



# Nottinghamshire CC Pension Fund

## PROXY VOTING REVIEW

PERIOD 1<sup>st</sup> April 2019 to 30<sup>th</sup> June 2019

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## 1 Resolution Analysis

- Number of resolutions voted: 2537 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 1671
- Number of resolutions opposed by client: 687
- Number of resolutions abstained by client: 81
- Number of resolutions Non-voting: 96
- Number of resolutions Withheld by client: 0
- Number of resolutions Not Supported by client: 1

### 1.1 Number of meetings voted by geographical location

Location	Number of Meetings Voted
UK & BRITISH OVERSEAS	35
EUROPE & GLOBAL EU	60
USA & CANADA	2
JAPAN	58
<b>TOTAL</b>	<b>155</b>

## 1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	1671
Abstain	81
Oppose	687
Non-Voting	96
Not Supported	1
Withhold	0
US Frequency Vote on Pay	1
Withdrawn	0
<b>TOTAL</b>	<b>2537</b>

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

Company	Meeting Date	Type	Comment
AP MOLLER - MAERSK AS	02-04-2019	AGM	Non-Voting Ballot
VESTAS WIND SYSTEMS AS	03-04-2019	AGM	No available shares
KONINKLIJKE (ROYAL) KPN NV	10-04-2019	AGM	No available shares
CONTINENTAL AG	26-04-2019	AGM	zero available shares
VOLKSWAGEN AG	14-05-2019	AGM	no voting rights
LEAR CORPORATION	16-05-2019	AGM	no ballot received
AMERICAN INTERNATIONAL GROUP INC	21-05-2019	AGM	no ballot received

## 1.4 List of meetings with rejected votes and reasons why

Company	Meeting Date	Type	Comment
HUSQVARNA AB	09-04-2019	AGM	No Power of Attorney
ESSITY AB	04-04-2019	AGM	No Power of Attorney

## 1.5 Number of Votes by Region

	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total
UK & BRITISH OVERSEAS	476	23	190	1	0	0	0	0	690
EUROPE & GLOBAL EU	575	58	370	95	1	0	0	0	1099
USA & CANADA	17	0	11	0	0	0	0	1	29
JAPAN	603	0	116	0	0	0	0	0	719
<b>TOTAL</b>	<b>1671</b>	<b>81</b>	<b>687</b>	<b>96</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2537</b>

## 1.6 Votes Made in the Portfolio Per Resolution Category

	Portfolio						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	3	0	9	0	0	0	0
Annual Reports	114	18	113	0	0	0	0
Articles of Association	33	0	3	0	0	0	0
Auditors	63	6	47	0	0	0	0
Corporate Actions	4	0	0	0	0	0	0
Corporate Donations	21	1	3	0	0	0	0
Debt & Loans	2	0	1	0	0	0	0
Directors	1040	48	282	0	1	0	0
Dividend	118	1	5	0	0	0	0
Executive Pay Schemes	10	1	28	0	0	0	0
Miscellaneous	83	1	13	2	0	0	0
NED Fees	24	3	6	0	0	0	0
Non-Voting	0	0	0	94	0	0	0
Say on Pay	0	0	3	0	0	0	0
Share Capital Restructuring	21	0	1	0	0	0	0
Share Issue/Re-purchase	127	0	158	0	0	0	0
Shareholder Resolution	6	2	15	0	0	0	0

## 1.7 Votes Made in the UK Per Resolution Category

	UK						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
Annual Reports	22	0	8	0	0	0	0
Remuneration Reports	3	4	24	0	0	0	0
Remuneration Policy	0	1	5	0	0	0	0
Dividend	21	0	0	0	0	0	0
Directors	256	13	47	0	0	0	0
Approve Auditors	13	3	15	0	0	0	0
Share Issues	61	0	16	0	0	0	0
Share Repurchases	6	0	30	0	0	0	0
Executive Pay Schemes	1	1	4	0	0	0	0
All-Employee Schemes	3	0	1	0	0	0	0
Political Donations	20	0	3	0	0	0	0
Articles of Association	4	0	0	0	0	0	0
Mergers/Corporate Actions	1	0	0	0	0	0	0
Meeting Notification related	29	0	0	0	0	0	0
All Other Resolutions	34	0	23	1	0	0	0
Shareholder Resolution	2	1	14	0	0	0	0

## 1.8 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	2	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	16	0	6	0	0	0	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	1	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	0	0	2	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

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

	US/Global US and Canada						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
<b>Corporate Governance</b>							
Special Meetings	0	1	0	0	0	0	0

## 1.10 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	8	0	0	0	0
Annual Reports	74	13	76	0	0	0	0
Articles of Association	19	0	1	0	0	0	0
Auditors	21	3	30	0	0	0	0
Corporate Actions	3	0	0	0	0	0	0
Corporate Donations	1	1	0	0	0	0	0
Debt & Loans	2	0	1	0	0	0	0
Directors	244	35	126	0	1	0	0
Dividend	56	1	0	0	0	0	0
Executive Pay Schemes	1	0	21	0	0	0	0
Miscellaneous	52	1	11	2	0	0	0
NED Fees	23	3	5	0	0	0	0
Non-Voting	0	0	0	93	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	18	0	1	0	0	0	0
Share Issue/Re-purchase	60	0	90	0	0	0	0
Shareholder Resolution	1	1	0	0	0	0	0

## 1.11 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	15	0	0	0	0	0	0
Articles of Association	10	0	2	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	524	0	103	0	0	0	0
Dividend	41	0	5	0	0	0	0
Executive Pay Schemes	8	0	2	0	0	0	0
Miscellaneous	1	0	2	0	0	0	0
NED Fees	0	0	1	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	2	0	1	0	0	0	0

## 1.12 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
35	3	0	3

### EU

Meetings	All For	AGM	EGM
60	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
58	15	15	0

### US

Meetings	All For	AGM	EGM
2	0	0	0

### TOTAL

Meetings	All For	AGM	EGM
155	18	15	3

### 1.13 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
AP MOLLER - MAERSK AS	02-04-2019	AGM	23	11	8	3
VESTAS WIND SYSTEMS AS	03-04-2019	AGM	19	11	4	2
UPM-KYMMENE OYJ	04-04-2019	AGM	18	8	0	3
HSBC HOLDINGS PLC	04-04-2019	EGM	1	0	0	0
ESSITY AB	04-04-2019	AGM	26	11	1	6
ABN AMRO Bank	08-04-2019	CLASS	9	2	0	0
SIKA AG	09-04-2019	AGM	21	13	2	6
SAMPO OYJ	09-04-2019	AGM	17	5	1	4
HUSQVARNA AB	09-04-2019	AGM	27	13	2	9
KONINKLIJKE (ROYAL) KPN NV	10-04-2019	AGM	20	8	1	3
RIO TINTO GROUP (GBP)	10-04-2019	AGM	20	14	1	5
JULIUS BAER GRUPPE AG	10-04-2019	AGM	26	21	0	5
GALP ENERGIA SGPS SA	12-04-2019	AGM	12	8	1	3
HSBC HOLDINGS PLC	12-04-2019	AGM	30	18	3	9
CARNIVAL PLC (GBR)	16-04-2019	AGM	20	8	0	12
BEIERSDORF AG	17-04-2019	AGM	12	6	0	5
LONZA GROUP AG	18-04-2019	AGM	24	17	3	4
GROUPE BRUXELLES LAMBERT (GBL)	23-04-2019	AGM	27	9	2	12
ABN AMRO Bank	24-04-2019	EGM	6	2	0	0
AXA	24-04-2019	AGM	26	16	0	10
ABN AMRO Bank	24-04-2019	AGM	27	11	0	2
RELX PLC	25-04-2019	AGM	23	16	2	5
BRITISH AMERICAN TOBACCO PLC	25-04-2019	AGM	20	8	1	11
DANONE	25-04-2019	AGM	21	13	0	8
AKZO NOBEL NV	25-04-2019	AGM	15	7	1	2
PIGEON CORP	25-04-2019	AGM	11	10	0	1

GEA GROUP AG	26-04-2019	AGM	9	4	1	2
BAYER AG	26-04-2019	AGM	7	4	0	3
PEARSON PLC	26-04-2019	AGM	20	15	1	4
ASTRAZENECA PLC	26-04-2019	AGM	22	16	0	6
CONTINENTAL AG	26-04-2019	AGM	43	32	1	9
ATOS SE	30-04-2019	AGM	27	17	1	9
DNB GROUP ASA	30-04-2019	AGM	14	10	2	1
THE WEIR GROUP PLC	30-04-2019	AGM	22	17	0	5
SANOFI	30-04-2019	AGM	23	12	0	11
INTESA SANPAOLO SPA	30-04-2019	AGM	18	9	4	4
ACCOR HOTELS GROUP	30-04-2019	AGM	34	14	0	20
OCADO GROUP PLC	01-05-2019	AGM	29	17	2	10
UBS GROUP AG	02-05-2019	AGM	26	18	4	4
UNILEVER PLC	02-05-2019	AGM	24	16	2	6
BASF SE	03-05-2019	AGM	12	7	0	4
NORSK HYDRO ASA	07-05-2019	AGM	10	6	1	2
YARA INTERNATIONAL ASA	07-05-2019	AGM	13	10	0	3
AIR LIQUIDE SA	07-05-2019	AGM	17	11	0	6
GLAXOSMITHKLINE PLC	08-05-2019	AGM	22	18	1	3
STANDARD CHARTERED PLC	08-05-2019	AGM	28	18	0	10
ITV PLC	08-05-2019	AGM	21	16	1	4
GLAXOSMITHKLINE PLC	08-05-2019	EGM	1	1	0	0
LEONARDO SPA	09-05-2019	AGM	6	5	1	0
ADIDAS AG	09-05-2019	AGM	15	5	3	6
BAE SYSTEMS PLC	09-05-2019	AGM	22	13	2	7
JOHN LAING GROUP PLC	09-05-2019	AGM	20	15	0	5
MELROSE INDUSTRIES PLC	09-05-2019	AGM	19	12	1	6
CENTRICA PLC	13-05-2019	AGM	24	18	0	6

VOLKSWAGEN AG	14-05-2019	AGM	42	3	0	38
BUREAU VERITAS SA	14-05-2019	AGM	25	16	0	9
E.ON SE	14-05-2019	AGM	10	4	0	5
CAPITA PLC	14-05-2019	AGM	17	14	1	2
PIRELLI & CO	15-05-2019	AGM	4	2	1	1
SAP SE	15-05-2019	AGM	14	7	1	5
WILLIAM HILL PLC	15-05-2019	AGM	17	15	0	2
ERSTE GROUP BANK AG	15-05-2019	AGM	15	9	0	5
TP ICAP PLC	15-05-2019	AGM	23	18	0	5
LLOYDS BANKING GROUP PLC	16-05-2019	AGM	26	20	0	6
NITORI HOLDINGS CO LTD	16-05-2019	AGM	7	5	0	2
WENDEL	16-05-2019	COMBINED	23	11	1	11
G4S PLC	16-05-2019	AGM	20	17	0	3
LEAR CORPORATION	16-05-2019	AGM	12	4	0	8
PRUDENTIAL PLC	16-05-2019	AGM	25	19	0	6
MICHELIN	17-05-2019	AGM	16	10	0	6
OCADO GROUP PLC	20-05-2019	EGM	1	1	0	0
NOKIA OYJ	21-05-2019	AGM	18	12	1	1
ILIAD	21-05-2019	AGM	31	11	0	20
ARKEMA	21-05-2019	AGM	14	9	0	5
ROYAL DUTCH SHELL PLC	21-05-2019	AGM	22	16	2	4
BP PLC	21-05-2019	AGM	23	13	1	9
AMERICAN INTERNATIONAL GROUP INC	21-05-2019	AGM	17	13	0	3
SEB SA	22-05-2019	AGM	25	10	0	15
SYMRISE AG	22-05-2019	AGM	8	5	2	0
BOVIS HOMES GROUP PLC	22-05-2019	AGM	17	12	2	3
RYOHIN KEIKAKU CO LTD	22-05-2019	AGM	7	7	0	0
STMICROELECTRONICS NV	23-05-2019	AGM	18	6	1	5

LEGAL & GENERAL GROUP PLC	23-05-2019	AGM	26	21	1	4
AVIVA PLC	23-05-2019	AGM	24	16	1	7
SCHRODER INTERNATIONAL SELECTION FUND	28-05-2019	AGM	14	3	3	8
IZUMI CO LTD	29-05-2019	AGM	9	8	0	1
LEG IMMOBILIEN AG	29-05-2019	AGM	5	3	0	1
PUBLICIS GROUPE SA	29-05-2019	AGM	28	12	0	16
TOTAL SA	29-05-2019	AGM	13	7	0	6
REPSOL SA	30-05-2019	AGM	20	16	0	4
SEADRILL LTD	05-06-2019	AGM	3	2	0	1
COMPAGNIE DE SAINT GOBAIN	06-06-2019	AGM	26	11	0	15
TOYOTA INDUSTRIES CORP	11-06-2019	AGM	14	10	0	4
TESCO PLC	13-06-2019	AGM	26	21	0	5
JUST GROUP PLC	13-06-2019	AGM	18	12	0	6
SONOVA HOLDING AG	13-06-2019	AGM	21	16	1	4
CARREFOUR SA	14-06-2019	AGM	27	14	0	13
KEYENCE CORP	14-06-2019	AGM	12	7	0	5
JAPAN AIRLINES CO LTD	18-06-2019	AGM	12	11	0	1
JSR CORPORATION	18-06-2019	AGM	14	13	0	1
KNORR-BREMSE AG	18-06-2019	AGM	5	3	0	1
KDDI CORP	19-06-2019	AGM	15	11	0	4
SOFTBANK GROUP CORP	19-06-2019	AGM	14	12	0	2
YAKULT HONSHA CO LTD	19-06-2019	AGM	15	12	0	3
WHITBREAD PLC	19-06-2019	EGM	4	4	0	0
WHITBREAD PLC	19-06-2019	AGM	21	17	0	4
NTT DATA CORP	20-06-2019	AGM	15	14	0	1
FUJI OIL HOLDINGS LTD	20-06-2019	AGM	14	14	0	0
GLORY LTD	21-06-2019	AGM	13	9	0	4
ORIX CORPORATION	21-06-2019	AGM	12	11	0	1

NIPPON DENSETSU KOGYO CO LTD	21-06-2019	AGM	11	6	0	5
mitsubishi tanabe pharma	21-06-2019	AGM	11	7	0	4
PALTAC CORP	21-06-2019	AGM	14	13	0	1
DAI-ICHI LIFE INSURANCE CO. LTD.	21-06-2019	AGM	12	12	0	0
ITOCHU CORP	21-06-2019	AGM	13	13	0	0
DAIFUKU CO LTD	21-06-2019	AGM	12	12	0	0
NIFCO INC	21-06-2019	AGM	11	9	0	2
SHINMAYWA INDUSTRIES LTD	21-06-2019	AGM	12	9	0	3
DIGITAL GARAGE INC	21-06-2019	AGM	10	9	0	1
BANDAI NAMCO HOLDINGS INC	24-06-2019	AGM	13	12	0	1
TOKIO MARINE HOLDINGS INC	24-06-2019	AGM	16	15	0	1
DAIWA HOUSE INDUSTRY CO	25-06-2019	AGM	22	22	0	0
SANTEN PHARMACEUTICAL	25-06-2019	AGM	9	9	0	0
PRESTIGE INTERNATIONAL INC	25-06-2019	AGM	8	6	0	2
HITACHI METALS LTD	25-06-2019	AGM	9	9	0	0
NIPPON TELEGRAPH & TELEPHONE	25-06-2019	AGM	10	6	0	4
FIRSTGROUP PLC	25-06-2019	EGM	14	0	0	14
TORAY INDUSTRIES INC	25-06-2019	AGM	10	7	0	3
DISCO CORP	25-06-2019	AGM	11	7	0	4
KUREHA CORP	25-06-2019	AGM	9	8	0	1
KUREHA CORP	25-06-2019	AGM	9	7	0	2
TIS INC.	25-06-2019	AGM	12	10	0	2
STANLEY ELECTRIC CO LTD	25-06-2019	AGM	13	11	0	2
SHIMADZU CORP	26-06-2019	AGM	11	10	0	1
JXTG HOLDINGS INC	26-06-2019	AGM	15	15	0	0
SANKYU INC	26-06-2019	AGM	12	7	0	5
KYUDENKO CORP	26-06-2019	AGM	13	9	0	4
TAKUMA CO LTD	26-06-2019	AGM	9	9	0	0

ISUZU MOTORS LTD	26-06-2019	AGM	8	3	0	5
SMC CORPORATION	27-06-2019	AGM	15	10	0	5
SUMITOMO MITSUI FINANCIAL GROUP	27-06-2019	AGM	16	15	0	1
MURATA MANUFACTURING CO LTD	27-06-2019	AGM	11	11	0	0
SUMITOMO REALTY & DEVELOPMENT	27-06-2019	AGM	17	11	0	6
M3 INC	27-06-2019	AGM	11	11	0	0
MITSUBISHI UFJ FINANCIAL GRP	27-06-2019	AGM	17	17	0	0
TAIKISHA LTD	27-06-2019	AGM	14	10	0	4
MATSUMOTOKIYOSHI HLDGS CO	27-06-2019	AGM	13	9	0	4
TAKEDA PHARMACEUTICAL CO	27-06-2019	AGM	20	19	0	1
TPR CO LTD	27-06-2019	AGM	16	11	0	5
SHIP HEALTHCARE HOLDINGS INC	27-06-2019	AGM	13	13	0	0
NISHINIPPON FINANCIAL HOLDINGS INC	27-06-2019	AGM	7	7	0	0
TDK CORP	27-06-2019	AGM	13	9	0	4
MIROKU JYOHO SERVICE CO LTD	27-06-2019	AGM	12	10	0	2
NIPPON SHINYAKU CO LTD	27-06-2019	AGM	15	14	0	1
SEADRILL LTD	28-06-2019	EGM	2	1	1	0

## 2 Notable Oppose Vote Results With Analysis

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

### AP MOLLER - MAERSK AS AGM - 02-04-2019

#### *H.7. Shareholder Resolution: Ensure That Vessels Owned by the Company Are Not Sent to Scrapping on Beaches*

A shareholder has proposed that the General Meeting instructs the Company's management to ensure that vessels owned by the Company or vessels which the Company or the Company's subsidiaries sell to third parties for the purpose of scrapping or continued operation are not sent to scrapping on beaches. As the proposal does not have any adverse consequences on shareholder's rights and appears to be reasonable and part of a comprehensive sustainability vision, support is recommended.

Vote Cast: *For*

Results: For: 0.2, Abstain: 1.2, Oppose/Withhold: 98.7,

### RIO TINTO GROUP (GBP) AGM - 10-04-2019

#### *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-thirds 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: 1.6, Oppose/Withhold: 10.6,

#### *19. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 77.8, Abstain: 1.6, Oppose/Withhold: 20.6,

### GALP ENERGIA SGPS SA AGM - 12-04-2019

#### *7. Elect Directors for 2019-2022 Term*

Proposal to renew the Board with a bundled election. There is insufficient independent representation on the Board after the meeting as resulting from this slate of candidates. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 66.8, Abstain: 0.3, Oppose/Withhold: 32.9,

**HSBC HOLDINGS PLC AGM - 12-04-2019****17. Shareholder Resolution: Abolish Unfair Discriminatory Practice of Taking State Deduction from the Pensions Paid to Members of the Post 1974 Midland Bank Defined Benefit Pension Scheme**

**Background and Rationale:** The shareholder proposes to abolish the clawback policy which had been implemented on the pensioners from the Post 1974 Midland Bank Defined Benefit Pension Scheme. Clawback is the practice of cutting an employee's company pension on the grounds that they also receive the state pension. The pension scheme of Midland Bank has a clawback policy, but the employees were not aware of it until it started to materialize when they reach the state pension age. The reduction in pensions reaches up to 25%, causing a loss of up to GBP 2,500, for low-pay employees who have retired, this reduction is seen as a potential loss of income. Beneficiaries of the pension package believe that the calculation of the scheme is unjust as it only takes in account the years of service and not of insurance contributions. The Company's reply on the issue is that the pension scheme existed before the acquisition of Midland Bank. In addition, requesting the opinion of the legal department of the bank, the clawback policy is legal and has been applied since the 1940s in the United Kingdom. Furthermore, the Company states that they have pension obligations to a wide group of employees and increasing the benefits for these members could be seen as unfairly preferring one group of members over others. The total cost of a change in the policy for this specific group of employees will reach GBP 450 million. The Company argue that such a policy will damage the interest of the Bank and its shareholders.

**Company's argument**

HSBC is of the position that the State Deduction feature was implemented as intended, which was to achieve broad integration of the company pension scheme with the state pension. This was common market practice at the time. The Company states that they cannot only consider the cost of making the change to this feature of the scheme but do also have to consider our entire global pension offering, as any change would be a discretionary improvement in benefits, the Company says. According to HSBC, it is difficult to make direct comparisons to other pension schemes and how they have treated similar features in their scheme, many still have this as part of their benefit design and have not abolished it and a number of companies have capped the amount of deduction that will apply. HSBC has also capped the amount of State Deduction that can apply for those in service from 2009 when the scheme stopped counting further service towards the State Deduction calculation and again in 2015 when the rate of Basic State Pension that the State Deduction would be calculated on was frozen.

**Recommendation:** The policy that the Company applies is legal according to the practises of the pensions scheme in the UK. The valuation for the entire HSBC pension fund in 2016 was at GBP 26.9 billion with a surplus of GBP 1.4 billion. However, the claw-back policy applicable to pensions is considered outdated and as a matter of fact, a number of comparable peers like Barclays, NatWest, Lloyds, Clydesdale, the Post Office and the Bank of England have abandoned it. On balance support is recommended.

Vote Cast: *For*

Results: For: 3.5, Abstain: 1.3, Oppose/Withhold: 95.2,

**BEIERSDORF AG AGM - 17-04-2019****2. Approve the Dividend**

The Board proposes a dividend of EUR 0.70 per share. The dividend is covered by retained earnings. Acceptable proposal.

Vote Cast: *For*

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

**6.2. Re-elect Martin Hansson to the Supervisory Board**

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Maxingvest AG. In addition, he is

not considered independent as the director is a member of the Supervisory Board at Tchibo GmbH, where Michael Herz is Chair of the Supervisory Board. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 85.7, Abstain: 0.2, Oppose/Withhold: 14.0,

### 6.3. *Re-elect Michael Herz to the Supervisory Board*

Non-Executive Director. Not considered to be independent, as he is a member of the Executive Board of Maxingvest AG, which holds a majority of the Company's issued share capital. Additionally, he is the Chair of the Supervisory Board of Tchibo GmbH, where Martin Hansson is a member. In addition, he has been on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 85.1, Abstain: 0.2, Oppose/Withhold: 14.7,

### 6.6. *Re-elect Reinhard Pollath to the Supervisory Board*

Non-Executive Chairman. Not considered to be independent as he is Chairman of Maxingvest AG, which holds a majority of the Company's issued share capital. In addition, he has served on the Board for more than nine years, as well as he is the Chair of the Nomination Committee and there is 25% of female representation on the Supervisory Board, which is under the statutory law. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 80.1, Abstain: 0.3, Oppose/Withhold: 19.6,

## **GRUPE BRUXELLES LAMBERT (GBL) AGM - 23-04-2019**

### 5.2.1. *Elect Xavier Le Clef*

Non-Executive Director. Not considered independent as the Director is a member Frère-Bourgeois a company that is a major shareholder of Pargesa Holding S.A, the controlling shareholder of Groupe Bruxelles Lambert. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 77.9, Abstain: 1.3, Oppose/Withhold: 20.8,

### 5.2.2. *Elect Claude Genereux*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 81.6, Abstain: 1.3, Oppose/Withhold: 17.1,

### 5.4.2. *Re-elect Paul Desmarais, Jr.*

Chairman, Non-Executive Director. Not considered independent as Mr Desmarais is the son of Paul Desmarais, and he is Director Of Pargesa Holding S.A, the controlling shareholder of the Company. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.9, Abstain: 1.5, Oppose/Withhold: 10.6,

#### 5.4.3. *Re-elect Gerald Frere*

Non-Executive Vice Chairman. Not considered to be independent as Gérald Frère is the son of Albert Frère and Thierry de Rudder's brother-in-law. Gérald Frère is Director of Pargesa Holding S.A. and also hold different Directorships in Frère-Bourgeois/CNP-NPM group. He is also a former Executive of the company. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.2, Abstain: 1.3, Oppose/Withhold: 10.5,

#### 5.4.4. *Re-elect Cedric Frere*

Non-Executive Director candidate. Not considered to be independent as he is the son of Gerald Frere the Chairman of the board. He is also a director at Pargesa Holding S.A who owns a significant percentage of the company's share capital. There is insufficient independent on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.2, Abstain: 1.3, Oppose/Withhold: 11.4,

#### 5.4.5. *Re-elect Segolene Gallienne*

Non-Executive Director candidate. Not considered to be independent as she is a director at Frere-Bourgeois and Pargesa Holding of which both companies own significant percentages of the company's share capital. There are concerns over her aggregate time commitments. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.3, Abstain: 1.3, Oppose/Withhold: 11.4,

#### 5.4.6. *Re-elect Gerard Lamarche*

Chief Executive. Support is recommended.

Vote Cast: *For*

Results: For: 88.5, Abstain: 1.3, Oppose/Withhold: 10.1,

#### 7.2. *Approve Change-of-Control Clause Re: Stock Option Plan under Item 7.1*

It is proposed to approve all clauses of the stock option plan and all agreements between the Company and the holders of options, giving these holders the right to exercise their options prior to the expiration of the aforementioned period of three years in case of a change of control in the Company.

Accelerated vesting is against practice as this offsets the principle of pay for performance. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 77.2, Abstain: 0.5, Oppose/Withhold: 22.2,

### **AXA AGM - 24-04-2019**

#### *O.5. Approve the Compensation of the CEO; Thomas Buberl*

It is proposed to approve the remuneration paid or due to CEO Thomas Buberl with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. The Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, opposition is recommended based on excessive remuneration.

Vote Cast: *Oppose*

Results: For: 79.0, Abstain: 0.0, Oppose/Withhold: 21.0,

## DANONE AGM - 25-04-2019

### *O.2. Approve Consolidated Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. No serious governance concerns have been identified.

Vote Cast: *For*

Results: For: 48.2, Abstain: 0.1, Oppose/Withhold: 51.7,

### *O.5. Re-elect Emmanuel Faber*

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

Vote Cast: *Oppose*

Results: For: 80.2, Abstain: 0.0, Oppose/Withhold: 19.7,

### *O.7. Related Party Transaction between Company and Morgan Group*

On May 25, 2018 the Company entered into two advisory agreements with J.P. Morgan. Under the agreements the J.P. Morgan agrees to select potential purchasers, draft information a memorandum for potential purchasers, analyse the offers, organize a data room, oversee the due diligence process and negotiate the documents necessary to complete the project. The agreements provide that the Company will pay to J.P. Morgan a fee representing 1.50% of the enterprise value subject to a minimum fee of USD1.5 million for the first project and EUR 800,000 for the second. These fees will be delivered if the sale transactions are completed. The agreement between the Company and J.P. Morgan doesn't have any negative effect on shareholders interest. Support is recommended.

Vote Cast: *For*

Results: For: 74.6, Abstain: 0.0, Oppose/Withhold: 25.4,

## BRITISH AMERICAN TOBACCO PLC AGM - 25-04-2019

### *3. Approve the Remuneration Report*

**Disclosure:** Disclosure is adequate.

**Balance:** The change in the CEO's salary is in line with the rest of the Company, as the CEO's salary increased by 4.9% while the salaries of UK-based employees rose by 5.9%, and when taking the average of all employees the increase is 10.9%. However, the CEO's salary is in the upper quartile of the Company's comparator group. 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 482.6% of salary for the CEO. Total variable pay is also considered excessive, amounting to 524% of salary for the CEO. Such level of variable pay is considered gratuitously excessive, and far exceeds the recommended limit of 200% of salary. The ratio of CEO pay compared to average

employee pay is not acceptable at 208:1, and significantly exceeds the recommended limit of 20:1.

**Rating:** AE.

*Vote Cast: Oppose*

*Results: For: 87.6, Abstain: 0.1, Oppose/Withhold: 12.3,*

#### *8. Re-elect Dr Marion Helmes*

Independent Non-Executive Director. It is noted that at last year's AGM she received significant opposition from shareholders (39.94%). However, this was addressed as she has since stepped down from the Supervisory Board of Bilfinger SE with effect from 15 May 2018 and has also retired as a Non-Executive Director of NXP Semiconductors N.V. with effect from 22 June 2018. In addition, she attended all Board and Committee meetings she was eligible to attend. Support is recommended.

*Vote Cast: For*

*Results: For: 85.1, Abstain: 1.2, Oppose/Withhold: 13.8,*

#### *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-thirds 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: 74.3, Abstain: 0.1, Oppose/Withhold: 25.6,*

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

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

*Vote Cast: For*

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

### **CONTINENTAL AG AGM - 26-04-2019**

#### *6.6. Elect Wolfgang Reitzle to the Supervisory Board*

Non-Executive Chair of the Board. Not considered independent owing to a tenure of over nine years. In addition, as there is no Chair of the Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 89.0, Abstain: 0.3, Oppose/Withhold: 10.7,*

#### *6.7. Elect Klaus Rosenfeld to the Supervisory Board*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: he is the Chief Executive Officer of Schaeffler AG, a group company of the Schaeffler Group. The Schaeffler Group itself is an indirect shareholder with a major stake in Continental AG. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 79.6, Abstain: 0.2, Oppose/Withhold: 20.2,

#### 6.8. *Elect Georg Schaeffler to the Supervisory Board*

Non-Executive Director. Not considered to be independent as he is the co-owner of Schaeffler Group, which holds a significant percentage of the Company's issued share capital through Schaeffler GmbH. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 76.6, Abstain: 1.7, Oppose/Withhold: 21.6,

#### 6.9. *Elect Maria-Elisabeth Schaeffler-Thumann to the Supervisory Board*

Non-Executive Director. Not considered to be independent as she is Partner of Schaeffler Group, which holds a significant percentage of the Company's issued share capital through Schaeffler GmbH. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 79.1, Abstain: 0.3, Oppose/Withhold: 20.7,

### **ASTRAZENECA PLC AGM - 26-04-2019**

#### 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-thirds 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: 87.4, Abstain: 0.1, Oppose/Withhold: 12.6,

### **BAYER AG AGM - 26-04-2019**

#### 2. *Approve Discharge of Management Board for Fiscal 2018*

Standard proposal. No serious governance concerns have been identified. Support is recommended.

Vote Cast: *For*

Results: For: 44.5, Abstain: 0.0, Oppose/Withhold: 55.5,

#### 3. *Approve Discharge of Supervisory Board for Fiscal 2018*

Standard proposal. No serious governance concerns have been identified. Support is recommended.

Vote Cast: *For*

Results: For: 66.4, Abstain: 0.0, Oppose/Withhold: 33.6,

#### 4. *Elect Simone Bagel-Trah*

Independent Non-Executive Director. Support is recommended.

Vote Cast: *For*

Results: For: 87.8, Abstain: 0.0, Oppose/Withhold: 12.2,

## PEARSON PLC AGM - 26-04-2019

### 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-thirds 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: 89.0, Abstain: 0.0, Oppose/Withhold: 11.0,

## SANOFI AGM - 30-04-2019

### O.8. *Approve Remuneration Policy of the Chief Executive Officer*

It is proposed to approve the remuneration policy for the Olivier Brandicourt, CEO of the Company. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria for its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.4, Abstain: 0.1, Oppose/Withhold: 11.5,

### O.10. *Approve the Remuneration Report for the Chief Executive officer*

It is proposed to approve the remuneration paid or due to Olivier Brandicourt, CEO of the Company, with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.6, Abstain: 0.1, Oppose/Withhold: 13.4,

### E.17. *Authorise the Board to Increase the Number of Shares Issued in Case of Exceptional Demand*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.1, Abstain: 0.0, Oppose/Withhold: 12.8,

#### **ATOS SE AGM - 30-04-2019**

##### *O.8. Re-elect Thierry Breton*

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

Vote Cast: *Oppose*

Results: For: 74.9, Abstain: 2.3, Oppose/Withhold: 22.9,

##### *O.11. Re-elect Vernon Sankey*

Member of the Sustainability Committee. As the Chair of the Sustainability Committee is not up election, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 68.5, Abstain: 0.4, Oppose/Withhold: 31.1,

##### *O.12. Elect Vivek Badrinath*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 76.0, Abstain: 0.8, Oppose/Withhold: 23.2,

##### *O.13. Elect Jean-Louis Georgelin*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 61.0, Abstain: 1.2, Oppose/Withhold: 37.8,

#### **INTESA SANPAOLO SPA AGM - 30-04-2019**

##### *4.b. Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

Vote Cast: *Abstain*

Results: For: 61.5, Abstain: 3.5, Oppose/Withhold: 35.0,

**ACCOR HOTELS GROUP AGM - 30-04-2019****O.4. *Elect Mr. Nawaf Bin Jassim Bin Jabor Al-thani***

Non-Executive Director. Not considered independent as he is the Chairman of Katara Hospitality and the Qatar Investment Authority (controlling shareholder of Katara Hospitality) is a significant shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 75.0, Abstain: 0.0, Oppose/Withhold: 24.9,

**O.17. *Advisory review of the compensation owed or paid to Mr Sebastien Bazin***

It is proposed to approve the compensation owed or paid to Mr Sebastien Bazin with an advisory vote. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. There is a component of board discretion for 10% of the bonus. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 83.7, Abstain: 0.0, Oppose/Withhold: 16.3,

**O.18. *Advisory review of the compensation owed or paid to Mr Sven Boinet***

It is proposed to approve the remuneration paid or due to Mr Sven Boinet with an advisory vote. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 84.2, Abstain: 0.0, Oppose/Withhold: 15.8,

**O.20. *Authorise Share Repurchase***

It is proposed to authorise the Board to purchase Company's shares until 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: 88.9, Abstain: 0.0, Oppose/Withhold: 11.1,

**E.31. *Approve New Issue of Shares to Executive and Employees***

It is proposed to approve a restricted share plan for employees and corporate officers. The Board would receive the authority to set beneficiaries and other conditions. After allotment, shares will be restricted for three years, which is not considered to be sufficiently long term. The Company states that exercise of shares will be based on targets, which at this time remain unquantified.

Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries: it is considered that support should not be given to stock or share option plans that do not lay out clear performance criteria, targets and conditions. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 84.8, Abstain: 0.0, Oppose/Withhold: 15.2,

**O.33. Powers to issue warrants in period of unfriendly public offer**

Authorise the Board to issue anti-takeover warrants. This authority is considered to be counter to the best interests of shareholders. The poison pill enables management to offer warrants to shareholders during a period of public offer thus implying a threat of dilution to potential acquirers of the company. While this may cause potential acquirers to negotiate with the Board, it may also potentially prevent hostile takeovers and entrench management. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 66.3, Abstain: 0.0, Oppose/Withhold: 33.7,

**THE WEIR GROUP PLC AGM - 30-04-2019**

**15. Re-elect Rick 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: 72.5, Abstain: 3.6, Oppose/Withhold: 23.9,

**OCADO GROUP PLC AGM - 01-05-2019**

**2. Approve Remuneration Policy**

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 75.3, Abstain: 0.6, Oppose/Withhold: 24.1,

**3. 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 disclosed AND vesting scale for LTIP awards is 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 received by the CEO in 2018 are not considered excessive equating to 88.9% of salary. In addition, no LTIP granted in the year under reviews. The ratio of CEO pay compared to average employee pay is 49:1 which is considered inappropriate.

Rating: BC

Vote Cast: *Oppose*

Results: For: 74.6, Abstain: 0.0, Oppose/Withhold: 25.4,

### 13. *Re-elect Andrew Harrison*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 82.7, Abstain: 0.0, Oppose/Withhold: 17.3,

### 19. *Approve Value Creation Plan*

The Board proposes the approval of a new long-term incentive plan. Under the plan, the CEO and other executives will be awarded rights to shares, a portion (or all) of which will vest depending on the achievement of some performance criteria. The performance criteria are the participants share in the Total Shareholder Return ("TSR") generated above 10% Compound Annual Growth Rate ("CAGR") at 2.75% of the value created, measured and banked annually over a five-year period. The value will vest in years three, four and five. Vesting period will be five years

LTIP schemes are not considered an effective means of incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 75.4, Abstain: 0.4, Oppose/Withhold: 24.2,

### 20. *Approve Annual Incentive Plan*

The Board proposes the approval of a new Annual Incentive Plan. The Annual Bonus will be capped up to 275% of the salary, but the amount will be split between 50% of shares and 50% on cash. The shares will be vested after a period of five years and the cash components will be capped at 100% of the salary, which is welcome. The new Annual Bonus plan have welcome changes in the term of the deferral period for the shares and the cap of the cash component. But the maximum compensation could be almost three times the salary (275%) which is against best practise. Based on this an abstention is recommended.

Vote Cast: *Abstain*

Results: For: 80.7, Abstain: 0.7, Oppose/Withhold: 18.6,

### 23. *Approve the Amendment to the Chairman's Share Matching Award*

It is proposed to amend the matching shares of the Chairman of the Board, by realizing the restrictions in relation to the Acquired Shares six years after they were first put in place, while he remains Director of the Company. The shares resulting from reinvestment will be matched by free shares awarded by the Company. While re-investment of the bonus in shares, or payment of part or all of the bonus in shares, are considered positive practice, share matching plans are viewed as a de facto discount for executives to buy company shares. They can eventually result in excessive payments versus performance. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 76.9, Abstain: 0.1, Oppose/Withhold: 22.9,

## **UBS GROUP AG AGM - 02-05-2019**

### *2. Approve the Remuneration Report*

It is proposed to approve the remuneration policy with an advisory vote. Although variable remuneration appears to be consistently capped, there are excessiveness concerns as the total potential variable remuneration exceed 200% of the salary. In addition, the Company has not disclosed quantified targets or performance criteria for its long term variable remuneration component, which may lead to overpayment against underperformance. There are no claw back clauses in place for the long-term incentive. Opposition is recommended based on potential excessive remuneration.

Vote Cast: *Oppose*

Results: For: 79.4, Abstain: 0.3, Oppose/Withhold: 20.3,

#### *4. Discharge the Board*

Standard proposal. However, the USB is having legal issues in France after a five-year investigation for cases where there are concerns over tax evasion by clients of the Company and insider trading. The Company for similar cases proceed in settlements with the US and German governments which were cost USD 780 million and EUR 300 million. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 41.7, Abstain: 16.7, Oppose/Withhold: 41.6,

#### *8.1. Approve Maximum Remuneration of Directors in the Amount of CHF 14.5 Million*

The Board is seeking approval for Board and Committee membership fees for non-executive directors from the period of 2019AGM to 2020AGM, the amount proposed is CHF 14.5 million. No increase has been proposed and support is recommended.

Vote Cast: *For*

Results: For: 85.9, Abstain: 0.4, Oppose/Withhold: 13.7,

#### *8.2. Approve Variable Remuneration of Executive Committee*

It is proposed to approve the remuneration policy with a binding vote. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are claws back clauses in place for the annual variable remuneration, which is welcomed. Nevertheless, opposition is recommended based on potential excessive variable remuneration.

Vote Cast: *Oppose*

Results: For: 81.4, Abstain: 1.9, Oppose/Withhold: 16.7,

#### *8.3. Approve Fees Payable to the Board of Directors/Corporate Assembly (IT)*

It is proposed to increase the maximum amount payable to the Executive Board from CHF 31.5 million to CHF 33 million. The proposed increase is under 10% on annual basis. Within recommended guidelines. Support is recommended.

Vote Cast: *For*

Results: For: 86.7, Abstain: 1.9, Oppose/Withhold: 11.4,

### **BASF SE AGM - 03-05-2019**

#### *7. Approve Creation of EUR 470 Million Pool of Capital with Partial Exclusion of Pre-emptive Rights*

Authorize the Board to increase the subscribed capital by EUR 470 million by issuing new shares against contributions in cash until 1 May 2024. Shares can be issued without pre-emptive rights in certain situations and only up to 20% of the issued share capital. The authority meets guidelines. Support is recommended.

Vote Cast: *For*

Results: For: 85.4, Abstain: 0.5, Oppose/Withhold: 14.0,

**YARA INTERNATIONAL ASA AGM - 07-05-2019****4.2. *Approval of the proposed guidelines for share-based compensation***

The Board proposes the approval of the guidelines for the Long Term Incentive Plan. Under the plan, the CEO and other executives will be awarded a fixed cash amount which will be invested in Yara shares within a period of one month after grant. The shares will be locked for a period of three years. A period of five years will be preferable according to best practise. The criteria are: the Cash Return on Gross Investment for the Company and the Net Result excluding currency gain/loss being positive for three years.

LTIP schemes are not considered an effective means of incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure. Overall opposition is recommended.

Vote Cast: *Oppose*

Results: For: 85.5, Abstain: 1.3, Oppose/Withhold: 13.2,

**AIR LIQUIDE SA AGM - 07-05-2019****O.8. *Approve Compensation of Benoit Potier***

It is proposed to approve the remuneration paid or due to Benoit Potier with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding short-term variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.1, Abstain: 0.4, Oppose/Withhold: 13.5,

**O.9. *Approve Remuneration Policy of Executive Officers***

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There do not appear to be claw back clauses in place over the entirety of the variable remuneration, which means it is likely shareholders will not be able to recoup losses if remuneration is paid out incorrectly. However, the Company has not disclosed quantified targets or performance criteria ex-ante for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 86.4, Abstain: 0.4, Oppose/Withhold: 13.1,

**NORSK HYDRO ASA AGM - 07-05-2019****6.2. *Approve New Executive Equity Compensation (Binding)***

The Board proposes the approval of a executive equity based remuneration. Performance targets have not been quantified at this time. which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 90.0, Abstain: 0.0, Oppose/Withhold: 10.0,

## ITV PLC AGM - 08-05-2019

### 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-thirds 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. However, it is noted that this resolution had a significant number of oppose votes at approximately 16.57% at the 2018 AGM. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 81.3, Abstain: 0.0, Oppose/Withhold: 18.7,

## GLAXOSMITHKLINE PLC AGM - 08-05-2019

### 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, is considered excessive, amounting to 214.5% of salary. In addition, total variable pay for the new CEO was also excessive at 429.6% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 46:1. Lastly, the CEO's salary is in the upper quartile of the Company's comparator group.

Rating: BD.

Vote Cast: *Oppose*

Results: For: 88.6, Abstain: 0.2, Oppose/Withhold: 11.2,

## STANDARD CHARTERED PLC AGM - 08-05-2019

### 3. *Approve the Remuneration Report*

**Disclosure:** Overall disclosure is adequate, however dividend accrual is not separately categorised.

**Balance:** The CEO's salary did not change while employee pay rose by 6%. The CEO's salary is in the median of the Company's comparator group. 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 considered excessive and unnecessary. 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 excessive at 259%; total variable pay should be limited to 200%

of salary. Finally, the ratio of CEO to average employee pay is considered excessive at 79:1; the ratio should not exceed 20:1.

**Rating:** AE.

*Vote Cast: Oppose*

*Results: For: 88.6, Abstain: 0.7, Oppose/Withhold: 10.7,*

#### *4. Approve Remuneration Policy*

**Proposed Policy Changes:** Simplified fixed pay structure combining salary and fixed pay allowances (FPA) into 'total salary' delivered as a combination of cash and shares; for future directors; the pension contribution will be set at 10% of total salary in line with the pension contribution rate for all employees in the UK; increased shareholding requirements to 250% of total salary for the Group Chief Executive and 200% of total salary for the Group Chief Financial Officer; new post-employment shareholding requirement of 100% of the shareholding requirement in place for one year and 50% of the requirement in place in the second year following cessation of employment.

**Disclosure:** Overall disclosure is satisfactory.

**Balance:** There is also no cap on maximum benefits. Maximum pension contributions are considered excessive for current directors (appointed before 2019). The maximum value of an annual incentive award granted to any executive director cannot exceed 80 per cent of that executive director's fixed pay. Under regulations, the proportion of variable remuneration that is deferred must be no less than 60 per cent which is to vest pro-rata over years three to seven after award. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. The performance period for the LTIP is three years however under the remuneration regulations, deferred remuneration vests no faster than pro rata over years three to seven after award. Executives will receive total salary delivered part in cash and part in shares to be released over five years. There is no time-frame set for Executives to build up the required shareholding.

**Contracts:** The Company has set criteria with regard to the dis-application of proration of awards on termination of employment. However, despite the changes the potential use of upside discretion is considered inappropriate.

**Rating:** BEC

*Vote Cast: Oppose*

*Results: For: 62.3, Abstain: 2.4, Oppose/Withhold: 35.3,*

### **ADIDAS AG AGM - 09-05-2019**

#### *5.1. Elect Ian Gallienne*

Non-Executive Director. Not considered independent as he is CEO of GBL, significant shareholder through Desmarais Frere trust. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*Results: For: 82.8, Abstain: 0.0, Oppose/Withhold: 17.2,*

#### *5.6. Elect Thomas Rabe*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

*Vote Cast: Abstain*

*Results: For: 86.2, Abstain: 0.0, Oppose/Withhold: 13.8,*

### 5.5. *Elect Nassef Sawiris*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 89.3, Abstain: 0.0, Oppose/Withhold: 10.7,

## **CENTRICA PLC AGM - 13-05-2019**

### 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 0.43%, while employee salaries increased by 2.63%. Total variable pay for the year under review is considered acceptable at approximately 123.72% of his base 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 250% of salary. The ratio of CEO pay compared to average employee pay is considered unacceptable at 35:1.

Rating: BD.

Vote Cast: *Oppose*

Results: For: 84.5, Abstain: 0.9, Oppose/Withhold: 14.6,

## **CAPITA PLC AGM - 14-05-2019**

### 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. Support is recommended.

Vote Cast: *For*

Results: For: 49.9, Abstain: 0.1, Oppose/Withhold: 50.0,

### 2. *Approve the Remuneration Report*

Overall disclosure is considered appropriate. The CEO's salary for the year under review is in the median of the Company's comparator group. The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. The CEO's total realised pay during the year amounts to approximately 169.4% of his base salary and No LTIP vested. In addition he was awarded an LTIP of 300% of his base salary which is considered excessive. Also, the ratio of CEO pay compared to average employee pay is considered unacceptable at 77:1.

Rating: BD.

Vote Cast: *Oppose*

Results: For: 36.5, Abstain: 13.4, Oppose/Withhold: 50.2,

### 3. *Re-elect Ian Powell*

Incumbent Chair. Independent upon appointment.

Vote Cast: *For*

Results: For: 49.9, Abstain: 0.0, Oppose/Withhold: 50.0,

*4. Re-elect Jonathan Lewis*

Chief Executive. Acceptable service contract provisions.

Vote Cast: *For*

Results: For: 49.9, Abstain: 0.0, Oppose/Withhold: 50.0,

*5. Elect Patrick Butcher*

Newly-appointed Chief Financial Officer. Acceptable service contract provisions.

Vote Cast: *For*

Results: For: 49.9, Abstain: 0.0, Oppose/Withhold: 50.0,

*6. Re-elect Gillian Sheldon*

Senior Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 49.1, Abstain: 0.0, Oppose/Withhold: 50.8,

*7. Re-elect Mathew Lester*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 49.1, Abstain: 0.0, Oppose/Withhold: 50.8,

*8. Re-elect John Cresswell*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 49.1, Abstain: 0.0, Oppose/Withhold: 50.9,

*9. Re-elect Andrew Williams*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 49.1, Abstain: 0.0, Oppose/Withhold: 50.8,

*10. Re-elect Baroness Lucy Neville-Rolfe*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 49.1, Abstain: 0.0, Oppose/Withhold: 50.8,

*11. Approve Remuneration of Employee Directors*

The Board seeks shareholder approval to make payments to Employee Directors between the date of their appointment and 30 June 2020. It is proposed that these payments should include; a basic fee of GBP64,500 per annum, a payment equal to one month's basic fee where appointment is terminated by either party, and

approval for the grossed-up cost of travel to the Company's registered office where such travel is recognised as a taxable benefit. No significant concerns have been identified with this proposal. A vote in favour is therefore recommended.

Vote Cast: *For*

Results: For: 50.0, Abstain: 0.0, Oppose/Withhold: 50.0,

#### *12. Re-appoint KPMG as Auditors*

KPMG proposed. Non-audit fees represented 32.00% of audit fees during the year under review and 23.88% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

Results: For: 49.8, Abstain: 0.3, Oppose/Withhold: 49.8,

#### *13. Allow the Audit and Risk Committee to Determine the Auditor's Remuneration*

Standard proposal.

Vote Cast: *For*

Results: For: 50.0, Abstain: 0.0, Oppose/Withhold: 50.0,

#### *14. Issue Shares with Pre-emption Rights*

The authority is limited to 33% of the Company's issued share capital and expires at the next AGM. Within acceptable limits.

Vote Cast: *For*

Results: For: 50.0, Abstain: 0.0, Oppose/Withhold: 50.0,

#### *15. 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: 50.0, Abstain: 0.0, Oppose/Withhold: 50.0,

#### *16. 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: 49.6, Abstain: 0.0, Oppose/Withhold: 50.3,

#### *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: 49.8, Abstain: 0.1, Oppose/Withhold: 50.1,

**WILLIAM HILL PLC AGM - 15-05-2019****15. 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: 86.2, Abstain: 0.0, Oppose/Withhold: 13.8,

**16. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares until 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: 86.1, Abstain: 0.0, Oppose/Withhold: 13.9,

**ERSTE GROUP BANK AG AGM - 15-05-2019****9. Authorize Share Repurchase Program and Reissuance of Repurchased Shares to Key Employees**

It is proposed to authorise the Board to purchase Company's shares until 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: 67.5, Abstain: 0.9, Oppose/Withhold: 31.6,

**7.2. Elect Matthias Bulach as Supervisory Board Member**

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: CaixaBank. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 75.0, Abstain: 0.7, Oppose/Withhold: 24.3,

**SAP SE AGM - 15-05-2019****6.2. Elect Pekka Ala-Pietila**

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: 79.2, Abstain: 0.1, Oppose/Withhold: 20.7,

**TP ICAP PLC AGM - 15-05-2019****19. 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: 89.3, Abstain: 0.0, Oppose/Withhold: 10.7,

**20. 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: 89.9, Abstain: 0.0, Oppose/Withhold: 10.1,

**21. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment**

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

Vote Cast: *Oppose*

Results: For: 84.3, Abstain: 0.0, Oppose/Withhold: 15.7,

**PRUDENTIAL PLC AGM - 16-05-2019****9. Re-elect Anthony Nightingale**

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 80.4, Abstain: 3.4, Oppose/Withhold: 16.2,

**AMERICAN INTERNATIONAL GROUP INC AGM - 21-05-2019****5. Shareholder Resolution: Right to Call Special Meetings**

**Proposed by:** n/d

**Proponent's Argument:**

Shareowners ask the Board to take the steps necessary (unilaterally if possible) to amend the bylaws and each appropriate governing document to give holders in the aggregate of 10% of outstanding common stock the power to call a special shareowner meeting (or the closest percentage to 10% according to state law). This proposal does not impact the board's current power to call a special meeting. The Proponent explains that the current higher 25%-threshold for shareholders to call a special meeting may be unreachable due to time constraints and detailed technical requirements. Any claim that a shareholder right to call a special meeting can be

costly- may be largely moot. When shareholders have a good reason to call a special meeting-the board should be able to take positive responding action to make a special meeting unnecessary.

**Company's Argument:**

The Board recommend a vote against the resolution. It believes that the current 25% threshold is sufficient and within the mainstream of special meeting rights at peer companies. It believes that a lower threshold can be abused by activist special interest group and special meetings require substantial expenses and resources. It also believes that its existing corporate governance practices and policies ensure board accountability and are responsive to shareholder concerns.

**PIRC's Analysis:**

The right to call a special shareholder meeting provides shareholders with a way of communicating with the Board and debating and voting on issues with the rest of shareholders which in itself enhances shareholders' rights. The 10% threshold recommended by the Proponent is considered acceptable. Support is recommended.

Vote Cast: *For*

Results: For: 47.2, Abstain: 0.1, Oppose/Withhold: 52.7,

**BP PLC AGM - 21-05-2019**

*23. Shareholder Resolution: Approve the Follow This Shareholder Resolution on Climate Change Targets*

The resolution has been requisitioned by a group of shareholders co-ordinated by the organisation 'Follow This'. It requests that the company sets and publishes targets that are aligned with the goal of the Paris Climate Agreement to limit global warming to well below 2C. In doing so, they consider it would require the company to invest accordingly in the energy transition to a zero-emission energy system. The requisitionists set out that emissions from energy products are crucial in the Paris Climate Agreement and that BP's targets should include these, and be intermediate and long-term. It is noted that BP's peer, Royal Dutch Shell has set a long-term 'ambition' to halve its carbon intensity by 2050. The BP board does not support the resolution, considering that setting specific long-term reduction targets is inconsistent with the flexibility that is central to its strategy and noting that it calls for targets for Scope 3 (end user) emissions that BP does not control. The Company stated that requesting it sets intermediate and long-term quantitative targets would require them to restrict flexibility it needs to adjust the pace and direction of the energy transition and could inhibit their ability to deliver long-term shareholder value. The Company considers that this flexibility is inherent to their strategy to best enable it to meet the dual challenge of providing more energy with fewer greenhouse gas emissions) while also growing shareholder value. **PIRC Analysis:** Scope 3 emission reductions are necessary over the long-term for oil and gas companies to align with the goals of the Paris Agreement. As noted by the requisitionists, Royal Dutch Shell has set a long-term 'ambition' to halve its carbon intensity by 2050. In doing so, it has allowed for a variety of methods extending beyond its own operations to reduce its net carbon footprint. There is scope for BP to move towards the position of one of its peers, in taking more steps to address the entirety of its emissions. However, BP has agreed to set out its strategy consistent with the Paris goals in more detail, providing that flexibility is provided on target setting. This flexibility it considers central to its business strategy. The resolution does not provide this flexibility. On this basis, an abstention is recommended

Vote Cast: *Abstain*

Results: For: 7.9, Abstain: 5.9, Oppose/Withhold: 86.2,

**STMICROELECTRONICS NV AGM - 23-05-2019**

*5.A. Approve Remuneration Granted to CEO and President*

It is proposed to approve the remuneration granted to the CEO. Variable remuneration does not appear to be consistently capped. In addition the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against

underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 62.1, Abstain: 0.1, Oppose/Withhold: 37.8,

#### *5.B. Approve Bonus Paid to CEO and President*

It is proposed to approve the Bonus paid to the CEO. The annual bonus is capped at 150% of base salary, which is considered excessive. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 68.6, Abstain: 0.1, Oppose/Withhold: 31.2,

#### *9. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 89.2, Abstain: 0.1, Oppose/Withhold: 10.7,

#### *10.A. Issue Shares for Cash*

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 65.5, Abstain: 0.1, Oppose/Withhold: 34.4,

#### *10.B. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

It is proposed to authorize the Board to issue shares without pre-emptive rights in the Case of Mergers or Acquisition until next AGM. The proposed amount of shares issued will exceed 10% of the current share capital without pre-emptive rights.

Vote Cast: *Oppose*

Results: For: 72.7, Abstain: 0.1, Oppose/Withhold: 27.2,

### **TOTAL SA AGM - 29-05-2019**

#### *10. Approve Compensation of Chairman and CEO*

Vote Cast: *Oppose*

Results: For: 8.4, Abstain: 0.1, Oppose/Withhold: 91.5,

#### 11. *Approve Remuneration Policy of Chairman and CEO*

It is proposed to approve the remuneration policy. Short term variable remuneration appears to be consistently capped, and the payout is in line with best practice, however Long term incentives do not appear to be consistently capped. The Company has disclosed quantified targets for the performance criteria of its variable remuneration component, which is welcomed. However, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 4.2, Abstain: 0.1, Oppose/Withhold: 95.7,

### **PUBLICIS GROUPE SA AGM - 29-05-2019**

#### 9. *Approve Compensation of Maurice Levy, Chairman of the Supervisory Board*

It is proposed to approve the remuneration paid or due to the Chair of the Board with an advisory vote. The Chair received only fixed remuneration. Support is recommended.

Vote Cast: *For*

Results: For: 59.8, Abstain: 0.0, Oppose/Withhold: 40.1,

#### 14. *Approve Remuneration Policy of Chair of the Supervisory Board*

It is proposed to approve the remuneration policy for the Chair with a binding vote. The Chair of the Board receives only fixed remuneration. Support is recommended.

Vote Cast: *For*

Results: For: 89.5, Abstain: 0.0, Oppose/Withhold: 10.4,

#### 16. *Approve Remuneration Policy of Chair of the Management Board*

It is proposed to approve the remuneration policy of the Chair of the Management Board. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.4, Abstain: 0.0, Oppose/Withhold: 10.6,

#### 17. *Approve Remuneration Policy of Management Board Members*

It is proposed to approve the remuneration policy of Management Board Members. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.4, Abstain: 0.0, Oppose/Withhold: 10.6,

#### 25. *Authorize up to 3 Percent of Issued Capital for Use in Stock Option Plans*

Proposal to authorize for 26 months the Board to allot shares free of charge to employees and executives. Share issued under this authorization will not enjoy

pre-emptive rights and will be attributed free of charge to management or employees. The Board would maintain full discretion over the beneficiaries. Incentives such as this are not related to performance and as such may reward the position of the recipient instead of performance. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 79.0, Abstain: 0.0, Oppose/Withhold: 20.9,

## COMPAGNIE DE SAINT GOBAIN AGM - 06-06-2019

### 5. *Reelect Dominique Leroy as Director*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.8, Abstain: 0.1, Oppose/Withhold: 11.1,

### 9. *Approve Remuneration Policy of Chairman and CEO*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.8, Abstain: 0.0, Oppose/Withhold: 13.2,

## SONOVA HOLDING AG AGM - 13-06-2019

### 5.1. *Approve Fees Payable to the Board of Directors*

It is proposed to increase the amount payable to the Board of Directors by less than 10% on annual basis. Within recommended guidelines.

Vote Cast: *For*

Results: For: 73.8, Abstain: 0.3, Oppose/Withhold: 26.0,

### 5.2. *Approve Remuneration of Executive Committee in the Amount of CHF 15.3 Million*

It is proposed to increase the maximum amount payable to the Executive Board by more than 10% on annual basis. The increase is considered material and exceeds guidelines, while the Company has not duly justified it. Therefore, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 80.4, Abstain: 0.2, Oppose/Withhold: 19.4,

### 1.2. *Approve the Remuneration Report*

It is proposed to approve, by a consultative vote, the remuneration report, which includes all remuneration for both the management board and the board of directors. Annual incentives appear to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has disclosed achievements only as a percentage of undisclosed targets, and as such, without

quantified targets, it is impossible to assess whether the proposed amount would correspond to any overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 79.9, Abstain: 2.4, Oppose/Withhold: 17.8,

## JUST GROUP PLC AGM - 13-06-2019

### 2. *Approve the Remuneration Report*

**Disclosure:** Overall, disclosure is considered adequate.

**Balance:** The CEO's salary is below the upper quartile of a peer comparator group. The ratio of CEO pay compared to that of the average employee does not exceed the recommended limit of 20:1 and is therefore not considered to be overly excessive. However, the balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over four years is not commensurate with the change in TSR over the same period. Also, total combined variable reward paid during the year is considered excessive, exceeding the 200% recommended threshold.

Rating: AD

Vote Cast: *Oppose*

Results: For: 87.0, Abstain: 0.0, Oppose/Withhold: 13.0,

### 3. *Re-elect Chris Gibson-Smith*

Incumbent Chair. Independent upon appointment. The company does not operate a Sustainability Committee, therefore the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 72.2, Abstain: 0.2, Oppose/Withhold: 27.6,

### 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-thirds 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: 78.9, Abstain: 0.0, Oppose/Withhold: 21.1,

### 15. *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: 85.4, Abstain: 0.0, Oppose/Withhold: 14.6,

### 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 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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 76.3, Abstain: 0.0, Oppose/Withhold: 23.7,

## **FIRSTGROUP PLC EGM - 25-06-2019**

### *A. Shareholder Resolution: That Wolfhart Gunnar Hauser be removed as Director with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove Wolfhart Hauser as a Director of the Company. Wolfhart Hauser, the incumbent Chair, is considered independent upon appointment. No serious governance concerns have been identified in relation to his directorship.

Significant concerns have been identified with the shareholder resolutions; (i) It is unclear that the proposed directors are wholly independent from the Requisition Shareholder; (ii) the proposed composition of the Board would not be compliant with the UK Governance Code in terms of both overall independent representation and the composition of the three principal committees; (iii), the current Board has an overall majority of directors which are considered to be independent and the composition of both the Audit and Remuneration committees are in line with best-practice; (iv) Removing the current Board of directors would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. For these reasons, it is recommended that the proposal to remove him as a director is opposed.

Vote Cast: *Oppose*

Results: For: 29.3, Abstain: 0.2, Oppose/Withhold: 70.5,

### *B. Shareholder Resolution: That Mathew Gregory be removed as a Director with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove Mathew Gregory as a Director of the Company. Mathew Gregory, the incumbent CEO, is considered to have a deep understanding of the Company having joined as CFO in December 2015. No serious governance concerns have been identified in relation to his directorship. In reference to Resolution A, the removal of the incumbent CEO would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. It is recommended that the proposal to remove him as a director is opposed.

Vote Cast: *Oppose*

Results: For: 25.0, Abstain: 0.8, Oppose/Withhold: 74.3,

### *C. Shareholder Resolution: That Imelda Mary Walsh be removed as Director with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove Imelda Mary Walsh as a Director of the Company. Imelda Walsh is a member of the Nomination and Board Safety Committees, Chairs the Remuneration Committee and considered independent. No serious governance concerns have been identified in relation to her directorship. In reference to Resolution A, the removal of this director would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. It is recommended that the proposal to remove him as a director is opposed.

Vote Cast: *Oppose*

Results: For: 31.1, Abstain: 0.8, Oppose/Withhold: 68.1,

### *D. Shareholder Resolution: That Stephen William Lawrence Gunning be removed as Director with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove Stephen William Lawrence Gunning as a Director of the Company. Stephen William Lawrence Gunning is a member of the Audit Committee and considered independent. No serious governance concerns have been identified in relation to his directorship. In reference

to Resolution A, the removal of this director would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. It is recommended that the proposal to remove him as a director is opposed.

Vote Cast: *Oppose*

Results: For: 24.9, Abstain: 0.8, Oppose/Withhold: 74.3,

*E. Shareholder Resolution: That James Frank Winestock be removed with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove James Frank Winestock as a Director of the Company. James Frank Winestock is a member of the Audit and Nomination Committees, chairs the Board Safety Committee and considered independent. No serious governance concerns have been identified in relation to his directorship. The proposed composition of the Board would not be compliant with the UK Governance Code in terms of both overall independent representation and the composition of the three principal committee's. Also, the current Board has an overall majority of directors which are considered to be independent and the composition of both the Audit and Remuneration committees are in line with best-practice. The removal of this director would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. It is recommended that the proposal to remove him as a director is opposed.

Vote Cast: *Oppose*

Results: For: 45.2, Abstain: 0.8, Oppose/Withhold: 54.0,

*F. Shareholder Resolution: That Martha Cecilia Poulter be removed as Director with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove Martha Cecilia Poulter as a Director of the Company. Martha Cecilia Poulter is a member of the Audit Committee and considered independent. No serious governance concerns have been identified in relation to her directorship. The proposed composition of the Board would not be compliant with the UK Governance Code in terms of both overall independent representation and the composition of the three principal committee's. Also, the current Board has an overall majority of directors which are considered to be independent and the composition of both the Audit and Remuneration committees are in line with best-practice. The removal of this director would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. It is recommended that the proposal to remove her as a director is opposed.

Vote Cast: *Oppose*

Results: For: 24.9, Abstain: 0.8, Oppose/Withhold: 74.3,

*G. Shareholder Resolution: That any person appointed since date of requisition (excluding Ryan Mangold) and who is not referred to in resolution A to F be removed as a director.*

The Requisitioning Shareholder is proposing to remove any person appointed as a Director of the Company since date of requisition (excluding Ryan Mangold) and up to the end of this EGM. For the reasons outlined in resolution A, it is recommended that shareholders oppose this resolution.

Vote Cast: *Oppose*

Results: For: 15.2, Abstain: 0.8, Oppose/Withhold: 84.0,

*H. Shareholder Resolution: That Steven John Norris be appointed as an additional director of the Company*

Shareholder resolution proposed by Coast Capital (the 'Requisition Shareholder') who hold voting rights of 10% in the Company. The Requisition Shareholder is proposing to appoint Steven John Norris as a director of the Company. The Requisition Shareholder believe that the achievement of the Company's current strategic objectives will be best served by the appointment of seven non-independent directors and the removal of six current directors. The Requisition Shareholder state that Steve Norris was a non-executive director of Capital CityBus, a small privately-owned local bus operator in London which was sold in 1998 as evidence of his suitability to run First Bus Division. It is also noted that Mr Norris was also a Chair of Jarvis Plc, a large public company in the rail engineering sector, for six years before going into administration which resulted in pension schemes being placed into Pension Protection Fund.

In response to these comments, the Board has argued that the proposed directors have limited recent experience in the segments within which FirstGroup operates

and no experience in the North American Transport contracting market, which will be their core business going forward. Significant concerns have been identified with the shareholder resolutions; (i) It is unclear that the proposed directors are wholly independent from the Requisitioning Shareholder; (ii) the proposed composition of the Board would not be compliant with the UK Governance Code in terms of both overall independent representation and the composition of the three principal committees; (iii), the current Board has an overall majority of directors which are considered to be independent and the composition of both the Audit and Remuneration committees are in line with best-practice; (iv) Removing the current Board of directors would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. For these reasons, the appointment of Steven John Norris cannot be justified.

Vote Cast: *Oppose*

Results: For: 36.3, Abstain: 0.2, Oppose/Withhold: 63.5,

*I. Shareholder Resolution: That Bob Vincent Stefanowski be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint Bob Vincent Stefanowski as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 35.8, Abstain: 0.2, Oppose/Withhold: 64.0,

*K. Shareholder Resolution: That Jim Edward Compton be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint Jim Edward Compton as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 21.2, Abstain: 0.2, Oppose/Withhold: 78.6,

*L. Shareholder Resolution: That Elizabeth Jill Filkin be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint Elizabeth Jill Filkin as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 15.2, Abstain: 0.2, Oppose/Withhold: 84.6,

*M. Shareholder Resolution: That Patricia Carol Barron be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint Patricia Carol Barron as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 16.0, Abstain: 0.2, Oppose/Withhold: 83.8,

*N. Shareholder Resolution: That Uwe Rold Doerken be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint Uwe Rold Doerken as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 35.9, Abstain: 0.2, Oppose/Withhold: 63.9,

### 3 Oppose/Abstain Votes With Analysis

#### AP MOLLER - MAERSK AS AGM - 02-04-2019

##### *B. Receive the Annual Report*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, there are serious concerns over the Company's sustainability policies and practice. As there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an oppose vote is recommended on the Annual Report.

Vote Cast: *Oppose*

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

##### *C. Discharge the Board*

The Company has not appointed a Data Protection Officer or discussed the General Data Protection Regulation (GDPR). Under the GDPR, it is mandatory for certain controllers and processors to designate a Data Protection Officer (DPO). It is considered that boards should ensure that risk assessment (including data protection and cyber risk) is complete for the entire organisation, and that appropriate security is provided for each type of data under use. Applicable from 25 May 2018, it is considered that directors should be considered accountable for this lack of discussion and relevant appointment: abstention to their discharge is recommended.

Vote Cast: *Abstain*

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

##### *E. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 0.0, Oppose/Withhold: 2.4,

##### *G. Appoint the Auditors*

PwC proposed. Non-audit fees represented 33.33% of audit fees during the year under review and 38.89% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

##### *H.3.A. Elect Claus V. Hemmingsen as Chairman of the board of directors of the Maersk Drilling Company*

Member of the Executive Board of AP Moller- Maersk AS, not independent owing to a tenure of over nine years.

Vote Cast: *Abstain*

##### *H.3B1. Elect Robert M. Ugglå to the Board of Directors of The Maersk Drilling Company*

Non-Executive Director. Not considered to be independent as he is the CEO of A.P. Møller Holding A/S and the son of Ane Maersk Mc-Kinney Ugglå, member of the

founding family and major shareholder, who also serves on the Board. There are concerns over the director's potential aggregate time commitments. As opposition is not a valid voting option for this resolution, an abstain vote is recommended.

*Vote Cast: Abstain*

*H.3B2. Elect Kathleen Mcallister the Board of Directors of The Maersk Drilling Company*

Non-Executive Director. Not considered to be independent based on insufficient information. Although there is sufficient independence on the Board, it is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. On this basis, abstention is recommended.

*Vote Cast: Abstain*

*H.3B3. Elect Martin N. Larsen the Board of Directors of The Maersk Drilling Company*

Non-Executive Director. Not considered to be independent based on insufficient information. In order to make an informed assessment on the candidates' independence and profile. On this basis, abstention is recommended.

*Vote Cast: Abstain*

*H.3B5. Elect Alastair Maxwell to the Board of Directors of The Maersk Drilling Company*

Non-Executive Director. Not considered to be independent based on insufficient information. In order to make an informed assessment on the candidates' independence and profile. On this basis, abstention is recommended.

*Vote Cast: Abstain*

*H.5. Approve Remuneration Policy for The Drilling Company*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

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

*H.6. Authorise Share Repurchase for for The Drilling Company*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 97.6, Abstain: 0.0, Oppose/Withhold: 2.3,*

**VESTAS WIND SYSTEMS AS AGM - 03-04-2019****4.2.B. Elect Bruce Grant as New Director**

Independent Non-Executive Director. There are concerns over the director's aggregate time commitments. Abstention is recommended.

Vote Cast: *Abstain*

**4.2.C. Reelect Carsten Bjerg as Director**

Independent Non-Executive Director. There are concerns over the director's aggregate time commitments. Abstention is recommended.

Vote Cast: *Abstain*

**4.2.D. Elect Eva Merete Sofelde Berneke as New Director**

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

**4.2.H. Reelect Lars Josefsson as Director**

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

**6. Appoint the Auditors**

PwC proposed. Non-audit fees represented 66.67% of audit fees during the year under review and 88.89% 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. Based on this opposition is recommended.

Vote Cast: *Oppose*

**7.2. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares until 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*

**UPM-KYMMENE OYJ AGM - 04-04-2019****14. *Appoint the Auditors***

PwC proposed. Non-audit fees represented 33.33% of audit fees during the year under review and 40.00% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

*Vote Cast: Oppose*

**15. *Approve Issuance of up to 25 Million Shares without Preemptive Rights***

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually. Based on this opposition is recommended.

*Vote Cast: Oppose*

**16. *Authorise Share Repurchase***

It is proposed to authorise the Board to purchase up to 50,000,000 of the Company shares for the duration of 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

**ESSITY AB AGM - 04-04-2019****12.2. *Elect Par Boman***

Non-Executive Chair. Not considered to be independent as he is Deputy Chairman of the Board of AB Industrivärden, a significant shareholder. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

**12.4. *Elect Annemarie Gardshol***

Non-Executive Director. Not considered independent as the director has a cross directorship with other directors in Svenska Cellulosa Aktiebolaget SCA. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

**12.6. *Elect Bert Nordberg***

Non-Executive Director. Not considered independent as the director has a cross directorship with other directors in Svenska Cellulosa Aktiebolaget SCA. He has been

on the Board of Directors of SCA since 2012, a company which Industrivarden holds a significant shareholding in. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *12.7. Elect Louise Svanberg*

Non-Executive Director. Not considered independent as the director has a cross directorship with another director. Ms. Svanberg held executive position in Svenska Cellulosa Aktiebolaget SCA. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *12.9. Elect Barbara Milian Thoralfsson*

Non-Executive Director. Not considered independent as the director has a cross directorship with other directors in Svenska Cellulosa Aktiebolaget SCA. Ms. Thoralfsson has been on the Board of Directors of SCA since 2012, a company which Industrivarden holds a significant shareholding in. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *13. Elect Pär Boman as Chair of the Board*

Non-Executive Director, candidate as Chairman. Not considered independent as he on the Board of AB Industrivarden and Svenska Handelsbanken AB, both of whom are significant shareholders. It is considered best practice that the Chairman be independent, or in any case not connected with the major shareholder. On this ground, opposition is recommended.

*Vote Cast: Oppose*

#### *15. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are no disclosed claw back clauses in place over the entirety of the variable remuneration, which is a concern. The Company has not fully disclosed quantified targets, only performance criteria for its variable remuneration components, which may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

### **SIKA AG AGM - 09-04-2019**

#### *3. Discharge the Board*

The Company has not appointed a Data Protection Officer or discussed the General Data Protection Regulation (GDPR). Under the GDPR, it is mandatory for certain controllers and processors to designate a Data Protection Officer (DPO). Although of legal relevance for EEA members, it is considered that boards should ensure that risk assessment (including data protection and cyber risk) is complete for the entire organisation, and that appropriate security is provided for each type of data under

use. Applicable from 25 May 2018, it is considered that directors should be considered accountable for this lack of discussion and relevant appointment: abstention to their discharge is recommended.

*Vote Cast: Abstain*

#### *4.1.2. Re-elect Frits van Dijk as Director*

Independent Non-Executive Director. The Director is the Chairman of the Nomination Committee. Although there are no diversity-related legislation or recommendations in this market, it is considered that diversity should be discussed at Board level, and the Board should have an agenda to promote gender diversity within the Board. As the Company does not seem to do so, it is considered that the chair of the nomination committee should be held accountable for this lack of debate, and opposition is recommended.

*Vote Cast: Oppose*

#### *4.1.4. Re-elect Daniel Sauter as Director*

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

*Vote Cast: Oppose*

#### *4.1.5. Re-elect Christoph Tobler*

Non-Executive Director member of the Audit Committee. Not considered independent as the Director was employee of the Company until 2004. In addition, the Director is on the Board of Shenkler Winkler Holding a significant shareholder. Members of the audit committee should be independent, based on this opposition is recommended.

*Vote Cast: Oppose*

#### *4.4.2. Re-elect Daniel Sauter as Member of the Nomination and Compensation Committee*

Non-Executive Director, candidate to the Remuneration Committee on this resolution. It is considered that the Remuneration Committee should consist exclusively of independent members. Opposition is recommended.

*Vote Cast: Oppose*

#### *4.5. Appoint the Auditors*

EY proposed. Non-audit fees represented 12.50% of audit fees during the year under review and 13.42% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

*Vote Cast: Oppose*

### 5.1. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

### 6. *Transact Any Other Business*

Shareholders should receive sufficient notice of proposals brought forward by either management or other shareholders. As such, any other proposition brought forward in the meeting would provide insufficient time for an informed assessment. Opposition is recommended.

Vote Cast: *Oppose*

## **SAMPO OYJ AGM - 09-04-2019**

### 7. *Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, there are serious concerns over the Company's sustainability policies and practice. As there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an oppose vote is recommended on the financial statements.

Vote Cast: *Oppose*

### 9. *Discharge the Board*

The Company has not appointed a Data Protection Officer or discussed the General Data Protection Regulation (GDPR). Under the GDPR, it is mandatory for certain controllers and processors to designate a Data Protection Officer (DPO). It is considered that boards should ensure that risk assessment (including data protection and cyber risk) is complete for the entire organisation, and that appropriate security is provided for each type of data under use. Applicable from 25 May 2018, it is considered that directors should be considered accountable for this lack of discussion and relevant appointment: abstention to their discharge is recommended.

Vote Cast: *Abstain*

### 12. *Elect the Members of the Board*

Proposal to renew the Board with a bundled election. There is insufficient independent representation on the Board after the meeting as resulting from this slate of candidates, opposition is recommended.

Vote Cast: *Oppose*

### 14. *Appoint the Auditors*

EY proposed. Non-audit fees represented 10.46% of audit fees during the year under review and 11.48% 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*

#### *15. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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*

### **HUSQVARNA AB AGM - 09-04-2019**

#### *8.c. Discharge the Board and President*

The Company has not appointed a Data Protection Officer. Under the GDPR, it is mandatory for certain controllers and processors to designate a Data Protection Officer (DPO). Applicable from 25 May 2018, it is considered that directors should be considered accountable for this lack of discussion and relevant appointment: abstention to their discharge is recommended.

*Vote Cast: Abstain*

#### *10. Approve Fees Payable to the Board of Directors*

It is proposed to increase the amount payable to the Board of Directors by more than 10% on annual basis. It is proposed to increase the director's fees by 6% which is within guidelines. However, the Audit Committee fees are proposed to increase by 29%, and Remuneration Committee fees 33% which is deemed excessive. The increase is considered material and exceeds guidelines, while the Company has not duly justified it. Therefore, opposition is recommended.

*Vote Cast: Oppose*

#### *11.a. Re-elect Tom Johnstone as Director*

Non-Executive Chairman, not considered to be independent as he is a board member for the controlling shareholder of the Company. There is insufficient independent representation on the Board. Opposition is recommended.

*Vote Cast: Oppose*

#### *11.c. Re-elect Katarina Martinson as Director*

Non-Executive Director. Not considered to be independent as she has worked in portfolio management for the Lundberg family since 2009. LE Lundbergföretagen holds a significant percentage of the Company's voting rights. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### 11.d. *Re-elect Bertrand Neuschwander as Director*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

#### 11.e. *Reelect Daniel Nodhall as Director*

Non-Executive Director. Not considered to be independent as he is Managing Director, Head of Listed Core Investments at Investor AB, which owns a significant percentage of the Company's voting rights. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 11.f. *Re-elect Lars Pettersson as Director*

Non-Executive Director. Not considered to be independent as he is a member of the Board of L E Lundbergföretagen AB, which owns a significant percentage of the Company's voting rights. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 11.i. *Appoint Tom Johnstone as Board Chairman*

It is proposed to re-elect Tom Johnstone as Chairman of the Board. In terms of good governance, it is considered that the Chairman should be considered to be an independent or there should be sufficient independent representation on the Board. Since neither of these apply, opposition is recommended.

Vote Cast: *Oppose*

#### 13. *Approve Remuneration Policy For the Executive Management*

It is proposed to approve the remuneration policy with a binding vote. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

#### 14. *Approve New Long Term Incentive Plan*

It is proposed to approve a new long term incentive plan. LTI 2019 is proposed to be offered to a maximum of 100 senior managers and will consist of performance share awards. The Company has not disclosed the performance criteria for the allocation of incentives, and as such there are concerns that it may overpay for underperformance. In addition, 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. Opposition is recommended.

Vote Cast: *Oppose*

#### 15. *Amend Existing Long Term Incentive Plan*

This is considered a technical resolution for the implementation of the LTIP proposed under a previous resolution, opposition is recommended also for this item, based on the concerns on the proposed LTIP. Opposition is recommended.

Vote Cast: *Oppose*

### **KONINKLIJKE (ROYAL) KPN NV AGM - 10-04-2019**

#### 4. *Amend Existing Long Term Incentive Plan*

The Supervisory Board proposes the approval of the amendment to the Long-term incentive plan for the Board of management. Under the plan, the non-financial targets will consist of; Sustainability, Reputation, Social, Key business projects and Market share. An explanation of such performance targets and how they will be measured is not provided. Additionally, it is proposed that the holding period for shares received under the LTI plan will be increased from two to three years after vesting which is not considered to be long enough.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.7, Oppose/Withhold: 1.7,

#### 12. *Re- elect Mrs. J.C.M. Sap*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 99.8, Abstain: 0.1, Oppose/Withhold: 0.0,

#### 15. *Authorise Share Repurchase*

Authority sought to allow the Board to repurchase and use capital stock within legal boundaries. The authority exceeds 5% of the share capital. As the Company has not duly provided an explanation regarding the rationale behind the proposal, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.5, Abstain: 0.1, Oppose/Withhold: 0.5,

#### 18. *Authorise the Board to Waive Pre-emptive Rights*

It is proposed to exclude pre-emption rights on shares issued over a period of 18 months. The corresponding authority for issuing shares without pre-emptive rights, requested in a previous proposal, does not exceed guidelines (10%). However it is considered that shareholders should be allowed to vote on such resolutions annually. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.4, Abstain: 0.0, Oppose/Withhold: 6.6,

**RIO TINTO GROUP (GBP) AGM - 10-04-2019****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 which is contrary to best practice. In addition, the level of fatalities across the group increased to 3 from 0 in 2017. However this is still considered a high number of fatalities. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 1.7, Oppose/Withhold: 0.8,

**2. Approve the Remuneration Report**

Overall disclosure is adequate. The increase in the CEO's salary is in line with the rest of the Company, as the Company reports that the CEO's salary increased by 2.3% while the average pay of the entire workforce increased by 3.8%. Also, the balance of CEO realised pay with financial performance is considered acceptable as the change in CEO total pay over five years is commensurate with the change in TSR over the same period. The CEO's salary is in the median of PIRC's comparator group. The CEO's variable pay for the Year Under Review is considered to be overly excessive at approximately 257.82% of his salary. Also, the CEO was awarded an LTIP of approximately 432% of his salary which is considered excessive. Additionally, the ratio of CEO pay compared to average employee pay is considered unacceptable at 40:1.

Vote Cast: *Abstain*

Results: For: 91.6, Abstain: 2.1, Oppose/Withhold: 6.3,

**3. 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. It is noted that the Remuneration Report (Australia) received a significant level of opposition, with votes opposed standing at 10.1% at the 2018 AGM.

The maximum potential award under all the incentive schemes is 638% of salary which is highly excessive. As stated in resolution 2, the current variable pay of the CEO is also deemed excessive at approximately 257.82% of salary. There are concerns over features of the Long Term Incentives (LTI) plan as no non-financial performance metrics are in use and the performance conditions do not operate interdependently. 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: 91.6, Abstain: 1.4, Oppose/Withhold: 7.0,

**13. Re-elect Simon Thompson**

Non-Executive Chair. Independent upon appointment. Non-Executive Chair. Independent upon appointment. He is also Chair 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 Chair should focus his attention onto the only one FTSE 350 Company. In addition, he is the Chair of Nomination Committee and less than 33% of the Board are women which is not in line with PIRC's guidelines. On these basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.0, Abstain: 2.2, Oppose/Withhold: 3.8,

#### 14. *Re-appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented approximately 1.20% of audit fees during the year under review and 11.91% 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. Nevertheless, it is noted that the company completed an audit tender process for the Group's external auditors, and recommended that the board appoint KPMG as external auditors with effect from the 2020 financial year.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 1.4, Oppose/Withhold: 2.2,

#### 19. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 77.8, Abstain: 1.6, Oppose/Withhold: 20.6,

### **JULIUS BAER GRUPPE AG AGM - 10-04-2019**

#### 1.2. *Approve the Remuneration Report*

It is proposed to approve the annual incentives for the previous year for executives, corresponding to CHF 5.7 million for the CEO, and CHF 10 million for the Executive Board. Incentives appear to be consistently capped, although the payout is considered to be excessive (more than 200% of the fixed salary). The Company has disclosed achievements only as a percentage of undisclosed targets, and as such, without quantified targets, it is impossible to assess whether the proposed amount would correspond to any overpayment against underperformance. It is noted that claw back clauses are in place over the variable remuneration component, which is welcomed. It is noted that this resolution received significant opposition in the last AGM. On these bases, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.8, Abstain: 0.2, Oppose/Withhold: 9.9,

#### 4.2.1. *Approve Variable Cash Based Remuneration of Executive Committee to the Amount of CHF 5.9 Million for Fiscal 2019*

It is proposed to approve the cash based variable remuneration for the previous year for executives, corresponding to CHF 5.9 million. Incentives appear to be consistently capped, although the payout is considered to be excessive (more than 200% of the fixed salary). The Company has disclosed achievements only as a percentage of undisclosed targets, and as such, without quantified targets, it is impossible to assess whether the proposed amount would correspond to any overpayment against underperformance. It is noted that claw back clauses are in place over the variable remuneration component, which is welcomed. Due to excessiveness concerns, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.8, Abstain: 0.4, Oppose/Withhold: 5.8,

#### 4.2.2. *Approve Variable Share Based Payments of the Executive Committee to the Amount of CHF 6.2 Million for Fiscal 2019*

It is proposed to approve the cash based variable remuneration for the previous year for executives, corresponding to CHF 6.2 million. Incentives appear to be consistently capped, although the payout is considered to be excessive (more than 200% of the fixed salary). The Company has disclosed achievements only as

a percentage of undisclosed targets, and as such, without quantified targets, it is impossible to assess whether the proposed amount would correspond to any overpayment against underperformance. It is noted that claw back clauses are in place over the variable remuneration component, which is welcomed. Due to excessiveness concerns, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.6, Abstain: 0.3, Oppose/Withhold: 8.0,

#### 6. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 15.71% of audit fees during the year under review and 16.51% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 0.0, Oppose/Withhold: 2.6,

#### 8. *Transact Any Other Business*

Shareholders should receive sufficient notice of proposals brought forward by either management or other shareholders. As such, any other proposition brought forward in the meeting would provide insufficient time for an informed assessment. Opposition is recommended.

Vote Cast: *Oppose*

### **GALP ENERGIA SGPS SA AGM - 12-04-2019**

#### 5. *Appraise Work Performed by Statutory Auditor and Approve Vote of Confidence to Statutory Auditor*

No evidence of wrongdoing from the auditors has been identified at this point. However, discharging the auditors may prevent shareholders from potential lawsuits in the future.

Vote Cast: *Oppose*

Results: For: 99.1, Abstain: 0.4, Oppose/Withhold: 0.5,

#### 6. *Approve Statement on Remuneration Policy*

It is proposed to approve the statement from the remuneration committee. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 95.8, Abstain: 1.2, Oppose/Withhold: 3.0,

#### 7. *Elect Directors for 2019-2022 Term*

Proposal to renew the Board with a bundled election. There is insufficient independent representation on the Board after the meeting as resulting from this slate of candidates. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 66.8, Abstain: 0.3, Oppose/Withhold: 32.9,

### 12. Authorise Share Repurchase

It is proposed to authorise the Board to purchase Company's shares until 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: 97.1, Abstain: 0.0, Oppose/Withhold: 2.8,

## HSBC HOLDINGS PLC AGM - 12-04-2019

### 1. Receive the Annual Report

The Strategic Review is considered adequate. There are adequate environmental and employment policies in place. Quantified environmental data has been published. It is noted that the Company has not provided shareholders with an opportunity to approve dividends paid during the year. Given the lack of opportunity to approve the dividend, shareholders are recommended to oppose.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.6, Oppose/Withhold: 1.0,

### 2. Approve the Remuneration Report

**Disclosure:** All elements of the single figure table are adequately disclosed. However certain targets attached to the annual and long-term incentives such as: Financial measures (RoTE, Total Shareholder Return (TSR), underpin to maintain a minimum CET1 ratio.), strategic measures (Improve environment, social and governance scores, Improve employer advocacy), and Risk and compliance measures or underpin. The performance measures selected for the annual incentive and LTI awards will be set on an annual basis by the Committee, taking into account the Group's strategic priorities and any feedback received from the shareholders.

**Balance:** CEOs realized variable pay for the year under review, exceeds 200% of salary. In addition, the taxable benefits paid to the CEO amount to GBP 40,000 or 3.8% of his salary which is within guidelines. The ratio of CEO to average employee pay is considered unacceptable at 118:1.

Rating: BDD.

Vote Cast: *Oppose*

Results: For: 96.4, Abstain: 0.5, Oppose/Withhold: 3.2,

### 3. Approve Remuneration Policy

The Company announced a change in the pension allowance for the new directors, from 30% of the base salary to 10% of the base salary, the decision was made as result of dialogue with shareholders. The LTI plan is adequately linked to Company's non-financial KPIs however the metrics used are not operating interdependently. Performance period under the policy is three years which is not considered sufficiently long-term. However, the use of an additional vesting period for the award to vest is welcomed. Malus and clawback provisions are adequately attached to both the Annual Incentive and the LTI plan. Directors are required to build up an adequate shareholding: the CEO has five years to hold the equivalent of 400% of his salary in shares of the Company. However, the maximum potential award under all incentive schemes is considered excessive as it can amount to up to 535% of salary for Executive Directors. In addition, to this variable element, from 2016 the Executives are entitled to a Fixed Pay Allowance (FPA) capped at 150% of salary, which is inappropriate. It is disappointing to see that the Company, in justification to remaining competitive in the market for talent, has found a way to circumvent the spirit of the CRD IV regulations, which capped variable pay at 200% of fixed pay. Such FPA replaced variable pay by a guaranteed fixed payment and allowed HSBC to keep Executive pay close to its original levels, before the regulations. Termination provisions

for Executive directors are considered acceptable. Annual and long-term incentives will always be, at maximum, pro-rated for period served and base on achievement of performance conditions. Maximum notice period cannot exceed one year in any circumstances and payments in lieu of notice are in line with best practice. In addition to the concerns expressed above, the remuneration committee is granted discretion to award a "guaranteed bonus" on retirement, which is seen as highly inappropriate. Rating: BDD, opposition is recommended.

Vote Cast: *Oppose*

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

#### 4.d. *Re-elect Laura Cha as Director*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. Abstention is recommended.

Vote Cast: *Abstain*

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

#### 4.g. *Re-elect Irene Lee as Director*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 95.5, Abstain: 1.3, Oppose/Withhold: 3.2,

#### 4.n. *Re-elect Pauline van der Meer Mohr as Director*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 98.1, Abstain: 1.3, Oppose/Withhold: 0.6,

### 8. *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 19% 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 GBP 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: 95.0, Abstain: 0.5, Oppose/Withhold: 4.5,

### 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: 96.6, Abstain: 0.5, Oppose/Withhold: 2.9,

#### 11. *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 8 be extended by the addition of such number of ordinary shares of USD 0.50 each repurchased by the Company under the authority granted pursuant to Resolution 12, 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: 97.4, Abstain: 0.5, Oppose/Withhold: 2.1,

#### 12. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 0.5, Oppose/Withhold: 1.1,

#### 13. *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 USD 2,003,673,053, representing approximately 20% of the Company's issued ordinary share capital, 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. They benefit from a specific regulatory capital treatment under European Union legislation. This authority is in addition to resolution 14 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 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. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.5, Oppose/Withhold: 1.3,

#### 14. *Issue Shares without Pre-emption Rights in Relation to Contingent Convertible Securities*

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 14 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 USD 2,003,673,053 representing approximately 20% of the Company's issued share capital. In line with

the voting recommendation on resolution 13, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 0.5, Oppose/Withhold: 2.0,

## **CARNIVAL PLC (GBR) AGM - 16-04-2019**

### *1. 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/Withhold is recommended.

Vote Cast: *Oppose*

Results: For: 95.8, Abstain: 0.3, Oppose/Withhold: 3.9,

### *6. Re-elect Richard Glasier*

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

Vote Cast: *Oppose*

Results: For: 94.2, Abstain: 0.0, Oppose/Withhold: 5.8,

### *8. Elect Katie Lahey*

Non-Executive Director. Not considered independent as she was previously employed by the Company as Executive Chair of Carnival Australia. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,

### *9. 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.3, Abstain: 0.1, Oppose/Withhold: 6.7,

### *10. 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.9, Abstain: 0.0, Oppose/Withhold: 8.0,

### 11. *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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.7, Abstain: 0.1, Oppose/Withhold: 4.3,

### 12. *Re-elect Randall Weisenburger*

Lead Independent Director. Not considered independent as owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.4, Abstain: 0.3, Oppose/Withhold: 4.3,

### 13. *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 2018 PBS grants. The SEA grant is based upon Carnival Corporation's absolute TSR performance as modified by our TSR rank relative to the 2018 Peer Group.

**Balance:** - For fiscal 2018, 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 2018 was USD 4,689,000 representing 321.59 % of his base salary. A maximum limit on the annual bonus of 200% of base salary is considered the 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.4, Oppose/Withhold: 4.3,

### 14. *Approve the Remuneration Report*

The CEO's salary is in the upper quartile in PIRC's comparator group. 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 750 % of base salary. Also, the ratio of CEO pay compared to the median employee has been estimated and found to be inappropriate at 813:1.

Rating: CE. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.7, Abstain: 0.3, Oppose/Withhold: 4.0,

### 15. *Reappoint PricewaterhouseCoopers LLP as Independent Auditors of Carnival plc*

PwC proposed. Non-audit fees represented 1.75% of audit fees during the year under review and 1.19% 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 0.4, Oppose/Withhold: 3.1,

#### 17. *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. However, no dividend has been put to the vote for shareholder approval, despite four quarterly dividends totalling USD 2.00 per ordinary share were paid during the year under review. 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: 99.0, Abstain: 0.4, Oppose/Withhold: 0.7,

#### 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: 99.0, Abstain: 0.2, Oppose/Withhold: 0.8,

### **BEIERSDORF AG AGM - 17-04-2019**

#### 5. *Appoint the Auditors*

EY proposed. Non-audit fees represented 17.93% of audit fees during the year under review and 0.05% 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: 96.0, Abstain: 0.0, Oppose/Withhold: 3.9,

#### 6.2. *Re-elect Martin Hansson to the Supervisory Board*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Maxingvest AG. In addition, he is not considered independent as the director is a member of the Supervisory Board at Tchibo GmbH, where Michael Herz is Chair of the Supervisory Board. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 85.7, Abstain: 0.2, Oppose/Withhold: 14.0,

#### 6.3. *Re-elect Michael Herz to the Supervisory Board*

Non-Executive Director. Not considered to be independent, as he is a member of the Executive Board of Maxingvest AG, which holds a majority of the Company's

issued share capital. Additionally, he is the Chair of the Supervisory Board of Tchibo GmbH, where Martin Hansson is a member. In addition, he has been on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 85.1, Abstain: 0.2, Oppose/Withhold: 14.7,

#### 6.5. *Re-elect Frederic Pflanz to the Supervisory Board*

Non-Executive Director. Not considered independent as the director was a member of the Executive Board of Maxingvest AG, the major shareholder of the Company, and there has not been a sufficient cool-off period. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.2, Oppose/Withhold: 1.7,

#### 6.6. *Re-elect Reinhard Pollath to the Supervisory Board*

Non-Executive Chairman. Not considered to be independent as he is Chairman of Maxingvest AG, which holds a majority of the Company's issued share capital. In addition, he has served on the Board for more than nine years, as well as he is the Chair of the Nomination Committee and there is 25% of female representation on the Supervisory Board, which is under the statutory law. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 80.1, Abstain: 0.3, Oppose/Withhold: 19.6,

### **LONZA GROUP AG AGM - 18-04-2019**

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

It is proposed to approve the remuneration report with an advisory vote. Variable remuneration is capped at 200% of base salary. However the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. On balance, abstention is recommended.

Vote Cast: *Abstain*

#### 3. *Discharge the Board and the Executive Committee*

The Company has not appointed a Data Protection Officer or discussed the General Data Protection Regulation (GDPR). Under the GDPR, it is mandatory for certain controllers and processors to designate a Data Protection Officer (DPO). It is considered that boards should ensure that risk assessment (including data protection and cyber risk) is complete for the entire organisation, and that appropriate security is provided for each type of data under use. Applicable from 25 May 2018, it is considered that directors should be considered accountable for this lack of discussion and relevant appointment: abstention to their discharge is recommended.

Vote Cast: *Abstain*

#### 5.1.G. *Re-elect Margot Scheltema*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

## 6. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 1.45% of audit fees during the year under review and 1.92% 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*

## 9.2. *Approve Aggregate amount of Variable Short-Term Compensation*

It is proposed to approve the short-term variable remuneration of members of the Executive Committee for 2019 at CHF 5,230,400 (previous year CHF 6,109,900). Targets and achievements have been disclosed. However pre-determined targets for the short term compensation were not quantified making it difficult to verify whether this amount overpays against underperformance. On balance, opposition is recommended.

Vote Cast: *Oppose*

## 9.3. *Approve Aggregate amount of Variable Long-Term Compensation*

It is proposed to fix the remuneration of members of the Executive Committee for the 2019 financial year at CHF 13,423,700 (within 200% of base salaries). The Company submitted two separate proposals for Executives fixed and variable remuneration, which is welcomed. However quantified targets were not made available. In addition, the total variable remuneration may lead to excessive payments. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They act as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure. On this basis, opposition is recommended.

Vote Cast: *Oppose*

## 10. *Amend Articles*

The Board proposes to amend the Articles. The proposed amendments state to renew the authorized capital in the amount of CHF 7,500,000, corresponding to 7,500,000 registered shares with a nominal value of CHF 1.00 each, until 6 May 2021. Furthermore the proposed amendments state that The Board of Directors is authorized to restrict or to suspend the subscription rights of the shareholders wholly or in part for the takeover of companies in the following circumstances: in the event of issuance of shares for the participation of strategic partners for raising capital in a fast and flexible manner, for granting an over-allotment option of up to 20% of the preceding offer to the lead managers in connection with a placement of shares at market price and for other reasons in the sense of Art. 652b para. 2 of the Swiss Code of Obligations. It is considered that the proposed amendments may have an adverse effect on shareholder rights. It would be preferred if the Company sought authority from shareholders in the event of a takeover, so that shareholders may assess the merits of the takeover with the available information at the time. Therefore, it is recommended to oppose.

Vote Cast: *Oppose*

## GROUPE BRUXELLES LAMBERT (GBL) AGM - 23-04-2019

### 2.2. *Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, since the Chairman of the Board is an Executive the board may not be sufficient independent of the influence of the management team of the Company. Therefore, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.3, Oppose/Withhold: 0.8,

### 4. *Discharge the Auditors*

In this market, auditors discharge may prevent lawsuits or claims for activities carried out during the year relating to facts that have not been disclosed to shareholders. As a consequence, releasing auditors from liability will weaken the governance framework and introduce great risks for investors. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.7, Oppose/Withhold: 0.9,

### 5.2.1. *Elect Xavier Le Clef*

Non-Executive Director. Not considered independent as the Director is a member Frère-Bourgeois a company that is a major shareholder of Pargesa Holding S.A, the controlling shareholder of Groupe Bruxelles Lambert. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 77.9, Abstain: 1.3, Oppose/Withhold: 20.8,

### 5.2.2. *Elect Claude Genereux*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 81.6, Abstain: 1.3, Oppose/Withhold: 17.1,

### 5.4.2. *Re-elect Paul Desmarais, Jr.*

Chairman, Non-Executive Director. Not considered independent as Mr Desmarais is the son of Paul Desmarais, and he is Director Of Pargesa Holding S.A, the controlling shareholder of the Company. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.9, Abstain: 1.5, Oppose/Withhold: 10.6,

### 5.4.3. *Re-elect Gerald Frere*

Non-Executive Vice Chairman. Not considered to be independent as Gérald Frère is the son of Albert Frère and Thierry de Rudder's brother-in-law. Gérald Frère is Director of Pargesa Holding S.A. and also hold different Directorships in Frère-Bourgeois/CNP-NPM group. He is also a former Executive of the company. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.2, Abstain: 1.3, Oppose/Withhold: 10.5,

#### 5.4.4. *Re-elect Cedric Frere*

Non-Executive Director candidate. Not considered to be independent as he is the son of Gerald Frere the Chairman of the board. He is also a director at Pargesa Holding S.A who owns a significant percentage of the company's share capital. There is insufficient independent on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.2, Abstain: 1.3, Oppose/Withhold: 11.4,

#### 5.4.5. *Re-elect Segolene Gallienne*

Non-Executive Director candidate. Not considered to be independent as she is a director at Frere-Bourgeois and Pargesa Holding of which both companies own significant percentages of the company's share capital. There are concerns over her aggregate time commitments. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.3, Abstain: 1.3, Oppose/Withhold: 11.4,

#### 5.4.7. *Re-elect Marie Polet*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 95.2, Abstain: 0.9, Oppose/Withhold: 3.9,

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

Deloitte proposed for new term of three years. Non-audit fees represented 8.43% of audit fees during the year under review and 36.68% 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. In addition, the authority ask to set the Auditor fees at EUR 76,500 per year exclusive of VAT. It is regrettable that the Company put two proposals in one resolution when shareholders should be able to vote for each one of them separately. Overall opposition is recommended.

Vote Cast: *Oppose*

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

#### 6. *Approve the Remuneration Report*

It is proposed to approve the remuneration policy with an advisory vote. Variable remuneration appears to be consistently capped; however there is the potential for excess as stock options may be awarded at a cap exceeding 200% of base salary. Furthermore, these options have no performance criteria attached, which is a concern. The Board has awarded discretionary payments to its executive members on account of a merger being completed, which is a concern. There are no claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.6, Abstain: 0.5, Oppose/Withhold: 6.9,

#### 7.1. *Approve Stock Option Plan*

It is proposed to approve a stock option plan for employees and corporate officers. The Board would receive the authority to set beneficiaries and other conditions. There seem to be no performance criteria besides employment and tenure.

Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders.

On the other hand, executives are also among the beneficiaries: it is considered that support should not be given to stock or share option plans that do not lay out clearly performance criteria and conditions. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.6, Abstain: 0.6, Oppose/Withhold: 6.9,

#### *7.2. Approve Change-of-Control Clause Re: Stock Option Plan under Item 7.1*

It is proposed to approve all clauses of the stock option plan and all agreements between the Company and the holders of options, giving these holders the right to exercise their options prior to the expiration of the aforementioned period of three years in case of a change of control in the Company.

Accelerated vesting is against practice as this offsets the principle of pay for performance. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 77.2, Abstain: 0.5, Oppose/Withhold: 22.2,

#### *7.3. Approve Stock Option Plan Grants for 2019*

It is proposed to set the maximum value of the shares to be acquired by the sub-subsiary in 2019 in the framework of the stock plan at EUR 10.8 million, of which EUR 4.32 million in favour of the Executive Management. In light of the concerns noted in the stock option plan, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.7, Abstain: 0.6, Oppose/Withhold: 6.8,

### **AXA AGM - 24-04-2019**

#### *O.5. Approve the Compensation of the CEO; Thomas Buberl*

It is proposed to approve the remuneration paid or due to CEO Thomas Buberl with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. The Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, opposition is recommended based on excessive remuneration.

Vote Cast: *Oppose*

Results: For: 79.0, Abstain: 0.0, Oppose/Withhold: 21.0,

#### *O.7. Approve Remuneration Policy for the CEO; Thomas Buberl*

It is proposed to approve the remuneration policy with a binding vote. The Long-Term Incentive component of the variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. Nevertheless, opposition is recommended based on potential excessive variable remuneration.

Vote Cast: *Oppose*

Results: For: 92.4, Abstain: 0.0, Oppose/Withhold: 7.6,

#### *O.11. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### *E.14. Issue Shares for Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.0, Oppose/Withhold: 2.9,

#### *E.15. Approve Issue of Shares for Private Placement*

The Board requests authority to approve a global authority for the issue of capital related securities without pre-emptive rights by private placement. The authorisation is valid up to 10% of the issued share capital over a period of 26 months. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 0.0, Oppose/Withhold: 5.7,

#### *E.16. Approve Issue of Shares Deviating from Price Fixing Conditions*

The Board requests authority to issue capital related securities without adhering to the general pricing conditions. Under this authority, the company would be authorised to issue securities at a discount of 5% up to a total of 10% of the issued share capital over a period of 12 months at a time, until a total duration of the authority of 26 months. Given concerns over the level of discount and the amount of the authority, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.0, Oppose/Withhold: 4.6,

#### *E.17. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

Proposed authority to issue up to 10% of the share capital to be used in exchanges in times of public offer initiated by the Company. At this time, the Company has not disclosed specific plans to future exchange offers. As the proposed authority exceeds guidelines, and in absence of specific reasons, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.0, Oppose/Withhold: 1.4,

#### *E.21. Approve Issue of Shares for Employee Saving Plan*

Authority for a capital increase for up to 2% of share capital for employees participating to saving plans in France. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.0, Oppose/Withhold: 1.7,

**E.23. Approve All Employee Share Scheme**

Proposal to authorize for 38 months the Board to allot shares free of charge to employees and executives under the conditions of the Macron Law. Share issued under this authorization will not enjoy pre-emptive rights and will be attributed free of charge to management or employees. The Board would maintain full discretion over the beneficiaries. Incentives such as this are not related to performance and as such may reward the position of the recipient instead of performance. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.7, Abstain: 0.0, Oppose/Withhold: 6.3,

**E.24. Approve Issue of Performance Shares for a Defined Contribution Retirement Plan**

Proposal to authorize for 38 months the Board to allot shares free of charge to employees and executives. Share issued under this authorization will not enjoy pre-emptive rights and will be attributed free of charge to management or employees. The Board would maintain full discretion over the beneficiaries. Incentives such as this are not related to performance and as such may reward the position of the recipient instead of performance. Opposition is recommended.

Vote Cast: *Oppose*

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

**ABN AMRO Bank AGM - 24-04-2019****9.B. Authority to Limit or Disapply Pre-emptive Rights**

It is proposed to exclude pre-emption rights on shares issued over a period of 18 months. The corresponding authority for issuing shares without pre-emptive rights, requested in a previous proposal, does not exceed guidelines (10%). However it is considered that shareholders should be allowed to vote on such resolutions annually. Opposition is recommended.

Vote Cast: *Oppose*

**9.C. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares until 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*

**RELX PLC AGM - 25-04-2019****2. Approve the Remuneration Report**

**Disclosure:** is substandard. At last year's AGM the remuneration report received significant opposition of 13.08%. There is no evidence that Company has engaged with shareholders with respect to this particular issue, nor is there any evidence that shareholder concerns have been addressed.

**Balance:** The change in the CEO's salary is in line with the rest of the Company as the CEO's salary increased by 2.5% while average employee pay rose by 3%. The CEO's salary is in the upper quartile of the Company's comparator group. Changes in the CEO's total remuneration over the past five years are not considered to

be in line with changes in TSR during the same period. The CEO's variable pay for the year under review is highly excessive, amounting to 539% of his salary; it is recommended that variable pay does not exceed 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 53:1; it is recommended that the ratio does not exceed 20:1.

**Rating:**CE.

*Vote Cast: Oppose*

*Results: For: 87.3, Abstain: 6.7, Oppose/Withhold: 6.0,*

#### *4. Re-appoint Ernst & Young LLP as Auditors of the Company*

EY proposed. Non-audit fees represented 39.71% of audit fees during the year under review and 20.00% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor.

*Vote Cast: Abstain*

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

#### *8. Re-elect Sir Anthony Habgood*

Chair. Independent upon appointment. However, this director is no longer considered independent owing to a tenure of over nine years. On this basis, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 94.1, Abstain: 0.0, Oppose/Withhold: 5.9,*

#### *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: 91.0, Abstain: 3.4, Oppose/Withhold: 5.6,*

#### *13. Re-elect Robert MacLeod*

Independent Non-Executive Director. There are concerns over a potential conflict of interest between his role as an Executive in a listed company (CEO of Johnson Matthey plc) and membership of the Remuneration Committee. An abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 94.9, Abstain: 0.8, Oppose/Withhold: 4.3,*

#### *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: 97.2, Abstain: 0.4, Oppose/Withhold: 2.4,*

### 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: 98.6, Abstain: 0.1, Oppose/Withhold: 1.3,

## BRITISH AMERICAN TOBACCO PLC AGM - 25-04-2019

### 1. Receive the Annual Report

The Strategic Review is considered adequate. There are adequate environmental and employment policies in place. Quantified environmental data has been published. It is noted that the Company has not provided shareholders with an opportunity to approve dividends paid during the year. Given the lack of opportunity to approve the dividend, shareholders are recommended to oppose.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.2, Oppose/Withhold: 0.8,

### 2. Approve Remuneration Policy

**Policy Changes:** (i) Pensions: The rate of pension provision under the defined contribution arrangements has been reduced from 35% of base salary to 15% of base salary. (ii) Short-Term Incentive Scheme (STI): The previous individual performance multiplier, allowing a +20% adjustment to the outcome based on the corporate result, has been removed with effect from the 2019 performance year. Post-cessation payments to 'good leavers' will no longer be paid pro rata and 'on target' at leave date and instead will operate on a 'wait and see' basis, being paid pro rata, by reference to full year results and paid at the normal time in March of the following year. (iii) Long-Term Incentive Plan (LTIP): The limit on the levels of award to Executive Directors other than the Chief Executive has been removed and is set at 500% of salary. The TSR comparator group is expanded to include the Altria Group for awards made from 2019. (iv) For awards made from 2019, dividend equivalent payments under the Deferred Share Bonus Scheme (DSBS) and the LTIP will be settled in shares, rather than cash. (v) Post-employment shareholding requirements have been introduced for former Executive Directors to hold shares equivalent to 100% of current shareholding requirements for two full years following the date of their departure.

**Disclosure:** Overall disclosure is satisfactory.

**Balance:** There is no overall maximum set for benefits, however the Company does set limits on certain aspects of benefits provided. The maximum pension contribution has been reduced from 35% to 15% of salary which is welcomed. Although the Company maintains legacy pension arrangements in the form of a defined benefit scheme for the current Finance Director, he is due to retire from the Company by the end of FY2019. With respect to payment of the annual bonus, group outcome is delivered 50% in cash and 50% is deferred into ordinary shares for three years. Although share deferral is welcomed, the amount is not considered sufficient, as 50% of the whole bonus should be deferred into shares. The Company uses more than one performance condition, though the conditions do not operate interdependently. At three years the LTIP is not considered to be sufficiently long-term. However, a two year post-vesting holding period applies, which is welcomed. The performance metrics are not operating interdependently and do not include any non-financial KPI. Dividend equivalents may be accrued on vested share awards from the date of grant. Such rewards are not supported as they mis-align shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. Malus and clawback provisions apply. Total potential variable pay is excessive at 750% of salary; it is recommended that total variable pay is limited to 200% of salary. The Company has set shareholding guidelines requiring the CEO to hold 500% of his salary in Company shares. However, best practice would be to set a clear time limit to meet this requirement. The introduced policy change for former Executive Directors to hold shares equivalent to 100% of current shareholding requirements for two full years following the date of their departure is welcomed.

**Contracts:** On recruitment, the Committee has the discretion to appoint external candidates for an Executive role with an initial notice period longer than one year

(reducing to one year afterwards), which is contrary to best practice. On termination, there are concerns over the level of upside discretion granted to the Committee regarding the treatment of outstanding awards, under certain circumstances.

**Rating:** BDD.

*Vote Cast: Oppose*

*Results: For: 92.5, Abstain: 0.1, Oppose/Withhold: 7.4,*

### *3. Approve the Remuneration Report*

**Disclosure:** Disclosure is adequate.

**Balance:** The change in the CEO's salary is in line with the rest of the Company, as the CEO's salary increased by 4.9% while the salaries of UK-based employees rose by 5.9%, and when taking the average of all employees the increase is 10.9%. However, the CEO's salary is in the upper quartile of the Company's comparator group. 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 482.6% of salary for the CEO. Total variable pay is also considered excessive, amounting to 524% of salary for the CEO. Such level of variable pay is considered gratuitously excessive, and far exceeds the recommended limit of 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 208:1, and significantly exceeds the recommended limit of 20:1.

**Rating:** AE.

*Vote Cast: Oppose*

*Results: For: 87.6, Abstain: 0.1, Oppose/Withhold: 12.3,*

### *4. Re-appoint KPMG LLP as the Company's auditors*

KPMG proposed. Non-audit fees represented 1.96% of audit fees during the year under review and 14.49% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. However, it is noted that the auditor provided additional services in the form of remuneration consultancy work. The provision of such services is considered inappropriate and unnecessary, and compromises the auditor's independence. As such, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 99.0, Abstain: 0.1, Oppose/Withhold: 1.0,*

### *6. Re-elect Richard Burrows*

Chair. Independent upon appointment. The Chair's tenure exceeds nine years; it is considered that the Chair should rotate in this case. An oppose vote is recommended.

*Vote Cast: Oppose*

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

### *7. Re-elect Sue Farr*

Independent Non-Executive Director. There are concerns over the director's potential aggregate time commitments. It is noted that she has a 75% rate of attendance at Board and Committee meetings (she missed 2 out of 10 Board meetings, 2 out of 7 Remuneration Committee meetings, and 2 out of 7 Nomination Committee meetings). An oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 98.7, Abstain: 0.1, Oppose/Withhold: 1.3,*

#### 9. *Re-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 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: 97.9, Abstain: 0.2, Oppose/Withhold: 1.9,

#### 10. *Re-elect Holly Keller Koepfel*

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 Chairs 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: 97.4, Abstain: 0.2, Oppose/Withhold: 2.4,

#### 11. *Re-elect Savio Kwan*

Independent Non-Executive Director. There are concerns over his aggregate time commitments. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.7, Abstain: 0.6, Oppose/Withhold: 0.8,

#### 12. *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: 97.9, Abstain: 0.1, Oppose/Withhold: 2.0,

#### 18. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.1, Oppose/Withhold: 1.9,

#### 19. *Approve Political Donations*

Approval sought to make donations to political organisations and incur political expenditure not exceeding GBP100,000 in total. The Company did not make any political donations to European Union (EU) political organisations or incur EU political expenditure and has no intention either now or in the future of doing so. However, it is noted that RAI Companies reported political contributions totalling GBP3,718,540 (USD4,965,850) for the full year 2018 to US political organisations, non-federal-level political party committees and to campaign committees of various non-federal candidates, in accordance with their contributions programme. Donations to political organisations are not acceptable and are contrary to best practice. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 91.7, Abstain: 0.3, Oppose/Withhold: 7.9,

## **DANONE AGM - 25-04-2019**

### *O.5. Re-elect Emmanuel Faber*

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

Vote Cast: *Oppose*

Results: For: 80.2, Abstain: 0.0, Oppose/Withhold: 19.7,

### *O.8. Approve Compensation of Emmanuel Faber, Chairman and CEO*

It is proposed to approve the remuneration paid or due to Mr Faber with an advisory vote. The payout is in line with the best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claws back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.0, Oppose/Withhold: 2.3,

### *O.9. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these basis, opposition is recommended.

Vote Cast: *Oppose*

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

### *O.10. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

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

### *E.12. Issue Shares for Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However, the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 0.1, Oppose/Withhold: 3.1,

**E.13. *Authorize the Board to Increase the Number of Shares Issued in case of Exceptional Demand***

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 10%, in case of exceptional demand.

A green shoe authorisation enables an authorisation of additional shares in the event of exceptional public demand. In this case, the authorisation would increase allow the placement of up to 10% additional new shares within a thirty-day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.2, Abstain: 0.1, Oppose/Withhold: 5.7,

**E.14. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment***

Proposed authority to issue up to 10% of the share capital to be used in exchanges in times of public offer initiated by the Company. At this time, the Company has not disclosed specific plans to future exchange offers. Although the proposed authority is within guidelines there is absence of specific reasons for the issuance of shares. On balance opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 0.0, Oppose/Withhold: 3.1,

**E.19. *Authorize up to 0.2 Percent of Issued Capital for Use in Restricted Stock Plans***

Proposal to authorize for 26 months the Board to allot shares free of charge to employees and executives. Share issued under this authorization will not enjoy pre-emptive rights and will be attributed free of charge to management or employees. The Board would maintain full discretion over the beneficiaries. Incentives such as this are not related to performance and as such may reward the position of the recipient instead of performance. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.1, Oppose/Withhold: 1.1,

**AKZO NOBEL NV AGM - 25-04-2019**

**5.A. *Elect Jolanda Poots-Bijl***

Independent Non-Executive Director. However, there are concerns over the director's aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 95.7, Abstain: 2.1, Oppose/Withhold: 2.2,

**6.B. *Authorise the Board to Waive Pre-emptive Rights***

It is proposed to exclude pre-emption rights on shares issued over a period of 18 months. The corresponding authority for issuing shares without pre-emptive rights, requested in a previous proposal, does not exceed guidelines (10%). However it is considered that shareholders should be allowed to vote on such resolutions annually. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *7. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.3, Oppose/Withhold: 0.0,

### **PIGEON CORP AGM - 25-04-2019**

#### *7. Approve Compensation Ceiling for Directors*

It is proposed to approve the aggregate remuneration of directors, pursuant to the provisions of the Companies Act and the Ordinance for Enforcement of the Companies Act. It is proposed to increase the amount payable to the Board of Directors by more than 10% on annual basis. The increase is considered material and exceeds guidelines, while the Company has not sufficiently justified it. Therefore, opposition is recommended.

Vote Cast: *Oppose*

### **GEA GROUP AG AGM - 26-04-2019**

#### *5. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 19.87% of audit fees during the year under review and 35.24% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

#### *6. Elect Colin Hall*

Non-Executive Director. Not considered independent as he is considered to be connected to Oliver Capital. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### *8. Approve Remuneration Policy*

It is proposed to approve the remuneration policy with a binding vote. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. Nevertheless, opposition is recommended based on potential excessive variable remuneration.

Vote Cast: *Oppose*

## **BAYER AG AGM - 26-04-2019**

### *5.A. Authorize Share Repurchase Program and Re-issuance or Cancellation of Repurchased Shares*

It is proposed to authorise the Board to purchase Company's shares until 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: 94.8, Abstain: 0.0, Oppose/Withhold: 5.2,

### *5.B. Authorize Use of Financial Derivatives when Repurchasing Shares*

It is proposed to allow the company to use financial derivatives to repurchase up to 10% of the outstanding share capital. This does not appear to be an additional 10% beyond the 10% requested in resolution 5a, but authority to make purchases using put or call options. In this case, the option transactions must be entered into with a credit institution or another company meeting legal requirements including being independent of the Company. When the option is exercised, the institution must only deliver shares which were previously acquired via the stock exchange at a market-driven price in compliance with the principle of equal treatment. Due to concerns surrounding the share repurchase, it is recommended shareholders to oppose.

Vote Cast: *Oppose*

Results: For: 94.6, Abstain: 0.0, Oppose/Withhold: 5.4,

### *6. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 46.67% of audit fees during the year under review and 57.50% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.8, Abstain: 0.0, Oppose/Withhold: 2.2,

## **PEARSON PLC AGM - 26-04-2019**

### *8. Re-elect Michael Lynton*

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

Vote Cast: *Abstain*

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

### *13. 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 increased by 2% while employee salaries rose by 14%. 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. Total variable pay for the year under review was excessive amounting to 264% of salary for the CEO; it is recommended that total variable pay is limited to 200% of

salary. The ratio of CEO pay compared to average employee pay is not acceptable at 25:1; it is recommended that the ratio does not exceed 20:1.  
Rating: AD.

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.0, Oppose/Withhold: 2.1,

#### 14. *Re-appoint PricewaterhouseCoopers LLP*

PwC proposed. No non-audit fees were paid during the year under review, and non-audit fees represented 21.05% of audit fees on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. However, the current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 94.9, Abstain: 0.0, Oppose/Withhold: 5.1,

#### 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 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,

#### 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,

### **ASTRAZENECA PLC AGM - 26-04-2019**

#### 5f. *Re-elect Graham Chipchase*

Senior Independent Director. Considered independent. 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: 95.4, Abstain: 1.9, Oppose/Withhold: 2.7,

#### 5k. *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 thirteen Board meetings with no adequate justification provided. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 90.4, Abstain: 0.1, Oppose/Withhold: 9.6,

#### *6. Approve the Remuneration Report*

Disclosure is lacking as there is no full disclosure of targets for the PSP. The change in the CEO's salary is in line with the rest of the Company as the CEO's salary increased by 2.5% while average employee pay rose by 4.6%. However, 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 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 is highly excessive, amounting to 768% of salary for the CEO; it is recommended that total variable pay is limited to 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 53:1; it is recommended that the ratio does not exceed 20:1.

Rating: CE.

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 1.6, Oppose/Withhold: 4.1,

#### *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 USD250,000 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 in the European Union, and the Board has no intention of changing this policy. In spite of this policy, during the year under review, contributions, amounting to USD1,156,800, 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. Donations to political organisations are inappropriate and is contrary to best practice. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.3, Abstain: 0.6, Oppose/Withhold: 2.1,

#### *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: 97.5, Abstain: 0.4, Oppose/Withhold: 2.2,

#### *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: 0.1, Oppose/Withhold: 1.0,

**CONTINENTAL AG AGM - 26-04-2019****5. Ratify KPMG AG as Auditors for Fiscal 2019**

KPMG proposed. Non-audit fees represented 4.35% of audit fees during the year under review and 11.29% 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: 0.2, Oppose/Withhold: 3.6,

**6.1. Elect Gunter Dunkel to the Supervisory Board**

Non-Executive Director. Not considered to be independent as he was the CEO of Norddeutsche Landesbank, and Chairman of Norddeutsche Landesbank Luxembourg S.A., with which the company has a factoring programme in the amount of EUR 300 million, increased in 2012 from EUR 280 million. In addition, he has been on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.2, Oppose/Withhold: 1.1,

**6.2. Elect Satish Khattu to the Supervisory Board**

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. Until the end of 2018, Mr. Khattu provided management advice to Quantum Inventions Pvt. Ltd., Singapore, a 100% indirect subsidiary of Continental AG. Until February 2019, Mr. Khattu was a member of the advisory board of Continental Intelligent Transportation Systems, LLC, USA ("Continental ITS"), a 100% indirect subsidiary of Continental AG. In this function, effective December 2014, Mr. Khattu had concluded a consultancy agreement with Continental ITS. In February 2019, Continental ITS decided to dissolve its advisory board and it was mutually agreed to end the consultancy agreement. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.3, Oppose/Withhold: 0.8,

**6.4. Elect Sabine Neuss to the Supervisory Board**

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 98.9, Abstain: 0.2, Oppose/Withhold: 0.9,

**6.5. Elect Rolf Nonnenmacher to the Supervisory Board**

Non-Executive Director, Chair of the Audit Committee. Not considered to be independent, as this director is considered to be in a material connection with the current auditor: KPMG. He has worked at KPMG AG during the period 1981-2013, Partner since 1987 and in 2011 Chairman KPMG Europe. It is considered that audit committees should comprise exclusively independent members, including the chair. On this ground, opposition is recommended.

Vote Cast: *Oppose*

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

#### 6.6. *Elect Wolfgang Reitzle to the Supervisory Board*

Non-Executive Chair of the Board. Not considered independent owing to a tenure of over nine years. In addition, as there is no Chair of the Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 89.0, Abstain: 0.3, Oppose/Withhold: 10.7,

#### 6.7. *Elect Klaus Rosenfeld to the Supervisory Board*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: he is the Chief Executive Officer of Schaeffler AG, a group company of the Schaeffler Group. The Schaeffler Group itself is an indirect shareholder with a major stake in Continental AG. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 79.6, Abstain: 0.2, Oppose/Withhold: 20.2,

#### 6.8. *Elect Georg Schaeffler to the Supervisory Board*

Non-Executive Director. Not considered to be independent as he is the co-owner of Schaeffler Group, which holds a significant percentage of the Company's issued share capital through Schaeffler GmbH. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 76.6, Abstain: 1.7, Oppose/Withhold: 21.6,

#### 6.9. *Elect Maria-Elisabeth Schaeffler-Thumann to the Supervisory Board*

Non-Executive Director. Not considered to be independent as she is Partner of Schaeffler Group, which holds a significant percentage of the Company's issued share capital through Schaeffler GmbH. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 79.1, Abstain: 0.3, Oppose/Withhold: 20.7,

#### 6.10. *Elect Siegfried Wolf to the Supervisory Board*

Non-Executive Director. Not considered to be independent as he is a director on the supervisory board of Schaeffler Group. Schaeffler Group hold a significant percentage of the company's issued share capital. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.2, Oppose/Withhold: 3.7,

### **ATOS SE AGM - 30-04-2019**

#### *O.6. Approve New Long Term Incentive Plan*

The Board proposes the approval of a new long-term incentive plan, THE 2021 ADVANCE plan. Under the plan, the CEO and other executives will be awarded rights to shares, a portion (or all) of which will vest depending on the achievement of some performance criteria. A three-year performance period operates under the new plan. Three financial criteria under the plan are : Revenue organic growth (30%), operating margin (25%) and free cash flow (25%). The external performance condition linked to the corporate social responsibility, referring to the Dow Jones Sustainability Index ("DJSI") (World or Europe) would condition 20% of the grant. The presence

of non-financial objectives is welcomed.

LTIP schemes are not considered an effective means of incentivising performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.8, Oppose/Withhold: 0.3,

#### *O.7. Approve Fees Payable to the Board of Directors*

It is proposed to increase the maximum amount payable to the Executive Board by more than 10% on annual basis (from EUR 500,000 TO EUR 800,000). The increase is considered material and exceeds guidelines, but the Company has duly justified it stating that the increase is explained by the development of the activity of the board of directors (e.g.: more meetings, additional members, new CSR committee from January 2019); with this increase, the Company would remain below the average CAC 40 directors' fees according to a benchmark study. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, will prioritize an increase of the variable portion of the directors' fees subject to attendance to both Board and Committee meetings. However the increase of 60% is considered highly excessive. On Balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 1.0, Oppose/Withhold: 0.9,

#### *O.8. Re-elect Thierry Breton*

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

Vote Cast: *Oppose*

Results: For: 74.9, Abstain: 2.3, Oppose/Withhold: 22.9,

#### *O.11. Re-elect Vernon Sankey*

Member of the Sustainability Committee. As the Chair of the Sustainability Committee is not up election, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 68.5, Abstain: 0.4, Oppose/Withhold: 31.1,

#### *O.16. Approve Remuneration payable to the CEO and Chair*

It is proposed to approve the fixed and variable remuneration payable to Mr. Thierry Breton, CEO and Chair with a binding vote. During the year under review the fixed compensation of the director was EUR 1,400,000, the variable compensation amounted to EUR 1,304,821 which amounted to 7% of base salary, which is in line with best practice, variable remuneration appears to be consistently capped. However, the Company has not fully disclosed quantified targets or performance criteria for its entire variable remuneration component. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Additionally there do not seem to be claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.8, Abstain: 3.0, Oppose/Withhold: 8.2,

#### *O.17. Approve Remuneration Policy*

It is proposed to approve the remuneration policy applicable to the CEO with a binding vote. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not fully disclosed quantified targets or performance criteria for its entire variable remuneration component. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Additionally there do not seem to be claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

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

#### *O.18. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 0.9, Oppose/Withhold: 0.4,

#### *E.21. Approve Issue of Shares for Private Placement*

This is considered a technical resolution for the implementation of plans approved at previous AGMs, which companies have a legal duty to fund. However, this authority refers to the LTIP proposed at this meeting: thus, opposition is recommended based on the concerns identified on the proposed incentive plan.

Vote Cast: *Oppose*

Results: For: 89.9, Abstain: 1.8, Oppose/Withhold: 8.4,

#### *E.22. Authorisation to grant to the Board of Directors options to subscribe for or to purchase shares to the employees and executive officers of the Company*

This is considered a technical resolution for the implementation of plans approved at previous AGMs, which companies have a legal duty to fund. However, this authority refers to the LTIP proposed at this meeting: thus, opposition is recommended based on the concerns identified on the proposed incentive plan.

Vote Cast: *Oppose*

Results: For: 94.3, Abstain: 0.8, Oppose/Withhold: 4.9,

#### *O.26. Approve Remuneration Policy*

It is proposed to approve remuneration for the Deputy CEO. The on-target annual variable compensation amounts to EUR 600,000, with a maximum payment capped at 130% of the target variable compensation in case of over-performance and no minimum payment. The Company has not fully disclosed quantified targets or performance criteria for its entire variable remuneration component. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Additionally there do not seem to be claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

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

**DNB GROUP ASA AGM - 30-04-2019****5a. Approve Remuneration Policy**

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 97.2, Abstain: 0.1, Oppose/Withhold: 2.6,

**9. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

**11. Elect Gro Bakstad**

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 96.3, Abstain: 1.1, Oppose/Withhold: 2.5,

**THE WEIR GROUP PLC AGM - 30-04-2019****3. Approve the Remuneration Report**

Overall disclosure is adequate. The balance of CEO realised pay with financial performance is considered unacceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. The CEO's salary is in the upper quartile of PIRC's comparator group which raises concerns over the excessiveness of his pay. Additionally, the CEO's total variable pay during the year under review are considered excessive at approximately 226.12% of his salary. The ratio of CEO pay compared to average employee pay is considered unacceptable at 35:1.

Rating: AE.

Vote Cast: *Oppose*

Results: For: 92.3, Abstain: 0.9, Oppose/Withhold: 6.9,

**10. Re-elect Charles Berry**

Chair. Considered independent upon appointment. He is also Chair of Centrica 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 Chair should focus his attention on to only one FTSE 350 Company. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

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

### 15. *Re-elect Rick 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: 72.5, Abstain: 3.6, Oppose/Withhold: 23.9,

### 20. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

It is noted that this Resolution received a significant number of oppose vote at approximately 11.17% at the 2018 AGM. In addition, 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: 0.0, Oppose/Withhold: 6.1,

### 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: 99.3, Abstain: 0.2, Oppose/Withhold: 0.5,

## **SANOFI AGM - 30-04-2019**

### *O.1. Approve Financial Statements*

Non-financial information has not been disclosed. The EU Non-Financial Reporting Directive stipulates that member states are required to disclose a non-financial statement containing relevant information as prescribed in the directive. Although companies are allowed to publish such statement until six months after the end of the financial year, it is considered that it should be disclosed to all shareholders in occasion of the annual general meeting. On this ground, abstention is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

### *O.2. Approve Consolidated Financial Statements*

Non-financial information has not been disclosed. The EU Non-Financial Reporting Directive stipulates that member states are required to disclose a non-financial statement containing relevant information as prescribed in the directive. Although companies are allowed to publish such statement until six months after the end of the financial year, it is considered that it should be disclosed to all shareholders in occasion of the annual general meeting. On this ground, abstention is recommended.

Vote Cast: *Oppose*

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

### *O.8. Approve Remuneration Policy of the Chief Executive Officer*

It is proposed to approve the remuneration policy for the Olivier Brandicourt, CEO of the Company. Variable remuneration does not seem to be consistently capped

and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria for its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.4, Abstain: 0.1, Oppose/Withhold: 11.5,

#### *O.10. Approve the Remuneration Report for the Chief Executive officer*

It is proposed to approve the remuneration paid or due to Olivier Brandicourt, CEO of the Company, with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.6, Abstain: 0.1, Oppose/Withhold: 13.4,

#### *O.11. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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,

#### *E.14. Issue Shares for Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However, the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.1, Oppose/Withhold: 5.5,

#### *E.15. Approve Issue of Shares for Private Placement*

The Board requests authority to approve a global authority for the issue of capital related securities without pre-emptive rights by private placement. The authorisation is valid up to 10% of the issued share capital over a period of 26 months. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 91.7, Abstain: 0.1, Oppose/Withhold: 8.3,

#### *E.17. Authorise the Board to Increase the Number of Shares Issued in Case of Exceptional Demand*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase

allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 87.1, Abstain: 0.0, Oppose/Withhold: 12.8,

#### *E.19. Approve All Employee Option*

It is proposed to approve a stock option plan for employees and corporate officers. The Board would receive the authority to set beneficiaries and other conditions. There seem to be no performance criteria besides employment and tenure.

Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries: it is considered that support should not be given to stock or share option plans that do not lay out clearly performance criteria and conditions. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.0, Abstain: 0.0, Oppose/Withhold: 7.9,

#### *E.21. Authorize Capitalization of Reserves*

It is proposed to issue new shares with pre-emptive rights for up less than 50% of the current share capital. However, the duration of the proposed authority exceeds 24 months. On this ground, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

#### *E.20. Approve All Employee Share Scheme*

It is proposed to approve a restricted share plan for employees and corporate officers. The Board would receive the authority to set beneficiaries and other conditions. After allotment, shares will be restricted for three years, which is not considered to be sufficiently long term. The Company states that exercise of shares will be based on targets, which at this time remain undisclosed.

Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries: it is considered that support should not be given to stock or share option plans that do not lay out clear performance criteria, targets and conditions. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.4, Abstain: 0.0, Oppose/Withhold: 8.5,

### **INTESA SANPAOLO SPA AGM - 30-04-2019**

#### *3.c. Elect Massimo Gian Maria Gros-Pietro as Board Chair and Paolo Andrea Colombo as Vice-Chairman*

Shareholder Proposal submitted by Compagnia di Sanpaolo, Fondazione Cariplo, Fondazione Cassa di Risparmio di Padova e Rovigo, Fondazione Cassa di Risparmio di Firenze and Fondazione Cassa di Risparmio in Bologna. Massimo Gian Maria Gros-Pietro proposed as Chair of the Board and Paolo Andrea Colombo as Vice-Chair, after the meeting. Not considered to be independent as he was Chairman of the Management Board of Intesa Sanpaolo from May 2013 to April 2016. In terms of best practice, it is considered that the Chairman should be independent, and in any case should not have had prior executive responsibilities within the Company.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 0.2, Oppose/Withhold: 3.3,

#### 4.a. *Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 96.2, Abstain: 0.8, Oppose/Withhold: 3.0,

#### 4.b. *Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

Vote Cast: *Abstain*

Results: For: 61.5, Abstain: 3.5, Oppose/Withhold: 35.0,

#### 4.c. *Approve Fees Payable to the Board of Management Control Committee*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

Vote Cast: *Abstain*

Results: For: 93.7, Abstain: 1.3, Oppose/Withhold: 5.0,

#### 4.d. *Approve Remuneration Policy for Asset Management Companies of the Group*

Proposal to cap the variable remuneration component for Key Risk Takers up to 400% of the fixed salary, for personnel operating exclusively in the Investment Management units belonging to Intesa Sanpaolo Group Asset Management entities. Both European and Italian sector-specific Regulations for Asset Management, even where the ex-ante definition of cap to variable compensation is required (200% as provided for by the CRD IV), allow each company to define their own limit. Although the average ratio of variable to fixed remuneration for the so-called High Earners in the sector of asset management within the European Union was 402% in 2017, as disclosed by the Company, the proposed ratio is still considered to be excessive.

Vote Cast: *Oppose*

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

#### 4.f. *Approve 2018 Annual Incentive Plan*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been fully quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. In addition, although subject to additional deferral, the vesting time is three years, which is not considered sufficiently long term.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful

- dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.3, Oppose/Withhold: 2.6,

*4.g. Authorize Share Repurchase Program and Reissuance of Repurchased Shares to Service 2018 Annual Incentive Plan*

The Board requests authority to repurchase and re-issue the shares to participants in the long term incentive plan proposed at the present meeting. Although companies have a legal duty to fund approved plans, this resolution is considered to be a proposal enabling the LTIP proposed. Based on the concerns on the resolution for the approval of the LTIP, opposition is recommended also on this resolution.

Vote Cast: *Oppose*

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

*A. Deliberations on Possible Legal Action Against Directors if Presented by Shareholders*

At this time, no proposals of possible legal actions against directors appear to be presented by shareholders. A vote to abstain is recommended.

Vote Cast: *Abstain*

## **ACCOR HOTELS GROUP AGM - 30-04-2019**

*O.4. Elect Mr. Nawaf Bin Jassim Bin Jabor Al-thani*

Non-Executive Director. Not considered independent as he is the Chairman of Katara Hospitality and the Qatar Investment Authority (controlling shareholder of Katara Hospitality) is a significant shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 75.0, Abstain: 0.0, Oppose/Withhold: 24.9,

*O.5. Elect Mr. Aziz Aluthman Fakhroo*

Non-Executive Director. Not considered independent as he serves as a director of Axa Real Estate DVIII. Accor previous sold hotel properties to a real estate consortium comprising two investment funds managed by AXA Real Estate Investment Managers. Accor continues to operate the hotels under 12-year leases. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 94.2, Abstain: 0.0, Oppose/Withhold: 5.7,

*O.9. Elect Mrs. Isabelle Simon*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. Abstain is not a valid vote option in this market, therefore, a vote to oppose is recommended.

Vote Cast: *Oppose*

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

**O.10. Elect Mr. Sarmad Zok**

Non-Executive Director. Not considered independent as he is Chairman and CEO of Kingdom Hotels (Europe) LLC, a significant shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 94.0, Abstain: 0.0, Oppose/Withhold: 6.0,

**O.11. Appoint PricewaterhouseCoopers as Principal Statutory Auditors**

PwC proposed. Non-audit fees represented 75.00% of audit fees during the year under review and 78.34% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

**O.12. Appoint Ernest & Young as Principal Statutory Auditors**

EY proposed. Non-audit fees represented 75.00% of audit fees during the year under review and 78.34% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 95.2, Abstain: 0.0, Oppose/Withhold: 4.8,

**O.13. Appoint Mr. Patrice Morot as Deputy Statutory Auditor**

The Board requests authority to elect a substitute external auditor. Given the relationship between the proposed substitute and the elected statutory auditor (PwC, where Patrice Morot is France Assurance leader), the selection is not considered suitable to meet the intended purpose, which is to fulfill any vacancy which may arise if the statutory auditor is unable to complete the audit.

Vote Cast: *Oppose*

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

**O.14. Appoint Auditex Company as Deputy Statutory Auditor**

The Board requests authority to elect a substitute external auditor. Given the relationship between the proposed substitute and the elected statutory auditor (Auditex is an affiliate of EY), the selection is not considered suitable to meet the intended purpose, which is to fulfill any vacancy which may arise if the statutory auditor is unable to complete the audit.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 2.3, Oppose/Withhold: 0.0,

**O.17. Advisory review of the compensation owed or paid to Mr Sebastien Bazin**

It is proposed to approve the compensation owed or paid to Mr Sebastien Bazin with an advisory vote. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. There is a component of board discretion for 10% of the bonus. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 83.7, Abstain: 0.0, Oppose/Withhold: 16.3,

*O.18. Advisory review of the compensation owed or paid to Mr Sven Boinet*

It is proposed to approve the remuneration paid or due to Mr Sven Boinet with an advisory vote. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out. On these bases, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 84.2, Abstain: 0.0, Oppose/Withhold: 15.8,

*O.19. Approve Remuneration Policy of the CEO*

It is proposed to approve the remuneration policy. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria for its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.0, Abstain: 0.0, Oppose/Withhold: 4.0,

*O.20. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 88.9, Abstain: 0.0, Oppose/Withhold: 11.1,

*E.23. Issue Shares for Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.0, Oppose/Withhold: 3.2,

*E.24. Approve Issue of Shares for Private Placement*

The Board requests authority to approve a global authority for the issue of capital related securities without pre-emptive rights by private placement. The authorisation is valid up to 10% of the issued share capital over a period of 26 months. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 0.0, Oppose/Withhold: 4.4,

#### *E.25. Authorise the Board to Increase the Number of Shares Issued in case of Exceptional Demand*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.5, Abstain: 0.0, Oppose/Withhold: 5.4,

#### *E.29. Approve Issue of Shares for Employee Saving Plan "PEG"*

Authority for a capital increase for up to 2% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

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

#### *E.30. Approve Issue of Shares for Employee Saving Plan*

Authority for a capital increase for more than 2% of the share capital for employees participating to saving plans. The maximum discount applied will be 20% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the amount of the authorisation exceeds guidelines (2%). Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 0.0, Oppose/Withhold: 3.1,

#### *E.31. Approve New Issue of Shares to Executive and Employees*

It is proposed to approve a restricted share plan for employees and corporate officers. The Board would receive the authority to set beneficiaries and other conditions. After allotment, shares will be restricted for three years, which is not considered to be sufficiently long term. The Company states that exercise of shares will be based on targets, which at this time remain unquantified.

Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries: it is considered that support should not be given to stock or share option plans that do not lay out clear performance criteria, targets and conditions. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 84.8, Abstain: 0.0, Oppose/Withhold: 15.2,

#### *E.32. Restriction on the number of free shares that may be granted to executive officers of the Company*

It is proposed that the shares granted to the Company's executive officers under resolution 31 may not represent more than 15% of the total number of shares granted under the said resolution. It is considered that officers should not access to all-employee schemes at special conditions, neither should they be reserved shares.

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.7,

**O.33. Powers to issue warrants in period of unfriendly public offer**

Authorise the Board to issue anti-takeover warrants. This authority is considered to be counter to the best interests of shareholders. The poison pill enables management to offer warrants to shareholders during a period of public offer thus implying a threat of dilution to potential acquirers of the company. While this may cause potential acquirers to negotiate with the Board, it may also potentially prevent hostile takeovers and entrench management. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 66.3, Abstain: 0.0, Oppose/Withhold: 33.7,

**OCADO GROUP PLC AGM - 01-05-2019****2. Approve Remuneration Policy**

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 75.3, Abstain: 0.6, Oppose/Withhold: 24.1,

**3. 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 disclosed AND vesting scale for LTIP awards is 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 received by the CEO in 2018 are not considered excessive equating to 88.9% of salary. In addition, no LTIP granted in the year under reviews. The ratio of CEO pay compared to average employee pay is 49:1 which is considered inappropriate.

Rating: BC

Vote Cast: *Oppose*

Results: For: 74.6, Abstain: 0.0, Oppose/Withhold: 25.4,

**4. Re-elect Lord Rose**

Incumbent Chair. 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.9, Abstain: 0.1, Oppose/Withhold: 4.0,

**10. Re-elect Jorn Rausing**

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

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.0, Oppose/Withhold: 4.7,

#### 11. *Re-elect Ruth Anderson*

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

Vote Cast: *Oppose*

Results: For: 94.6, Abstain: 0.1, Oppose/Withhold: 5.3,

#### 19. *Approve Value Creation Plan*

The Board proposes the approval of a new long-term incentive plan. Under the plan, the CEO and other executives will be awarded rights to shares, a portion (or all) of which will vest depending on the achievement of some performance criteria. The performance criteria are the participants share in the Total Shareholder Return ("TSR") generated above 10% Compound Annual Growth Rate ("CAGR") at 2.75% of the value created, measured and banked annually over a five-year period. The value will vest in years three, four and five. Vesting period will be five years

LTIP schemes are not considered an effective means of incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 75.4, Abstain: 0.4, Oppose/Withhold: 24.2,

#### 20. *Approve Annual Incentive Plan*

The Board proposes the approval of a new Annual Incentive Plan. The Annual Bonus will be capped up to 275% of the salary, but the amount will be split between 50% of shares and 50% on cash. The shares will be vested after a period of five years and the cash components will be capped at 100% of the salary, which is welcome. The new Annual Bonus plan have welcome changes in the term of the deferral period for the shares and the cap of the cash component. But the maximum compensation could be almost three times the salary (275%) which is against best practise. Based on this an abstention is recommended.

Vote Cast: *Abstain*

Results: For: 80.7, Abstain: 0.7, Oppose/Withhold: 18.6,

#### 21. *Approve All Employee Option/Share Scheme*

It is proposed to approve a restricted share plan for employees and corporate officers. The Board would receive the authority to set beneficiaries and other conditions. After allotment, shares will be restricted for three years, which is not considered to be sufficiently long term. The Company states that exercise of shares will be based on targets, which at this time remain undisclosed.

Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries: it is considered that support should not be given to stock or share option plans that do not lay out clear performance criteria, targets and conditions. On balance, opposition is recommended.

Vote Cast: *Oppose*

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

#### 22. *Approve New Executive Share Option Scheme/Plan*

The ESOS 2019 terms are based on the existing Ocado 2001 Executive Share Option Scheme. Part of the scheme awards will be HMRC approved. The scheme is

to run until to June 2020. The amount of options that may be granted under the scheme shall not exceed 5% of the Company's issued ordinary share capital. The options may be exercised at the date of the grant subject to performance conditions being met. Performance period is generally set at three years. The price at which an option exercises shall not be less than the greatest of the market value of an ordinary share at the time of the grant. All employees are eligible, but they participate at the discretion of the Committee. Performance Conditions and targets have not been disclosed. Consequently, we are unable to determine the effectiveness of the plan. Furthermore, the scheme is not considered an effective means of incentivizing performance. It is also subject to manipulation due to its discretionary nature. It is therefore recommended to shareholders not to support the proposal.

Vote Cast: *Oppose*

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

### *23. Approve the Amendment to the Chairman's Share Matching Award*

It is proposed to amend the matching shares of the Chairman of the Board, by realizing the restrictions in relation to the Acquired Shares six years after they were first put in place, while he remains Director of the Company. The shares resulting from reinvestment will be matched by free shares awarded by the Company. While re-investment of the bonus in shares, or payment of part or all of the bonus in shares, are considered positive practice, share matching plans are viewed as a de facto discount for executives to buy company shares. They can eventually result in excessive payments versus performance. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 76.9, Abstain: 0.1, Oppose/Withhold: 22.9,

### *27. 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: 98.2, Abstain: 0.0, Oppose/Withhold: 1.8,

### *28. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.0, Oppose/Withhold: 0.3,

## **UBS GROUP AG AGM - 02-05-2019**

### *2. Approve the Remuneration Report*

It is proposed to approve the remuneration policy with an advisory vote. Although variable remuneration appears to be consistently capped, there are excessiveness concerns as the total potential variable remuneration exceed 200% of the salary. In addition, the Company has not disclosed quantified targets or performance criteria for its long term variable remuneration component, which may lead to overpayment against underperformance. There are no claw back clauses in place for the long-term incentive. Opposition is recommended based on potential excessive remuneration.

Vote Cast: *Oppose*

Results: For: 79.4, Abstain: 0.3, Oppose/Withhold: 20.3,

#### 4. *Discharge the Board*

Standard proposal. However, the USB is having legal issues in France after a five-year investigation for cases where there are concerns over tax evasion by clients of the Company and insider trading. The Company for similar cases proceed in settlements with the US and German governments which were cost USD 780 million and EUR 300 million. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 41.7, Abstain: 16.7, Oppose/Withhold: 41.6,

##### 5.1. *Re-elect Axel Weber*

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: 92.2, Abstain: 0.3, Oppose/Withhold: 7.4,

##### 5.4. *Re-elect Reto Francioni*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 96.0, Abstain: 0.5, Oppose/Withhold: 3.6,

##### 6.2. *Elect Jeanette Wong*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.5, Oppose/Withhold: 0.5,

##### 7.3. *Elect Reto Francioni as Member of the Compensation Committee*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 95.4, Abstain: 0.5, Oppose/Withhold: 4.1,

##### 7.4. *Elect Fred Hu as Member of the Compensation Committee*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 95.3, Abstain: 0.5, Oppose/Withhold: 4.1,

## 8.2. Approve Variable Remuneration of Executive Committee

It is proposed to approve the remuneration policy with a binding vote. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are claws back clauses in place for the annual variable remuneration, which is welcomed. Nevertheless, opposition is recommended based on potential excessive variable remuneration.

Vote Cast: *Oppose*

Results: For: 81.4, Abstain: 1.9, Oppose/Withhold: 16.7,

## UNILEVER PLC AGM - 02-05-2019

### 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: 99.1, Abstain: 0.2, Oppose/Withhold: 0.7,

### 2. Approve the Remuneration Report

Overall disclosure is adequate. The Company reports that the CEO's salary rose by 11.3% and the salaries of UK and Dutch Management increased by 8%. However, this is not considered to be an appropriate comparator with the rest of the Company, and when looking at employee salaries holistically the increase is only 3%, making the CEO's change in salary excessively out of line with the rest of the Company. In addition, 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. However, awards granted are considered highly excessive at EUR8,030,145, amounting to approximately 500% of salary. Furthermore, total variable pay for the year under review is considered inappropriately excessive at approximately 596% of salary. This is worsened by the CEO's salary being in the upper quartile of the Company's comparator group, as well as the inappropriate difference between the change in CEO salary compared to average employee pay, further compounded by the CEO to average employee pay ratio, which currently stands at 120:1.

Rating: AE.

Vote Cast: *Oppose*

Results: For: 94.5, Abstain: 1.2, Oppose/Withhold: 4.3,

### 3. Re-elect Mr N S Andersen

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.8, Oppose/Withhold: 0.2,

### 5. Re-elect Mr V Colao

Independent Non-Executive Director. Chair of the Remuneration Committee. The Company experienced excessively high remuneration, in spite of measures taken to address shareholder concerns. Due to the excessiveness of the Company's remuneration, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 1.7, Oppose/Withhold: 1.9,

#### *7. Re-elect Dr J Hartmann*

Independent Non-Executive Director. There are concerns over the Directors aggregate time commitments. Furthermore, this director has failed to attend 100% of Board and Committee meetings for which she were eligible. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### *14. Re-elect Mr F Sijbesma*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

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

#### *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: 97.4, Abstain: 0.2, Oppose/Withhold: 2.5,

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

### **BASF SE AGM - 03-05-2019**

#### *5. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 1.90% of audit fees during the year under review and 1.92% 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. Opposition is recommended.

Vote Cast: *Oppose*

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

### 6.1. *Elect Thomas Carell*

Non-Executive Director. Not considered independent as the director has 10.04% of the share capital of baseclick GmbH a company which BASF holds indirectly 67.23%. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.0, Abstain: 1.3, Oppose/Withhold: 2.7,

### 6.3. *Elect Franz Fehrenbach*

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

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 1.3, Oppose/Withhold: 3.4,

### 6.4. *Elect Juergen Hambrecht*

Non-Executive Chairman. Not considered independent as Mr Hambrecht was the former Chairman of the Board of Executive Directors of the Company until 2011. There is insufficient independent representation on the Board. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.5, Oppose/Withhold: 3.3,

## **NORSK HYDRO ASA AGM - 07-05-2019**

### 6.1. *Approve Remuneration Policy (Advisory)*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 99.5, Abstain: 0.0, Oppose/Withhold: 0.4,

### 7. *Elect Morten Stromgren to the Nomination Committee*

Sufficient biographical information has been disclosed and the candidate is not considered to be independent, as has been director of the Ownership Department at the Ministry of Trade, Industry and Fisheries since 2007. The Ministry of Trade, Industry and Fisheries is a controlling shareholder of the company. There is insufficient independent representation on the Nomination Committee. Opposition is recommended.

Vote Cast: *Oppose*

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

### 6.2. *Approve New Executive Equity Compensation (Binding)*

The Board proposes the approval of a executive equity based remuneration. Performance targets have not been quantified at this time. which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful

- dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 90.0, Abstain: 0.0, Oppose/Withhold: 10.0,

## YARA INTERNATIONAL ASA AGM - 07-05-2019

### 4.1. *Advisory vote on the guidelines for remuneration to members of executive management*

It is proposed to approve the guidelines of the remuneration for members of the management team with an advisory vote. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claws back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

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

### 4.2. *Approval of the proposed guidelines for share-based compensation*

The Board proposes the approval of the guidelines for the Long Term Incentive Plan. Under the plan, the CEO and other executives will be awarded a fixed cash amount which will be invested in Yara shares within a period of one month after grant. The shares will be locked for a period of three years. A period of five years will be preferable according to best practise. The criteria are: the Cash Return on Gross Investment for the Company and the Net Result excluding currency gain/loss being positive for three years.

LTIP schemes are not considered an effective means of incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure. Overall opposition is recommended.

Vote Cast: *Oppose*

Results: For: 85.5, Abstain: 1.3, Oppose/Withhold: 13.2,

## 12. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

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

## AIR LIQUIDE SA AGM - 07-05-2019

### O.4. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 0.4, Oppose/Withhold: 1.9,

#### *O.8. Approve Compensation of Benoit Potier*

It is proposed to approve the remuneration paid or due to Benoit Potier with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding short-term variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.1, Abstain: 0.4, Oppose/Withhold: 13.5,

#### *O.9. Approve Remuneration Policy of Executive Officers*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There do not appear to be claw back clauses in place over the entirety of the variable remuneration, which means it is likely shareholders will not be able to recoup losses if remuneration is paid out incorrectly. However, the Company has not disclosed quantified targets or performance criteria ex-ante for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 86.4, Abstain: 0.4, Oppose/Withhold: 13.1,

#### *E.12. Authorise the Board to Increase the Number of Shares Issued in case of Exceptional Demand*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.7, Abstain: 0.4, Oppose/Withhold: 2.9,

#### *E.13. Authorize up to 2 Percent of Issued Capital for Use in Stock Option Plans*

The Board proposes the approval of a new incentive plan for all employees, including executives. Under the plan, participants will be allotted stock options, each of which will give right to one share. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 92.5, Abstain: 0.4, Oppose/Withhold: 7.0,

#### *E.14. Authorize up to 0.5 Percent of Issued Capital for Use in Restricted Stock Plans*

The Board proposes the approval of a new incentive plan for all employees, including executives. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time. which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 93.5, Abstain: 0.4, Oppose/Withhold: 6.1,

### **GLAXOSMITHKLINE PLC AGM - 08-05-2019**

#### *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, is considered excessive, amounting to 214.5% of salary. In addition, total variable pay for the new CEO was also excessive at 429.6% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 46:1. Lastly, the CEO's salary is in the upper quartile of the Company's comparator group.

Rating: BD.

Vote Cast: *Oppose*

Results: For: 88.6, Abstain: 0.2, Oppose/Withhold: 11.2,

#### *8. Re-elect Dr Vivienne Cox*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 98.0, Abstain: 0.9, Oppose/Withhold: 1.1,

#### *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 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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.1, Abstain: 0.2, Oppose/Withhold: 4.7,

#### *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: 98.4, Abstain: 0.2, Oppose/Withhold: 1.4,

## STANDARD CHARTERED PLC AGM - 08-05-2019

### 3. *Approve the Remuneration Report*

**Disclosure:** Overall disclosure is adequate, however dividend accrual is not separately categorised.

**Balance:** The CEO's salary did not change while employee pay rose by 6%. The CEO's salary is in the median of the Company's comparator group. 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 considered excessive and unnecessary. 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 excessive at 259%; total variable pay should be limited to 200% of salary. Finally, the ratio of CEO to average employee pay is considered excessive at 79:1; the ratio should not exceed 20:1.

**Rating:** AE.

Vote Cast: *Oppose*

Results: For: 88.6, Abstain: 0.7, Oppose/Withhold: 10.7,

### 4. *Approve Remuneration Policy*

**Proposed Policy Changes:** Simplified fixed pay structure combining salary and fixed pay allowances (FPA) into 'total salary' delivered as a combination of cash and shares; for future directors; the pension contribution will be set at 10% of total salary in line with the pension contribution rate for all employees in the UK; increased shareholding requirements to 250% of total salary for the Group Chief Executive and 200% of total salary for the Group Chief Financial Officer; new post-employment shareholding requirement of 100% of the shareholding requirement in place for one year and 50% of the requirement in place in the second year following cessation of employment.

**Disclosure:** Overall disclosure is satisfactory.

**Balance:** There is also no cap on maximum benefits. Maximum pension contributions are considered excessive for current directors (appointed before 2019). The maximum value of an annual incentive award granted to any executive director cannot exceed 80 per cent of that executive director's fixed pay. Under regulations, the proportion of variable remuneration that is deferred must be no less than 60 per cent which is to vest pro-rata over years three to seven after award. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. The performance period for the LTIP is three years however under the remuneration regulations, deferred remuneration vests no faster than pro rata over years three to seven after award. Executives will receive total salary delivered part in cash and part in shares to be released over five years. There is no time-frame set for Executives to build up the required shareholding.

**Contracts:** The Company has set criteria with regard to the dis-application of proration of awards on termination of employment. However, despite the changes the potential use of upside discretion is considered inappropriate.

**Rating:** BEC

Vote Cast: *Oppose*

Results: For: 62.3, Abstain: 2.4, Oppose/Withhold: 35.3,

### 5. *Elect Carlson Tong*

Newly appointed Non-Executive Director. Not considered independent as he worked for KPMG, the Company's current auditor, for over 30 years, and retired in 2011. KPMG was appointed in 1990. In addition, he is a member of the Audit Committee, which is considered an inappropriate decision, given his long-standing history with the audit firm. An oppose vote is recommended.

Vote Cast: *Oppose*

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

### 10. *Re-elect Christine Hodgson*

Senior Independent Director. Considered independent. However, she is Chair of the remuneration committee, and the Company's remuneration for the year under review is considered excessive. In addition, it is considered that the remuneration policy put forward for shareholder approval at this year's AGM provides the opportunity for excessive remuneration. In light of these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 92.1, Abstain: 0.0, Oppose/Withhold: 7.9,

### 17. *Re-appoint KPMG LLP as Auditor to the Company*

KPMG proposed. Non-audit fees represented 2.86% of audit fees during the year under review and 8.01% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. However, the current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. In addition, there is a connection between one of the Directors on the Audit Committee and KPMG, further compromising the auditor.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.1, Oppose/Withhold: 1.9,

### 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 shares repurchased by the Company under resolution 26. This represents 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-thirds 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: 97.4, Abstain: 0.1, Oppose/Withhold: 2.5,

### 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 USD330,996,724 (or 661,993,448 shares), representing approximately 20% 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: 98.6, Abstain: 0.0, Oppose/Withhold: 1.4,

#### *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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

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

#### *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% 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: 96.7, Abstain: 0.0, Oppose/Withhold: 3.2,

#### *26. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **ITV PLC AGM - 08-05-2019**

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

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 2019 LTIP have not been disclosed.

**Balance:** The CEO's salary is considered to be in the upper quartile of PIRC's comparator group which raises concerns over the excessiveness of her pay. The Changes in CEO pay over the last five years are considered in line with changes in TSR during the same period which is welcome. The CEO's total realised variable pay is considered appropriate at 132.45% of salary. However, the total face value of awards granted to the CEO under the LTIP stands at approximately 329% of her salary which is over the recommended 200% of salary. The ratio of CEO to average employee pay has been estimated and is found inappropriate at 34:1. Upon engagement, the Company stated that the normal LTIP awarded to the CEO in 2018 was equivalent to 225% of her base salary and the additional LTIP awards were one-off buy-out awards that reflect the values of awards forfeited under previous EasyJet incentive arrangements. Rating: BC

Vote Cast: *Abstain*

Results: For: 93.5, Abstain: 2.3, Oppose/Withhold: 4.2,

#### 14. *Re-appoint KPMG LLP as Auditors*

KPMG proposed. There were no non-audit fees during the year under review and non-audit fees represents approximately 7.89% of audit fees 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: 96.6, Abstain: 0.0, Oppose/Withhold: 3.3,

#### 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-thirds 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. However, it is noted that this resolution had a significant number of oppose votes at approximately 16.57% at the 2018 AGM. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 81.3, Abstain: 0.0, Oppose/Withhold: 18.7,

#### 18. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

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

Vote Cast: *Oppose*

Results: For: 94.1, Abstain: 0.0, Oppose/Withhold: 5.9,

#### 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: 97.7, Abstain: 0.0, Oppose/Withhold: 2.3,

### **LEONARDO SPA AGM - 09-05-2019**

#### *O.3. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

**ADIDAS AG AGM - 09-05-2019****5.1. *Elect Ian Gallienne***

Non-Executive Director. Not considered independent as he is CEO of GBL, significant shareholder through Desmarais Frere trust. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 82.8, Abstain: 0.0, Oppose/Withhold: 17.2,

**6. *Approve Creation of EUR 16 Million Pool of Capital with Partial Exclusion of Preemptive Rights***

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However, the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 92.4, Abstain: 0.0, Oppose/Withhold: 7.6,

**8. *Appoint the Auditors***

KPMG proposed. Non-audit fees represented 17.65% of audit fees during the year under review and 13.04% 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: 93.1, Abstain: 0.0, Oppose/Withhold: 6.9,

**5.8. *Elect Jing Ulrich***

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

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

**5.7. *Elect Bodo Uebber***

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

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

**5.6. *Elect Thomas Rabe***

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 86.2, Abstain: 0.0, Oppose/Withhold: 13.8,

**5.5. *Elect Nassef Sawiris***

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 89.3, Abstain: 0.0, Oppose/Withhold: 10.7,

### 5.3. *Elect Igor Landau*

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: 92.3, Abstain: 0.0, Oppose/Withhold: 7.7,

### 5.2. *Elect Herbert Kauffmann*

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

Vote Cast: *Oppose*

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

## **BAE SYSTEMS PLC AGM - 09-05-2019**

### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment and environmental reporting, 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 was one employee fatality which occurred during the year under review. The Company has not disclosed what measures are being taken to address the cause of this.

Vote Cast: *Oppose*

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

### 5. *Re-elect Roger Carr*

Chair. Independent upon appointment. There is no mention of the Parker Report in the Nomination Committee report. As Chair of the Nomination Committee, it is Roger Carr's responsibility to address this. As such, an oppose vote is recommended.

Vote Cast: *Oppose*

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

### 6. *Re-elect Elizabeth Corley*

Independent Non-Executive Director. There are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

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

### 8. *Re-elect Harriet Green*

Independent Non-Executive Director. This Director has an attendance record of less than 90% for both Board and Committee meetings which they were eligible to attend during the year. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

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

### 9. *Re-elect Christopher Grigg*

Independent Non-Executive Director. There are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

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

### 12. *Re-elect Nicholas Rose*

Senior Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.1, Oppose/Withhold: 2.8,

### 13. *Re-elect Ian Tyler*

Independent Non-Executive Director. There are concerns over the director's potential aggregate time commitments. Chair of the Sustainability Committee. As the Chair of the Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.7,

### 14. *Re-elect Charles Woodburn*

Chief Executive. 12 months rolling contract. The Chief Executive is considered accountable for the Company's Sustainability programme. As such, given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.0, Oppose/Withhold: 1.2,

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

## JOHN LAING GROUP PLC AGM - 09-05-2019

### 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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 92.3, Abstain: 0.0, Oppose/Withhold: 7.7,

### 13. *Re-appoint Deloitte LLP as Auditors*

Deloitte proposed. Non-audit fees represented 102.29% of audit fees during the year under review and 52.12% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 1.5, Oppose/Withhold: 3.2,

### 3. *Approve the Remuneration Report*

The CEO's variable pay for the Year Under Review is approximately 331.6% of salary (Annual Bonus: 81.5% : LTIP: 250.1%) which is considered overly excessive and above the recommended limit of 200% of salary. The CEO's salary is considered to be in the median of PIRC's comparator group. The ratio of CEO pay compared to average employee pay is approximately 5:1 which is considered acceptable. However, the increase in CEO's salary is not in line with the increase in the salary of the entire work force.

Rating: BD.

Vote Cast: *Oppose*

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

### 4. *Approve Remuneration Policy*

Overall disclosure is considered adequate. Also, the changes introduced to the policy are mainly positive, such as the doubling of the share ownership requirement to 200% of salary and the strengthening of the malus and clawback provisions. However, these changes are not considered sufficient to support the proposal. Total potential awards are excessive at 350% of salary. A portion of the annual bonus is subject to share deferral, though it is not considered adequate. Executive share schemes' long-term performance measures do not run interdependently. They are also not linked to non-financial KPIs. Performance period is not considered sufficiently long term, however, there is a holding period of two years. On termination, the Company is also entitled to terminate the Executive Directors' employment by payment of a cash sum in lieu of notice equal to salary and the cost to the Company of providing contractual benefits (including pension but excluding bonus) during what would otherwise have been the notice period. A payment in lieu of notice can, at the Company's discretion, be paid as a lump sum or in equal monthly instalments over the notice period.

Rating: AEA

Vote Cast: *Oppose*

Results: For: 93.3, Abstain: 2.2, Oppose/Withhold: 4.6,

### 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: 99.1, Abstain: 0.0, Oppose/Withhold: 0.8,

**MELROSE INDUSTRIES PLC AGM - 09-05-2019****2. Approve the Remuneration Report**

The Company compares the change in the CEO's salary with senior employees, which is not considered an appropriate comparator group. The CEO's salary increased by 5%, while average employee pay fell by approximately 20%, which has not been addressed by the Company. The CEO's salary is in the lower quartile of the Company's comparator group. 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. Total variable pay for the year under review consisted only of the annual bonus and is acceptable at 95.1% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 34:1; it is recommended that the ratio does not exceed 20:1.

Rating: CC.

Vote Cast: *Abstain*

**4. Re-elect Christopher Miller**

Executive Vice-Chair. 12 months rolling contract. He is a member of the Nomination Committee; it is considered best practice for the principal committees to comprise only independent directors.

Vote Cast: *Oppose*

**8. Re-elect Justin Dowley**

Non-Executive Chair of the Board. As there is no Chair of the Sustainability Committee up for election, the Chair of the Board is considered accountable for the Company's Sustainability programme. There is also a lack of stakeholder engagement regarding the closure of King's Norton site. This apparent disregard for those who will be affected raises serious governance concerns. As such, given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

**11. Re-elect Archie G. Kane**

Independent Non-Executive Director. He is the Chair 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%. An oppose vote is recommended.

Vote Cast: *Oppose*

**13. Re-appoint Deloitte LLP as Auditor of the Company**

Deloitte proposed. Non-audit fees represented 10.00% of audit fees during the year under review and 32.90% 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*

### 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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

### 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*

## **CENTRICA PLC AGM - 13-05-2019**

### 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 0.43%, while employee salaries increased by 2.63%. Total variable pay for the year under review is considered acceptable at approximately 123.72% of his base 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 250% of salary. The ratio of CEO pay compared to average employee pay is considered unacceptable at 35:1.

Rating: BD.

Vote Cast: *Oppose*

Results: For: 84.5, Abstain: 0.9, Oppose/Withhold: 14.6,

### 4. *Elect Charles Berry*

Newly-appointed Chair. The Chair is also chairing another company within the FTSE 350 index. 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 Chair should focus his attention only on one FTSE 350 Company.

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.1, Oppose/Withhold: 5.5,

### 13. *Re-elect Carlos Pascual*

Independent Non-Executive Director. This Director has an attendance record of less than 90% for both Board and Committee meetings which they were eligible to attend during the year. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 0.1, Oppose/Withhold: 3.6,

### 18. *Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 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. Additionally, it is noted that this resolution registered a significant level of oppose votes at approximately 10.3% at the 2018 AGM which has not been adequately addressed. On these bases, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.1, Abstain: 0.6, Oppose/Withhold: 9.3,

### 21. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

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

Vote Cast: *Oppose*

Results: For: 94.9, Abstain: 0.1, Oppose/Withhold: 5.0,

### 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: 97.3, Abstain: 0.1, Oppose/Withhold: 2.6,

## **VOLKSWAGEN AG AGM - 14-05-2019**

### 3.1. *Approve Discharge of Management Board Member H. Diess for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### 3.2. *Approve Discharge of Management Board Member K. Blessing (until April 12, 2018) for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of

the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *3.3. Approve Discharge of Management Board Member O. Blume (from April 13, 2018) for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *3.4. Approve Discharge of Management Board Member F.J. Garcia Sanz (until April 12, 2018) for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *3.5. Approve Discharge of Management Board Member J. Heizmann for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *3.6. Approve Discharge of Management Board Member G. Kilian (from April 13, 2018) for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of

the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *3.7. Approve Discharge of Management Board Member M. Mueller (until April 12, 2018) for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *3.8. Approve Discharge of Management Board Member A. Renschler for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *3.9. Approve Discharge of Management Board Member S. Sommer (from Sep. 1, 2018) for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *3.10. Approve Discharge of Management Board Member H.D. Werner for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of

the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *3.11. Approve Discharge of Management Board Member F. Witter for Fiscal 2018*

The Management Committee declared Mr. Porsche's chairmanship of the Audit Committee as not in conformity with the German Corporate Governance Code, although as a "precautionary measure". There are concerns over a Management Board who cannot identify whether there is a conflict of interest in case a family member of the major shareholder sit as Chairman of the Audit Committee. In addition, at this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst in 2015, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *4.1. Approve Discharge of Supervisory Board Member H.D. Potsch for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *4.2. Approve Discharge of Supervisory Board Member J. Hofmann for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

### *4.3. Approve Discharge of Supervisory Board Member H.A. Al-Abdulla for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *4.4. Approve Discharge of Supervisory Board Member H. S. Al-Jaber for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *4.5. Approve Discharge of Supervisory Board Member B. Althusmann for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *4.6. Approve Discharge of Supervisory Board Member B. Dietze for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *4.7. Approve Discharge of Supervisory Board Member A. Falkengren (until Feb. 5, 2018) for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *4.8. Approve Discharge of Supervisory Board Member H. P Fischer (until Feb. 5, 2018) for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 4.9. *Approve Discharge of Supervisory Board Member M. Heiss (from Feb. 14, 2018) for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 4.10. *Approve Discharge of Supervisory Board Member U. Huck for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 4.11. *Approve Discharge of Supervisory Board Member J. Jaervklo for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 4.12. *Approve Discharge of Supervisory Board Member U. Jakob for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 4.13. *Approve Discharge of Supervisory Board Member L. Kiesling for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *4.14. Approve Discharge of Supervisory Board Member P. Mosch for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *4.15. Approve Discharge of Supervisory Board Member B. Murkovic for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *4.16. Approve Discharge of Supervisory Board Member B. Osterloh for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *4.17. Approve Discharge of Supervisory Board Member H.M. Piech for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *4.18. Approve Discharge of Supervisory Board Member F.O. Porsche for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 4.19. *Approve Discharge of Supervisory Board Member W. Porsche for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 4.20. *Approve Discharge of Supervisory Board Member A. Stimoniaris for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 4.21. *Approve Discharge of Supervisory Board Member S. Weil for Fiscal 2018*

At this time it is still unclear the level of responsibility of the Management Board and the Supervisory Board on the Diesel Emissions issue. The Company has reported to have investigated the diesel emissions scandal, however despite the CEO having resigned after the scandal burst, the Company has not changed what are considered to be some of the key issues within its governance structure: among others, the overlap of major shareholders and controlling functions and a remuneration structure excessively depending on sales. Opposition is recommended.

Vote Cast: *Oppose*

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

#### 5.1. *Elect H.S. Al-Jaber to the Supervisory Board*

Non-Executive Director. Not considered to be independent as he represents Qatar Holding, a significant shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

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

#### 5.2. *Elect H.M. Piech to the Supervisory Board*

Non-Executive Director. Not considered to be independent as he represents Porsche Automobil Holding SE, which holds a significant percentage of the voting rights. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,

#### 5.3. *Elect F.O. Porsche to the Supervisory Board*

Non-Executive Director. Not considered to be independent as he is a member of the Porsche family. Porsche Automobil Holding SE holds a significant percentage of the Company's voting rights. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,

#### *7.1. Ratify PricewaterhouseCoopers GmbH as Auditors for Fiscal 2019*

PwC proposed. Non-audit fees represented 135.00% of audit fees during the year under review and 84.91% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

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

#### *7.2. Ratify PricewaterhouseCoopers GmbH as Auditors for the Half-Year Report 2019*

PwC proposed. Non-audit fees represented 135.00% of audit fees during the year under review and 84.91% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

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

#### *7.3. Ratify PricewaterhouseCoopers GmbH as Auditors for the Interim Report until Sep. 30, 2019 and the First Quarter of Fiscal 2020*

PwC proposed. Non-audit fees represented 135.00% of audit fees during the year under review and 84.91% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

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

### **BUREAU VERITAS SA AGM - 14-05-2019**

#### *O.6. Elect Frederic Sanchez as Director*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Oppose*

#### *O.8. Approve Remuneration Policy of CEO*

It is proposed to approve the remuneration policy for the CEO. Variable remuneration appears to be consistently capped, however the payout may exceed 200% of salary, raising excessiveness concerns. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

#### *O.10. Approve Compensation of Didier Michaud-Daniel, CEO*

It is proposed to approve the remuneration paid or due to the CEO with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

*Vote Cast: Oppose*

#### *O.11. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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*

#### *E.15. Authorize Capital Increase of Up to EUR 4 Million for Future Exchange Offers*

Proposed authority to issue up to 10% of the share capital to be used in exchanges in times of public offer initiated by the Company. At this time, the Company has not disclosed specific plans to future exchange offers. As the proposed authority exceeds guidelines, and in absence of specific reasons, opposition is recommended.

*Vote Cast: Oppose*

#### *E.16. Issue Shares for Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

*Vote Cast: Oppose*

#### *E.17. Approve Issue of Shares for Private Placement*

The Board requests authority to approve a global authority for the issue of capital related securities without pre-emptive rights by private placement. The authorisation is valid up to 10% of the issued share capital over a period of 26 months. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

*Vote Cast: Oppose*

#### *E.19. Authorise the Board to Increase the Number of Shares Issued in case of Exceptional Demand*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase

allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

#### *E.22. Approve Issue of Shares for Employee Saving Plan*

Authority for a capital increase for up to xxx% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

### **E.ON SE AGM - 14-05-2019**

#### *3. Discharge the Management Board*

Standard resolution. At this time, the Company does not seem to have implemented major amendments contained in the newest edition of the German Corporate Governance Code, including the setup of a Compliance Management System corresponding to the level of risk that the company is exposed. The Management Board and the Supervisory Board are the corporate bodies in charge of drafting the corporate governance statement of the Company and as such, opposition is recommended based on what is considered a reporting omission.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

#### *4. Discharge the Supervisory Board*

Standard resolution. At this time, the Company does not seem to have implemented major amendments contained in the newest edition of the German Corporate Governance Code, including the setup of a Compliance Management System corresponding to the level of risk that the company is exposed. The Management Board and the Supervisory Board are the corporate bodies in charge of drafting the corporate governance statement of the Company and as such, opposition is recommended based on what is considered a reporting omission.

Vote Cast: *Oppose*

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

#### *5.1. Ratify PricewaterhouseCoopers GmbH as Auditors for Fiscal 2019*

PwC proposed. Non-audit fees represented 5.00% of audit fees during the year under review and 10.00% 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: 93.6, Abstain: 0.0, Oppose/Withhold: 6.4,

### 5.3. Ratify PricewaterhouseCoopers GmbH as Auditors for the First Quarter of Fiscal 2020

PwC proposed. Non-audit fees represented 5.00% of audit fees during the year under review and 10.00% 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: 93.6, Abstain: 0.0, Oppose/Withhold: 6.4,

### 5.2. Ratify PricewaterhouseCoopers GmbH as Auditors for Half-Year and Quarterly Reports 2019

PwC proposed. Non-audit fees represented 5.00% of audit fees during the year under review and 10.00% 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: 93.6, Abstain: 0.0, Oppose/Withhold: 6.4,

## CAPITA PLC AGM - 14-05-2019

### 2. Approve the Remuneration Report

Overall disclosure is considered appropriate. The CEO's salary for the year under review is in the median of the Company's comparator group. The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. The CEO's total realised pay during the year amounts to approximately 169.4% of his base salary and No LTIP vested. In addition he was awarded an LTIP of 300% of his base salary which is considered excessive. Also, the ratio of CEO pay compared to average employee pay is considered unacceptable at 77:1. Rating: BD.

Vote Cast: *Oppose*

Results: For: 36.5, Abstain: 13.4, Oppose/Withhold: 50.2,

### 12. Re-appoint KPMG as Auditors

KPMG proposed. Non-audit fees represented 32.00% of audit fees during the year under review and 23.88% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

Results: For: 49.8, Abstain: 0.3, Oppose/Withhold: 49.8,

### 17. Authorise Share Repurchase

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

Vote Cast: *Oppose*

Results: For: 49.8, Abstain: 0.1, Oppose/Withhold: 50.1,

**PIRELLI & CO AGM - 15-05-2019****2.1. *Elect Ning Gaoning as Director***

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: China National Chemical Corporation. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

**3. *Approve Remuneration Policy***

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

**SAP SE AGM - 15-05-2019****5. *Appoint the Auditors***

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

Vote Cast: *Oppose*

Results: For: 98.0, Abstain: 0.1, Oppose/Withhold: 2.0,

**6.1. *Elect Hasso Plattner***

Non-Executive Director. Not considered independent as he is the founder, former Co-CEO and a significant shareholder of the company, who owns a significant percentage of the company's issued share capital. In addition, he entered into a contract with SAP under which he provides consulting services. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 91.3, Abstain: 1.7, Oppose/Withhold: 7.1,

**6.2. *Elect Pekka Ala-Pietila***

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: 79.2, Abstain: 0.1, Oppose/Withhold: 20.7,

**6.4. *Elect Diane Greene***

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.

Vote Cast: *Abstain*

Results: For: 90.0, Abstain: 4.8, Oppose/Withhold: 5.2,

#### 6.6. *Elect Bernard Liautaud*

Non-Executive Director. Not considered independent as he is the Founder and ex-CEO of Business Objects S.A., a major acquisition of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 92.9, Abstain: 0.1, Oppose/Withhold: 7.0,

#### 6.7. *Elect Gerhard Oswald*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as Executive from 1996 to 2016. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 92.7, Abstain: 0.1, Oppose/Withhold: 7.2,

### **WILLIAM HILL PLC AGM - 15-05-2019**

#### 11. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 14.29% of audit fees during the year under review and 61.11% 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.1, Oppose/Withhold: 1.1,

#### 16. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 86.1, Abstain: 0.0, Oppose/Withhold: 13.9,

### **ERSTE GROUP BANK AG AGM - 15-05-2019**

#### 8. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

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

### 9. Authorize Share Repurchase Program and Reissuance of Repurchased Shares to Key Employees

It is proposed to authorise the Board to purchase Company's shares until 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: 67.5, Abstain: 0.9, Oppose/Withhold: 31.6,

### 10. Authorize Share Repurchase Program and Reissuance or Cancellation of Repurchased Shares

It is proposed to authorise the Board to purchase Company's shares until 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. The repurchase of shares for the purposes of cancellation is considered to be a means of artificially inflating EPS and share price, disguising long term decreases in Company value. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.1, Oppose/Withhold: 2.3,

### 7.2. Elect Matthias Bulach as Supervisory Board Member

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: CaixaBank. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 75.0, Abstain: 0.7, Oppose/Withhold: 24.3,

### 7.5. Reelect Gunter Griss Supervisory Board Member

Non-Executive Director. Not considered independent as he is a representative of the savings banks. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 92.3, Abstain: 0.0, Oppose/Withhold: 7.7,

## TP ICAP PLC AGM - 15-05-2019

### 3. Approve Remuneration Policy

#### Policy rating: **BDB**

Overall disclosure is adequate. Changes are to implemented in the Remuneration Policy, regarding the Executive Directors rewards. The Annual Bonus maximum opportunity will be 2.5x salary but on target performance the actual amount will be 50% of the maximum, which as percentage is 150% of the salary. Performance criteria with their weighting will be: Underlying Operating Profit (50%), Return on Equity (20%) and Strategic Performance (30%). In addition, 50% of the Annual Bonus will be awarded in Company shares and deferred for three years. Malus and Clawbacks will apply for the Annual Bonus. The Long-term Incentive program will be replaced by a new one. The new LTIP will have two financial performance criteria: EPS CAGR (50%) and relative TSR (50%). In addition, the LTIP will have a three-year vesting period which is not appropriate, however the Company add two a two-year holding period after the vesting of the shares which is welcome. Malus and clawback will apply for the LTIP. In addition, the Directors must hold a minimum number of shares equivalent to 300% of base salary in respect of the CEO and 200% of base salary for all other Executive Directors built up over a five-year period, which is adequate. The maximum potential will be at 2.5x salary which in percentage is 250% of salary for all Executives and is excessive. Total potential pay under the new policy is excessive. The overall maximum variable pay is at 350% of the salary and is excessive. The Company states that it has engaged with shareholders and consulted with them for the new remuneration policy.

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.1, Oppose/Withhold: 3.7,

#### 15. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 1.64% of audit fees during the year under review and 8.06% 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.8, Abstain: 0.2, Oppose/Withhold: 4.0,

#### 18. *Approve New Long Term Incentive Plan*

The Board proposes the approval of a new long-term incentive plan. Under the plan, the CEO and other executives will be awarded rights to shares, a portion (or all) of which will vest depending on the achievement of some performance criteria. The Long-term Incentive program will be replaced by a new one. The new LTIP will have two financial performance criteria: EPS CAGR (50%) and relative TSR (50%). In addition, the LTIP will have a three-year vesting period which is not appropriate, however the Company add two a two-year holding period after the vesting of the shares which is welcome. Malus and clawback will apply for the LTIP. In addition, the Directors must hold a minimum number of shares equivalent to 300% of base salary in respect of the CEO and 200% of base salary for all other Executive Directors built up over a five-year period, which is adequate. The maximum potential will be at 2.5x salary which in percentage is 250% of salary for all Executives and is excessive.

LTIP schemes are not considered an effective means of incentivizing performance and are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company. They are acting as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure. Based on this opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.1, Oppose/Withhold: 3.7,

#### 21. *Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

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

Vote Cast: *Oppose*

Results: For: 84.3, Abstain: 0.0, Oppose/Withhold: 15.7,

#### 22. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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,

**LLOYDS BANKING GROUP PLC AGM - 16-05-2019****14. *Approve the Remuneration Report***

**Disclosure:** Overall disclosure is acceptable.

**Balance:** The changes in CEO pay over the last five years is not in line with the changes in Company's TSR performance over the same period. CEO changes were 1.76% when the TSR for the same period decline at -4.36%. There are concerns over the level of variable pay of the CEO which represents 272.9% of the annual salary. The ratio of CEO to average employee pay has been estimated and is found excessive at 110:1.

Rating: AE.

Vote Cast: *Oppose*

Results: For: 90.0, Abstain: 2.1, Oppose/Withhold: 7.9,

**16. *Appoint the Auditors***

PwC proposed. Non-audit fees represented 8.51% of audit fees during the year under review and 11.08% 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. Opposition is recommended

Vote Cast: *Oppose*

Results: For: 96.7, Abstain: 0.0, Oppose/Withhold: 3.3,

**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 GBP 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. 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 20 and 23 are intended to provide the Directors with the flexibility to authorize 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 disincentivizes equity investors from putting more new funds in the 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 destabilizing 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: 97.5, Abstain: 0.1, Oppose/Withhold: 2.3,

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

Vote Cast: *Oppose*

Results: For: 94.6, Abstain: 0.3, Oppose/Withhold: 5.1,

**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 authorize 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 GBP 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: 96.7, Abstain: 0.1, Oppose/Withhold: 3.2,

**24. Authorise Share Repurchase**

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

Vote Cast: *Oppose*

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

**NITORI HOLDINGS CO LTD AGM - 16-05-2019**

**1.1. Elect Nitori Akio**

President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity.

Vote Cast: *Oppose*

**1.4. Elect Matsumoto Fumiaki**

Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity.

Vote Cast: *Oppose*

**WENDEL COMBINED - 16-05-2019**

**O.5. Elect Gervais Pelliser**

Independent Vice Chair. However, there are concerns over the director's potential aggregate time commitments.

*Vote Cast: Abstain*

*O.6. Elect Humbert de Wendel*

Non-Executive Director. Not considered independent as he is a member of the controlling shareholder family group. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*O.7. Approve the Remuneration of the Chair of The Management Board*

It is proposed to approve the remuneration policy to the Chair of the Management Board. The Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these bases, opposition is recommended.

*Vote Cast: Oppose*

*O.8. Approve Remuneration of Management Board*

The Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these bases, opposition is recommended.

*Vote Cast: Oppose*

*O.9. Approve Fees Payable to the Board of Directors*

It is proposed to increase the maximum amount payable to the Executive Board by more than 10% on annual basis. The increase is considered material and exceeds guidelines, while the Company has not duly justified it. Therefore, opposition is recommended.

*Vote Cast: Oppose*

*O.10. Approve Remuneration of Chair of Management Board*

It is proposed to approve the remuneration paid to the Chair of the Management Board. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

*Vote Cast: Oppose*

*O.11. Approve Remuneration of Bernard Gautier as Member of the Management Board*

It is proposed to approve the remuneration of Gautier as Member of the Management Board. Pay out is in line with best practice, However the Company has not fully

disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

*Vote Cast: Oppose*

*O.13. Approve the Remuneration Paid to Nicolas Ver Hulst as Chair of the Board Starting 17 May 2018*

It is proposed to approve the fees payable to Nicolas Ver Hulst as Chair of the Board Starting 17 May 2018. The Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

*Vote Cast: Oppose*

*O.14. Appoint the Auditors*

EY proposed. During the year under review fees paid to the secondary auditor PwC are presented. Non-audit fees represented 9.85% of audit fees during the year under review and 17.05% 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*

*O.16. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10%. 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*

*E.19. Issue Shares for Executive Board Members*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

*Vote Cast: Oppose*

*E.20. Issue Shares For Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

## G4S PLC AGM - 16-05-2019

### 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 LTIP. Dividend equivalents paid on vested shares are not separately categorized.

**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 131:1, which is unacceptable. The balance of CEO realized 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 30.72% whereas, on average, TSR has decreased by 0.64%. What's more, the ratio of CEO pay compared to average employee pay is 131:1, which is unacceptable.

Rating: CD

Vote Cast: *Oppose*

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

### 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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 93.6, Abstain: 0.1, Oppose/Withhold: 6.3,

### 19. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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,

## LEAR CORPORATION AGM - 16-05-2019

### 1a. *Elect Thomas P. Capo*

Independent Non-Executive Director. 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*

1c. *Elect Jonathan F. Foster*

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*

1f. *Elect Conrad L. Mallett, Jr.*

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*

1h. *Elect Gregory C. Smith*

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*

1i. *Elect Henry D.G. Wallace*

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

Vote Cast: *Oppose*

2. *Appoint the Auditors*

EY proposed. Non-audit fees represented 27.82% of audit fees during the year under review and 23.95% 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*

3. *Advisory Vote on Executive Compensation*

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

Vote Cast: *Oppose*

4. *Approve New Omnibus Plan*

The Plan is presented as an omnibus plan, which means that bundled within the same official plan there are various incentive plan elements aimed at rewarding different groups of employees, officers and executives. However, it is noted that the Compensation Committee retains the power to select employees to receive awards

and determine the terms and conditions of awards (and also note that 'management employees' appear most likely to be the principal beneficiaries of the Plan). On this basis, opposition is recommended.

Vote Cast: *Oppose*

## PRUDENTIAL PLC AGM - 16-05-2019

### 1. *Receive the Annual Report*

The Strategic Review is considered adequate. There are adequate environmental and employment policies in place. Quantified environmental data has been published. It is noted that the Company has not provided shareholders with an opportunity to approve dividends paid during the year. Given the lack of opportunity to approve the dividend, shareholders are recommended to oppose.

Vote Cast: *Oppose*

Results: For: 99.0, Abstain: 0.4, Oppose/Withhold: 0.6,

### 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 498.9% of salary (Annual Bonus: 189.4%, LTIP: 309.5%). The ratio of CEO to average employee pay has been estimated and is found unacceptable at 53:1.

Rating: BD.

Vote Cast: *Oppose*

Results: For: 95.4, Abstain: 0.3, Oppose/Withhold: 4.3,

### 15. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 20.35% of audit fees during the year under review and 24.36% 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.0, Oppose/Withhold: 3.2,

### 22. *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 disincentivizes equity investors from putting more new funds in the 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 destabilizing 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: 98.4, Abstain: 0.3, Oppose/Withhold: 1.3,

### 23. *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 22, an oppose vote is recommended.

Vote Cast: *Oppose*

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

### 24. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.1, Oppose/Withhold: 1.3,

## **MICHELIN AGM - 17-05-2019**

### O.5. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.6, Abstain: 0.0, Oppose/Withhold: 0.3,

### O.6. *Approve Remuneration of Chief Executive*

It is proposed to approve the remuneration of Jean-Dominique Senard. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.0, Oppose/Withhold: 3.2,

### O.7. *Approve Remuneration of Managing General Partner*

It is proposed to approve the remuneration paid to Florent Menegaux. The Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an

accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.7,

#### *O.8. Approve Remuneration of Non-General Managing Partner*

It is proposed to approve the remuneration paid to Yves Chapot. The Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

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

#### *O.12. Approve Fees Payable to the Board of Directors*

It is proposed to increase the amount payable to the Board of Directors by more than 10% on annual basis. The increase is considered material and exceeds guidelines, The Company has provided insufficient justification for said increase. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 99.1, Abstain: 0.1, Oppose/Withhold: 0.8,

#### *E.13. Issue Shares for Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

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

### **NOKIA OYJ AGM - 21-05-2019**

#### *13. Appoint the Auditors*

PwC proposed. Non-audit fees represented 8.03% of audit fees during the year under review and 8.22% 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*

#### *16. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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*

## **ILIAD AGM - 21-05-2019**

### *1. Approve Financial Statements and Statutory Reports*

At this time, the Company has not published an English language version of the Reference Document, which is regrettable as the Company is a large entity as defined by the EU Audit Directive, which has legislative relevance for the European Economic Area (EEA). Although there is no legal obligation in this market, it is considered that larger entities should publish also an English language version of their annual report, for consideration by international investors. On this basis, abstention is recommended. However, as abstain is not a valid voting option for this meeting, opposition is recommended.

Vote Cast: *Oppose*

### *2. Approve Consolidated Financial Statements and Statutory Reports*

At this time, the Company has not published an English language version of the Reference Document, which is regrettable as the Company is a large entity as defined by the EU Audit Directive, which has legislative relevance for the European Economic Area (EEA). Although there is no legal obligation in this market, it is considered that larger entities should publish also an English language version of their annual report, for consideration by international investors. On this basis, abstention is recommended. However, as abstain is not a valid voting option for this meeting, opposition is recommended.

Vote Cast: *Oppose*

### *6. Approve Compensation of Maxime Lombardini, Chair of the Board Since May 21, 2018*

It is proposed to approve the remuneration paid or due to Maxime Lombardini, Chair of the Board Since May 21, 2018 with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

### *8. Approve Compensation of Thomas Reynaud, CEO Since May 21, 2018*

It is proposed to approve the remuneration paid or due to Thomas Reynaud, CEO Since May 21, 2018 with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

### *12. Approve Compensation of Rani Assaf, Vice-CEO*

It is proposed to approve the remuneration paid or due to Rani Assaf, Vice-CEO with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

*Vote Cast: Oppose*

### *13. Approve Compensation of Alexis Bidinot, Vice-CEO*

It is proposed to approve the remuneration paid or due to Alexis Bidinot, Vice-CEO with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

*Vote Cast: Oppose*

### *14. Approve Compensation of Antoine Levavasseur, Vice-CEO*

It is proposed to approve the remuneration paid or due to Antoine Levavasseur, Vice-CEO with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

*Vote Cast: Oppose*

### *15. Approve Remuneration Policy of Chair of the Board*

It is proposed to approve the remuneration policy of Chair of the Board. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for executive directors, given the free stock attribution. The Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

*Vote Cast: Oppose*

### *16. Approve Remuneration Policy of CEO*

It is proposed to approve the remuneration policy of CEO. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for executive directors, given the free stock attribution. The Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

*17. Approve Remuneration Policy of Vice-CEOs*

It is proposed to approve the remuneration policy of Vice-CEOs. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for executive directors, given the free stock attribution. The Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

*18. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 26 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

*19. Issue Shares with Pre-emption Rights*

Authority sought to issue shares with pre-emptive rights. The authorisation is limited to a number of ordinary shares with a nominal value amounting to 40% of the issued capital over a period of 26 months. However, the authority can be used in time of public offer. Opposition is recommended.

Vote Cast: *Oppose*

*20. Issue Shares for Cash*

Authority is sought to issue shares without pre-emptive rights. Regardless of the corresponding dilution, it can be used in time of public offer, which is considered to be an anti-takeover device. Opposition is recommended.

Vote Cast: *Oppose*

*21. Approve Issue of Shares for Private Placement*

The Board requests authority to approve a global authority for the issue of capital related securities without pre-emptive rights by private placement. The authorisation is valid up to 20% of the issued share capital over a period of 26 months. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

*22. Approve Issue of Shares Deviating from Price Fixing Conditions*

The Board requests authority to issue capital related securities without adhering to the general pricing conditions. Under this authority, the company would be authorised to issues shares at a discount of 10% up to a total of 10% of the issued share capital over a period of 12 months at a time, until a total duration of the authority of 26 months. Given concerns over the level of discount and the amount of the authority, opposition is recommended.

Vote Cast: *Oppose*

*23. Authorise the Board to Increase the Number of Shares Issued in case of Exceptional Demand*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

*24. Approve Issue of Shares for Contribution in Kind*

The Board requests authority to issue shares and capital securities in consideration for contributions in kind up to 10% of the issued share capital over a period of 26 months. The proposal is within legal limits, however it can be implemented also in time of public offer. Opposition is recommended.

Vote Cast: *Oppose*

*25. Authorize Capital Increase of up to 3 Percent of Issued Capital for Contributions in Kind from Employees and Corporate Officers*

Proposal to authorize for 26 months the Board to allot shares free of charge to employees and executives. Share issued under this authorization will not enjoy pre-emptive rights and will be attributed free of charge to management or employees. The Board would maintain full discretion over the beneficiaries. Incentives such as this are not related to performance and as such may reward the position of the recipient instead of performance. Opposition is recommended.

Vote Cast: *Oppose*

*26. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

Proposed authority to issue up to 10% of the share capital to be used in exchanges in times of public offer initiated by the Company. At this time, the Company has not disclosed specific plans to future exchange offers. As the proposed authority exceeds guidelines, and in absence of specific reasons, opposition is recommended.

Vote Cast: *Oppose*

*28. Approve Issue of Shares for Employee Saving Plan*

Authority for a capital increase for up to 1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

**ARKEMA AGM - 21-05-2019****7. *Reelect Laurent Mignon as Director***

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*

**9. *Approve Remuneration Policy of Chairman and CEO***

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-mix is considered unbalanced towards the variable component and this latter considered excessive. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

**10. *Approve Compensation of Thierry Le Henaff, Chair and CEO***

It is proposed to approve the remuneration paid or due to Thierry Le Henaff, Chair and CEO with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary (bonus plus value of awarded performance shares). The Company has disclosed some quantified targets against which the achievements and the corresponding variable remuneration has been calculated, although there are concerns regarding the criteria 'contribution of new developments', as well as the qualitative one, as these are difficult to quantify and as such leave room for discretion. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

**11. *Authorise Share Repurchase***

It is proposed to authorise the Board to purchase Company's shares for 10% and 26 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

**13. *Approve New Executive Share Plan***

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets (return on average capital employed, REBIT and average capital employed) have not been fully disclosed in a quantified manner at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

As regards return on average capital employed, REBIT and average capital employed, which were already adjusted for the impact of major acquisitions, the year of the acquisition and the following two years, will also be adjusted for the impact of exceptional investments in progress until the year in which the investment is commissioned and the following two years. The Board also stipulated that for plans decided as from 2019: the maximum achievement rate for each criterion will be set at 120% with no cap on the global allocation (i.e., in practice, a global allocation rate of 120%); and for the comparative Total Shareholder Return criterion, there will be no grants if

the performance is below the median.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

## ROYAL DUTCH SHELL PLC AGM - 21-05-2019

### 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, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.7, Oppose/Withhold: 1.1,

### 2. *Approve the Remuneration Report*

**Disclosure:** Disclosure of performance conditions and targets is adequate. The CEO's total realised variable pay is considered excessive at approximately 1192.46% of salary (Annual Bonus: 196.46%, LTIP: 996.00%). The CEO's salary is considered in the upper quartile of a peer comparator group. The ratio of CEO to average employee pay has been estimated and is found unacceptable at 41:1. Also, the balance of CEO realized 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. Additionally, it is noted that the vote on Remuneration Report registered a significant number of oppose votes at approximately 25.22% at the 2018 AGM which has not been adequately addressed.  
Rating: AE.

Vote Cast: *Oppose*

Results: For: 87.6, Abstain: 2.6, Oppose/Withhold: 9.8,

### 9. *Re-appoint Gerard Kleisterless*

Senior Independent Director. Considered independent. However he is Chair of the remuneration committee and concerns remain over the excessive levels of remuneration, as evidenced by repeated recommended oppose votes against the report.

Vote Cast: *Oppose*

Results: For: 94.2, Abstain: 2.6, Oppose/Withhold: 3.2,

### 20. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 0.6, Oppose/Withhold: 1.5,

### 21. Approve Political Donations

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 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 maximum limit sought under this authority is considered excessive. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 99.9, Abstain: 0.0, Oppose/Withhold: 0.0,

### 22. Shareholder Resolution: Publish targets that are aligned with the goal of the Paris Climate Agreement

Shareholders request the Company 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 need at least to cover the greenhouse gas (GhG) emissions of the Company's operations and the use of its energy products (Scope 1, 2 and 3), and to be intermediate and long-term. The shareholders request that the Company base these targets on quantitative metrics such as GHG intensity metrics (GHG emissions per unit of energy) or other quantitative metrics that the Company deems suitable to align their targets with a well below 2C pathway. Additionally, the shareholders request that annual reporting include information about plans and progress to achieve these targets.

**Board's Opposing Argument:** The Directors consider that this Resolution is not in the best interests of the Company and its shareholders, and recommend that the resolution is opposed. Shell agrees with the importance attached by its investors to the issue of climate change and believes its future success depends on effectively navigating the risks, opportunities and uncertainties presented by the energy transition. In November 2017, Shell announced its ambition to reduce its Net Carbon Footprint (NCF) in step with Society's drive to meet the goals of the Paris Agreement. Also, Shell announced in a Joint Statement released on December 3, 2018 that it will operationalise its ambition in line with climate change by setting NCF-specific short-term targets, and that it will incorporate a link between energy transition and the long-term remuneration of executives. In 2019, Shell decided to set an NCF target for 2021 of 2–3% lower than our 2016 NCF of 79 grams of CO<sub>2</sub>-equivalent per megajoule.

**PIRC Analysis:** Previous analysis on this resolution recognised the flexibility for Shell regarding choice of metrics to base targets on. 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*

## BP PLC AGM - 21-05-2019

### 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: 97.9, Abstain: 1.0, Oppose/Withhold: 1.1,

### 2. Approve the Remuneration Report

Overall disclosure is satisfactory. The Company stated that employee salaries rose by 4.4%. However, the employee group is not considered to be an appropriate comparator group, as it consists of professional/managerial grade employees based in the UK and US which represent approximately one-third of the total employee

base at the Company. The total variable pay for the year under review is considered to be inappropriately excessive, amounting to approximately 686.78% of salary. The ratio of CEO pay compared to average employee pay is unacceptable at 34:1. The Company stated in the report that performance shares will be granted to the CEO in 2019 at 500% of his base salary which is also considered to be overly excessive. In addition, the CEO's salary is in the upper quartile of the Company's comparator group which raises concerns over the excessiveness of his pay.

Rating: CD.

Vote Cast: *Oppose*

Results: For: 93.6, Abstain: 2.5, Oppose/Withhold: 4.0,

#### 5. *Re-elect Nils Andersen*

Independent Non-Executive Director. This Director has an attendance record of less than 90% for both Board and Committee meetings which he was eligible to attend during the year. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 97.3, Abstain: 0.9, Oppose/Withhold: 1.8,

#### 6. *Re-elect Dame Alison Carnwath*

Independent Non-Executive Director. There are concerns over the Directors aggregate time commitments. Furthermore, this director has failed to attend 90% of Board and Committee meetings for which she was eligible. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 95.8, Abstain: 0.9, Oppose/Withhold: 3.3,

#### 8. *Re-elect Ian Davis*

Senior Independent Director. This director is not considered independent owing to a tenure of over nine years. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. Therefore, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 0.9, Oppose/Withhold: 1.6,

#### 10. *Elect Hegge Lund*

Newly-appointed Chair. The Chair is also chairing another company, Novo Nordisk AS which is listed in the Nasdaq Copenhagen and the New York Stock Exchange. 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 Chair should focus his attention on one listed Company.

Vote Cast: *Oppose*

Results: For: 97.3, Abstain: 0.9, Oppose/Withhold: 1.7,

#### 13. *Re-elect Paula Reynolds*

Independent Non-Executive Director. This Director has an attendance record of less than 90% for both Board and Committee meetings which she was eligible to attend during the year. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.4, Abstain: 1.4, Oppose/Withhold: 2.3,

### 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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 1.1, Oppose/Withhold: 3.6,

### 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: 97.2, Abstain: 1.3, Oppose/Withhold: 1.5,

### 23. *Shareholder Resolution: Approve the Follow This Shareholder Resolution on Climate Change Targets*

The resolution has been requisitioned by a group of shareholders co-ordinated by the organisation 'Follow This'. It requests that the company sets and publishes targets that are aligned with the goal of the Paris Climate Agreement to limit global warming to well below 2C. In doing so, they consider it would require the company to invest accordingly in the energy transition to a zero-emission energy system. The requisitionists set out that emissions from energy products are crucial in the Paris Climate Agreement and that BP's targets should include these, and be intermediate and long-term. It is noted that BP's peer, Royal Dutch Shell has set a long-term 'ambition' to halve its carbon intensity by 2050. The BP board does not support the resolution, considering that setting specific long-term reduction targets is inconsistent with the flexibility that is central to its strategy and noting that it calls for targets for Scope 3 (end user) emissions that BP does not control. The Company stated that requesting it sets intermediate and long-term quantitative targets would require them to restrict flexibility it needs to adjust the pace and direction of the energy transition and could inhibit their ability to deliver long-term shareholder value. The Company considers that this flexibility is inherent to their strategy to best enable it to meet the dual challenge of providing more energy with fewer greenhouse gas emissions) while also growing shareholder value. **PIRC Analysis:** Scope 3 emission reductions are necessary over the long-term for oil and gas companies to align with the goals of the Paris Agreement. As noted by the requisitionists, Royal Dutch Shell has set a long-term 'ambition' to halve its carbon intensity by 2050. In doing so, it has allowed for a variety of methods extending beyond its own operations to reduce its net carbon footprint. There is scope for BP to move towards the position of one of its peers, in taking more steps to address the entirety of its emissions. However, BP has agreed to set out its strategy consistent with the Paris goals in more detail, providing that flexibility is provided on target setting. This flexibility it considers central to its business strategy. The resolution does not provide this flexibility. On this basis, an abstention is recommended

Vote Cast: *Abstain*

Results: For: 7.9, Abstain: 5.9, Oppose/Withhold: 86.2,

## AMERICAN INTERNATIONAL GROUP INC AGM - 21-05-2019

### 2. *Advisory Vote to Ratify Named Executive Officers' Compensation*

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

Vote Cast: *Oppose*

Results: For: 85.7, Abstain: 5.3, Oppose/Withhold: 9.0,

#### 4. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 5.85% of audit fees during the year under review and 10.54% 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: 96.5, Abstain: 0.1, Oppose/Withhold: 3.4,

#### 11. *Elect Douglas M. Steenland*

Chair. Not considered independent owing to a tenure of over nine years. Additionally, as there is no Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given the concerns over the Company's sustainability policies and practice, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.3, Abstain: 0.1, Oppose/Withhold: 8.6,

### **SEB SA AGM - 22-05-2019**

#### 5. *Elect Thierry Lescure as Director*

Non-Executive Director. Not considered independent as the director is the representative of Generation, a significant shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 6. *Elect Generation as Director*

Non-Executive Director. Not considered independent as the director represents Generation, where she is Chair of the board. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 7. *Elect Aude de Vassart as Director*

Non-Executive Director. Not considered independent as the director is representing Venelle, the major shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### *8. Reelect William Gairard as Director*

Non-Executive Director. Not considered to be independent as he is member of the founders' group and associate of Venelle Investissement. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *10. Approve Termination Package of Stanislas de Gramont, Vice-CEO*

Proposal for shareholder approval of the related party agreement with Stanislas de Gramont, Vice-CEO relating to the severance agreement as required by French Corporate Law. [Describe agreement]. As the value of the proposed agreement exceeds one year fixed salary, opposition is recommended.

*Vote Cast: Oppose*

#### *11. Approve Remuneration Policy of Thierry de la Tour d Artaise, Chairman and CEO and Stanislas de Gramont, Vice-CEO*

It is proposed to approve the remuneration policy of Thierry de la Tour d Artaise, Chairman and CEO and Stanislas de Gramont, Vice-CEO. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

#### *12. Approve Compensation of Thierry de la Tour d Artaise, Chair and CEO*

It is proposed to approve the remuneration paid or due to Thierry de la Tour d Artaise, Chair and CEO with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

*Vote Cast: Oppose*

#### *13. Approve Compensation of Stanislas de Gramont, Vice-CEO*

It is proposed to approve the remuneration paid or due to Stanislas de Gramont, Vice-CEO with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

*Vote Cast: Oppose*

#### 14. *Approve Compensation of Bertrand Neuschwander, Vice-CEO*

It is proposed to approve the remuneration paid or due to Bertrand Neuschwander, Vice-CEO with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

#### 15. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 26 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

#### 17. *Issue Shares with Pre-emption Rights*

Authority sought to issue shares with pre-emptive rights. The authorisation is limited to a number of ordinary shares with a nominal value amounting to 10% of the issued capital over a period of 14 months. However, the authority can be used in time of public offer. Opposition is recommended.

Vote Cast: *Oppose*

#### 18. *Issue Shares for Cash*

Authority is sought to issue shares without pre-emptive rights for 10% of the share capital and for 14 months. Regardless of the corresponding dilution, it can be used in time of public offer, which is considered to be an anti-takeover device. Opposition is recommended.

Vote Cast: *Oppose*

#### 19. *Approve Issue of Shares for Private Placement*

The Board requests authority to approve a global authority for the issue of capital related securities without pre-emptive rights by private placement. The authorisation is valid up to 10% of the issued share capital over a period of 26 months. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

#### 22. *Authorize up to 234,000 Shares for Use in Restricted Stock Plans*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. The vesting period of three years is not considered sufficiently long-term.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful

- dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

### 23. *Approve Issue of Shares for Employee Saving Plan*

Authority for a capital increase for up to 1% of share capital for employees participating to saving plans. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the discount to be applied exceeds guidelines (20%). Opposition is therefore recommended.

Vote Cast: *Oppose*

## **SYMRISE AG AGM - 22-05-2019**

### 3. *Approve Discharge of Management Board for Fiscal 2018*

Standard proposal. No serious governance concerns have been identified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, and the financial statements are not submitted to vote, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

### 4. *Approve Discharge of Supervisory Board for Fiscal 2018*

Standard proposal. No serious governance concerns have been identified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, and the financial statements are not submitted to vote, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 91.7, Abstain: 0.0, Oppose/Withhold: 8.3,

## **BOVIS HOMES GROUP PLC AGM - 22-05-2019**

### 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 not considered in line with changes in TSR during the same period. Total variable pay for the year under review is not acceptable at 207.2% of salary (Annual Bonus 89% and LTIP 118.2%) 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% while the salaries of employees as a whole increased by 3.64%. The CEO's salary is in the UPPER quartile of the Company's comparator group.

Rating: AD.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,

#### 4. *Re-elect Ian 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. An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 96.1, Abstain: 0.8, Oppose/Withhold: 3.1,

#### 5. *Re-elect Margaret Chris Browne*

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

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.6, Oppose/Withhold: 0.4,

#### 6. *Re-elect Ralph 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 and membership of the remuneration committee. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.6, Oppose/Withhold: 0.4,

#### 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: 99.3, Abstain: 0.1, Oppose/Withhold: 0.6,

### **STMICROELECTRONICS NV AGM - 23-05-2019**

#### 4.B. *Approve Financial Statements*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, and there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, an abstain vote is recommended on the Annual Report.

Vote Cast: *Abstain*

Results: For: 99.5, Abstain: 0.2, Oppose/Withhold: 0.3,

#### 5.A. *Approve Remuneration Granted to CEO and President*

It is proposed to approve the remuneration granted to the CEO. Variable remuneration does not appear to be consistently capped. In addition the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against

underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 62.1, Abstain: 0.1, Oppose/Withhold: 37.8,

#### *5.B. Approve Bonus Paid to CEO and President*

It is proposed to approve the Bonus paid to the CEO. The annual bonus is capped at 150% of base salary, which is considered excessive. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 68.6, Abstain: 0.1, Oppose/Withhold: 31.2,

#### *9. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until 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: 89.2, Abstain: 0.1, Oppose/Withhold: 10.7,

#### *10.A. Issue Shares for Cash*

Authority is sought to issue shares without pre-emptive rights to an amount of more than 10% of the share capital, which is deemed excessive. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 65.5, Abstain: 0.1, Oppose/Withhold: 34.4,

#### *10.B. Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment*

It is proposed to authorize the Board to issue shares without pre-emptive rights in the Case of Mergers or Acquisition until next AGM. The proposed amount of shares issued will exceed 10% of the current share capital without pre-emptive rights.

Vote Cast: *Oppose*

Results: For: 72.7, Abstain: 0.1, Oppose/Withhold: 27.2,

### **LEGAL & GENERAL GROUP PLC AGM - 23-05-2019**

#### *16. Approve the Remuneration Report*

**Disclosure:** Overall, disclosure is considered adequate.

**Balance:** The CEO's salary is below the upper quartile of a peer 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. However, the ratio of CEO pay compared to that of the average employee exceeds the recommended limit of 20:1 and is therefore not considered appropriate. Also, total combined variable reward paid during

the year is considered excessive, exceeding the 200% recommended threshold.

Rating:AC

Vote Cast: *Abstain*

Results: For: 97.2, Abstain: 0.7, Oppose/Withhold: 2.2,

#### 18. *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 2019, 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. 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: 99.3, Abstain: 0.0, Oppose/Withhold: 0.7,

#### 23. *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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 97.3, Abstain: 0.0, Oppose/Withhold: 2.7,

#### 24. *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 2019. 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 18, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### 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: 99.2, Abstain: 0.1, Oppose/Withhold: 0.7,

## AVIVA PLC AGM - 23-05-2019

### 2. *Approve the Remuneration Report*

**Disclosure:** 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.

**Balance:** The CEO's salary is ranked in the median of PIRC's comparator group. The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. The CEO's realised variable pay has been estimated and is found acceptable at 84.80% of salary. The ratio of CEO to average employee pay has been estimated and is found unacceptable at 40:1. Furthermore, loss of office payments were made to the CEO, Mark Wilson, which is considered to be overly excessive  
Rating: AD

Vote Cast: *Oppose*

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

### 5. *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: 95.7, Abstain: 1.0, Oppose/Withhold: 3.4,

### 7. *Re-elect Patricia Cross*

Independent Non-Executive Director. It is noted that Ms Cross is a Non-Executive Director on the board of Macquarie Group Limited and Macquarie Bank Ltd. There are concerns over a potential conflict of interest between these roles. Additionally, the disclosure regarding this conflict is considered insufficient. On balance, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.1, Oppose/Withhold: 2.2,

### 13. *Re-appoint PricewaterhouseCoopers LLP as Auditors*

PwC proposed. Non-audit fees represented 12.10% of audit fees during the year under review and 27.90% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

Results: For: 98.4, Abstain: 1.5, Oppose/Withhold: 0.1,

### 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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.2, Abstain: 0.6, Oppose/Withhold: 4.2,

#### 19. *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 GBP100,000,000, representing approximately 10.22% of the Company's issued ordinary share capital as at 29 March 2019, 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 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: 97.9, Abstain: 0.5, Oppose/Withhold: 1.6,

#### 20. *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 GBP100,000,000, representing approximately 10.22% of the Company's issued ordinary share capital as at 29 March 2019, 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 pre-emption 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: 0.6, Oppose/Withhold: 2.1,

#### 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: 98.0, Abstain: 0.2, Oppose/Withhold: 1.8,

**SCHRODER INTERNATIONAL SELECTION FUND AGM - 28-05-2019****1. *Approve Financial Statements***

Non-financial information has not been disclosed. The EU Non-Financial Reporting Directive stipulates that member states are required to disclose a non-financial statement containing relevant information as prescribed in the directive. Although companies are allowed to publish such statement until six months after the end of the financial year, it is considered that it should be disclosed to all shareholders in occasion of the annual general meeting. On this ground, abstention is recommended.

*Vote Cast: Abstain*

**3. *Elect Carla Bergareche***

Non-Executive Director. Not considered independent as the director is employed as Head of Schrodgers Spain and Portugal. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

**4. *Elect Eric Bertrand***

Non-Executive Director. Not considered independent as he provides advisory services to the Company, and holds an executive position at Schroder GAIA. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

**5. *Elect Mike Champion***

Non-Executive Director. Not considered independent as he is Head of Product Development at Schroder Investment Management Limited, part of the Group. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

**7. *Elect Daniel De Fernando Garcia***

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*

**9. *Elect Achmin Kussner***

Non-Executive Director. Not considered independent as he is Managing Director for Central Eastern Europe (CEE) and Mediterranean, Spokesperson of the Management Board at Schroder Investment Management GmbH, part of the Group. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

**10. *Elect Richard Mountford***

Non-Executive Chair. Not considered independent as he is Global Head of Product at the parent company. There is insufficient independent representation on the

Board.

*Vote Cast: Oppose*

*11. Elect Neil Walton*

Non-Executive Director. Not considered independent as the director was the Head of the UK Business Development Group at Schroder. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*12. Approve Fees Payable to the Board of Directors*

No proposal is available at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting. Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

*Vote Cast: Abstain*

*13. Appoint the Auditors*

PwC proposed. An adequate break-down of the nature of non-audit fees is not provided, which makes the assessment of auditor's independence based on the non-audit fee impossible. The date of appointment of the auditor is not disclosed, meaning that 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*

*14. Approve the Dividend*

The dividend proposal was not made available in sufficient time prior to the meeting. On this basis, abstention is recommended.

*Vote Cast: Abstain*

**IZUMI CO LTD AGM - 29-05-2019**

*2.1. Elect Yamanishi Yasuaki*

President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity.

*Vote Cast: Oppose*

**LEG IMMOBILIEN AG AGM - 29-05-2019****5. *Appoint the Auditors***

PwC proposed. Non-audit fees represented 15.38% of audit fees during the year under review and 51.43% 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*

**PUBLICIS GROUPE SA AGM - 29-05-2019****5. *Approve Severance Agreement with Arthur Sadoun, Chairman of the Management Board***

Proposal for shareholder approval of the related party agreement with Arthur Sadoun, Chairman of the Management Board relating to the severance agreement as required by French Corporate Law. In the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Mr. Arthur Sadoun would be entitled to a severance payment. The amount of the payment would be equal to one year of total gross compensation (fixed and targeted variable portions) calculated using the average of the latest twenty-four months of compensation. He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain on a prorated basis the bonus shares already granted to him more than two years prior, subject to the performance conditions set out in the regulations for the plan in question being satisfied. This payment would be subject to a performance condition: the severance payment would only be due in its full amount if the average annual amount of the bonus acquired by Mr. Arthur Sadoun for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payment and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three. The severance payment may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended. As the value of the proposed agreement exceeds one year fixed salary, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 0.0, Oppose/Withhold: 5.1,

**6. *Approve Severance Agreement with Jean-Michel Etienne, Management Board Member***

Proposal for shareholder approval of the related party agreement with xxx relating to the severance agreement as required by French Corporate Law. In the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Mr. Jean-Michel Etienne would be entitled to a severance payment. Provided that Mr. Jean-Michel Etienne does not continue to be employed by Publicis Groupe, the amount of the severance payment would be equal to one and a half year's total gross compensation (fixed compensation and targeted variable portions) calculated using the average of the latest twenty-four months of compensation. He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain the bonus shares already granted to him for more than two years, subject to the performance conditions set out in the regulations for the plan in question being satisfied. The severance payment would be subject to performance conditions: the severance payment would only be due in full if the average annual amount of the bonus acquired by Mr. Jean-Michel Etienne for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus", payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three. The severance payment may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended. The

severance payment and any compensation under the employment contract may not exceed two years of total compensation (fixed and targeted variable remuneration). As the value of the proposed agreement exceeds one year fixed salary, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 0.0, Oppose/Withhold: 5.1,

#### *7. Approve Severance Agreement with Anne-Gabrielle Heilbronner, Management Board Member*

Proposal for shareholder approval of the related party agreement with Anne-Gabrielle Heilbronner, Management Board Member relating to the severance agreement as required by French Corporate Law. In the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Ms. Anne-Gabrielle Heilbronner would be entitled to a severance payment. Provided that Ms. Anne-Gabrielle Heilbronner does not continue to be employed by Publicis Groupe, the amount of the payment would be equal to one year of total gross compensation (fixed compensation and targeted variable portions) calculated using the average of the latest twenty-four months of compensation. She would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to her, and to retain the bonus shares already granted to her for more than two years, subject to the performance conditions set out in the regulations for the plan in question being satisfied. The severance payment would only be due in its full amount if the average annual amount of the bonus acquired by Ms. Anne-Gabrielle Heilbronner for the three years prior to the termination of her duties is equal to at least 75% of her "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target bonus", payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three. The severance payment may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended. The severance payment and any compensation under the employment contract may not exceed two years of total compensation (fixed and targeted variable remuneration). As the value of the proposed agreement exceeds one year fixed salary, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 0.0, Oppose/Withhold: 5.1,

#### *8. Approve Severance Agreement with Steve King, Management Board Member*

Proposal for shareholder approval of the related party agreement with Steve King, Management Board Member relating to the severance agreement as required by French Corporate Law. In the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Mr. Steve King would be entitled to this single severance payment. Provided that Steve King does not continue to be employed by Publicis Groupe, the amount of the severance payment would be equal to one year of total gross compensation (fixed compensation and targeted variable portions) calculated using the average of the latest twenty-four months of compensation. He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him for more than two years, subject to the performance conditions set out in the regulations for the plan in question being satisfied. This severance payment would be subject to a performance condition. The severance payment would only be due in its full amount if the average annual amount of the bonus acquired by Mr. Steve King for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus", payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three. The severance payment may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended. The severance payment and any compensation under the employment contract may not exceed two years of total compensation (fixed and targeted variable portions). As the value of the proposed agreement exceeds one year fixed salary, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 0.0, Oppose/Withhold: 5.1,

#### *10. Approve Compensation of Arthur Sadoun, Chairman of the Management Board*

It is proposed to approve the remuneration paid or due to Arthur Sadoun, Chair of the Management Board with an advisory vote. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are no claw back clauses in place, which is against best practices. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.8, Abstain: 0.0, Oppose/Withhold: 4.1,

#### *11. Approve Compensation of Jean-Michel Etienne, Management Board Member*

It is proposed to approve the remuneration paid or due to Jean-Michel Etienne, Management Board Member with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 0.0, Oppose/Withhold: 2.7,

#### *12. Approve Compensation of Anne-Gabrielle Heilbronner, Management Board Member*

It is proposed to approve the remuneration paid or due to Anne-Gabrielle Heilbronner, Management Board Member with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

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

#### *13. Approve Compensation of Steve King, Management Board Member*

It is proposed to approve the remuneration paid or due to Steve King, Management Board Member with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 0.0, Oppose/Withhold: 4.3,

#### *16. Approve Remuneration Policy of Chair of the Management Board*

It is proposed to approve the remuneration policy of the Chair of the Management Board. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.4, Abstain: 0.0, Oppose/Withhold: 10.6,

#### *17. Approve Remuneration Policy of Management Board Members*

It is proposed to approve the remuneration policy of Management Board Members. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 89.4, Abstain: 0.0, Oppose/Withhold: 10.6,

#### *21. Renew Appointment of Ernst & Young et Autres as Auditor*

EY proposed. Non-audit fees represented 7.27% of audit fees during the year under review and 7.41% on a three-year aggregate basis, in aggregate with the other primary auditor. 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: 94.5, Abstain: 0.0, Oppose/Withhold: 5.5,

#### *22. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.5,

#### *24. Approve Issue of Shares for Contribution in Kind*

The Board requests authority to issue shares and capital securities in consideration for contributions in kind up to 10% of the issued share capital over a period of 26 months. The proposal is within legal limits, however it can be implemented also in time of public offer. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.7, Abstain: 0.0, Oppose/Withhold: 3.3,

#### *25. Authorize up to 3 Percent of Issued Capital for Use in Stock Option Plans*

Proposal to authorize for 26 months the Board to allot shares free of charge to employees and executives. Share issued under this authorization will not enjoy pre-emptive rights and will be attributed free of charge to management or employees. The Board would maintain full discretion over the beneficiaries. Incentives such as this are not related to performance and as such may reward the position of the recipient instead of performance. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 79.0, Abstain: 0.0, Oppose/Withhold: 20.9,

#### *26. Approve Issue of Shares for Employee Saving Plan for EUR 2.8 million in Nominal Value*

Authority for a capital increase for more than 2% of the share capital for employees participating to saving plans. The maximum discount applied will be 30% on the

market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the amount of the authorisation and the discount exceed guidelines. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.0, Oppose/Withhold: 1.5,

#### *27. Approve Issue of Shares for Employee Saving Plan for International Employees*

Authority for a capital increase for more than 2% of the share capital for employees participating to saving plans, together with authority under resolution 26. The maximum discount applied will be 30% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the amount of the authorisation and the discount exceed guidelines. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 98.4, Abstain: 0.1, Oppose/Withhold: 1.6,

### **TOTAL SA AGM - 29-05-2019**

#### *4. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.1, Oppose/Withhold: 1.3,

#### *7. Reelect Jean Lemierre as Director*

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. As abstention is not a valid voting option, opposition is recommended.

Vote Cast: *Oppose*

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

#### *10. Approve Compensation of Chairman and CEO*

Vote Cast: *Oppose*

Results: For: 8.4, Abstain: 0.1, Oppose/Withhold: 91.5,

#### *11. Approve Remuneration Policy of Chairman and CEO*

It is proposed to approve the remuneration policy. Short term variable remuneration appears to be consistently capped, and the payout is in line with best practice, however Long term incentives do not appear to be consistently capped. The Company has disclosed quantified targets for the performance criteria of its variable remuneration component, which is welcomed. However, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 4.2, Abstain: 0.1, Oppose/Withhold: 95.7,

*B. Elect Oliver Wernecke as Representative of Employee Shareholders to the Board*

This resolution, along with resolutions 9 and A, is a contested election for the representative of employee shareholders. Only one of the directors proposed in these resolutions will be appointed to the Board. Non-Executive Director, not considered to be independent as representative of employee shareholders. It is considered that the election or re-election of representatives of employee shareholders have potential to create a positive influence in areas of decision-making normally reserved for the Board and senior management. However, as only one employee shareholder representative can be selected, it is advised to support the candidate representing the highest number of employee shareholders. Therefore, it is advised to oppose this resolution.

Vote Cast: *Oppose*

Results: For: 92.9, Abstain: 0.1, Oppose/Withhold: 7.0,

*A. Elect Renata Perycz as Representative of Employee Shareholders to the Board*

This resolution, along with resolutions 9 and B, is a contested election for the representative of employee shareholders. Only one of the directors proposed in these resolutions will be appointed to the Board. Non-Executive Director, not considered to be independent as representative of employee shareholders. It is considered that the election or re-election of representatives of employee shareholders have potential to create a positive influence in areas of decision making normally reserved for the Board and senior management. However, as only one employee shareholder representative can be selected, it is advised to support the candidate representing the highest number of employee shareholders. Therefore, it is advised to oppose this resolution.

Vote Cast: *Oppose*

Results: For: 94.1, Abstain: 0.1, Oppose/Withhold: 5.8,

**REPSOL SA AGM - 30-05-2019**

*8. Authorize Issuance of Non-Convertible Bonds/Debentures and/or Other Debt Securities Exchangeables for Issued Shares for up to EUR 15 Billion*

The Board requests shareholder authorization to issue debt, including convertible debt without pre-emptive rights, up to 20% of the share capital, over a period of five years. This is in accordance with Article 507 of the Capital Companies Act, but it exceeds guidelines.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.7, Oppose/Withhold: 1.0,

*17. Approve the Remuneration Report*

The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. The ratio of CEO pay compared to that of the average employee falls below the recommended limit of 20:1 and is therefore not considered to be overly excessive. Dividend accrual has not been separately categorised; dividends are only paid to Executive Directors once the shares are delivered to them and not at the time of granting or during the vesting period. The CEO's salary is below the upper quartile of a peer comparator group. Total combined variable reward paid during the year is considered excessive, exceeding the 200% recommended threshold. Awards granted to Directors under the Company's variable remuneration schemes are considered excessive as they exceeded 200% of base salary during the year under review.

Vote Cast: *Oppose*

Results: For: 95.9, Abstain: 0.8, Oppose/Withhold: 3.3,

### 18. Approve Inclusion of a Target Related to the TSR in the Long Term Incentive Plan of Executive Directors

It is proposed to include a target tied to total shareholder return (Total Shareholder Return or TSR) of the Company among the targets or parameters of the Long Term Incentive Remuneration Plan for the period of 1 January 2018 to 31 December 2021 (ILP 2018-2021) and of the Long Term Incentive Remuneration Plan for the period of 1 January 2019 to 31 December 2022 (ILP 2019-2022). This TSR will have 15% weight on the total Long-Term Incentive remuneration of the ILP 2018-2021 and the 25% over the total Long-Term Incentive remuneration of the ILP 2019-2022 will contemplate the relative performance of Repsol's TSR in the indicated periods 2018-2021 and 2019-2022 against the TSR of a benchmark group of ten international listed companies (the Benchmark Group). A level of compliance will be allocated according to the relative position of the Repsol TSR against the Benchmark Group, formed of the following companies: Total S.A., Royal Dutch Shell p.l.c., BP p.l.c., ENI S.p.A., OMV Aktiengesellschaft, Equinor ASA, GALP Energia SGPS, S.A., Iberdrola, S.A., Naturgy Energy Group, S.A. and Endesa, S.A. In accordance with the provisions of the Remuneration Policy, the amount of the ILP's 2018-2021 and 2019-2022 due to Executive Directors will be paid 70% in cash and 30% in shares. This TSR will have 15% weight on the total LongTerm Incentive remuneration of the ILP 20182021 and the 25% over the total LongTerm Incentive remuneration of the ILP 20192022 will contemplate the relative performance of Repsol's TSR in the indicated periods 20182021 and 20192022 against the TSR of a benchmark group of ten international listed companies (the Benchmark Group). A level of compliance has been allocated according to the relative position of the Repsol TSR against the Benchmark Group: the component will be considered complied for 50%, if the Company's position is 5 (out of 10). It is considered that this is not sufficiently incentivising, as recipients will benefit from company's average/median results compared to peers. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.7, Oppose/Withhold: 1.1,

### 19. Approve Remuneration Policy

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed fully quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. The Company discloses the targets and weightings of the long and short term incentives in advance. The performance targets that are commercially sensitive and it would be detrimental to the interests of the Company to disclose them before the start of the relevant performance period are disclosed after the end of the relevant financial year in that year's remuneration report. On balance, opposition is recommended based on excessiveness concerns.

Vote Cast: *Oppose*

Results: For: 95.7, Abstain: 0.8, Oppose/Withhold: 3.5,

## SEADRILL LTD AGM - 05-06-2019

### 2. Appoint the Auditors

PwC proposed. Non-audit fees represented 0.30% of audit fees during the year under review and 4.49% 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*

**COMPAGNIE DE SAINT GOBAIN AGM - 06-06-2019****4. *Reelect Anne-Marie Idrac as Director***

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

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

**5. *Reelect Dominique Leroy as Director***

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 88.8, Abstain: 0.1, Oppose/Withhold: 11.1,

**6. *Reelect Denis Ranque as Director***

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: 93.4, Abstain: 0.0, Oppose/Withhold: 6.6,

**8. *Approve Compensation of Pierre-Andre de Chalendar, Chairman and CEO***

It is proposed to approve the remuneration paid or due to Pierre-Andre de Chalendar, Chairman and CEO, with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.9, Abstain: 0.0, Oppose/Withhold: 6.0,

**9. *Approve Remuneration Policy of Chairman and CEO***

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 86.8, Abstain: 0.0, Oppose/Withhold: 13.2,

**10. *Approve Remuneration Policy of Vice-CEO***

It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the payout may exceed 200% of fixed salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to

overpayment against underperformance. In addition, there are no claw-back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.0, Oppose/Withhold: 3.2,

#### 11. *Approve Severance Agreement of Benoit Bazin, Vice-CEO*

Proposed retirement arrangement for Benoit Bazin, Vice-CEO, in compliance with the Macron Law.

Although it is welcomed that shareholder approval will be required for all new retirement agreements, it is believed that top hat retirement compensation are not an appropriate way of compensating executives, as they remunerate beyond the executive's term and are mostly unrelated to the impact on company value that the executive may have enhanced.

Vote Cast: *Oppose*

Results: For: 93.6, Abstain: 0.0, Oppose/Withhold: 6.4,

#### 12. *Approve Additional Pension Scheme Agreement with Benoit Bazin*

Proposed additional retirement arrangement for Benoit Bazin, in compliance with the Macron Law.

Although it is welcomed that shareholder approval will be required for all new retirement agreements, it is believed that top hat retirement compensation are not an appropriate way of compensating executives, as they remunerate beyond the executive's term and are mostly unrelated to the impact on company value that the executive may have enhanced.

Vote Cast: *Oppose*

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

#### 14. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

#### 16. *Issue Shares for Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

Results: For: 95.6, Abstain: 0.0, Oppose/Withhold: 4.3,

#### 17. *Approve Issue of Shares for Private Placement*

The Board requests authority to approve a global authority for the issue of capital related securities without pre-emptive rights by private placement. The authorisation is valid up to 10% of the issued share capital over a period of 26 months. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 92.1, Abstain: 0.0, Oppose/Withhold: 7.9,

### *18. Authorise the Board to Increase the Number of Shares Issued in case of Exceptional Demand*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 92.3, Abstain: 0.1, Oppose/Withhold: 7.6,

### *22. Approve Issue of Shares for Employee Saving Plan*

Authority for a capital increase for more than 2.2% of the share capital for employees participating to saving plans. The maximum discount applied will be 20% on the market share price. It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership. However, the amount of the authorisation exceeds guidelines (2%). Opposition is therefore recommended.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.0, Oppose/Withhold: 1.8,

### *23. Authorize up to 1.5 Percent of Issued Capital for Use in Stock Option Plans Reserved For Executive Officers*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted stock options, each of which will give right to one share. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

Results: For: 96.5, Abstain: 0.0, Oppose/Withhold: 3.5,

### *24. Authorize up to 1.2 Percent of Issued Capital for Use in Restricted Stock Plans Reserved For Executive Officers*

The Board proposes the approval of a new executive incentive plan. Under the plan, participants will be allotted shares or rights to shares. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

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

**TOYOTA INDUSTRIES CORP AGM - 11-06-2019****2.1. *Elect Toyoda Tetsuro***

Executive Chair. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

**2.2. *Elect Oonishi Akira***

President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

**3.1. *Elect Tomozoe Masanao***

Outside Corporate Auditor. Not considered to be independent. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

Vote Cast: *Oppose*

**5. *Payment of Bonus to Directors/Corporate Auditors***

The company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meetings on bonus payments, outside directors are permitted to benefit from payment of a retirement allowance. As payment of outsiders represents a conflict in interest, an oppose vote is recommended.

Vote Cast: *Oppose*

**TESCO PLC AGM - 13-06-2019****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. There was no salary increase awarded to the CEO in the year under review and the average increase for UK employees was 5 %.

**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 48.29% whereas, on average, TSR has decreased by 4.60 %. Furthermore, the CEO's total realized reward under variable incentive schemes for the year under review is considered excessive at 228% (Annual Bonus: 131.2% of salary - LTIP: 96.8% of salary). Finally, the ratio of CEO to average employee pay has

been estimated and is considered unacceptable at 213:1.  
Rating:BE

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 0.0, Oppose/Withhold: 2.7,

#### 5. *Re-elect John Allan*

The Chair is also chairing another company within the FTSE 350 index. 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 Chair should focus his attention onto the only one FTSE 350 Company.

Vote Cast: *Oppose*

Results: For: 94.7, Abstain: 0.0, Oppose/Withhold: 5.3,

#### 17. *Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 43.75% of audit fees during the year under review and 76.35% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.3, Abstain: 0.0, Oppose/Withhold: 2.7,

#### 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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 0.0, Oppose/Withhold: 5.2,

#### 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: 98.5, Abstain: 0.0, Oppose/Withhold: 1.5,

### JUST GROUP PLC AGM - 13-06-2019

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

**Disclosure:** Overall, disclosure is considered adequate.

**Balance:** The CEO's salary is below the upper quartile of a peer comparator group. The ratio of CEO pay compared to that of the average employee does not exceed the recommended limit of 20:1 and is therefore not considered to be overly excessive. However, the balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over four years is not commensurate with the change in TSR over the same period. Also, total combined variable

reward paid during the year is considered excessive, exceeding the 200% recommended threshold.

Rating: AD

Vote Cast: *Oppose*

Results: For: 87.0, Abstain: 0.0, Oppose/Withhold: 13.0,

### *3. Re-elect Chris Gibson-Smith*

Incumbent Chair. Independent upon appointment. The company does not operate a Sustainability Committee, therefore the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 72.2, Abstain: 0.2, Oppose/Withhold: 27.6,

### *4. Re-elect Paul Bishop*

Non-Executive Director. Not considered to be independent, as this director is considered to be in a material connection with the current auditor. Until 2014, Paul Bishop was a Partner at the company's primary auditor KPMG. Although there is sufficient independent representation on the Board, he is also Chair of the audit committee. As a matter of best practice, this committee should be entirely composed of independent non-executive directors. As such, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.2, Oppose/Withhold: 2.7,

### *11. Re-appoint the Auditors, KPMG LLP*

KPMG proposed. Non-audit fees represented 114.36% of audit fees during the year under review and 160.36% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

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

### *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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 76.3, Abstain: 0.0, Oppose/Withhold: 23.7,

### *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: 98.4, Abstain: 0.0, Oppose/Withhold: 1.6,

## SONOVA HOLDING AG AGM - 13-06-2019

### *7. Transact Any Other Business*

Shareholders should receive sufficient notice of proposals brought forward by either management or other shareholders. As such, any other proposition brought forward in the meeting would provide insufficient time for an informed assessment. Opposition is recommended.

Vote Cast: *Oppose*

### *5.2. Approve Remuneration of Executive Committee in the Amount of CHF 15.3 Million*

It is proposed to increase the maximum amount payable to the Executive Board by more than 10% on annual basis. The increase is considered material and exceeds guidelines, while the Company has not duly justified it. Therefore, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 80.4, Abstain: 0.2, Oppose/Withhold: 19.4,

### *4.3. Appoint the Auditors*

PwC proposed. Non-audit fees represented 2.60% of audit fees during the year under review and 9.04% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 0.4, Oppose/Withhold: 2.1,

### *4.2.1. Reappoint Robert Spoerry as Member of the Nomination and Compensation Committee*

Non-Executive Director, candidate to the Remuneration Committee on this resolution. It is considered that the Remuneration Committee should consist exclusively of independent members. Opposition is recommended.

Vote Cast: *Oppose*

### *1.2. Approve the Remuneration Report*

It is proposed to approve, by a consultative vote, the remuneration report, which includes all remuneration for both the management board and the board of directors. Annual incentives appear to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has disclosed achievements only as a percentage of undisclosed targets, and as such, without quantified targets, it is impossible to assess whether the proposed amount would correspond to any overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 79.9, Abstain: 2.4, Oppose/Withhold: 17.8,

**CARREFOUR SA AGM - 14-06-2019****5. Ratify Appointment of Claudia Almeida e Silva as Director**

Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments. As abstention is not a valid voting outcomes on this resolution, opposition is recommended.

Vote Cast: *Oppose*

**6. Ratify Appointment of Alexandre Arnault as Director**

Non-Executive Director. Not considered independent as the director is considered to be connected with a shareholder: the Group Arnault. Although not significant, it acts in concert with other significant shareholders. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

**7. Reelect Thierry Breton as Director**

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*

**8. Reelect Flavia Buarque de Almeida as Director**

Non-Executive Director. Not considered independent as she is the Managing Director and Partner of Península Capital S.A., which has a stake in Carrefour's subsidiary in Brazil. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

**9. Reelect Abilio Diniz as Director**

Non-Executive Director. Not considered to be independent as he is a significant shareholder. He is also the chair of Peninsula Participações S.A. In 2014, Peninsula took a stake in Carrefour subsidiary in Brazil. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

**10. Reelect Charles Edelstenne as Director**

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*

**14. Approve Non-Compete Agreement with Alexandre Bompard, Chairman and CEO**

It is proposed to approve the remuneration paid or due to Alexandre Bompard, Chairman and CEO with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to

overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *15. Approve Remuneration Policy of Alexandre Bompard, Chairman and CEO*

It is proposed to approve the remuneration policy of Alexandre Bompard, Chairman and CEO. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended.

*Vote Cast: Oppose*

#### *16. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% and 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *20. Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of EUR 175 Million*

Authority to issue shares without pre-emptive rights is proposed for less than 10% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

*Vote Cast: Oppose*

#### *21. Approve Issuance of Equity or Equity-Linked Securities for Private Placements, up to Aggregate Nominal Amount of EUR 175 Million*

The Board requests authority to approve a global authority for the issue of capital related securities without pre-emptive rights by private placement. The authorisation is valid up to 10% of the issued share capital over a period of 26 months. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

*Vote Cast: Oppose*

#### *22. Authorise the Board to Increase the Number of Shares Issued in case of Exceptional Demand*

In addition to the share issuance authorities sought above, the Board requests shareholder authority for a capital increase of additional 15%, in case of exceptional demand.

A green shoe authorisation enables an authorization of additional shares in the event of exceptional public demand. In this case, the authorization would increase allow the placement of up to 15% additional new shares within a thirty day period at a price equal to that of the initial offer. There are concerns with such authorities as they may potentially represent a discount superior to the discount to which the initial authorisation is limited due to a potential rise in share price in the period between original issuance and secondary issuance. Given the potential for inequitable treatment of shareholders, opposition is recommended.

Vote Cast: *Oppose*

#### 25. *Authorize up to 0.8% of Issued Capital for Use in Restricted Stock Plans*

The Board proposes the approval of a new incentive plan. Under the plan, the CEO and other executives will be awarded options or rights to receive shares, which will start vesting after three years from the date of award. At this time, it seems that this plan will not be based on any performance criteria but only on the beneficiaries continued employment. As a result, they may receive bonuses unrelated to their performance or even the performance of the Company as a whole, which is considered a serious frustration of shareholder accountability.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

### KEYENCE CORP AGM - 14-06-2019

#### 1. *Appropriation of Surplus*

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 100 yen per share is proposed, and the dividend payout ratio is approximately 10.7%. which at less than 15%, is below what shareholders could reasonably expect.

Vote Cast: *Oppose*

#### 2.1. *Elect Takizaki Takemitsu*

Chair. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

#### 2.2. *Elect Yamamoto Akinori*

President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

#### 2.6. *Elect Nakata Yuu*

Newly nominated Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered

that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

### 3.1. *Elect Komura Keiichirou*

Outside Corporate Auditor. Not considered to be independent. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

Vote Cast: *Oppose*

## **JAPAN AIRLINES CO LTD AGM - 18-06-2019**

### 3.1. *Elect Saito Norikazu*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

## **JSR CORPORATION AGM - 18-06-2019**

### 3.3. *Elect Koshihara Mitsunobu*

President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

## **KNORR-BREMSE AG AGM - 18-06-2019**

### 5. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 105.02% of audit fees during the year under review and 105.02% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

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

**KDDI CORP AGM - 19-06-2019****2.1. *Elect Tanaka Takashi***

Executive Chair. 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*

**2.9. *Elect Amamiya Toshitake***

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

**2.10. *Elect Yamaguchi Gorou***

Non-Executive Director, not considered to be independent. There is insufficient independent representation on the Board (less than one-third of the whole Board).

Vote Cast: *Oppose*

**2.11. *Elect Yamamoto Keiji***

Non-Executive Director, not considered to be independent. There is insufficient independent representation on the Board (less than one-third of the whole Board).

Vote Cast: *Oppose*

**SOFTBANK GROUP CORP AGM - 19-06-2019****1. *Appropriation of Surplus***

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 22 yen per share is proposed, and the dividend payout ratio is approximately 3.5%. which at less than 15%, is below what shareholders could reasonably expect.

Vote Cast: *Oppose*

**2.1. *Elect Son Masayoshi***

President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

### **YAKULT HONSHA CO LTD AGM - 19-06-2019**

#### *1.10. Elect Yasuda Ryuuji*

Non-Executive Director, not considered to be independent. There is insufficient independent representation on the Board (less than one-third of the whole Board).

Vote Cast: *Oppose*

#### *1.13. Elect Pascal De Petrini*

Non-Executive Director, not considered to be independent. There is insufficient independent representation on the Board (less than one-third of the whole Board).

Vote Cast: *Oppose*

#### *1.14. Elect Imada Masao*

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

### **WHITBREAD PLC AGM - 19-06-2019**

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

Overall disclosure is satisfactory. The change in the CEO's salary is in line with the rest of the Company, as the CEO's salary rose by 4 % while average employee pay increased by the same percentage. The balance of CEO realized 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. Total variable pay for the year under review is excessive, amounting to 539% of salary (92% Annual Bonus and 447% PSP), however this over excessiveness is the result of the PSP award which is a one time award and will replace the LTIP for the period of 2018 and 2019. Despite the nature of the award PIRC advise all variable pay not to be higher in aggregate from the 200% of the base salary. The ratio of CEO pay compared to average employee pay is not acceptable at 107:1.

Rating: BD.

Vote Cast: *Oppose*

Results: For: 96.0, Abstain: 1.0, Oppose/Withhold: 3.0,

#### *14. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 120.00% of audit fees during the year under review and 53.57% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.1, Oppose/Withhold: 2.8,

### 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 transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.2, Abstain: 0.1, 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: 98.9, Abstain: 0.1, Oppose/Withhold: 1.0,

## NTT DATA CORP AGM - 20-06-2019

### 3.8. *Elect Matsunaga Hisashi*

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

## GLORY LTD AGM - 21-06-2019

### 2.1. *Elect Onoe Hirokazu*

Chair, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. It is also considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended.

Vote Cast: *Oppose*

### 2.2. *Elect Miwa Motozumi*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements

or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. It is also considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended.

Vote Cast: *Oppose*

### 3.1. *Elect Nagashima Masakazu*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

### 3.2. *Elect Fujita Tooru*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

## **ORIX CORPORATION AGM - 21-06-2019**

### 1.7. *Elect Tsujiyama Eiko*

Non-Executive Director. Not considered independent. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

## **NIPPON DENSETSU KOGYO CO LTD AGM - 21-06-2019**

### 2. *Amendment of Article of Association*

It is proposed to amend the articles of Association regarding the business objective of the Company. No disclosure in English was available at the time of the report in order to assess the amendments and calculate any impact they have on shareholders interest. Based on lack of disclosure an oppose vote is recommended.

Vote Cast: *Oppose*

### 3.1. *Elect Egawa Kentarou*

Chairman, from major shareholder. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

### *3.2. Elect Tsuchiya Tadami*

President, from major shareholder, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *3.6. Elect Sano Kiyotaka*

Newly nominated Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *4.1. Elect Director and Audit Committee Member Mizukami, Wataru*

Executive candidate to reserve Member of the Audit & Supervisory Committee (MASC). It is considered that the Committee should consist exclusively of independent directors. Opposition is recommended.

*Vote Cast: Oppose*

## **mitsubishi tanabe pharma agm - 21-06-2019**

### *2.1. Elect Mitsuka Masayuki*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *2.2. Elect Kobayashi Takashi*

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

*Vote Cast: Oppose*

#### *2.4. Elect Ueno Hiroaki*

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

#### *2.5. Elect Kobayashi Yoshihiro*

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

### **PALTAC CORP AGM - 21-06-2019**

#### *2.1. Elect Shintani Takashi*

Newly nominated, Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

### **NIFCO INC AGM - 21-06-2019**

#### *2.1. Elect Yamamoto Toshiyuki*

Current President. It is considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended.

Vote Cast: *Oppose*

#### *3.1. Elect Katou Tomoyasu*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

### **SHINMAYWA INDUSTRIES LTD AGM - 21-06-2019**

#### *2.5. Elect Nishioka Akira*

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

### 2.6. *Elect Kume Toshiki*

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

### 3.1. *Elect Nishida Kouji*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

## **DIGITAL GARAGE INC AGM - 21-06-2019**

### 1. *Appropriation of Surplus*

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 28 yen per share is proposed, and the dividend payout ratio is approximately 13.3%. which at less than 15%, is below what shareholders could reasonably expect. Opposition is recommended.

Vote Cast: *Oppose*

## **BANDAI NAMCO HOLDINGS INC AGM - 24-06-2019**

### 2.8. *Elect Asanuma Makoto*

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

## **TOKIO MARINE HOLDINGS INC AGM - 24-06-2019**

### 3.1. *Elect Ito Takashi*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

## **NIPPON TELEGRAPH & TELEPHONE AGM - 25-06-2019**

### **2.1. *Elect Oka Atsuko***

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

### **3.1. *Elect Ide Akiko***

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

### **3.2. *Elect Maezawa Takao***

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

## **4. *Dismiss Shimada Akira from the board of directors***

### **Proponent's Argument**

Director Akira Shimada was aware of unjustified charges billed by Nippon Telegraph and Telephone East Corporation (hereinafter referred to as "NTT East") and gave them tacit approval. This action violated his duty of loyalty as a director. It is proposed that he be removed from the post of director. The proponent argues that he previously subscribed to a pay-as-you-go billing plan for the "FLET'S Hikari Light" service. Although he did not use the service beyond the scope of the minimum charge, he was billed six times the amount, and in some months nearly 10 times. The proponent inquired to various places, and visited the Head Office for clarification regarding the grounds for the charges. The proponent states he was told in all cases that the matter would be looked into and he would receive a reply, but there was none. He made proposals that might shed some light on the matter, such as investigating his usage status, but these proposals were ignored. The proponent alleges that where NTT East should have acted themselves to investigate the issue, they did not do so. The proponent states he was finally obliged to raise the matter at the General Meeting of Shareholders last year, and received an explanation two years after my initial inquiry. However, this did not include the key explanation of the reason for the charges. The proponent claims that he has notified the Company of his usage status during the period, including what dates he used the service and the specific times of his use, including specific start and finish times. The proponent alleges that the unjustified charges continued, obliging me to change to an inconvenient flat-rate plan. I haven't used it at all for over a year since last spring.

### **Company's Argument**

It is the view of the Board of Directors that the above does not constitute a reason for the dismissal of a Director. Furthermore, concerning the transaction mentioned in the Shareholder's Proposal, it has been confirmed by NTT East that the charges from such company to the proposing shareholder are justified. Director Akira Shimada has a wealth of experience as a senior corporate manager as represented by his role in overseeing business operations relating to such areas as human resources, legal affairs and general affairs of the entire NTT Group. The Board of Directors also believes him to have a high level of integrity and insight, and accordingly nominated him at the 33rd Ordinary General Meeting of Shareholders as a candidate for Director, and at that general meeting of shareholders, he was duly elected. Accordingly,

the Board of Directors is against this proposal.

#### **PIRC's Analysis**

While the situation is regrettable, and the Company has been remiss in not reaching an equitable resolution to this issue before the proponent's complaint reached board level at the AGM; it is considered that it is not in the shareholders' interests to support the dismissal of a director on these grounds alone. Opposition recommended.

Vote Cast: *Oppose*

### **PRESTIGE INTERNATIONAL INC AGM - 25-06-2019**

#### *1. Amendment of Article of Association*

The Board seeks to amend its Article of Incorporation. However, there was limited information regarding the proposal. On this basis, opposition is recommended.

Vote Cast: *Oppose*

#### *3.1. Elect Kando Izumi*

Outside Corporate Auditor. Not considered to be independent. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

Vote Cast: *Oppose*

### **FIRSTGROUP PLC EGM - 25-06-2019**

#### *A. Shareholder Resolution: That Wolfhart Gunnar Hauser be removed as Director with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove Wolfhart Hauser as a Director of the Company. Wolfhart Hauser, the incumbent Chair, is considered independent upon appointment. No serious governance concerns have been identified in relation to his directorship.

Significant concerns have been identified with the shareholder resolutions; (i) It is unclear that the proposed directors are wholly independent from the Requisition Shareholder; (ii) the proposed composition of the Board would not be compliant with the UK Governance Code in terms of both overall independent representation and the composition of the three principal committees; (iii), the current Board has an overall majority of directors which are considered to be independent and the composition of both the Audit and Remuneration committees are in line with best-practice; (iv) Removing the current Board of directors would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. For these reasons, it is recommended that the proposal to remove him as a director is opposed.

Vote Cast: *Oppose*

Results: For: 29.3, Abstain: 0.2, Oppose/Withhold: 70.5,

#### *B. Shareholder Resolution: That Mathew Gregory be removed as a Director with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove Mathew Gregory as a Director of the Company. Mathew Gregory, the incumbent CEO, is considered to have a deep understanding of the Company having joined as CFO in December 2015. No serious governance concerns have been identified in relation to his directorship. In reference to Resolution A, the removal of the incumbent CEO would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. It is recommended that the proposal to remove him as a director is opposed.

Vote Cast: *Oppose*

Results: For: 25.0, Abstain: 0.8, Oppose/Withhold: 74.3,

*C. Shareholder Resolution: That Imelda Mary Walsh be removed as Director with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove Imelda Mary Walsh as a Director of the Company. Imelda Walsh is a member of the Nomination and Board Safety Committees, Chairs the Remuneration Committee and considered independent. No serious governance concerns have been identified in relation to her directorship. In reference to Resolution A, the removal of this director would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. It is recommended that the proposal to remove him as a director is opposed.

Vote Cast: *Oppose*

Results: For: 31.1, Abstain: 0.8, Oppose/Withhold: 68.1,

*D. Shareholder Resolution: That Stephen William Lawrence Gunning be removed as Director with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove Stephen William Lawrence Gunning as a Director of the Company. Stephen William Lawrence Gunning is a member of the Audit Committee and considered independent. No serious governance concerns have been identified in relation to his directorship. In reference to Resolution A, the removal of this director would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. It is recommended that the proposal to remove him as a director is opposed.

Vote Cast: *Oppose*

Results: For: 24.9, Abstain: 0.8, Oppose/Withhold: 74.3,

*E. Shareholder Resolution: That James Frank Winestock be removed with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove James Frank Winestock as a Director of the Company. James Frank Winestock is a member of the Audit and Nomination Committees, chairs the Board Safety Committee and considered independent. No serious governance concerns have been identified in relation to his directorship. The proposed composition of the Board would not be compliant with the UK Governance Code in terms of both overall independent representation and the composition of the three principal committee's. Also, the current Board has an overall majority of directors which are considered to be independent and the composition of both the Audit and Remuneration committees are in line with best-practice. The removal of this director would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. It is recommended that the proposal to remove him as a director is opposed.

Vote Cast: *Oppose*

Results: For: 45.2, Abstain: 0.8, Oppose/Withhold: 54.0,

*F. Shareholder Resolution: That Martha Cecilia Poulter be removed as Director with effect from end of meeting*

The Requisitioning Shareholder is proposing to remove Martha Cecilia Poulter as a Director of the Company. Martha Cecilia Poulter is a member of the Audit Committee and considered independent. No serious governance concerns have been identified in relation to her directorship. The proposed composition of the Board would not be compliant with the UK Governance Code in terms of both overall independent representation and the composition of the three principal committee's. Also, the current Board has an overall majority of directors which are considered to be independent and the composition of both the Audit and Remuneration committees are in line with best-practice. The removal of this director would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. It is recommended that the proposal to remove her as a director is opposed.

Vote Cast: *Oppose*

Results: For: 24.9, Abstain: 0.8, Oppose/Withhold: 74.3,

*G. Shareholder Resolution: That any person appointed since date of requisition (excluding Ryan Mangold) and who is not referred to in resolution A to F be removed as a director.*

The Requisitioning Shareholder is proposing to remove any person appointed as a Director of the Company since date of requisition (excluding Ryan Mangold) and up to the end of this EGM. For the reasons outlined in resolution A, it is recommended that shareholders oppose this resolution.

Vote Cast: *Oppose*

Results: For: 15.2, Abstain: 0.8, Oppose/Withhold: 84.0,

*H. Shareholder Resolution: That Steven John Norris be appointed as an additional director of the Company*

Shareholder resolution proposed by Coast Capital (the 'Requisition Shareholder') who hold voting rights of 10% in the Company. The Requisition Shareholder is proposing to appoint Steven John Norris as a director of the Company. The Requisition Shareholder believe that the achievement of the Company's current strategic objectives will be best served by the appointment of seven non-independent directors and the removal of six current directors. The Requisition Shareholder state that Steve Norris was a non-executive director of Capital CityBus, a small privately-owned local bus operator in London which was sold in 1998 as evidence of his suitability to run First Bus Division. It is also noted that Mr Norris was also a Chair of Jarvis Plc, a large public company in the rail engineering sector, for six years before going into administration which resulted in pension schemes being placed into Pension Protection Fund.

In response to these comments, the Board has argued that the proposed directors have limited recent experience in the segments within which FirstGroup operates and no experience in the North American Transport contracting market, which will be their core business going forward.

Significant concerns have been identified with the shareholder resolutions; (i) It is unclear that the proposed directors are wholly independent from the Requisition Shareholder; (ii) the proposed composition of the Board would not be compliant with the UK Governance Code in terms of both overall independent representation and the composition of the three principal committees; (iii), the current Board has an overall majority of directors which are considered to be independent and the composition of both the Audit and Remuneration committees are in line with best-practice; (iv) Removing the current Board of directors would create further instability in the operations of the Company and thereby not be in the interests for the majority of shareholders. For these reasons, the appointment of Steven John Norris cannot be justified.

Vote Cast: *Oppose*

Results: For: 36.3, Abstain: 0.2, Oppose/Withhold: 63.5,

*I. Shareholder Resolution: That Bob Vincent Stefanowski be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint Bob Vincent Stefanowski as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 35.8, Abstain: 0.2, Oppose/Withhold: 64.0,

*J. Shareholder Resolution: That David Robert Martin be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint David Robert Martin as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

*K. Shareholder Resolution: That Jim Edward Compton be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint Jim Edward Compton as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 21.2, Abstain: 0.2, Oppose/Withhold: 78.6,

*L. Shareholder Resolution: That Elizabeth Jill Filkin be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint Elizabeth Jill Filkin as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 15.2, Abstain: 0.2, Oppose/Withhold: 84.6,

*M. Shareholder Resolution: That Patricia Carol Barron be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint Patricia Carol Barron as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 16.0, Abstain: 0.2, Oppose/Withhold: 83.8,

*N. Shareholder Resolution: That Uwe Rold Doerken be appointed as an additional director of the Company*

The Requisitioning Shareholder is proposing to appoint Uwe Rold Doerken as an additional Director of the Company. In line with the voting recommendations on resolution H, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 35.9, Abstain: 0.2, Oppose/Withhold: 63.9,

## **TORAY INDUSTRIES INC AGM - 25-06-2019**

### *3.1. Elect Inohara Nobuyuki*

Newly nominated Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

### *4.1. Elect Masuda Shougo*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended

Vote Cast: *Oppose*

### *4.2. Elect Taneichi Shoushirou*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended

Vote Cast: *Oppose*

## **DISCO CORP AGM - 25-06-2019**

### *3.1. Elect Sekiya Kazuma*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

### *3.2. Elect Yoshinaga Noboru*

Newly nominated Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

### *4.1. Elect Takayanagi Tadao*

Outside Corporate Auditor. Not considered to be independent. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

Vote Cast: *Oppose*

### *4.3. Elect Tokimaru Kazuyoshi*

Newly nominated Outside Corporate Auditor. Not considered to be independent. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

Vote Cast: *Oppose*

## **KUREHA CORP AGM - 25-06-2019**

### *1.1. Elect Kobayashi Yutaka*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

#### **KUREHA CORP AGM - 25-06-2019**

##### *1.1. Elect Director Kobayashi, Yutaka*

President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

##### *2.1. Appoint Statutory Auditor Kiriama, Masaru*

Outside Corporate Auditor. Not considered to be independent. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

Vote Cast: *Oppose*

#### **TIS INC. AGM - 25-06-2019**

##### *3.3. Elect Okamoto Yasushi*

Executive Chair. 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*

##### *4.1. Elect Matsuoka Tatsufumi*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

#### **STANLEY ELECTRIC CO LTD AGM - 25-06-2019**

##### *1.1. Elect Kitano Takanori*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements

or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

#### 2.1. *Elect Yamaguchi Ryuuta*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

### **SHIMADZU CORP AGM - 26-06-2019**

#### 3.1. *Elect Kotanizaki Makoto*

Newly nominated Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

### **SANKYU INC AGM - 26-06-2019**

#### 2.1. *Elect Nakamura Kimikazu*

Chairman, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

#### 2.2. *Elect Nkamura Kimihiro*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

#### 2.8. *Elect Morofuji Katsuaki*

Newly nominated Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or

recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *2.9. Elect Takeda Masafumi*

Newly nominated Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *3.2. Elect Arita Hiroshi*

Newly nominated Inside Corporate Auditor. Not considered to be independent. Opposition is recommended

*Vote Cast: Oppose*

## **KYUDENKO CORP AGM - 26-06-2019**

### *1.1. Elect Satou Naofumi*

Chairman, after this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *1.2. Elect Nishimura Matsuji*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *1.9. Elect Fukui Keizou*

Newly nominated Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or

recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

#### 2.1. *Elect Katou Shinji*

Newly nominated Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

### **ISUZU MOTORS LTD AGM - 26-06-2019**

#### 2.1. *Elect Katayama Masanori*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

#### 2.4. *Elect Seto Kouichi*

Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

#### 2.5. *Elect Igeta Kazuya*

Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

#### 2.6. *Elect Ikemoto Tetsuya*

Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements

or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

#### *2.7. Elect Aiba Tetsuya*

Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### **SMC CORPORATION AGM - 27-06-2019**

#### *2.1. Elect Takada Yoshiyuki*

Chair, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

#### *2.2. Elect Maruyama Katsunori*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

#### *2.7. Elect Isoe Toshio*

Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *2.8. Elect Oota Masahiro*

Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

### *3.1. Elect Moriyama Naoto*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

## **SUMITOMO MITSUI FINANCIAL GROUP AGM - 27-06-2019**

### *2.9. Elect Matsumoto Masayuki*

Independent Non-Executive Outside Director. Not considered independent as the director has a relationship with the Company, which is considered material. The Director currently serves as a Special Advisor of Central Japan Railway Company which holds common stock at the Company. There is insufficient independent representation on the Board (less than one-third of the whole Board).

Vote Cast: *Oppose*

## **SUMITOMO REALTY & DEVELOPMENT AGM - 27-06-2019**

### *1. Appropriation of Surplus*

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 16 yen per share is proposed, and the dividend payout ratio is approximately 10.9%. Which at less than 15%, is below what shareholders could reasonably expect. Opposition is recommended.

Vote Cast: *Oppose*

### *2.1. Elect Takashima Junji*

Chairman, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

### *2.3. Elect Nishima Koujun*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to the best practice, including in gender diversity. Opposition is recommended.

Vote Cast: *Oppose*

### *3.1. Appoint Statutory Auditor Nakamura, Yoshifumi*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

### *3.2. Appoint Statutory Auditor Tanaka, Toshikazu*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

### *5. Adoption of Takeover Defense Measures*

The board is proposing the continuation of the companies anti takeover defence measures. The proposed countermeasures to large-scale acquisition are considered ineffective and there is no evidence they are in the best interests of shareholders. An oppose vote is recommended.

Vote Cast: *Oppose*

## **TAIKISHA LTD AGM - 27-06-2019**

### *2.1. Elect Uenishi Eitarou*

Current Chairman. It is considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended.

Vote Cast: *Oppose*

### *2.2. Elect Katou Kouji*

Current President. It is considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended.

Vote Cast: *Oppose*

### *2.7. Elect Inagawa Nobutaka*

Executive Director.

*Vote Cast: Oppose*

### *2.8. Elect Murakawa Junichi*

Executive Director.

*Vote Cast: Oppose*

## **MATSUMOTOKIYOSHI HLDGS CO AGM - 27-06-2019**

### *2.1. Elect Matsumoto Namio*

Chair. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *2.2. Elect Matsumoto Kiyoo*

President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *2.4. Elect Oota Takao*

Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *3.1. Elect Honda Hisao*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

*Vote Cast: Oppose*

**TAKEDA PHARMACEUTICAL CO AGM - 27-06-2019***1. Appropriation of Surplus*

Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 90 yen per share is proposed, and the dividend payout ratio is approximately 158.6%. which at more than 100% payout, is considered unwise given the capital maintenance needs of the company.

Vote Cast: *Oppose*

**TPR CO LTD AGM - 27-06-2019***3.6. Elect Ii Akihiko*

Newly appointed Executive Director. It is considered that the election of new executive directors, should not be supported, as their appointment to the Board would lead to a Board where independent directors comprise less than one-third of the whole board.

Vote Cast: *Oppose*

*3.7. Elect Tsuruta Rokurou*

Non-Executive Outside Director, but not considered to be independent due to his tenure on the Board being more than nine years. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

*4.1. Elect Ariga Yoshikazu*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

Vote Cast: *Oppose*

*7. Approve Bonus Related to Retirement Bonus System Abolition*

The board is seeking approval of retirement bonuses/special payments in connection with the abolition of the retirement bonus system. However, outsiders are included as the aggregate amount paid is not disclosed and it is not clear whether outsiders are included in the payments, which represents a conflict of interest. An oppose vote is therefore recommended.

Vote Cast: *Oppose*

### *8. Adoption of Takeover Defense Measures*

The board is proposing the continuation of the companies anti takeover defence measures. The proposed countermeasures to large-scale acquisition are considered ineffective and there is no evidence they are in the best interests of shareholders. An oppose vote is recommended.

*Vote Cast: Oppose*

## **TDK CORP AGM - 27-06-2019**

### *2.1. Elect Ishiguro Shigenao*

President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *2.3. Elect Sumita Makoto*

Chair. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *3.1. Elect Sueki Satoru*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

*Vote Cast: Oppose*

### *3.2. Elect Momozuka Takakazu*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

*Vote Cast: Oppose*

## **MIROKU JYOHO SERVICE CO LTD AGM - 27-06-2019**

### *2.1. Elect Koreeda Nobuhiko*

Chair. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most

senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *2.2. Elect Koreeda Hiroki*

President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

## **NIPPON SHINYAKU CO LTD AGM - 27-06-2019**

### *3.1. Elect Matsuura Morio*

Inside Corporate Auditor. Not considered to be independent. Opposition is recommended.

*Vote Cast: Oppose*

## **SEADRILL LTD EGM - 28-06-2019**

### *2. Authorise the Directors to fill the newly created director's seat*

At this time, the Company has not disclosed the candidate or candidates to replace the director who will step down on 2 July 2019 (also undisclosed). Based on this lack of disclosure, it is impossible to make an informed assessment.

*Vote Cast: Abstain*

## 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; Paraguay; Peru; Uruguay; Venezuela
REST OF WORLD	Any Country not listed above

The following is a list of commonly used acronyms and definitions.

Acronym	Description
AGM	Annual General Meeting
CEO	Chief Executive Officer
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FY	Financial Year
KPI	Key Performance Indicators - financial or other measures of a company's performance
LTIP	Long Term Incentive Plan - Equity based remuneration scheme which provides stock awards to recipients
NED	Non-Executive Director
NEO	Named Executive Officer - Used in the US to refer to the five highest paid executives
PLC	Publicly Listed Company
PSP	Performance Share Plan
ROCE	Return on Capital Employed
SID	Senior Independent Director
SOP	Stock Option Plan - Scheme which grants stock options to recipients
TSR	Total Shareholder Return - Stock price appreciation plus dividends

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