



# North East Scotland Pension Fund

## PROXY VOTING REVIEW

PERIOD 1<sup>st</sup> October 2020 to 31<sup>st</sup> December 2020

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## 1 Resolution Analysis

- Number of resolutions voted: 199 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 132
- Number of resolutions opposed by client: 45
- Number of resolutions abstained by client: 20
- Number of resolutions Non-voting: 1
- Number of resolutions Withheld by client: 1
- Number of resolutions Not Supported by client: 0

### 1.1 Number of meetings voted by geographical location

Location	Number of Meetings Voted
UK & BRITISH OVERSEAS	20
USA & CANADA	1
ASIA	1
<b>TOTAL</b>	<b>22</b>

### 1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	132
Abstain	20
Oppose	45
Non-Voting	1
Not Supported	0
Withhold	1
US Frequency Vote on Pay	0
Withdrawn	0
<b>TOTAL</b>	<b>199</b>

### 1.3 Number of Votes by Region

	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total
UK & BRITISH OVERSEAS	129	20	43	1	0	0	0	0	193
USA & CANADA	2	0	2	0	0	1	0	0	5
ASIA	1	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>132</b>	<b>20</b>	<b>45</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>199</b>

### 1.4 Votes Made in the Portfolio Per Resolution Category

	Portfolio						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	5	9	10	0	0	0	0
Articles of Association	2	0	0	0	0	0	0
Auditors	11	4	5	0	0	0	0
Corporate Actions	6	0	0	0	0	0	0
Corporate Donations	4	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	61	7	8	0	0	1	0
Dividend	8	0	0	0	0	0	0
Executive Pay Schemes	2	0	6	0	0	0	0
Miscellaneous	5	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	1	0	0	0
Say on Pay	0	0	1	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	25	0	15	0	0	0	0
Shareholder Resolution	3	0	0	0	0	0	0

## 1.5 Votes Made in the UK Per Resolution Category

	UK						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
Annual Reports	4	5	1	0	0	0	0
Remuneration Reports	1	2	7	0	0	0	0
Remuneration Policy	0	2	2	0	0	0	0
Dividend	8	0	0	0	0	0	0
Directors	59	7	8	0	0	0	0
Approve Auditors	2	4	4	0	0	0	0
Share Issues	20	0	1	0	0	0	0
Share Repurchases	0	0	9	0	0	0	0
Executive Pay Schemes	2	0	4	0	0	0	0
All-Employee Schemes	0	0	0	0	0	0	0
Political Donations	4	0	0	0	0	0	0
Articles of Association	2	0	0	0	0	0	0
Mergers/Corporate Actions	6	0	0	0	0	0	0
Meeting Notification related	5	0	0	0	0	0	0
All Other Resolutions	14	0	7	1	0	0	0
Shareholder Resolution	2	0	0	0	0	0	0

## 1.6 Votes Made in the US Per Resolution Category

### US/Global US & Canada

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

## 1.7 Votes Made in the EU Per Resolution Category

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

## 1.8 Votes Made in the GL Per Resolution Category

Global

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



## 1.9 Geographic Breakdown of Meetings All Supported

### SZ

Meetings	All For	AGM	EGM
0	0	0	0

### AS

Meetings	All For	AGM	EGM
1	1	0	1

### UK

Meetings	All For	AGM	EGM
20	7	0	7

### EU

Meetings	All For	AGM	EGM
0	0	0	0

### SA

Meetings	All For	AGM	EGM
0	0	0	0

### GL

Meetings	All For	AGM	EGM
0	0	0	0

### JP

Meetings	All For	AGM	EGM
0	0	0	0

### US

Meetings	All For	AGM	EGM
1	0	0	0

### TOTAL

Meetings	All For	AGM	EGM
22	8	0	8

## 1.10 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
FARFETCH LTD	02-10-2020	AGM	1	0	0	0
HARGREAVES LANSDOWN PLC	08-10-2020	AGM	21	13	4	4
UNILEVER PLC	12-10-2020	COURT	1	1	0	0
UNILEVER PLC	12-10-2020	EGM	1	1	0	0
BHP GROUP PLC	15-10-2020	AGM	25	18	2	5
NCC GROUP PLC	20-10-2020	AGM	22	12	6	4
DRAPER ESPRIT PLC	20-10-2020	EGM	5	5	0	0
ROLLS-ROYCE HOLDINGS PLC	27-10-2020	EGM	1	0	0	1
LONDON STOCK EXCHANGE GROUP PLC	03-11-2020	EGM	1	1	0	0
JAMES HALSTEAD PLC	12-11-2020	AGM	10	5	0	5
BEIGENE LTD	20-11-2020	EGM	1	1	0	0
AVEVA GROUP PLC	24-11-2020	EGM	1	1	0	0
GENUS PLC	25-11-2020	AGM	17	11	2	4
CLINIGEN GROUP PLC	26-11-2020	AGM	15	10	0	5
ATLASSIAN CORPORATION PLC	03-12-2020	AGM	15	10	1	4
ABCAM PLC	04-12-2020	AGM	14	10	2	2
PELTON INTERACTIVE INC	09-12-2020	AGM	5	2	0	3
SOFTCAT PLC	10-12-2020	AGM	18	12	2	4
HORIZON DISCOVERY GROUP PLC	15-12-2020	EGM	1	1	0	0
HORIZON DISCOVERY GROUP PLC	15-12-2020	COURT	1	1	0	0
EASYJET PLC	23-12-2020	AGM	21	17	1	3
INFORMA PLC	23-12-2020	EGM	2	0	0	2

## 2 Notable Oppose Vote Results With Analysis

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

### BHP GROUP PLC AGM - 15-10-2020

#### *23. Shareholder Resolution: Amend Constitution of BHP Group Limited*

It is noted the constitution of the company is not conducive to the right of shareholders to place ordinary resolutions on the agenda of AGMs'. It is noted case law in Australia has determined that these provisions, together with the common law, mean that shareholders cannot by resolution either direct that the company take a course of action, or express an opinion as to how power vested by the company's constitution in the directors should be exercised.

#### **Proponent's Argument:**

The Australasian Centre for Corporate Responsibility (ACCR), proposes to insert a new clause on the Constitution of the Company, stating that "The shareholders in general meeting may by ordinary resolution express an opinion, ask for information, or make a request, about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised". However, such a resolution must relate to an issue of material relevance to the company or the company's business.

#### **Company's Response:**

The Board's response is that the proposed resolution is not in the interest of the shareholders since under the Constitution of BHP Group Limited and the Articles of Association of BHP Group Plc, the power to manage BHP's business is vested in Directors. BHP does not agree that the proposed amendment to the Constitution and considers that any change relating to shareholder requisitioned resolutions is a matter for the Australian Government, rather than a matter to be dealt with company-by-company through constitutional amendment. There are additional requirements and thresholds that apply when shareholders seek to requisition resolutions under UK law that are not included in the proposed amendment, and do not otherwise apply under Australian law. The Board takes into account the shareholders views which are able to ask questions about or make comments on the management of BHP at any time, including at the AGMs. Further, if shareholders disapprove of actions taken by the Directors, shareholders can refuse to re-elect them or remove them from office by ordinary resolution.

#### **Pirc's Analysis:**

It is considered the right of shareholders to place ordinary resolutions on the agenda of a shareholder meeting and is also considered in line with the best practice. Support is recommended.

Vote Cast: *For*

Results: For: 9.0, Abstain: 5.8, Oppose/Withhold: 85.2,

#### *25. Shareholder Resolution: Approve Suspension of Memberships of Industry Associations where COVID-19 Related Advocacy is Inconsistent with Paris Agreement Goals*

#### **Proponent's Argument:**

The shareholders request that the board undertake a review of advocacy activities undertaken by the Industry Association relating to economic stimulus measures in response to COVID-19. It is noted the company announced a series of changes to its approach to industry associations on 14 August 2020 which are designed to further strengthen alignment on key policy issues and provide an increased level of transparency on association advocacy. Some of these changes include; publishing BHP's Global Climate Policy Standards, support for Paris-aligned emissions reduction targets and ensuring a balanced and fact-based advocacy.

#### **Company's Response:**

The Board considers that the action BHP is already taking (that is, undertaking the review of industry associations and publishing the information described above), together with BHP's consistent public position on climate change and energy policy, show the Company's commitment. The Board debates that the Company has already announced changes to its approach on industry associations which are designed to further strengthen alignment on key policy issues.

### Pirc's Analysis:

The proposal is advisory and is considered adequately worded to respect the prerogatives of the board. It is considered that the proposal does not mean to undermine the past work of the Company in this respect, or the positive role of these associations in some aspects. Steps forward are encouraging, and BHP has demonstrated ability to monitor and act, when the work of associations (such as the World Coal Association) have come into conflict with the Company's support of the Paris Agreement. In this sense, a vote in favour is recommended as a way to show shareholders' support for the Board efforts to oversee and manage its relationships with industry associations, whose positioning may not align with either the position adopted by the company or the interests of long-term investors.

Vote Cast: *For*

Results: For: 21.4, Abstain: 4.4, Oppose/Withhold: 74.2,

### NCC GROUP PLC AGM - 20-10-2020

#### 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO wage increase by 2.5% where the UK workforce has an increase of 3% which is in line with the Company. The CEO salary is in the median of the Competitors group.

**Balance:**The CEO total pay is not considered in line with changes in TSR during the same period. CEO pay changes by 29.03% in the last five years when TSR changes in the same period are 0.70%. Total variable pay for the CEO was at 57.49% of the salary (Annual Bonus: 23.04% & LTIP: 34.45%) which is not considered excessive. The ratio of CEO pay compared to average employee pay is considered appropriate at 7:1.

Rating: BC

Vote Cast: *Abstain*

Results: For: 48.4, Abstain: 6.1, Oppose/Withhold: 45.5,

#### 3. Approve Remuneration Policy

**Policy rating: ACA** Changes proposed: i) Alignment of the Executive Directors' pensions contributions (currently CEO: 5% and CFO: 10%) with the wider workforce (currently: 4.5%) by the end of 2022 and ii) Addition of a post-holding requirement on the shareholding guidelines for the Executive directors.

Maximum opportunity for the variable pay is set at 200% of the salary( Annual Bonus: 100% & LTIP: 100%) in line with best practice. Annual Bonus performance measures include but not exclusively, profit measures and strategic objectives such as cash management, brand development, customer satisfaction and retention, business unit sales growth and colleague engagement. 35% of the Bonus is deferred to shares for a two-year period. This is not considered adequate as best practice proposes 50% of the Bonus to deferred to shares for at least two years. Long-term Incentive Plan (LTIP) performance measures are, earnings per share (60%), a cash flow metric (30%) and a relative total shareholder return metric (10%).There are no non-financial performance measures attached to the LTIP and so the focus of remuneration policy is not the operational performance of the business as a whole or the individual roles of each of the executives in achieving that performance. Instead, the focus of the remuneration policy is financial KPIs, which mainly include factors beyond an individual director's control. Vesting period is three years which is not considered sufficiently long-term,however a two-year holding period apply which is welcomed. Malus and claw back provisions apply for all variable pay.

Vote Cast: *Abstain*

Results: For: 77.2, Abstain: 5.2, Oppose/Withhold: 17.6,

#### 9. Re-elect Jonathan Brooks

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 87.1, Abstain: 0.0, Oppose/Withhold: 12.9,

**GENUS PLC AGM - 25-11-2020****13. *Issue Shares with Pre-emption Rights***

The authority is limited to 10% of the Company's issued share capital and expires at the next AGM. Within acceptable limits.

Vote Cast: *For*

Results: For: 87.5, Abstain: 0.0, Oppose/Withhold: 12.5,

**EASYJET PLC AGM - 23-12-2020****4. *Re-elect John Barton as Director***

Chair. Independent upon appointment.

Vote Cast: *For*

Results: For: 57.4, Abstain: 0.0, Oppose/Withhold: 42.6,

**5. *Re-elect Johan Lundgren as Director***

Chief Executive. Acceptable service contract provisions.

Vote Cast: *For*

Results: For: 57.5, Abstain: 0.0, Oppose/Withhold: 42.5,

**6. *Re-elect Andrew Findlay as Director***

Executive Director. Acceptable service contract provisions.

Vote Cast: *For*

Results: For: 57.5, Abstain: 0.0, Oppose/Withhold: 42.5,

**7. *Re-elect Dr Andreas Bierwirth as Director***

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 57.5, Abstain: 0.0, Oppose/Withhold: 42.5,

**8. *Re-elect Catherine Bradley as Director***

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 57.2, Abstain: 0.0, Oppose/Withhold: 42.7,

**10. *Re-elect Nick Leeder as Director***

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 57.5, Abstain: 0.0, Oppose/Withhold: 42.5,

**11. Re-elect Julie Southern as Director**

Senior Independent Director and Chair of the Audit committee. As chair of the audit committee, the director is considered to hold accountability for oversight of the protection of data and privacy of customers. Given the current uncertainty over the outcome of the ICO investigation, the impact on the company and in absence of disclosure of the measures taken in response to the online security breach, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 56.5, Abstain: 0.3, Oppose/Withhold: 43.3,

**12. Elect Sheikh Mansurah Tal-At Mannings as Director**

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 57.4, Abstain: 0.1, Oppose/Withhold: 42.5,

**13. Elect David Robbie as Director**

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 57.3, Abstain: 0.0, Oppose/Withhold: 42.7,

**INFORMA PLC EGM - 23-12-2020**

**1. Approve Remuneration Policy**

**Policy Rating: BDC** Changes proposed, i) Pension contribution rates for new Executive Directors are set in line with the workforce and pension contribution for current executives will be reduced to the level of the relevant Colleague community by the end of 2022, ii) Annual Bonus maximum opportunity is reduced from 175% of base salary for the Group Chief Executive and 150% for the Group Finance Director to 100% of base for each and the equity element of the current Annual Bonus structure would be transferred into the new Restricted Share Plan Awards (RSPA) iii) Restricted share equity awards will replace the previous performance-based multi-metric equity awards and , iv) shareholding requirements have been increased to 400% of base salary from 300% of base salary for the Group Chief Executive and 275% of base salary from 225% for Group Finance Director respectively. Post-employment shareholding requirements have been introduced.

Total potential variable pay could reach 300% of the salary for the CEO and 235% of the salary for the CFO, although it is noted that in comparison with the previous level the maximum opportunity has been reduced it is still considered excessive since is higher than the recommended limit of 200%. Annual Bonus is paid in cash for up of 100%. This is not considered adequate, as it is recommended that at least half of the annual bonus is deferred into shares. At three years the performance period of the LTIP is not considered sufficiently long term. However, a two year post-vesting holding period apply, which is welcomed. The Company uses more than one performance condition, although they are financial based and payout can be achieved if only one of the performance conditions is met. It is recommended that at least one non-financial KPI is used, and that performance conditions operate interdependently. The remuneration committee can exercise upside discretion to dis-apply time pro-rating, which is contrary to best practice.

Vote Cast: *Oppose*

Results: For: 58.5, Abstain: 1.6, Oppose/Withhold: 39.9,

## *2. Adopt the rules of the Informa Equity Revitalisation Plan*

It is proposed that certain provisions in the rules of the current equity plan be updated. These include changing the name of the plan to the Informa Equity Revitalisation Plan (from the 2014 Long-Term Incentive Plan) and to allow RSPAs to be granted to eligible Colleagues, including those members of the Senior Leadership Team and Executive Directors judged eligible. This will provide: (i) flexibility for share awards to be granted which are subject to the underpinning conditions and a 3-year vesting period commencing on the grant date; and (ii) flexibility for the 2021-2023 ERP awards to be granted under the condition that if when an Award vests and the Informa share price is not above the level of the Grant price for the Equity Revitalisation Plan, the Award will not vest until the share price exceeds the Grant price for a period of at least 3 months. If this has not been achieved within two years from the original vesting date, no shares will vest and the Award will lapse. The proposed rules of the Equity Revitalisation Plan do not have non-financial criteria. The absence of Non-financial parameters to assess Executives' long-term performance is considered contrary to best practice as such factors are generally beyond an individual director's control. Non-financial parameters allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. In addition, the performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met.

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: 58.5, Abstain: 1.6, Oppose/Withhold: 39.9,*

### 3 Oppose/Abstain Votes With Analysis

#### HARGREAVES LANSDOWN PLC AGM - 08-10-2020

##### 10. *Re-elect Shirley Garrood*

Senior Independent Director. Not considered independent as the director is a member of the remuneration committee at the company and also a director at the Deloitte UK Oversight Board. Deloitte is the company's remuneration adviser. This relationship is considered material and raises concerns over a potential conflict of interest between this director and the remuneration adviser. 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: 99.3, Abstain: 0.0, Oppose/Withhold: 0.7,

##### 7. *Re-elect Deanna Oppenheimer*

Chair. Independent upon appointment. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review.

As the company has not constituted a Chair of the Sustainability Committee, the chair 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 abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 99.5, Abstain: 0.3, Oppose/Withhold: 0.2,

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

Disclosure is considered adequate. The financial statements were sufficiently made available before the meeting and have been audited and certified. However, there are some concerns over the company's sustainability policies and practices. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 99.6, Abstain: 0.3, Oppose/Withhold: 0.1,

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

All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary is in the upper quartile of a PIRC's comparator group which raises concerns over the excessiveness of his pay. The increase in CEO salary is in line with the entire workforce. However, the Changes in CEO pay in the last five years are not considered in line with changes in TSR during the same period. The CEO's variable pay is considered excessive standing at 328.89% of salary which is inclusive of only the annual performance bonus. In addition, the ratio of CEO pay compared to average employee pay is considered inappropriate at 51:1.

Rating: AD.

Vote Cast: *Oppose*

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

##### 4. *Approve Remuneration Policy*

The board is seeking shareholder approval of its Remuneration Policy. The disclosure is considered adequate. The maximum bonus opportunity is four times base



salary for the CEO in respect of the relevant financial year which is considered excessive. It is noted the measures for the annual performance bonus includes profit before tax. Profit before tax is considered an inappropriate executive performance measure as it is not in line with the shareholder experience of benefiting from profits after tax. Profit before tax is adjusted to exclude the effects of goodwill, amortisation of intangibles, share based payments and exceptional items. Whilst these exclusions may be necessary to value the company on a future cash flow basis, the pay scheme should be rewarding management on the basis of past performance for which these excluded items represent actual loss. This shows a lack of alignment of executive interests with those of shareholders, as executives are shielded from costs incurred by the company whilst shareholders are left to carry the burden of these costs. It is noted a minimum of 40% of the annual performance bonus is subject to deferral over three years. The deferral period is not considered adequate. Best practice is for at least 50% of the bonus to be deferred for over three years. The maximum award under the sustained performance plan is half times base salary. Vesting period is five years which is in line with best practice. Malus and Clawback provisions apply for the variable awards.

Rating: ACC.

Vote Cast: *Abstain*

Results: For: 95.9, Abstain: 0.4, Oppose/Withhold: 3.7,

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

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

Vote Cast: *Abstain*

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

#### 16. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

#### 21. *Amend Sustained Performance Plan 2017*

The board is seeking shareholder approval for the amendment of the Sustained Performance Plan 2017. It is noted employees can be awarded a conditional award or a nil cost award over ordinary shares in the company at the discretion of the remuneration committee. The company states that awards will normally be granted in the 42 day period following the announcement of the company's interim or final results and may be granted in exceptional circumstances outside of this period. It is also noted the maximum face value of awards granted to an employee under the plan in any year will be limited to 50% of base salary unless the committee determines otherwise. The committee may also decide that dividend equivalents will accrue on unvested awards and will be paid in either cash or shares at the time of vesting. Such payments misalign shareholder and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. The company states that awards may be granted in exceptional circumstances which is considered inappropriate. In addition, there are concerns that the Committee may exercise upside discretion and has discretion to disapply time pro-rating or apply it to a lesser extent if it feels it is appropriate to do so. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

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

## BHP GROUP PLC AGM - 15-10-2020

### 1. *Receive the Annual Report*

Disclosure is considered adequate. The financial statements were sufficiently made available before the meeting and have been audited and certified. However, there are some concerns over the company's sustainability policies and practices. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

Results: For: 98.5, Abstain: 1.4, Oppose/Withhold: 0.0,

### 6. *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: 98.9, Abstain: 0.1, Oppose/Withhold: 0.9,

### 7. *Approve the Remuneration Report For UK Law Purposes*

All elements of the Single Total Remuneration Table are adequately disclosed. The CEO's salary did not change from last year, while the salary of the Australian employees increased by 2%. The CEO's salary is in the median of the Company's comparator group. The total variable pay for the year under review is considered excessive, amounting to 603.29% of salary for the CEO (Annual Bonus 230.47% and LTIP 372.82%). The CEO pay in the last five years are not considered in line with changes in TSR during the same period. The ratio of CEO pay compared to average employee pay is not considered acceptable at 24:1, it is recommended that the ratio does not exceed 20:1.

Rating: AD.

Vote Cast: *Oppose*

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

### 8. *Approve the Remuneration Report For Australian Law Purposes*

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. Maximum potential award for the CEO under all incentive schemes is considered excessive as it can represent over 600% of base salary. There are concerns over certain features of the LTIP which are not considered appropriate. Some of these concerns include: performance conditions which do not run interdependently and which do not include a non-financial element which are contrary to best practice.

An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 95.5, Abstain: 0.2, Oppose/Withhold: 4.3,

### 9. *Approve Equity Grant to Mike Henry*

The Board is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the grant of 140,239 LTIP awards to Mike Henry, Chief Executive, under the Company's Long-term Incentive Plan. The proposed grant has an approximate value of USD 3,400,000 which equates to over 200% of his base salary. The Company also plans to grant Mike Henry a CDP award with a maximum value of USD 3,225,600.

Concerns are raised over the plan as the value of this award is considered excessive. Also, awards under the LTIP are based on performance conditions which do not run interdependently and which do not include a non-financial element which is contrary to best practice. Based on excessiveness concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.2, Oppose/Withhold: 1.5,

#### 10. *Approve Leaving Entitlements*

Shareholder approval is being sought for the purposes of sections 200B and 200E of the Australian Corporations Act for any termination benefits that may be provided to a member who hold a managerial or executive office on cessation of their employment under the relevant employment agreement. It is noted that these are not new benefits and are similar to the proposal as described in the remuneration report over the years. The Company has an inappropriate level of discretion on how Incentive awards vest for leavers. Based on this concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### 21. *Elect John Mogford*

Independent Non-Executive Director. 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 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: 98.1, Abstain: 0.4, Oppose/Withhold: 1.4,

### **NCC GROUP PLC AGM - 20-10-2020**

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

Disclosure is considered adequate. The financial statements were sufficiently made available before the meeting and have been audited and certified. However, there are some concerns over the company's sustainability policies and practices. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

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

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

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO wage increase by 2.5% where the UK workforce has an increase of 3% which is in line with the Company. The CEO salary is in the median of the Competitors group.

**Balance:**The CEO total pay is not considered in line with changes in TSR during the same period. CEO pay changes by 29.03% in the last five years when TSR changes in the same period are 0.70%. Total variable pay for the CEO was at 57.49% of the salary (Annual Bonus: 23.04% & LTIP: 34.45%) which is not considered excessive. The ratio of CEO pay compared to average employee pay is considered appropriate at 7:1.

Rating: BC

Vote Cast: *Abstain*

Results: For: 48.4, Abstain: 6.1, Oppose/Withhold: 45.5,

### 3. *Approve Remuneration Policy*

**Policy rating: ACA** Changes proposed: i) Alignment of the Executive Directors' pensions contributions (currently CEO: 5% and CFO: 10%) with the wider workforce (currently: 4.5%) by the end of 2022 and ii) Addition of a post-holding requirement on the shareholding guidelines for the Executive directors.

Maximum opportunity for the variable pay is set at 200% of the salary (Annual Bonus: 100% & LTIP: 100%) in line with best practice. Annual Bonus performance measures include but not exclusively, profit measures and strategic objectives such as cash management, brand development, customer satisfaction and retention, business unit sales growth and colleague engagement. 35% of the Bonus is deferred to shares for a two-year period. This is not considered adequate as best practice proposes 50% of the Bonus to deferred to shares for at least two years. Long-term Incentive Plan (LTIP) performance measures are, earnings per share (60%), a cash flow metric (30%) and a relative total shareholder return metric (10%). There are no non-financial performance measures attached to the LTIP and so the focus of remuneration policy is not the operational performance of the business as a whole or the individual roles of each of the executives in achieving that performance. Instead, the focus of the remuneration policy is financial KPIs, which mainly include factors beyond an individual director's control. Vesting period is three years which is not considered sufficiently long-term, however a two-year holding period apply which is welcomed. Malus and claw back provisions apply for all variable pay.

Vote Cast: *Abstain*

Results: For: 77.2, Abstain: 5.2, Oppose/Withhold: 17.6,

### 5. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 10.00% of audit fees during the year under review and 8.64% 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. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 97.5, Abstain: 2.5, Oppose/Withhold: 0.0,

### 8. *Re-elect Chris Stone*

Non-Executive Chair of the Board. As the company do not have a sustainability committee and the ESG policy of the company is at the overall responsibility of the Board. 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 abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 97.1, Abstain: 2.5, Oppose/Withhold: 0.4,

### 13. *Re-elect Tim Kowalski*

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

Vote Cast: *Abstain*

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

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

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

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

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.0, Oppose/Withhold: 5.6,

#### 17. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 0.1, Oppose/Withhold: 2.5,

#### 20. *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. Vesting period is three years and as such is considered to be short-term, while performance targets have not been fully disclosed in a quantified manner at this time.

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: 94.4, Abstain: 0.0, Oppose/Withhold: 5.6,

#### 21. *Approve the NCC Group plc 2020 Restricted Share Plan (RSP)*

It is proposed to approve the company's new Restricted Share Plan(PSP). Under the plan awards will be made to employees and executives in the form of: i) conditional right to receive shares at the end of a specified period; or ii) a nil or nominal cost option over shares which becomes exercisable at the end of a specified period. The market value of the shares underlying awards granted to a participant in respect of any financial year of the Company may not exceed 200% of that participant's salary at the time of grant. Vesting period should not be less than three years, and the awards may be conditional on achievement of a performance underpin specified by the Remuneration Committee at the time of grant. Malus and claw back provisions will apply for the PSP

LTIPs are not considered an effective means of incentivizing 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*

Results: For: 94.4, Abstain: 0.0, Oppose/Withhold: 5.6,

### **ROLLS-ROYCE HOLDINGS PLC EGM - 27-10-2020**

#### 1. *Issue Shares with Pre-emption Rights in Connection with a Rights Issue*

The board is seeking shareholder approval for the issuance of shares in connection with a rights issue.

##### **Introduction:**

The company intends to raise gross proceeds of approximately GBP 2 billion by way of a fully underwritten 10 for 3 rights issue in addition to the commencement of a

bond offering to raise gross proceeds of at least GBP 1 billion. It is also noted that the company has agreed commitments for a new two year term loan facility of GBP 1 billion and received an indication of support in principle from UK export finance for an extension of its 80% guarantee to support a potential increase of the company's existing GBP 2 billion five year term loan of up to GBP 1 billion. It is worth noting that the rights issue price represents a 41.4% discount to the theoretical ex-rights price per existing ordinary share by reference to the closing price of GBP 130 pence per existing ordinary share on 30 September 2020.

**Background to the Proposed Recapitalisation:**

The company states that the sudden and material effect of the COVID-19 pandemic have had a significant impact on the commercial aviation industry, resulting in a sharp deterioration in the financial performance of their Civil Aerospace business and, to a lesser extent, in their Power Systems business. As a result, it is noted the company commenced restructuring programmes with the intent to return the Group to positive cash flow during the second half of 2021. The company is also targeting to reach at least GBP 750 million free cash flow (FCF) (excluding disposals) as early as 2022 and believe the longer-term prospects remain strong, with further growth in cash flow and returns expected thereafter.

**Recommendation:**

Pre-emption rights are a cornerstone of UK company law and provide shareholders with protection against inappropriate dilution of their investments. However, the proposed authority will allow dilution of approximately 76.92% which would disadvantage current shareholders. Based on this concern, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 99.4, Abstain: 0.1, Oppose/Withhold: 0.5,*

**JAMES HALSTEAD PLC AGM - 12-11-2020**

*1. Receive the Annual Report*

Disclosure is adequate and the annual report was made available sufficiently before the meeting. The financial statements have been audited and unqualified. However, the disclosure on directors' biographical information in the annual report is not considered adequate. Furthermore, there are serious corporate governance concerns regarding the management structure at the Company and as there are no independent directors on the Board. Although not required to do so under AIM listing regulations, it is considered the best practice for the Remuneration report to be submitted to a shareholder vote. The Company has not done so. Based on these reasons, an oppose vote is recommended.

*Vote Cast: Oppose*

*3. Elect Michael James Halstead*

Non-Executive Director. Not considered independent as the director has close family ties with the Company. He is in the 4th generation after the founder. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*4. Elect Russell Whiting*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. Polyflor Limited, a subsidiary of the company, leases cars from a company of which Mr Russell Whiting is a director. The lease payments during the year were GBP162,000 and the maximum outstanding lease commitments at 30 June 2018 were GBP 226,000. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### 5. *Appoint the Auditors*

BDO LLP proposed. Non-audit fees represented 14.00% of audit fees during the year under review and 6.09% 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 date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

### 9. *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*

## GENUS PLC AGM - 25-11-2020

### 1. *Receive the Annual Report*

Disclosure is considered adequate. The financial statements were sufficiently made available before the meeting and have been audited and certified. However, there are some concerns over the company's sustainability policies and practices. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

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

### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The increase in CEO salary is in line with the UK workforce. The CEO's salary is in the median of its peer comparator group.

**Balance:**The balance of CEO realized 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. Total variable pay for the year under review was at 264.22% of the salary (Annual Bonus: 171.82% & PSP: 92.4%) and is considered excessive. The ratio of CEO pay compared to average employee pay is not acceptable at 30:1. PIRC consider an acceptable rate no more than 20:1

Rating: AE

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 0.3, Oppose/Withhold: 2.2,

### 7. *Re-elect Lysanne Gray as Director*

Independent Non-Executive Director and Board's Sustainability Sponsor, as the Chair of the Sustainability Committee is not up for election, the Board member responsible for the sustainability 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 abstain vote is recommended.



Vote Cast: *Abstain*

Results: For: 98.4, Abstain: 1.1, Oppose/Withhold: 0.6,

#### 11. *Re-appoint Deloitte LLP as Auditors*

Deloitte proposed. Non-audit fees represented 22.22% of audit fees during the year under review and 8.00% 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. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 96.8, Abstain: 0.0, Oppose/Withhold: 3.1,

#### 15. *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: 92.0, Abstain: 0.1, Oppose/Withhold: 8.0,

#### 16. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.6, Abstain: 0.1, Oppose/Withhold: 1.3,

### **CLINIGEN GROUP PLC AGM - 26-11-2020**

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

The policy statement is clear. The total remuneration comprises fixed and variable components. The key executives are granted awards under the Long Term incentive plan upon the achievement of several performance conditions, which is welcomed. However, the potential awards that can be granted to Directors are considered excessive as they may exceed the recommended limit of 200% of base salary and the rewards that vested in the year are considered excessive as they equate to approximately 225% of salary. None of the metrics used under the LTIP are non-financial indicators. The absence of non-financial parameters to assess Executives' long-term performance is considered contrary to best practice as such factors allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. Also, the performance period is three years without a holding period attached which is not considered to be sufficiently long term. In addition, there is no evidence of clawback recovery provisions under which cash or shares already granted must be handed back under certain circumstances. A shareholding guideline is in place requiring executive directors to retain shares vesting from LTIP awards until a total holding of 200% of base salary is reached. However, the company has not provided a clear time frame when such guidelines should be reached. Based on these concerns, an oppose vote is recommended.



*Vote Cast: Oppose*

*4. Re-elect Peter Allen as Director*

Non-Executive Chair. Not considered independent as the director receives remuneration from the Company, in addition to non-executive fees. He previously held share options from the Company. There are also concerns over his aggregate time commitments. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*7. Re-elect Alan Boyd as Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. It is noted the company has used Alan Boyd Consultants Limited, a company owned by Professor Alan Boyd, for regulatory services in relation to the maintenance of country product licence approvals over the course of the year. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*10. Appoint the Auditors*

PwC proposed. Non-audit fees represented 71.43% of audit fees during the year under review and 63.16% 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*

*15. 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*

**ATLISSIAN CORPORATION PLC AGM - 03-12-2020**

*2. Approve the Remuneration Report*

It is proposed to approve the report on the implementation of the remuneration policy. 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*

*6. To re-elect Michael Cannon-Brookes as a director*

Co-Chief Executive and controlling shareholder. Where there is a controlling shareholder, it would be best practice to have an independent Board and independent Lead Director to offset the power of the controlling shareholder. As the Company does not abide by this practice, opposition is recommended.

*Vote Cast: Oppose*

*7. To re-elect Scott Farquhar as a director*

Co-Chief Executive, considered to be a controlling shareholder. The level of independence on the Board is not considered to be sufficient to offset the power of an Executive director who also has connections on the Board. Where there is a controlling shareholder, it would be best practice to have an independent Board and independent Lead Director to offset the power of the controlling shareholder. As the Company does not abide by this practice, opposition is recommended.

*Vote Cast: Oppose*

*11. To re-elect Enrique Salem as a director*

Independent Non-Executive Director. There are concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year.

*Vote Cast: Abstain*

*15. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares up to a maximum of 65,081 of its own Class A ordinary shares pursuant to, and on the terms described in, a Securities Restriction Agreement, dated July 14, 2020, and entry into, of the Securities Restriction Agreement is hereby approved, ratified and confirmed to expire on December 3, 2025. 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*

**ABCAM PLC AGM - 04-12-2020**

*13. 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*

## *2. Approve the Remuneration Report*

All elements of the single figure remuneration table are adequately disclosed. Executives' remuneration consists of a Base Salary, a short-term annual performance bonus, and an LTIP.

The variable pay rewarded for the year is considered acceptable as it is below the recommended limit of 200% of the base salary for the CEO. However, it is noted 30% of the annual bonus is deferred into shares which is not considered adequate. It is recommended that at least 50% of any bonus earned should be deferred for over two years. In addition, it is noted the company has not disclosed the measures for the LTIP awards which means that it is difficult to assess how sufficiently challenging the targets are at this time. Based on these concerns, an abstain vote is recommended.

*Vote Cast: Abstain*

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

PwC proposed. Non-audit fees represented 0.21% of audit fees during the year under review and 0.70% 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*

## *14. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

## **PELTON INTERACTIVE INC AGM - 09-12-2020**

### *2. Appoint the Auditors*

EY proposed. Non-audit fees represented 0.52% of audit fees during the year under review and 0.20% on a two-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

### *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: EDD. Based on this rating, opposition is recommended.

*Vote Cast: Oppose*

## SOFTCAT PLC AGM - 10-12-2020

### 1. *Receive the Annual Report*

Disclosure is considered adequate. The financial statements were sufficiently made available before the meeting and have been audited and certified. However, there are some concerns over the company's sustainability policies and practices. As a result, it is recommended to abstain from voting on the annual report in addition to the board-level accountability, as sustainability (and the concerns associated with its governance at the company) is included in the annual report submitted for shareholders' approval.

Vote Cast: *Abstain*

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

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The Chief Financial Officer was the highest paid director for the year under review. CFO pay is in line with the workforce since an increase in the salary of the CFO of 3% was aligned with the increase of the salary for the workforce of 5%. The highest pay director salary is below the lower quartile of the comparator group.

**Balance:** 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. Total variable pay during the year under review was 603.8% of the salary (Annual Bonus: 108.3% and LTIP:495.5%) of salary which is excessive and is higher than the recommended limit of 200% of salary. The ratio of CFO pay compared to average employee pay is considered appropriate at 10:1.

Rating: AD

Vote Cast: *Oppose*

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

### 6. *Re-elect Martin Hellawell*

Chair. The Chair is not considered to be independent owing to a tenure of over nine years on the Board. In addition, it is a generally accepted norm of good practice that a Chair 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. Being a non-independent Chair is considered to be incompatible with this. Furthermore, as the company do not have a Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. The Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. Overall opposition is recommended.

Vote Cast: *Oppose*

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

### 11. *Re-appoint Ernst & Young LLP as Auditors*

EY proposed. Non-audit fees represented 8.24% of audit fees during the year under review and 10.40% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 99.6, Abstain: 0.3, Oppose/Withhold: 0.1,

#### 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: 98.6, Abstain: 0.0, Oppose/Withhold: 1.3,

#### 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: 99.4, Abstain: 0.1, Oppose/Withhold: 0.5,

### EASYJET PLC AGM - 23-12-2020

#### 2. *Approve Remuneration Policy*

**Policy rating:BDB** Changes proposed, are in relation to increasing the share ownership guidelines to 250% of base salary for the Chief Executive and 200% for the future Chief Financial Officer (from 200% and 175%, respectively), and the introduction of a post-cessation share ownership guideline. Executive Directors will be expected to maintain a minimum shareholding equal to the new in-post share ownership guideline, (or their actual shareholding if lower) for two years following cessation of employment as an Executive Director.

Total potential variable pay is at 450% of the salary and consider excessive, additionally for exceptional circumstances could reach 500% of the salary. One-third of the Annual Bonus is deferred to shares, however best practice would be to defer at least 50%. Long Term Incentive Plan (LTIP), under which awards vest subject to performance conditions that do not operate interdependently. This runs against best practice. Also, guidelines recommend non-financial metric(s) to be used. The three-year performance period is not considered sufficiently long term. However, the introduction of a two-year holding period is welcome. In addition, the use of an exceptional award limit for recruitment purposes under the LTIP is considered inappropriate.

Vote Cast: *Oppose*

Results: For: 55.2, Abstain: 42.4, Oppose/Withhold: 2.4,

#### 11. *Re-elect Julie Southern as Director*

Senior Independent Director and Chair of the Audit committee. As chair of the audit committee, the director is considered to hold accountability for oversight of the protection of data and privacy of customers. Given the current uncertainty over the outcome of the ICO investigation, the impact on the company and in absence of disclosure of the measures taken in response to the online security breach, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 56.5, Abstain: 0.3, Oppose/Withhold: 43.3,

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

PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. The current auditor has been in place for more than

ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 55.0, Abstain: 42.4, Oppose/Withhold: 2.5,

#### 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: 56.8, Abstain: 42.4, Oppose/Withhold: 0.8,

### INFORMA PLC EGM - 23-12-2020

#### 1. *Approve Remuneration Policy*

**Policy Rating: BDC** Changes proposed, i) Pension contribution rates for new Executive Directors are set in line with the workforce and pension contribution for current executives will be reduced to the level of the relevant Colleague community by the end of 2022, ii) Annual Bonus maximum opportunity is reduced from 175% of base salary for the Group Chief Executive and 150% for the Group Finance Director to 100% of base for each and the equity element of the current Annual Bonus structure would be transferred into the new Restricted Share Plan Awards (RSPA) iii) Restricted share equity awards will replace the previous performance-based multi-metric equity awards and , iv) shareholding requirements have been increased to 400% of base salary from 300% of base salary for the Group Chief Executive and 275% of base salary from 225% for Group Finance Director respectively. Post-employment shareholding requirements have been introduced.

Total potential variable pay could reach 300% of the salary for the CEO and 235% of the salary for the CFO, although it is noted that in comparison with the previous level the maximum opportunity has been reduced it is still considered excessive since is higher than the recommended limit of 200%. Annual Bonus is paid in cash for up of 100%. This is not considered adequate, as it is recommended that at least half of the annual bonus is deferred into shares. At three years the performance period of the LTIP is not considered sufficiently long term. However, a two year post-vesting holding period apply, which is welcomed. The Company uses more than one performance condition, although they are financial based and payout can be achieved if only one of the performance conditions is met. It is recommended that at least one non-financial KPI is used, and that performance conditions operate interdependently. The remuneration committee can exercise upside discretion to dis-apply time pro-rating, which is contrary to best practice.

Vote Cast: *Oppose*

Results: For: 58.5, Abstain: 1.6, Oppose/Withhold: 39.9,

#### 2. *Adopt the rules of the Informa Equity Revitalisation Plan*

It is proposed that certain provisions in the rules of the current equity plan be updated. These include changing the name of the plan to the Informa Equity Revitalisation Plan (from the 2014 Long-Term Incentive Plan) and to allow RSPAs to be granted to eligible Colleagues, including those members of the Senior Leadership Team and Executive Directors judged eligible. This will provide: (i) flexibility for share awards to be granted which are subject to the underpinning conditions and a 3-year vesting period commencing on the grant date; and (ii) flexibility for the 2021-2023 ERP awards to be granted under the condition that If when an Award vests and the Informa share price is not above the level of the Grant price for the Equity Revitalisation Plan, the Award will not vest until the share price exceeds the Grant price for a period of at least 3 months. If this has not been achieved within two years from the original vesting date, no shares will vest and the Award will lapse. The proposed rules of the Equity Revitalisation Plan do not have non-financial criteria. The absence of Non-financial parameters to assess Executives' long-term performance is considered contrary to best practice as such factors are generally beyond an individual director's control. Non-financial parameters allow the remuneration policy to focus on the

operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. In addition, the performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. 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: 58.5, Abstain: 1.6, Oppose/Withhold: 39.9,

## 4 Appendix

The regions are categorised as follows:

ASIA	China; Hong Kong; Indonesia; India; South Korea; Laos; Macao; Malaysia; Philippines; Singapore; Thailand; Taiwan; Papua New Guinea; Vietnam
SANZA	Australia; New Zealand; South Africa
EUROPE/GLOBAL EU	Albania; Austria; Belgium; Bosnia; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; France; Finland; Germany; Greece; Hungary; Ireland; Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Moldova; Monaco; Montenegro; Netherlands; Norway; Poland; Portugal; Spain; Sweden; Switzerland
JAPAN	Japan
USA/CANADA	USA; Canada; Bermuda
UK/BRIT OVERSEAS	UK; Cayman Islands; Gibraltar; Guernsey; Jersey
SOUTH AMERICA	Argentina; Bolivia; Brazil; Chile; Colombia; Costa Rica; Cuba; Ecuador; El Salvador; Guatemala; Honduras; Mexico; Nicaragua; Panama; 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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