



NOTTINGHAM COUNTY COUNCIL QUARTERLY VOTING REPORT

OVERVIEW

1. The Pension Fund received voting recommendations for **1479** resolutions at **108** meetings in the quarter ended **2014-03-31**.
2. The Pension Fund supported **991** of the resolution (**67.0%**).
3. The Pension Fund voted against on **304** occasions (**20.55%**).
4. The Pension Fund abstained on **83** occasions (**5.61%**).
5. There were **74** non-voting agenda items (**5.0%**).
6. There were **26** withheld agenda items (**1.76%**).
7. There were **0** not supported agenda items (**0.0%**).

TABLE 1: GEOGRAPHIC VOTING OVERVIEW

Geographic Region	Meeting	Resolutions	For	Oppose	Abstain	Withheld	Say When on Pay	Non-Voting
SOUTH AND CENTRAL AMERICA	0	0	0	0	0	0	0	0
REST OF THE WORLD	0	0	0	0	0	0	0	0
ASIA	0	0	0	0	0	0	0	0
NORTH AMERICA	33	400	246	114	12	26	0	1
UK	33	394	305	57	32	0	0	0
EU	37	629	389	128	39	0	0	73
JAPAN	5	56	51	5	0	0	0	0

TABLE 2: ANALYSIS OF UK ALLSHARE VOTING RECOMMENDATIONS

Resolution Type	For	Percentage %	Abstain	Percentage %	Oppose	Percentage %	Total
Annual Reports	14	66.67	4	19.05	3	14.29	21
Remuneration Reports	14	66.67	2	9.52	5	23.81	21
Articles of Association	4	80.0	1	20.0	0	0.0	5
Auditors Appointment	3	15.0	9	45.0	8	40.0	20
Directors	134	84.81	8	5.06	16	10.13	158
Dividend	17	100.0	0	0.0	0	0.0	17
Executive Pay Scheme	0	0.0	0	0.0	5	100.0	5

TABLE 3: SIGNIFICANT OPPOSE VOTES

Company	Date	Type	Proposal	Recommendation	Oppose Percentage
LONMIN PLC	2014-01-30	AGM	Issue shares with pre-emption rights and for cash	For	30.43

TABLE 4: MEETINGS VOTE / NOT VOTED IN THE QUARTER

Company	Meeting Date	Type	Date Voted	Comment
PACE PLC	2014-01-06	EGM	2013-12-20	Voted
KAZAKHMYS PLC	2014-01-07	EGM	2013-12-20	Voted
TOROTRAK PLC	2014-01-08	EGM	2013-12-19	Voted
WALGREEN CO.	2014-01-08	AGM	2013-12-19	Voted
KONINKLIJKE (ROYAL) KPN NV	2014-01-10	EGM	2013-12-20	Voted
VEDANTA RESOURCES PLC	2014-01-13	EGM	2014-01-03	Voted
SPIRIT PUB COMPANY PLC	2014-01-14	AGM	2013-12-31	Voted
DIPLOMA PLC	2014-01-15	AGM	2014-01-07	Voted
FENNER PLC	2014-01-15	AGM	2014-01-03	Voted
ABERDEEN ASSET MANAGEMENT PLC	2014-01-16	AGM	2014-01-10	Voted
THYSSENKRUPP AG	2014-01-17	AGM	2013-12-31	Voted
APOLLO EDUCATION GROUP INC.	2014-01-21	AGM	Not Voted	Information meeting only.
KONINKLIJKE (ROYAL) AHOLD NV	2014-01-21	EGM	2013-12-31	Voted
MARSTONS PLC	2014-01-21	AGM	2014-01-10	Voted
WH SMITH PLC	2014-01-22	AGM	2014-01-10	Voted
INTUIT INC.	2014-01-23	AGM	2014-01-10	Voted
MICRON TECHNOLOGY INC	2014-01-23	AGM	2014-01-07	Voted
SMITHS NEWS PLC	2014-01-23	AGM	2014-01-10	Voted
DANIELI & C. OFFICINE MECCAN	2014-01-27	EGM	Not Voted	No ballot recieved.
BECTON DICKINSON & CO	2014-01-28	AGM	2014-01-14	Voted
MONSANTO CO.	2014-01-28	AGM	2014-01-14	Voted

SIEMENS AG	2014-01-28	AGM	2014-01-10	Voted
VERIZON COMMUNICATIONS INC	2014-01-28	EGM	2014-01-14	Voted
VODAFONE GROUP PLC	2014-01-28	EGM	2014-01-14	Voted
VODAFONE GROUP PLC	2014-01-28	COURT	2014-01-14	Voted
JOHNSON CONTROLS INC	2014-01-29	AGM	2014-01-14	Voted
VISA INC	2014-01-29	AGM	2014-01-14	Voted
ACCENTURE PLC	2014-01-30	AGM	2014-01-21	Voted
COSTCO WHOLESALE CORP.	2014-01-30	AGM	2014-01-14	Voted
LIBERTY GLOBAL PLC	2014-01-30	EGM	2014-01-21	Voted
LONMIN PLC	2014-01-30	AGM	2014-01-21	Voted
MITCHELLS & BUTLERS PLC	2014-01-30	AGM	2014-01-22	Voted
SCOTTISH INVESTMENT TRUST PLC	2014-01-31	AGM	2014-01-22	Voted
EMERSON ELECTRIC CO.	2014-02-04	AGM	2014-01-22	Voted
ROCKWELL AUTOMATION INC.	2014-02-04	AGM	2014-01-22	Voted
UDG HEALTHCARE PLC	2014-02-04	AGM	2014-01-22	Voted
DAILY MAIL & GENERAL TRUST	2014-02-05	AGM	2014-01-30	Voted
IMPERIAL TOBACCO GROUP PLC	2014-02-05	AGM	2014-01-22	Voted
COMPASS GROUP PLC	2014-02-06	AGM	2014-01-23	Voted
PARAGON GROUP OF COS PLC	2014-02-06	AGM	2014-01-24	Voted
ROCKWELL COLLINS INC	2014-02-06	AGM	2014-01-22	Voted
JOHN LAING INFRASTRUCTURE FUND LIMITED	2014-02-07	EGM	2014-01-27	Voted
MELROSE INDUSTRIES PLC	2014-02-07	EGM	2014-01-28	Voted
RWS HOLDINGS PLC	2014-02-11	AGM	2014-01-27	Voted

METRO AG	2014-02-12	AGM	2014-01-24	Voted
TUI AG	2014-02-12	AGM	2014-01-23	Voted
IMI PLC	2014-02-13	EGM	2014-01-30	Voted
INFINEON TECHNOLOGIES AG	2014-02-13	AGM	2014-01-27	Voted
OUTOKUMPU OY	2014-02-14	EGM	2014-01-28	Voted
MARTIN CURRIE GLOBAL PORTFOLIO TRUST PLC	2014-02-17	EGM	2014-02-06	Voted
THOMAS COOK GROUP PLC	2014-02-20	AGM	2014-02-06	Voted
NOVARTIS AG	2014-02-25	AGM	2014-02-10	Voted
DEERE & CO.	2014-02-26	AGM	2014-02-10	Voted
OSRAM LICHT AG	2014-02-27	AGM	2014-02-13	Voted
APPLE INC	2014-02-28	AGM	2014-02-14	Voted
APPLIED MATERIALS INC	2014-03-04	AGM	2014-02-17	Voted
QUALCOMM INC.	2014-03-04	AGM	2014-02-18	Voted
ROCHE HOLDING AG	2014-03-04	AGM	2014-02-26	Voted
SEAT PAGINE GIALLE SPA	2014-03-04	EGM	Not Voted	Non Voting Shares
TE CONNECTIVITY LTD	2014-03-04	AGM	2014-02-13	Voted
TYCO INTERNATIONAL LTD	2014-03-05	AGM	2014-02-14	Voted
SAGE GROUP PLC	2014-03-06	AGM	2014-02-20	Voted
INTERNATIONAL GAME TECHNOLOGY	2014-03-10	AGM	2014-02-24	Voted
SANMINA-SCI CORP	2014-03-10	AGM	2014-02-24	Voted
ANALOG DEVICES INC.	2014-03-12	AGM	2014-02-24	Voted
FRANKLIN RESOURCES INC	2014-03-12	AGM	2014-02-24	Voted
BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA)	2014-03-13	AGM	2014-02-25	Voted

SGS SA	2014-03-13	AGM	2014-03-05	Voted
THE ADT CORP.	2014-03-13	AGM	2014-02-25	Voted
VIACOM INC.	2014-03-17	AGM	Not Voted	Non-voting stock
DANSKE BANK AS	2014-03-18	AGM	2014-03-05	Voted
RAUTARUUKKI OY	2014-03-18	AGM	2014-03-04	Voted
WALT DISNEY CO.	2014-03-18	AGM	2014-03-06	Voted
AGILENT TECHNOLOGIES INC	2014-03-19	AGM	2014-03-13	Voted
HEWLETT-PACKARD CO	2014-03-19	AGM	2014-03-10	Voted
RM PLC	2014-03-19	AGM	Not Voted	Shares sold 13 Feb.
STARBUCKS CORP.	2014-03-19	AGM	2014-03-14	Voted
SWEDBANK AB	2014-03-19	AGM	2014-03-04	Voted
BANKINTER	2014-03-20	AGM	2014-03-10	Voted
GIVAUDAN SA	2014-03-20	AGM	2014-03-07	Voted
HUFVUDSTADEN AB	2014-03-20	AGM	2014-03-06	Voted
NORDEA BANK AB	2014-03-20	AGM	2014-03-07	Voted
NOVO NORDISK A/S	2014-03-20	AGM	2014-03-07	Voted
SULZER LTD	2014-03-20	AGM	2014-03-11	Voted
TWENTY-FIRST CENTURY FOX INC	2014-03-21	EGM	Not Voted	Non-voting stock
UCB SA/NV	2014-03-24	EGM	2014-03-10	Voted
VESTAS WIND SYSTEMS AS	2014-03-24	AGM	2014-03-11	Voted
BEAM INC	2014-03-25	EGM	2014-03-17	Voted
BRIDGESTONE CORP	2014-03-25	AGM	2014-03-11	Voted
FABEGE AB	2014-03-25	AGM	2014-03-13	Voted

NEXON CO LTD	2014-03-25	AGM	2014-03-13	Voted
SKANDINAVISKA ENSKILDA BANKEN (SEB)	2014-03-25	AGM	2014-03-11	Voted
ELECTROLUX AB	2014-03-26	AGM	2014-03-13	Voted
SVENSKA HANDELSBANKEN	2014-03-26	AGM	2014-03-13	Voted
OTSUKA SHOKAI CO LTD	2014-03-27	AGM	2014-03-18	Voted
PORTUGAL TELECOM SGPS SA	2014-03-27	EGM	2014-03-13	Voted
BANCO SANTANDER SA	2014-03-28	AGM	2014-03-18	Voted
CANON INC	2014-03-28	AGM	2014-03-17	Voted
COMPUWARE CORP.	2014-03-28	AGM	2014-03-20	Voted
IBERDROLA SA	2014-03-28	AGM	2014-03-18	Voted
REPSOL SA	2014-03-28	AGM	2014-03-18	Voted
SKF AB	2014-03-28	AGM	2014-03-17	Voted
ST MODWEN PROPERTIES PLC	2014-03-28	AGM	2014-03-20	Voted
SUNTORY BEVERAGE & FOOD LTD	2014-03-28	AGM	2014-03-17	Voted
SVG CAPITAL PLC	2014-03-28	AGM	2014-03-20	Voted
TRINITY MIRROR PLC	2014-03-28	EGM	2014-03-20	Voted
AP MOLLER - MAERSK AS	2014-03-31	AGM	2014-03-19	Voted
FIAT SPA	2014-03-31	AGM	2014-03-18	Voted

TABLE 5: GEOGRAPHICAL COUNT OF ALL SUPPORTED MEETINGS

SOUTH AND CENTRAL AMERICA			
Meetings	Count All For	AGM	EGM
0	0	0	0
REST OF THE WORLD			
Meetings	Count All For	AGM	EGM
0	0	0	0
ASIA			
Meetings	Count All For	AGM	EGM
0	0	0	0
NORTH AMERICA			
Meetings	Count All For	AGM	EGM
33	0	0	0
UK			
Meetings	Count All For	AGM	EGM
33	8	0	8
EU			
Meetings	Count All For	AGM	EGM
37	2	0	2
JAPAN			
Meetings	Count All For	AGM	EGM
5	2	2	0

CLIENT VOTE CHANGES

There were no vote changes during the quarter.

VOTES REJECTED IN THE QUARTER AND EXPLANATION

GLOBAL CUSTODIAN A/C	Client	VOTED SHARES	ISIN	ISSUER NAME	MEETING DATE	MEETING TYPE	REJECTION REASON
2CM7	NOTTINHAMS HIRE	87733	DK0010274414	DANSKE BANK AS, COPENHAGEN	18-Mar-14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	39375	SE0000242455	SWEDBANK AB STOCKHOLM SHS-A-	19-Mar-14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	96600	SE0000170375	HUFVUDSTADEN AB STOCKHOLM SHS -A-	20-Mar-14	AGM	NO POA
2CM5	NOTTINHAMS HIRE	160739	SE0000170375	HUFVUDSTADEN AB STOCKHOLM SHS -A-	20-Mar-14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	110000	DK0060534915	NOVO NORDISK A/S BAGSVAERD SHS -B-	20-Mar-14	AGM	NO POA
2CM5	NOTTINHAMS HIRE	375429	SE0000427361	NORDEA BANK AB STOCKHOLM SHS	20-Mar-14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	139000	SE0000427361	NORDEA BANK AB STOCKHOLM SHS	20-Mar-14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	15000	DK0010268606	VESTAS WIND SYSTEMS A/S RANDE SHS	24-Mar-14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	6800	SE0000950636	FABEGE AB SOLNA SHS	25-Mar-14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	189400	SE0000148884	SKANDINAVISKA ENSKILDA BANKEN SHS -A-	25-Mar-14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	25000	SE0000103814	ELECTROLUX AB STOCKHOLM SHS -B-	26-Mar-14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	23740	SE0000193120	SVENSKA HANDELSBANKEN AB STOC SHS -A-	26-Mar-14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	14800	SE0000108227	SKF AB GOTEBOG SHS -B-	28-Mar-14	AGM	NO POA

2CM7	NOTTINHAMS HIRE	130	DK0010244 425	A.P. MOELLER - MAERSK A/S COP SHS -A-	31-Mar- 14	AGM	NO POA
2CM7	NOTTINHAMS HIRE	80700	SE0000113 250	SKANSKA AB SOLNA SHS -B-	03-Apr- 14	AGM	NO POA

UK

Local Authority Pension Fund Forum acts on Diversity

The Boards of FTSE companies are facing further pressure for reform after the Local Authorities Pension Fund Forum (LAPFF) announced it will take board diversity into account in any AGM voting recommendations it may make to member funds during the upcoming AGM season. The Forum will directly raise concerns where there is insufficient indication that the company has taken board diversity into consideration. 'In 2014, LAPFF will review FTSE 100 company disclosure, and based on individual company circumstances will consider recommending that its members vote against the election of the Chairman of the Nomination Committee if there are no women on the board. Where there are less than 25% of women on the board, the Forum will consider recommending that members abstain on the election of the Chairman of the Nomination Committee.' Forum Chair Councillor Keiran Quinn said.

LAPFF has also endorsed the October 2013 decision by high profile UK fund manager Legal & General Investment Management (LGIM) who have announced that from 2015 it would vote against the chairman or the chairman of the nominations committee if they have not installed any women on the board, or if aspirational targets have not been set, or if disclosure about gender balance is inadequate.

A February 2013 analysis undertaken by PIRC reveals that to reach the 25% Davies target for the start of 2015 FTSE 350 boards must double the 2013 rate of increase of female representation to around 5.8% and make over 4 new appointments each month in aggregate until January 2015.

The Professional Boards Forum 'Boardwatch' calculates a minimum of 51 more female directors are needed to meet the Davies target. Attention is also being focussed on female representation on executive committees.

The Dec 2013 Cracking the Code Report research prepared for the 30% Club, of which LAPFF is a member, found that a man who starts his career with a FTSE 100 company is four and-a-half times more likely to reach the executive committee than his female counterpart. Progress is also slow in the FTSE 250 according to the latest study by the Cranfield University School of Management 'Women on Boards' report issued in November 2013. They found the proportion of women on 250 executive committees had fallen from 17.2% in 2010 to 15.3% in 2013.

LAPFF coordinates corporate governance and engagement activities for UK public authority funds holding over £120b FUM.

Slowdown after several years of increases reflects post crisis realignment and more scrutiny on remuneration disparities between employees and executives.

Price Waterhouse Coopers have released their latest fee survey for FTSE 350 companies, helpfully differentiating between top 100, 250 and SMCs. The report notes a levelling off in fees for FTSE 100 companies and an increase in FTSE 250 remuneration. The median base fee level reported for a FTSE100 chair is £361,000 in 2013 up from the 2012 figure of £360,000. For FTSE100 NEDs the median base fee was £61,000 in 2013, a slight drop from 2012 where the median was £64,000. This follows five years of increases for both FTSE100 chairmen and non-executive directors from a 2009 base of £300,000 and £55,000, respectively. FTSE 250 companies have continued a steady rise over the same period.

One change that did draw attention was the 140% increase in FTSE 100 remuneration committee fees in the last five years, from £5,000 to £12,000 with the fee for chairing the committee now hovering at around £20,000, similar to that of the Audit committee chair.

US

Who gets the corporate millions is a governance question that won't go away.

A group of US Senators and Congressmen have written to SEC Chair Mary Jo White asking the regulator to require the disclosure of political donations by publicly traded US corporations. The intervention has come following the SEC decision to quietly drop consideration of the matter from its list of 2014 priorities despite signalling a year ago some possible action around the issue.

Pressure for reform to provide transparency has grown since the 2010 Supreme Court decision in 'Citizens United' sparked renewed concerns within the US political system over ability for corporations to donate funds direct to political campaigns without disclosure to shareholders or public transparency.

Business lobbies and trade associations spend tens of millions in the regular congressional election campaigns and again in the four yearly presidential elections.

Good governance principles would require at a minimum the ability of shareholders to see who benefits from such largesse. Democracy would benefit from voters knowing the same.

Europe:

EU Shareholder Rights Directive amendments released

The European Commission this week issued draft amendments to the Shareholder Rights Directive. The draft proposals have five specific objectives 1) To increase the level and quality of engagement by asset owners and managers 2) To improve the balance of directors pay with performance 3) to improve transparency and oversight of related party transactions 4) to ensure reliability and quality of advice by proxy advisors and 5) to facilitate the transmission of cross border information across the investment chain in particular through shareholder identification.

On a comply or explain basis institutional investors and asset managers who have not equipped themselves with an engagement policy will not only be required to develop a policy but to publicly disclose the policy, how it was implemented and the results of implementing the policy. If the draft proposals are carried through the market for engagement services looks set to become much more transparent. Institutional investors will be expected to disclose publicly the extent to which they incentivise their asset managers to engage with companies. Increased competition in this field and transparency around who the players are in this market may be to the benefit of asset owners who will start to discover how much engagement bang they get for their engagement buck.

The forward looking three yearly approval of directors' remuneration policy and the backward looking annual approval of the remuneration report will become EU wide voting rights. These will be new rights in several EU markets. The new rights will be supported by new disclosure requirements. Amongst the most eye-catching are the proposals that companies disclose the maximum that may be awarded together with relevant performance criteria and the envisaged ratio of average directors pay to average full time employee pay.

Say on pay is not the only new voting right proposed. Shareholders are to be given the right to approve any related party transaction representing more than 5% of assets or other transaction with the potential for significant impact on profits or turnover. New disclosure requirements apply to RPTs between 1% and 5% of asset value. Under the proposals companies will not be able to avoid seeking shareholder approval by repeatedly conducting transactions at a level below the 5% threshold with the same party, for example a controlling shareholder. Such transactions must be aggregated on an annual basis under the proposals and a vote held on any transaction after the 5% threshold is passed.

Following on from the ESMA report on the proxy voting advisory market the Draft Directive imposes challenging disclosure requirements on proxy agencies. Methodologies, models, staff numbers information sources and the nature of dialogue with companies must all be disclosed. The proposals also seek to put an end to the secrecy which can currently surround the identity of a company's shareholders. Rights similar to those in s793 of the UK Companies Act would apply with a company able to obtain details of those named on its register but also the identity of the shareholders sitting behind those on the register where this is an intermediary.

The proposals on information rights also heralds the long sought introduction of electronic vote confirmation an enhancement that has eluded several market led initiatives over the last 20 years.

As ever both the devil and the delight will be in the detail and as the proposals have yet to be adopted by Council or Parliament both are some way off.

Roche Holdings

Swiss pay reform fight moves to the AGM trenches

You know the old saying – you wait for ages for a vote on executive pay to come along then 5 turn up at the same time. This is a fitting description of the upcoming AGM ballot for Swiss pharma Roche where shareholders are being asked to vote on five separate pay related resolutions. The votes on pay arise from the implementation of Switzerland's new law Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften (Ordinance against excessive compensation in listed corporations or VeguV for short). Under the VeguV companies have some discretion over the exact nature of what they should seek approval for but they are required to set out the details of the vote in their articles of association.

As a result Roche is seeking approval for

- 1) Binding approval of changes to the articles to give effect to the new ordinance
- 2) Binding approval of the total amount of future remuneration to the board
- 3) Binding approval of total amount of future remuneration for the Corporate Executive Committee
- 4) Binding retrospective approval for bonuses to the Corporate Executive Committee and Chairman
- 5) Advisory approval of the remuneration report which contains forward and backwards disclosures for both executive committee and board.

Big pharma doesn't come much bigger than Roche, the world's largest biotech company and the third largest EU company by market value so the way it has approached the new regulations will be important in setting the tone for other Swiss issuers.

On the face of it binding approval for forward and backward pay for board and executive committee may seem like full and proper accountability. Look a little closer and it becomes clear that the disclosure which supports the new votes is as solid as a piece of Swiss cheese. Although shareholders now have a binding vote on total pay at Swiss companies caution still needs to be exercised. At Roche the amount of bonus to be approved doesn't show the value of shares awarded at market price but instead values awards on the assumption they are worth less if an executive is obliged to hold on to them.

The Swiss fight to reform excessive remuneration took a step forward with the passage of VeguV despite a vigorous corporate campaign to water down its effectiveness. Shareholders who support improved governance may now have to battle it out AGM by AGM to bring about meaningful transparency and disclosure.

Global

Reforms to corporate structures, disclosure and shareholder rights reflect a growing regional trend for improved governance

The Securities and Exchange Board of India (SEBI) has announced a raft of governance changes to listed companies set to apply from October this year.

The proposed changes to the Listing Agreement are consistent, and in some cases strengthen, provisions of the new companies' law ratified last year and make it mandatory for boards to have at least one female appointee, places restrictions on multiple directorships and imposes additional disclosure on executive remuneration.

Other changes include strengthening definitions and oversight of related party transactions and the role of audit committees in overseeing governance.

The thrust of the changes continues a drive to expand shareholder rights and transparency and improve overall governance within India's equity markets which have been the source of continued dissatisfaction over sharp corporate practices. The new measures have been broadly welcomed by observers though some doubts remain over the ultimate efficacy of measures to restrict the number of investment layers and ensure transparency around the ultimate beneficiary.

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