, Oppose/Withhold: 1.8,

19. *Shareholder Resolution: Publish targets that are aligned with the goal of the Paris Climate Agreement*
Proposed by: Follow this. The Proponent requests Shell to set and publish targets that are aligned with the goal of the Paris Climate Agreement to limit global warming to well-below 2C. These targets should cover the greenhouse gas (GHG) emissions of Shell's operations and the use of its energy products, they need to include long-term (2050) and intermediate objectives, to be quantitative and to be reviewed regularly. The Proponents request that the Company base these targets on tangible metrics such as GHG intensity metrics (GHG emissions per unit of energy produced) or to use other metrics that the company finds suitable to align its targets with a well-below 2c pathway.
Proponent's Supporting Argument: The Proponent states it supports Shell to take leadership by being one of the first majors to commit to the Paris Climate Agreement by setting clear targets. These inspirational targets will stimulate imagination beyond oil and gas, lend credence to investments in the exploration of new business models, increase brand value, justify extending the licence to operate, and signal a sense of urgency. The Proponent argues that institutional investors need transparency about long term targets in order to mitigate climate-related risk to comply with their fiduciary duty. Shell setting a clear target regarding its role in energy transition will provide this transparency and reduce the risk of stranded assets. The Proponent further discloses how this year's resolution differs from last year's (see 'supporting information' below). These changes were made in order to overcome the Company's objections and after input from institutional investors.
Board's Opposing Argument: Shell recommends that shareholders oppose and states that they already have an approach that is wider-ranging and more progressive than that proposed by Follow This. Shell states that it is an industry leader in this area as demonstrated through its support for the recommendations of the Task

force on climate-related Financial disclosures, work with the task force to develop more specific guidance and best practices on related disclosures, inclusion of the Company's emissions management performance in the Executive Scorecard and recent announcements on net carbon footprints. The Company gives reasons for its recommended opposition as follows:
(i) The Company in November 2017 announced a net carbon ambition covering not just emissions from its own operations but also those produced by customers when using Shell's products. Under this ambition, the Company aims to cut the net carbon footprint of its energy products – expressed in grams of CO2 per megajoule consumed by around half by 2050. As an interim step, by 2035, the aim is to reduce the net carbon footprint by around 20%. In addition, Shell has identified a suite of potential business activities to help meet it, such as growing the New energies business.
(ii) Shell is committed to transparency and is reporting based on TCFD recommendations in 2018. The Company will also report on its net carbon footprint annually, provide updates on the progress of developing the business activities to meet its ambition, and reassess its ambition every five years in alignment with the Paris Agreement Nationally Determined Contributions (NDC) process.
(iii) Shell's net carbon footprint ambition goes well beyond the scope 1, 2 and 3 emissions of energy products required in the proposal by Follow This. The Company's approach covers emissions directly from Shell operations, those caused by third parties who supply energy for production and customers' emissions from consumption of these products. It includes the extraction, transportation and processing of raw materials, transport of products, and customers' emissions through using products sold by Shell. Also included are emissions from elements of this life cycle not owned by Shell, such as oil and gas processed by Shell but not produced by Shell, or from oil products and electricity marketed by Shell that have not been processed or generated at a Shell facility.
(iv) Shell's net carbon footprint ambition gives the Company the flexibility to continue to thrive in whatever world society moves towards. The resolution could, if supported, tie the hands of existing and future Shell management to measures which could force the Company to move too quickly – or too slowly – through the energy transition which is not in the best interests of Shell or its shareholders and could put Shell on a potentially less competitive pathway.
PIRC Analysis: It is noted that the Proponents have made improvements to their proposal, over and beyond what was requested last year. It is also noted that there is flexibility for Shell regarding choice of metrics to base targets on and the timing. However, Shell's recent efforts regarding this issue are laudable, given the published November 2017 ambition. Shell would be the first major to publish such an ambition. That being said, Shell has not set itself a binding target. It is believed that a clear target will provide more assurance. Therefore on balance, an abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 5.1, Abstain: 7.7, Oppose/Withhold: 87.2,

BOVIS HOMES GROUP PLC AGM - 23-05-2018

2. *Approve the Remuneration Report*
Overall disclosure is adequate. The ratio of CEO pay compared to average employee pay is unacceptable at 28:1. However, the changes in the CEO total pay under the last five years are considered in line with changes in TSR during the same period. Total variable pay for the year under review is acceptable at 182.2% of salary for the CEO. The change in the CEO's salary is in line with the rest of the Company, as the CEO's salary rose by 2.5% while the salaries of employees as a whole increased by 9.05%. The CEO's salary is in the lower quartile of the Company's comparator group. However, the recruitment award granted to the newly appointed CEO, GP Fitzgerald, raises some concerns. Such recruitment awards are considered inappropriate and appear to be a golden hello, rather than fulfilling the purpose of variable pay, which is to incentivise, reward and retain.
Rating: AC.

Vote Cast: *Abstain* Results: For: 61.2, Abstain: 1.9, Oppose/Withhold: 36.9,

4. *Re-elect Ian Paul Tyler*

Incumbent Chairman. Independent upon appointment. However, he is also Chairman of Cairn Energy plc, a FTSE 250 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. In addition, Mr. Tyler is Chairman of the Nomination Committee and no target has been set to address the lack of female representation on the Board, which is currently insufficient at 14.3%. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 95.5, Abstain: 0.0, Oppose/Withhold: 4.5,

5. *Re-elect Margaret Christine Browne*
Independent Non-Executive Director. There are concerns over a potential conflict of interest between her role as an Executive in a listed company (COO of easyJet plc) and membership of the Remuneration Committee. Furthermore, she missed one out of eleven Remuneration Committee meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 90.1, Abstain: 0.0, Oppose/Withhold: 9.9,

6. *Re-elect Ralph Graham Findlay*
Senior Independent Director. Considered independent. There are concerns over a potential conflict of interest between his role as an Executive in a listed company (CEO of Marston's plc) and membership of the Remuneration Committee. An abstain vote is recommended.

Vote Cast: *Abstain* Results: For: 91.3, Abstain: 0.0, Oppose/Withhold: 8.7,

7. *Re-elect Nigel Keen*
Independent Non-Executive Director. He missed one out of eleven Remuneration Committee meetings and one out of four Audit Committee meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 90.0, Abstain: 0.0, Oppose/Withhold: 10.0,

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: 98.3, Abstain: 0.1, Oppose/Withhold: 1.6,

LLOYDS BANKING GROUP PLC AGM - 24-05-2018

14. *Approve the Remuneration Report*
Disclosure: Overall disclosure is acceptable.
Balance: The changes in CEO pay over the last five years are in line with the changes in Company's TSR performance over the same period. The LTIP grant worth 300% of salary granted to the CEO during the year is considered excessive. Also, there are concerns over the level of variable pay of the CEO which represents 293%

of the annual salary excluding the Fixed Share Allowance of £90,000, the use of which is not supported. The ratio of CEO to average employee pay has been estimated and is found excessive at 109:1.
Rating: AD.

Vote Cast: *Oppose* Results: For: 78.2, Abstain: 1.3, Oppose/Withhold: 20.5,

16. *Appoint the Auditors*
PwC proposed. Non-audit fees represented 15.58% of audit fees during the year under review and 13.01% 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: 96.2, Abstain: 0.0, Oppose/Withhold: 3.7,

20. *Issue Shares in relation to the issue of Regulatory Capital Convertible Instruments*
Authority to allot shares and grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of £1,250,000,000, such authority to be exercised in connection with the issue of Regulatory Capital Convertible Instruments. The amount of this authority is, in aggregate, equivalent to approximately 17.31% of the issued ordinary share capital of the Company (including the limited voting shares) as at 19 March 2018. Regulatory Capital Convertible Instruments are debt securities which convert into ordinary shares in certain prescribed circumstances. They are additional tier 1 ('AT1') instruments which convert into ordinary shares of the Company should the Company's common equity tier 1 ratio fall below a contractually defined trigger point. They benefit from a specific regulatory capital treatment under European Union legislation. Resolutions 23 and 26 are intended to provide the Directors with the flexibility to authorise the issue of Regulatory Capital Convertible Instruments which contain contractual debt to equity conversion features.
The use of Regulatory Capital Convertible Instrument is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. They are relatively new instruments and there are concerns that they may create a situation which whilst converting some debt to equity actually disincentivises equity investors from putting more new funds in to banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. There are important concerns about the destabilising effect of such instruments on both the instrument price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 97.6, Abstain: 0.1, Oppose/Withhold: 2.2,

22. *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: 95.3, Abstain: 0.1, Oppose/Withhold: 4.6,

23. *Issue Shares for Cash in relation to the issue of Regulatory Capital Convertible Instruments*
This resolution will give the Directors authority to allot Regulatory Capital Convertible Instruments without the need to first offer them to existing shareholders. If passed, Resolution 23 will authorise the Directors to allot shares and grant rights to subscribe for or to convert any security into shares in the Company on a non-pre-emptive

basis up to an aggregate nominal amount of £1,250,000,000, representing approximately 17.31% of the Company's issued share capital. In line with the voting recommendation on resolution 20, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 95.9, Abstain: 0.1, Oppose/Withhold: 4.0,

24. *Authorise Ordinary 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: 98.4, Abstain: 0.1, Oppose/Withhold: 1.5,

WPP PLC AGM - 13-06-2018

1. *Receive the Annual Report*
Strategic report meets guidelines. Adequate employment and environmental policies are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. However, there is no disclosure regarding the reason for the sudden departure of the Group Chief Executive. Shareholders should be informed of significant company events such as this. Due to the lack of transparency, an oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

3. *Approve the Remuneration Report*
Overall disclosure is satisfactory. However, the remuneration report received significant shareholder opposition at last year's AGM (20.79%). The Committee has included a statement which highlights the reasons for the significant level of shareholder opposition, and has highlighted shareholder engagement in the past which references the reason for the significant level of opposition.
The CEO's salary is in line with the rest of the Company, as the CEO's salary did not change while the change in employees' salaries was an increase of 1.8%. The CEO's salary is in the upper quartile of the Company's comparator group. 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. EPSP awards granted during the year under review are highly excessive at 601% of salary for the CEO. Total variable pay for the year under review is highly excessive, amounting to 1060% of salary for the CEO; this considerably exceeds the recommended limit of 200% of salary. There was no pay-out under the STIP due to performance targets not being achieved. A significant portion of the CEO's variable pay for the year under review was paid in the form of dividend equivalents, which is contrary to best practice. Dividend equivalents amounted to £2,170,000 for the CEO - 188.9% of his salary. The ratio of CEO pay compared to average employee pay is unacceptable at 81:1. There is no mention of any termination payments that are planned or have been made to the recently departed CEO. However, upon engaging with the Company, it was revealed that Martin Sorrell will be treated as having retired on leaving the Company under the share scheme rules. Consequently, his outstanding share awards will be pro-rated for time in line with the plan rules and will vest over the next five years, to the extent performance targets are achieved. No discretion was exercised. He did not receive any compensation for loss of office and he will not be entitled to any future payments in lieu of notice following his retirement.
Rating: CD.

Vote Cast: *Oppose* Results: For: 72.8, Abstain: 0.0, Oppose/Withhold: 27.2,

4. *Re-elect Roberto Quarta*

Chairman. Independent upon appointment. Upon the departure of Sir Martin Sorrell, Roberto Quarta assumed the position of Executive Chairman on an interim basis. The appointment of a chairman in an executive capacity is considered to be an obstacle to independence. The Chairman should meet the definition of independence upon appointment in order to effectively fulfill his role. Given the role of the chair and non-executives in holding the executive management accountable, the Board Chairman should be a separate role to that of an Executive Director, who has operational responsibilities. Nevertheless, there is evidence of de facto division of responsibilities at the head of the Company, as the Company, upon engagement, made clear that Mr Quarta does not have the responsibilities of the Chief Executive, and that the running of the Company is undertaken by the joint Chief Operating Officers. Furthermore, the Company also states that the Board is conducting an internal and external review process on an expedited basis to confirm the appointment of the new CEO, at which point Mr Quarta will return to be the Non-Executive Chairman. Mr Quarta is Chairman of Smith & Nephew 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. Furthermore, there are concerns over the Company's succession planning, as is exemplified by the lack of planning in the aftermath of the CEO's departure. As Chair of the Nomination and Governance Committee, concerns are raised over Mr Quarta's oversight of succession planning in the Company.

Vote Cast: *Oppose* Results: For: 84.5, Abstain: 0.0, Oppose/Withhold: 15.5,

6. *Re-elect Ruigang Li*

Independent Non-Executive Director. However, he missed three out of four Nomination and Governance Committee meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 85.3, Abstain: 0.0, Oppose/Withhold: 14.7,

8. *Re-elect Hugo Shong*

Independent Non-Executive Director. He missed one out of six scheduled Board meetings, and one out of four Nomination and Governance Committee meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose* Results: For: 87.3, Abstain: 0.0, Oppose/Withhold: 12.7,

11. *Re-elect Sir John Hood*

Independent Non-Executive Director and Chair of the Remuneration Committee. The remuneration report received significant shareholder opposition at last year's AGM (20.79%). The Committee has included a statement which highlights the reasons for the significant level of shareholder opposition, and has highlighted shareholder engagement in the past which references the reason for the significant level of opposition.

The Company's remuneration for the year under review is excessive. Moreover, there is a lack of disclosure regarding the leaving arrangements for Martin Sorrell. As Chair of the Remuneration Committee, Sir John Hood harbours the responsibility to address such issues. An oppose vote is therefore recommended. However, it is noted that upon engagement with the Company further information was provided regarding the termination arrangements for the CEO, for which the Remuneration Committee did not exercise upside discretion.

Vote Cast: *Oppose* Results: For: 92.8, Abstain: 0.0, Oppose/Withhold: 7.2,

15. *Appoint the Auditors*
Deloitte proposed. Non-audit fees represented 21.27% of audit fees during the year under review and 33.83% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose* Results: For: 97.4, Abstain: 0.0, Oppose/Withhold: 2.6,

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

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: 95.7, Abstain: 0.0, Oppose/Withhold: 4.3,

TESCO PLC AGM - 15-06-2018

2. *Approve the Remuneration Report*
Disclosure: Disclosure concerning the practices relating to director remuneration is adequate. Company's retrospective disclosure of annual bonus targets is welcomed and all share incentive awards are fully disclosed with award dates and prices. Although there was no salary increase awarded to the CEO in the year under review and the average increase for UK employees was 5.25% it is noted that the Company also has operations in Central Europe and Asia which are not included in the calculation. The use of a selected comparator base undermines the merit of this comparison and is not considered to be appropriate.
Balance: The salary of the CEO is considered to be the highest when compared to salaries of other CEOs in the peer group. This raises concerns about the potential excessiveness of the remuneration structure, as incentive awards are directly linked with salary levels. The changes in CEO pay over the last five years are not considered to be in line with changes in Company's TSR performance over the same period. Over the five year period average annual increase in CEO pay has been approximately 50.34% whereas, on average, TSR has decreased by 7.84%. Furthermore, the CEO's total realised reward under variable incentive schemes for the year under review is considered excessive at 259.68% (Annual Bonus: 182% of salary - LTIP: 77.68% of salary). The LTIP awarded during the year is also considered excessive at over 200% of salary. Finally, the ratio of CEO to average employee pay has been estimated and is considered unacceptable at 267:1.
Rating:AE

Vote Cast: *Oppose* Results: For: 96.9, Abstain: 0.1, Oppose/Withhold: 3.1,

3. *Approve Remuneration Policy*

Policy Changes: The two financial metrics included within the Annual Bonus will change from 50/30 weighting to 40/40. From the 2018 grant onwards, PSP awards will be subject to a two-year holding period post vesting which is welcome. Also, pension provision will reduce from 25% to 15% of base salary for new appointments which will reduce the overall quantum of the remuneration package available to directors. The shareholding requirement for directors will be extended so that senior management will need to retain all shares that vest to them, net of any tax liabilities, until the requirement is satisfied. 'Good leaver' treatment under the PSP will change so any subsisting PSPs will vest based on performance over the relevant performance period and will then be pro-rated for the portion of the performance period worked. This represents a change from the previous policy which would see PSP award lapse for the year of departure and the other two 'in flight' awards would vest at their usual vesting date. The PSP performance metrics have been reduced from three to two, meaning that the metrics now comprise EPS (50%) and a free cash flow metric (50%), the latter replaces the equivilent metric previously included within the Annual Bonus.

Disclosure: Disclosure is considered adequate.

Balance: Maximum potential awards under all incentive schemes is 600% of salary which is highly excessive. The vesting period for the PSP award is only three years which is not considered sufficiently long term. However, from 2018 PSP awards will be subject to a two-year holding period post vesting. It is disappointing to see that under the proposed policy Tesco has removed the non-financial element to acheiving the award. The PSP is now based on the achievement of EPS and free cash flow targets. The absence of non-financial parameters to assess Executives' long-term performance is considered contrary to best practice as such factors are generally beyond an individual director's control. Non-financial parameters allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. Furthermore, for both the Annual Bonus and PSP the performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. However, a group operating profit before exceptional items underpin applies to the Annual Bonus which is welcome.

Contracts: Duration of contracts and Company liabilities on termination are given and are in line with standard market practice. However, there are concern over the level of upside discretion given to the Board when determining severance payments under the different incentive plans. Also, the policy allows for the appointment of new executive with a notice period of 24 months reducing to 12 months after a year. The Company should aim to have notice period of no more than one year in any circumstance.

Rating: BDC

Vote Cast: *Oppose* Results: For: 92.7, Abstain: 0.5, Oppose/Withhold: 6.8,

7. *Re-elect John Allan*

Chairman. Independent upon appointment. He is also Chairman of Barratt Developments 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. Furthermore, he is also chair of the nomination committee, significant oppose votes were cast against several directors at the last AGM including Mr Allan (14%), shareholder dissent has not been addressed.

Vote Cast: *Oppose* Results: For: 92.3, Abstain: 0.0, Oppose/Withhold: 7.7,

18. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 91.18% of audit fees during the year under review and 119.23% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor.

Vote Cast: *Oppose* Results: For: 95.1, Abstain: 0.1, Oppose/Withhold: 4.8,

22. *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: 91.7, Abstain: 0.1, Oppose/Withhold: 8.3,

23. *Authorise Share Repurchase*

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

Vote Cast: *Oppose* Results: For: 98.1, Abstain: 0.0, Oppose/Withhold: 1.9,

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

For Private Circulation only

Pensions & Investment Research Consultants Limited
8th Floor, Suite 8.02, Exchange Tower
2 Harbour Exchange Square
London E14 9GE

Tel: 020 7247 2323
Fax: 020 7247 2457
http://www.pirc.co.uk

Regulated by the Financial Conduct Authority

Version 1