



# North East Scotland Pension Fund

## PROXY VOTING REVIEW

PERIOD 1<sup>st</sup> October 2019 to 31<sup>st</sup> December 2019

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## 1 Resolution Analysis

- Number of resolutions voted: 187 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 130
- Number of resolutions opposed by client: 41
- Number of resolutions abstained by client: 14
- Number of resolutions Non-voting: 0
- Number of resolutions Withheld by client: 0
- Number of resolutions Not Supported by client: 0

### 1.1 Number of meetings voted by geographical location

Location	Number of Meetings Voted
UK & BRITISH OVERSEAS	19
ASIA	1
<b>TOTAL</b>	<b>20</b>

### 1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	130
Abstain	14
Oppose	41
Non-Voting	0
Not Supported	0
Withhold	0
US Frequency Vote on Pay	0
Withdrawn	2
<b>TOTAL</b>	<b>187</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	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total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	14	41	0	0	0	2	0	186
ASIA	1	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>130</b>	<b>14</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>187</b>

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

	Portfolio						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	1	0	0	0	0	0	0
Annual Reports	9	4	11	0	0	0	0
Articles of Association	2	0	0	0	0	0	0
Auditors	13	4	2	0	0	0	0
Corporate Actions	3	0	0	0	0	0	0
Corporate Donations	2	1	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	58	5	11	0	0	0	0
Dividend	12	0	0	0	0	0	0
Executive Pay Schemes	1	0	3	0	0	0	0
Miscellaneous	6	0	0	0	0	0	2
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	2	0	0	0	0	0	0
Share Issue/Re-purchase	19	0	14	0	0	0	0
Shareholder Resolution	2	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	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn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	7	1	2	0	0	0	0
Remuneration Reports	2	3	5	0	0	0	0
Remuneration Policy	0	0	4	0	0	0	0
Dividend	11	0	0	0	0	0	0
Directors	58	5	11	0	0	0	0
Approve Auditors	4	4	2	0	0	0	0
Share Issues	18	0	1	0	0	0	0
Share Repurchases	0	0	9	0	0	0	0
Executive Pay Schemes	1	0	2	0	0	0	0
All-Employee Schemes	1	0	0	0	0	0	0
Political Donations	2	1	0	0	0	0	0
Articles of Association	1	0	0	0	0	0	0
Mergers/Corporate Actions	3	0	0	0	0	0	0
Meeting Notification related	4	0	0	0	0	0	0
All Other Resolutions	16	0	5	0	0	0	2
Shareholder Resolution	1	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	0	0	0	0	0
Corporate Actions	0	0	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0
Directors	0	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	0	0	0	0	0	0	0

## 1.7 Votes Made in the EU Per Resolution Category

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



## 1.9 Geographic Breakdown of Meetings All Supported

### SZ

Meetings	All For	AGM	EGM
0	0	0	0

### AS

Meetings	All For	AGM	EGM
1	1	1	0

### UK

Meetings	All For	AGM	EGM
19	5	0	5

### 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
0	0	0	0

### TOTAL

Meetings	All For	AGM	EGM
20	6	1	5

## 1.10 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
HARGREAVES LANSDOWN PLC	10-10-2019	AGM	19	15	3	1
VECTURA GROUP PLC	10-10-2019	EGM	3	2	0	1
PRUDENTIAL PLC	15-10-2019	EGM	2	2	0	0
BHP GROUP PLC	17-10-2019	AGM	22	16	1	5
RENISHAW PLC	24-10-2019	AGM	14	11	0	3
Trip.com Group Limited	25-10-2019	AGM	1	1	0	0
WIZZ AIR HOLDINGS PLC	30-10-2019	EGM	1	1	0	0
ABCAM PLC	13-11-2019	AGM	16	12	1	3
GENUS PLC	14-11-2019	AGM	20	10	2	8
RICARDO PLC	14-11-2019	AGM	18	13	1	4
IP GROUP PLC	25-11-2019	EGM	3	3	0	0
CLINIGEN GROUP PLC	26-11-2019	AGM	16	11	1	4
LONDON STOCK EXCHANGE GROUP PLC	26-11-2019	EGM	2	2	0	0
XAAR PLC	27-11-2019	EGM	1	1	0	0
JUST EAT PLC	04-12-2019	COURT	1	0	0	0
JUST EAT PLC	04-12-2019	EGM	1	0	0	0
ATLISSIAN CORPORATION PLC	04-12-2019	AGM	14	8	2	4
SOFTCAT PLC	05-12-2019	AGM	20	14	3	3
JAMES HALSTEAD PLC	06-12-2019	AGM	9	5	0	4
MERCIA ASSET MANAGEMENT PLC	20-12-2019	EGM	4	3	0	1

## 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 - 17-10-2019

#### *21. Shareholder Resolution: Amendment to the Constitution of BHP Group Limited*

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 be 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 as identified by the company, and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company. The Board respond 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. Directors are required by law to act in the best interests of the Company at all times. BHP does not agree that the proposed amendment to the Constitution will extend rights to shareholders of BHP Group Limited which are already enjoyed by shareholders of BHP Group Plc. 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 in 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.

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: 14.0, Abstain: 8.3, Oppose/Withhold: 77.7,

#### *22. Shareholder Resolution: Lobbying inconsistent with the goals of the Paris Agreement*

The Australasian Centre for Corporate Responsibility (ACCR), proposes that the Company should suspend its memberships of Industry Associations where: a) major function of the Industry Association is to undertake lobbying, advertising and/or advocacy relating to climate and/or energy policy and b) the Industry Association's record of Advocacy since January 2018 demonstrates, according to the filing shareholders inconsistency with the Paris Agreement's goals. The Board states that Global warming is a challenge that requires collaboration, from companies such as BHP, customers and governments. The filing shareholder recognizes that BHP is making progresses on climate change, as well as some progresses in measuring scope 3 emissions. However, the proposal is grounded in the apparent lack of governance oversight into lobbying associations (in particular, corporate climate lobbying), which according to the proponents leads to lack of control over these associations, undermines the regulatory environment to transition to low-carbon economy and eventually shareholders beneficial interests.

BHP supports the Paris Agreement as a critical element of the response to global warming, and has signed the 'CEO Statement on Business and Climate Change and the Paris Negotiations', supporting the Australian Government in securing an effective outcome from the Paris negotiations. It became a signatory to the Paris Pledge for Action, pledging the Company's support to ensuring that the level of ambition set by the agreement is met or exceeded. BHP's climate change strategy focuses on reducing its operational greenhouse gas (GHG) emissions, investing in low emissions technologies, promoting product stewardship, managing climate-related risk and opportunity, and working with others to enhance the global policy and market response. In July 2019 the CEO of BHP announced additional actions the Company will take such as: a five-year, USD400 million Climate Investment Program to develop opportunities to reduce emissions from BHP's own operations, establishing a new medium-term, science-based target for Scope 1 and 2 emissions, developing a new climate portfolio analysis report in 2020, following on from BHP's 2015 two degree scenario analysis, strengthening the link between emissions performance and executive remuneration and committing to work with BHP's customers to reduce scope 3

emissions, and to set public goals to address Scope 3 emissions. BHP was one of the first to undertake a review of lobbying in 2017 and reviews the membership to industry associations on an annual basis, with a variety of outcomes including suspension (such as that from the World Coal Association in April 2018). BHP believes that industry associations have the capacity to play a key role in advancing the development of standards, best practices and constructive policy that are of benefit to members, the economy and society. According to the Company Statement, Membership provides BHP with the ability to lead, influence and strengthen standards in relation to various issues, including workplace health and safety, environmental protection, global warming, community engagement, workforce skills and diversity, and measures that support economic growth, which would not be possible to replicate.

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: 26.0, Abstain: 4.1, Oppose/Withhold: 69.9,

#### **RENISHAW PLC AGM - 24-10-2019**

##### *4. Re-elect Sir David McMurtry*

Executive Chair. It is a generally accepted norm of good practice that the 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. Holding an executive position is incompatible with this and a vote to Oppose is recommended.

Vote Cast: *Oppose*

Results: For: 76.9, Abstain: 0.9, Oppose/Withhold: 22.2,

##### *5. Re-elect John Deer*

Executive Vice Chair. 12 months rolling contract. Deputy Chair and former Managing Director from 1974 to 1989. John Deer, together with his wife Mrs M. E Deer controls 16.80% of the issued share capital of the Company by virtue of a long-standing voting agreement between John Deer (and his wife) and Sir David McMurtry. Opposition is recommended

Vote Cast: *Oppose*

Results: For: 76.5, Abstain: 0.9, Oppose/Withhold: 22.5,

#### **RICARDO PLC AGM - 14-11-2019**

##### *5. Elect Russell King*

Newly-appointed Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 81.4, Abstain: 3.1, Oppose/Withhold: 15.5,

### 12. *Re-elect Malin Persson*

Senior Independent Director. There are concerns over the director's potential aggregate time commitments. However, the director has attended all the board and committee meetings she was eligible to attend during the year. It is also noted the director received a significant number of oppose votes at approximately 13.32% at the 2018 AGM which has not been adequately addressed. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 85.7, Abstain: 0.5, Oppose/Withhold: 13.8,

### 3 Oppose/Abstain Votes With Analysis

#### HARGREAVES LANSDOWN PLC AGM - 10-10-2019

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

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. 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. CEO salary increase by 2.9% while employee salary increase by 3.1%.

**Balance:** The Changes in CEO pay in the last five years are not considered in line with changes in TSR during the same period. There was no variable pay for the year under review for the CEO. The ratio of CEO pay compared to average employee pay is considered appropriate at 12:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 98.7, Abstain: 1.0, Oppose/Withhold: 0.4,

##### *4. Appoint the Auditors*

PwC proposed. No non-audit fees was paid during the year. Non-audit fees represents approximately 3.88% on a 3-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: 99.0, Abstain: 1.0, Oppose/Withhold: 0.0,

##### *7. Re-election of Deanna Oppenheimer*

Chair. Independent upon appointment. As none of the members of the Sustainability Committee is up for election, 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: 98.8, Abstain: 1.0, Oppose/Withhold: 0.2,

##### *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*

Results: For: 98.9, Abstain: 0.7, Oppose/Withhold: 0.3,

#### VECTURA GROUP PLC EGM - 10-10-2019

##### *3. 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: 1.0,

## BHP GROUP PLC AGM - 17-10-2019

### 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, it is recommended to oppose.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 1.1, Oppose/Withhold: 0.4,

### 6. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.2, Oppose/Withhold: 0.6,

### 7. *Approve Remuneration Policy*

**Policy rating: ADB** The remuneration Committee proposes the following changes in the remuneration Policy for the CEO, 1) Reduction of the LTIP maximum opportunity from 400% to 200% of the base salary, a Cash and Deferred Plan (CDP) that has a longer-term focus than the current STIP. The CDP will include a cash award, plus two-year and five-year deferred share awards each of equivalent value to the actual cash award. 2) reduction in the pension contribution rate from 25 per cent of base salary down to 10 per cent of base salary and 3) The introduction of a two-year post-retirement shareholding requirement for the CEO. The proposed changes result in a 12% reduction of the total value of the total annual remuneration. The CDP is based on a mix of financial and non-financial performance conditions payable in the form cash (50%) and two awards of deferred shares, each of equivalent value to the cash award (50%) deferred over a period of two years and five years, which is commendable. The performance period for the LTIP award is over five years which is considered the best practice. In case of termination, LTIP awards and annual bonus appears to be, at maximum, pro-rated for period served. This is also considered acceptable. However, significant concerns remain over the excessiveness of the remuneration for the CEO with potential aggregate awards of 470% of the salary for Executives and 320% for the CEO (CDP 120% of the salary and LTIP 350% and 200% of the salary). Moreover, the Long Term Incentive scheme uses only one performance condition, TSR. It is considered that long-term incentive schemes should apply at least two performance criteria concurrently as well as non-financial performance metrics. Based on the above considerations an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 92.8, Abstain: 0.7, Oppose/Withhold: 6.4,

### 8. *Approve Directors' annual report on remuneration*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. Performance conditions and past targets for the annual bonus are adequately

disclosed. Share incentive awards are disclosed along with face value of awards. CEO's salary did not change from last year, while the change in salary for Australian employees was an increase of 2.1%. The CEO's salary is in the upper quartile of the Company's comparator group.

**Balance:** Total variable pay for the year under review was not excessive, amounting to 76 % of salary for the CEO (Annual Bonus 76% and LTIP 0%), CEO pay in the last five years are considered in line with changes in TSR during the same period. The CEO pay decline by 5.22% where the TSR increase by 13.28% for the period from 30-06-2015 to 30-06-2019. The ratio of CEO pay compared to average employee pay is not acceptable at 24:1, it is recommended that the ratio does not exceed 20:1

Rating: AC

Vote Cast: *Abstain*

Results: For: 96.6, Abstain: 0.7, Oppose/Withhold: 2.7,

#### 9. *Approval of the Remuneration Report*

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

An oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 0.4, Oppose/Withhold: 3.3,

#### 10. *Approve Equity Grant to Executive Director*

The Board is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the grant of 271,348 LTIP awards to Andrew Mackenzie, Chief Executive, under the Company's Long-term Incentive Plan. The proposed grant has an approximate value of USD 6,800,000 which equates to 400% of his annual base salary. The Company also plans to grant Mr Mackenzie and STIP award with a maximum value of USD 1,305,600.

Concerns are raised over the plan as the value of this award is considered excessive. Also, awards under the LTI are based on performance conditions which do not run interdependently and which do not include a non-financial element, contrary to best practice. Lastly, the awards mentioned above are excessive.

An oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.2, Abstain: 0.3, Oppose/Withhold: 2.5,

### RENISHAW PLC AGM - 24-10-2019

#### 4. *Re-elect Sir David McMurtry*

Executive Chair. It is a generally accepted norm of good practice that the 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. Holding an executive position is incompatible with this and a vote to Oppose is recommended.

Vote Cast: *Oppose*

Results: For: 76.9, Abstain: 0.9, Oppose/Withhold: 22.2,



### *5. Re-elect John Deer*

Executive Vice Chair. 12 months rolling contract. Deputy Chair and former Managing Director from 1974 to 1989. John Deer, together with his wife Mrs M. E Deer controls 16.80% of the issued share capital of the Company by virtue of a long-standing voting agreement between John Deer (and his wife) and Sir David McMurtry. Opposition is recommended

Vote Cast: *Oppose*

Results: For: 76.5, Abstain: 0.9, Oppose/Withhold: 22.5,

### *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*

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

## **ABCAM PLC AGM - 13-11-2019**

### *3. 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 also considered excessive as it exceeded 200% of the base salary for the CEO. For the awards vesting during the year, the performance conditions attached to both the Annual Bonus and LTIP used more than one metric which included a non-financial element. However, the performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met.

Vote Cast: *Oppose*

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

PwC proposed. Non-audit fees represented 0.54% of audit fees during the year under review and 2.19% 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 five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

### *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*

### 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*

## GENUS PLC AGM - 14-11-2019

### 1. *Receive the Annual Report*

Strategic report meets guidelines. Adequate employment policy are in place and relevant, up-to-date, quantified, environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. However, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. On balance, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 96.5, Abstain: 3.5, Oppose/Withhold: 0.0,

### 2. *Approve the Remuneration Report*

It is noted the Remuneration Report registered a significant number of oppose votes at approximately 29.6% at the 2018 AGM. All elements of the Single Total Remuneration Table are adequately disclosed. The increase in CEO salary is not in line with the UK comparators used. It is noted the UK comparators are a subset of the UK workforce comprising employees with a bonus structure based on Group performance. This is not considered to be an appropriate comparator group. The CEO's salary is in the median of its peer comparator group. Specific quantified targets under the long term incentive scheme are disclosed. All share incentive awards are fully disclosed with award dates and prices. However, accrued dividends on vested share incentive awards are not separately categorised. 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 ratio of CEO pay compared to average employee pay is acceptable at 14:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 97.5, Abstain: 0.9, Oppose/Withhold: 1.6,

### 3. *Approve Remuneration Policy*

Overall disclosure is adequate. The maximum limit for bonus awards is clearly stated. It is noted 25% of the payments under the Core Bonus element will be made in Company shares deferred for three years subject to continued service, which is against guidelines as 50% of the Bonus payments should be deferred. The Core Bonus element uses an adjusted profit before tax as a performance measure. 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. The Company uses only one performance condition for the Performance Share Plan (PSP). This is against guidelines as two performance conditions should work in interdependent manner to reflect the overall performance of the Company under all performance conditions. No non-financial indicators are used. The three-year performance period is not considered sufficiently long term. However, a holding period of two years applies. Also, clawback and malus provisions are in place which aligns with best practice. However, excessive payouts may be made to Executive Directors as potential variable awards exceed 200% of base salary. Executives are required to achieve a shareholding of 200% of salary within five years which is considered best practice. Upside discretion can be used by the Committee when determining severance payments. For instance, the Committee has the discretion to remove the

pro-rated requirement on outstanding PSP awards in case of the departure of an Executive, which is contrary to best practice.

Rating: BDB

Vote Cast: *Oppose*

Results: For: 93.3, Abstain: 0.0, Oppose/Withhold: 6.6,

#### 5. *Adoption of the Genus Plc Deferred Share Bonus Plan*

The Board seeks shareholder approval for the implementation of a Deferred Share Bonus Plan to replace the existing Genus Plc DSBP. The company states the DSBP provides that a proportion of an employee's annual cash bonus is deferred into shares over a three year period, conditional upon remaining in employment. The awards may not be granted under the Plans on terms capable of being satisfied by newly issued Shares where to do so would cause the number of Shares which may be issued pursuant to outstanding Awards granted within the previous 10 years under the Plans and any other discretionary employees' share scheme adopted by the Company, when added to the number of Shares issued for the purpose of any such Awards, to exceed 5% of the Company's ordinary share capital in issue immediately prior to the proposed date of grant. For these purposes, the Committee interprets this 5% limit as applying to Awards granted to Executive Directors and executive committee members only.

These awards are not necessarily attached to performance conditions which is considered highly inappropriate and can lead to excessive awards despite poor performance. Options will normally become capable of exercise three years after grant. When leaving the Company, the Committee has the discretion to accelerate the vesting of all outstanding awards in certain circumstances. Based on the above concerns an oppose vote is recommended.

Vote Cast: *Oppose*

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

#### 6. *Approve the Amended Rules of the Genus Plc 2014 Deferred Share Bonus Plan*

Shareholders are being asked to approve the amended Rules of the Genus Plc 2014 Deferred Share Bonus Plan. The Remuneration Committee has determined that it is appropriate to seek shareholder approval to amend the 2014 DSBP, so that existing awards made under the 2014 DSBP can be satisfied using newly issued or treasury shares. Allowing the use of new issue or treasury shares will give the Company greater flexibility in satisfying existing awards and ensures that Company cash need not be used to acquire existing shares in the market to satisfy awards if it is determined that there are other uses for such cash. It is also noted the 2014 DSBP will also be amended so that awards may not be satisfied by newly issued or treasury shares where to do so would cause the number of shares which may be issued pursuant to outstanding awards granted within the previous 10 years under the 2014 DSBP. In line with concerns raised in Resolution 5, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.0, Oppose/Withhold: 1.1,

#### 8. *Re-elect Bob Lawson*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years on the Board. In addition, it is a generally accepted norm of good practice that the 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.

As the Chair of the Sustainability Committee is not up for election, the Chair of the Board is considered accountable for the Company's Sustainability programme. However, the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. He is also a member of the Remuneration Committee which should comprise wholly of independent directors. On balance, an oppose vote is recommended.

Vote Cast: *Oppose*

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

### 13. *Re-elect Ian Charles*

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: 94.1, Abstain: 1.0, Oppose/Withhold: 4.9,

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

Deloitte proposed. There were no non-audit fees during the year under review and non-audit fees represents 8.33% 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: 96.5, Abstain: 0.0, Oppose/Withhold: 3.5,

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

It is noted this resolution registered a significant number of oppose votes at approximately 13.43% at the 2018 AGM. 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: 90.0, Abstain: 0.0, Oppose/Withhold: 9.9,

### 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: 0.2, Oppose/Withhold: 1.2,

## **RICARDO PLC AGM - 14-11-2019**

### 8. *Re-elect Terry Morgan*

Chair. It is noted he is the chair of the Nomination Committee until after the AGM and no target has been set to increase the level of female representation on the Board, which currently falls below the recommended 33% target. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.7, Abstain: 0.5, Oppose/Withhold: 1.8,

### 11. *Re-elect Dave Shemmans*

Chief Executive. It is noted he is a member of the Nomination Committee which raises concerns over the recruitment and assessment process. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 97.7, Abstain: 2.2, Oppose/Withhold: 0.0,

#### 12. *Re-elect Malin Persson*

Senior Independent Director. There are concerns over the director's potential aggregate time commitments. However, the director has attended all the board and committee meetings she was eligible to attend during the year. It is also noted the director received a significant number of oppose votes at approximately 13.32% at the 2018 AGM which has not been adequately addressed. On this basis, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 85.7, Abstain: 0.5, Oppose/Withhold: 13.8,

#### 14. *Approve the Remuneration Report*

All elements of the single figure remuneration table are adequately disclosed. Next year's fees and salaries are clearly disclosed. However, it is noted that the Remuneration Report registered a significant level of oppose votes of 10.8% at the 2018 AGM which has not been adequately addressed. Also, the CEO's salary is considered in the upper quartile of a peer comparator group which raises serious concerns regarding the excessiveness of his pay. 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 variable pay is considered within recommended limits at 71.06% of his salary. The ratio of CEO to average employee pay is found acceptable at 13:1.

Rating: BD

Vote Cast: *Oppose*

Results: For: 91.5, Abstain: 0.0, Oppose/Withhold: 8.5,

#### 17. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **CLINIGEN GROUP PLC AGM - 26-11-2019**

#### 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 314.8% 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. Elect Alan Boyd*

Newly-appointed Non-Executive Director. He is 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. These transactions raise concerns over a potential conflict of interest. On this basis, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *6. Re-elect Peter Allen*

Incumbent Chair. He is not considered independent as he previously held share options from the Company. It is a generally accepted norm of good practice that the 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. Additionally, he is a member of the Remuneration and Audit and Risk Committees which should comprise wholly of independent directors. On these basis, an oppose vote is recommended.

*Vote Cast: Oppose*

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

PwC proposed. There were no non-audit fees during the year and non-audit fees represents approximately 50.00% of audit fees 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*

#### *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*

## ATLASSIAN CORPORATION PLC AGM - 04-12-2019

### *2. Approve the Remuneration Report*

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

### *3. Approve Remuneration Policy*

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*

### *7. Elect Director Michael Cannon-Brookes*

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*

### *8. Elect Director Scott Farquhar*

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*

### *12. Elect Director Enrique Salem*

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*

### 13. *Elect Director Steven Sordello*

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*

## SOFTCAT PLC AGM - 05-12-2019

### 3. *Approve Remuneration Policy*

**Policy rating:BDC** Changes: The Remuneration committee proposed the following: incorporating into the Policy that levels of Company pension contributions will reflect that of the wider workforce, incorporating into the annual bonus arrangements the deferral of part of any award into shares, introduction of a mandatory two-year post-vesting holding period in respect of the LTIP and strengthening the shareholding targets through the introduction of a two-year post-cessation shareholding requirement.

The Company provides good disclosure as the pay policy aims and pay packages are fully explained, performance conditions are stated. Total variable pay could reach 350% of the salary and in exceptional circumstances 400% which consider excessive. The maximum value of deferred shares is up to 50% of the bonus earned vest after a period of three-years. For the LTIP, no non-financial indicators are used, which is contrary to best practice. The three-year performance period is not considered sufficiently long term. However, a holding period of two years applies which is welcomed.

Vote Cast: *Oppose*

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

### 7. *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 Chair of the Sustainability Committee is not up for election, 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. An abstention vote is therefore recommended.

Vote Cast: *Abstain*

Results: For: 95.5, Abstain: 0.3, Oppose/Withhold: 4.2,

### 13. *Appoint the Auditors*

EY proposed. Non-audit fees represented 8.68% of audit fees during the year under review and 8.51% 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 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: 99.7, Abstain: 0.3, Oppose/Withhold: 0.0,

### 15. *Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 150,000. The Company did not make any political



donations or incur any political expenditure and has no intention either now or in the future of doing so. However, the aggregate total amount exceeds recommended limits. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 99.4, Abstain: 0.3, Oppose/Withhold: 0.3,

#### *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 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: 98.2, Abstain: 0.0, Oppose/Withhold: 1.8,

#### *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: 99.6, Abstain: 0.1, Oppose/Withhold: 0.3,

### **JAMES HALSTEAD PLC AGM - 06-12-2019**

#### *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 the independence of 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*

#### *4. Re-elect Steve Hall*

Senior Independent Director. Not considered independent as Mr Hall was Director of of Corporate Banking for the Royal Bank of Scotland the Banker of the Company. 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*

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

BDO LLP proposed. Non-audit fees represented 62.35% of audit fees during the year under review and 25.55% on a three-year aggregate basis. This level of non-audit fees raises major 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. Opposition is recommended.

*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*

### **MERCIA ASSET MANAGEMENT PLC EGM - 20-12-2019**

#### *4. Allot equity security for cash*

The authority sought exceeds the recommended 5% maximum of the Company's issued share capital and expires at the next AGM. An oppose vote is recommended.

*Vote Cast: Oppose*

## 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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