



North East Scotland Pension Fund

PROXY VOTING REVIEW

PERIOD 1st July 2021 to 30th September 2021

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1 Resolution Analysis

- Number of resolutions voted: 360 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 260
- Number of resolutions opposed by client: 75
- Number of resolutions abstained by client: 25
- 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	25
EUROPE & GLOBAL EU	1
USA & CANADA	1
ASIA	1
TOTAL	28

1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	260
Abstain	25
Oppose	75
Non-Voting	0
Not Supported	0
Withhold	0
US Frequency Vote on Pay	0
Withdrawn	0
TOTAL	360

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	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total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	256	25	73	0	0	0	0	0	354
EUROPE & GLOBAL EU	0	0	1	0	0	0	0	0	1
USA & CANADA	0	0	1	0	0	0	0	0	1
ASIA	4	0	0	0	0	0	0	0	4
TOTAL	260	25	75	0	0	0	0	0	360

1.4 Votes Made in the Portfolio Per Resolution Category

	Portfolio							
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn	
All Employee Schemes	4	0	0	0	0	0	0	0
Annual Reports	14	17	14	0	0	0	0	0
Articles of Association	10	0	1	0	0	0	0	0
Auditors	20	0	15	0	0	0	0	0
Corporate Actions	1	1	0	0	0	0	0	0
Corporate Donations	8	0	1	0	0	0	0	0
Debt & Loans	0	0	0	0	0	0	0	0
Directors	129	7	6	0	0	0	0	0
Dividend	13	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	5	0	0	0	0	0
Miscellaneous	19	0	0	0	0	0	0	0
NED Fees	0	0	0	0	0	0	0	0
Non-Voting	0	0	0	0	0	0	0	0
Say on Pay	0	0	0	0	0	0	0	0
Share Capital Restructuring	2	0	1	0	0	0	0	0
Share Issue/Re-purchase	40	0	32	0	0	0	0	0
Shareholder Resolution	0	0	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	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn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	8	8	2	0	0	0	0
Remuneration Reports	6	5	7	0	0	0	0
Remuneration Policy	0	4	5	0	0	0	0
Dividend	12	0	0	0	0	0	0
Directors	129	7	6	0	0	0	0
Approve Auditors	3	0	15	0	0	0	0
Share Issues	40	0	1	0	0	0	0
Share Repurchases	0	0	18	0	0	0	0
Executive Pay Schemes	0	0	5	0	0	0	0
All-Employee Schemes	4	0	0	0	0	0	0
Political Donations	8	0	1	0	0	0	0
Articles of Association	7	0	1	0	0	0	0
Mergers/Corporate Actions	1	0	0	0	0	0	0
Meeting Notification related	17	0	0	0	0	0	0
All Other Resolutions	21	1	12	0	0	0	0
Shareholder Resolution	0	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	1	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	1	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	3	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	1	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	0	1

UK

Meetings	All For	AGM	EGM
25	5	0	5

EU

Meetings	All For	AGM	EGM
1	0	0	0

SA

Meetings	All For	AGM	EGM
0	0	0	0

GL

Meetings	All For	AGM	EGM
0	0	0	0

JP

Meetings	All For	AGM	EGM
0	0	0	0

US

Meetings	All For	AGM	EGM
1	0	0	0

TOTAL

Meetings	All For	AGM	EGM
28	6	0	6

1.10 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
3i GROUP PLC	01-07-2021	AGM	20	14	3	3
ABCAM PLC	01-07-2021	EGM	6	2	0	4
TRAINLINE PLC	01-07-2021	AGM	17	13	0	4
JD SPORTS FASHION PLC	01-07-2021	AGM	17	12	0	5
KERING SA	06-07-2021	EGM	1	0	0	1
AVEVA GROUP PLC	07-07-2021	AGM	22	16	0	6
FIRST DERIVATIVES PLC	08-07-2021	AGM	16	15	0	1
MELROSE INDUSTRIES PLC	09-07-2021	EGM	3	3	0	0
VECTURA GROUP LIMITED	12-07-2021	EGM	2	2	0	0
VECTURA GROUP LIMITED	12-07-2021	COURT	1	1	0	0
BURBERRY GROUP PLC	14-07-2021	AGM	25	20	2	3
DRAPER ESPRIT PLC	14-07-2021	AGM	15	11	0	4
DRAPER ESPRIT PLC	14-07-2021	EGM	2	0	1	1
HELICAL PLC	15-07-2021	AGM	20	16	2	2
HOMESERVE PLC	16-07-2021	AGM	21	15	3	3
JOHNSON MATTHEY PLC	29-07-2021	AGM	19	13	2	4
DR. MARTENS PLC	29-07-2021	AGM	19	15	0	4
PRUDENTIAL PLC	27-08-2021	EGM	1	1	0	0
BILIBILI INC	01-09-2021	EGM	4	4	0	0
CREO MEDICAL GROUP PLC	06-09-2021	EGM	2	2	0	0
GAMES WORKSHOP GROUP PLC	15-09-2021	AGM	14	11	1	2
ASHTREAD GROUP PLC	16-09-2021	AGM	21	13	2	6
AUTO TRADER GROUP PLC	17-09-2021	AGM	19	12	3	4
INTUITIVE SURGICAL INC	20-09-2021	EGM	1	0	0	1
OXFORD INSTRUMENTS PLC	21-09-2021	AGM	16	11	2	3
MOONPIG GROUP PLC	28-09-2021	AGM	18	11	3	4

AO WORLD PLC	29-09-2021	AGM	18	12	1	5
DIAGEO PLC	30-09-2021	AGM	20	15	0	5

2 Notable Oppose Vote Results With Analysis

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

3 Oppose/Abstain Votes With Analysis

3i GROUP PLC AGM - 01-07-2021

1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. 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*

2. *Approve the Remuneration Report*

Disclosure:All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary is in line with the rest of the Company. The CEO's salary is considered to be in the upper quartile of PIRC's comparator group which raises concerns over the excessiveness of his pay.

Balance:The changes in CEO pay over the last five years are considered in line with changes in Company's TSR performance over the same period. The changes in the CEO pay were increase by 4.44% for the last five years were the TSR increase by 28.65% for the same period. The total CEO realized variable pay for the year under review is 706.1% of salary (Annual Bonus: 368.1% : LTIP 338%), which is considered excessive. The ratio of CEO pay compared to average employee pay is acceptable 12:1.

Rating: AC

Vote Cast: *Abstain*

11. *Re-elect Simon Thompson - Chair (Non Executive)*

Non-Executive Chair of the Board. As the company do not have a Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

13. *Re-appoint KPMG LLP as Auditors*

KPMG proposed. Non-audit fees represented 12.00% of audit fees during the year under review and 23.81% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the

standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

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

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

ABCAM PLC EGM - 01-07-2021

1. Approve Remuneration Policy

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

Vote Cast: Oppose

2. 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

5. 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

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

TRAINLINE PLC AGM - 01-07-2021

1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. As a result, it is recommended to oppose 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: Oppose

10. Appoint PwC LLP as Auditors

PwC proposed as new auditor in replacement of KPMG. Auditor rotation is considered a positive factor. Acceptable proposal.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the

benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

15. Authorise Issue of Equity without Pre-emptive Rights in Connection with 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 Market Purchase of Ordinary Shares

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

Vote Cast: Oppose

JD SPORTS FASHION PLC AGM - 01-07-2021

2. Approve the Remuneration Report

Disclosure:All elements of the Single Total Remuneration Table are adequately disclosed. The change in the Executive Chairman's salary is in line with the rest of the Company, as the Executive Chairman's salary decrease by 18.77% while the salary change for the average UK head office employee was an increase 1.28%. The Executive Chairman's salary is in the median of the Company's comparator group

Balance:The balance of the Executive Chairman's realized pay with financial performance is considered acceptable as the change in the Executive Chairman's total pay over five years is commensurate with the change in TSR over the same period. Total variable pay is 184.7% of salary which is just on the limit of acceptable pay. However, this is due to the fact that only the annual bonus was rewarded. Any LTIP vesting would take the variable pay above the limit of 200% of salary, showing the level of annual bonus rewards. In addition, the Executive chair received a reward of GBP 3,000,000 which is stated as other reward and is at 427% of the salary and is deemed excessive. The ratio of the Executive Chairman's pay compared to average employee salary is unacceptable at 273:1; it is recommended that the ratio does not exceed 20:1. It is noted that the Company is in the retail sector, and thus many of the employee jobs are on the lower end of the spectrum in terms of pay, typical of the sector.

Rating: AC.

Executives will receive an annual bonus, although the company applied for state aid for companies affected by the consequences the outbreak of the COVID-19 public health crisis in 2020. State aid among other things led to staff being furloughed. It is considered that paying management bonuses when taxpayers are de facto supporting the company by paying for furlough of staff does not provide alignment with stakeholder interests, which is what variable remuneration schemes are supposed to achieve.

Vote Cast: Oppose

3. Approve Remuneration Policy

Policy Rating: BDC Change Proposed: Following feedback from shareholders a change to the Policy is proposed, which involves the introduction of a share based element to the Long Term Incentive Plan ('LTIP').

Total variable pay is set at 450% of the salary which is considered excessive since is higher than the limit of 200%. Annual Bonus performance measures are two third financials and one third strategic KPI's. The Bonus is paid in cash, this is not considered adequate best practice suggest that 50% of the bonus to deferred to shares for at least two-years. Long-term Incentive plan (LTIP) subject to an underpin being met, the value of the base award is linked to the change in profits and/or share price. 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. The vesting period is five years, which is in line with best practice. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. There is no shareholding requirements for executives and the annual bonus is entirely cash-based. There is no evidence that schemes are available to enable all employees to benefit from business success without subscription. There are also concerns over termination policy and executive service contracts. The Remuneration Committee retains upside discretion to accelerate vesting of outstanding share incentive awards, contrary to best practice.

Vote Cast: Oppose

4. Re-elect Peter Cowgill - Chair (Executive)

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. In addition, Mr. Cowgill is Chair of the Nomination Committee.

Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders.

Furthermore, It is not clear from company reporting that the recommendations of the Parker report (2016), which seeks to improve the ethnic and cultural diversity of UK boards, are being sufficiently addressed and acted upon. Overall opposition is recommended.

Vote Cast: Oppose

11. Re-appoint KPMG LLP as Auditors

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

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

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

13. Approve Long Term Incentive Plan 2021

The Board proposes the approval of a new long-term incentive plan. Under the plan, the employees including the executives directors 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

KERING SA EGM - 06-07-2021

1. Authorise Share Repurchase

It is proposed to authorise the Board to purchase Company's shares for 10% and 18 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: Oppose

Results: For: 99.8, Abstain: 0.0, Oppose/Withhold: 0.2,

AVEVA GROUP PLC AGM - 07-07-2021

[2. Approve the Remuneration Report](#)

Disclosure:All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary is in line with the rest Company as the CEO salary did not increase for the year under review and the workforce salary increase by 1.6%. CEO's salary is considered to in the median range of the CEO salaries in the peer group.

Balance:The balance of CEO realized pay with financial performance is not considered acceptable as the change in CEO total pay over the last five years is not aligned to the change in TSR over the same period. Over the five-year period average annual increase in CEO pay has been approximately 160.23% whereas, on average, TSR has increased by 36.92%. This is caused partially by the vesting of the 'buy-out' award amounting to GBP 3,408,000 for the CEO as compensation for the loss of significant equity awards on leaving PTC. The CEO's total variable pay for the year under review amounts to 434.1% of base salary which is deemed to be excessive. In addition, the CEO has been awarded a one-off award of GBP 936,000 which is 130.7% of the salary and is not considered appropriate. The ratio of CEO pay compared to average employee pay is appropriate at 19:1

Rating: AD

[Vote Cast: Oppose](#)

[5. Approve the AVEVA Group plc Long-Term Incentive Plan 2021](#)

It is proposed to approve the Long-term plan of the company. After the e acquisition of OSIsoft, LLC which completed earlier this year, a number of changes would be needed in any event to make the plans compliant with certain State Laws in the U.S.A. for future awards and which would require shareholder approval under relevant State Laws. Rather than approach shareholders on various occasions, it has been decided to combine obtaining shareholder approval for US State Law purposes with updating plans this year. Under the plan shares in the Company may be received by eligible participants, normally subject to meeting performance and employment conditions over at least a three year period. Awards are subject to a performance underpin which allows the Remuneration Committee to override formulaic outcomes regarding any performance condition, where applicable, or other conditions and/or to assess individual performance to determine the extent of vesting.

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

[Vote Cast: Oppose](#)

[6. Approve Restricted Share Plan](#)

It is proposed to approve a restricted share plan. Under the plan, participants will be allotted phantom shares, whose corresponding value will be paid out in cash at the end of the vesting period, should targets be achieved. Performance targets have not been quantified at this time, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

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

[Vote Cast: Oppose](#)

[9. Re-elect Phillip Aiken - Chair \(Non Executive\)](#)

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. Oppose vote is therefore recommended.

Vote Cast: Oppose

15. Re-appoint Ernst & Young LLP as Auditors

EY proposed. No Non-audit fees were paid for the year under review and Non-Audit fees represents 21.50% 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.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

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

FIRST DERIVATIVES PLC AGM - 08-07-2021

15. 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

DRAPER ESPRIT PLC AGM - 14-07-2021

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, while the Company has disclosed targets, these targets have not been quantified 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

9. Appoint the Auditors

PwC proposed. Non-audit fees represented 11.74% of audit fees during the year under review and 14.68% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

13. Issue Additional Shares for Cash

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

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

Vote Cast: Oppose

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

BURBERRY GROUP PLC AGM - 14-07-2021

1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. 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

2. Approve the Remuneration Report

Disclosure: All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary is in line with the workforce. For the year under review the CEO salary decrease by -4.6% and the workforce salary remain stable. The CEO's salary is considered to be in the median of the comparator group.

Balance: The CEO's pay over the last five-year period is not considered in line with the Company TSR performance over the same period. Over the last five year the CEO pay increase in average by 26.93% where the TSR increase in average by 12.23%. The variable pay of the CEO for the year under review is not excessive at 69.2% of the salary (Annual Bonus: 52.6% & EPS: 16.6%). The ratio of CEO pay compared to average employee pay is not acceptable at 40:1, it is recommended that the ratio does not exceed 20:1.

Rating: AC

Vote Cast: Oppose

5. Re-elect Marco Gobbetti - Chief Executive

Chief Executive. Acceptable service contract provisions. As the Company do not have a Sustainability Committee, the Chief Executive 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

15. Re-appoint Ernst & Young LLP as auditor of the Company

EY proposed. Non-audit fees represented 3.70% of audit fees during the year under review and 6.33% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

23. Authorise Share Repurchase

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

Vote Cast: Oppose

DRAPER ESPRIT PLC EGM - 14-07-2021

1. Amend Articles

It is proposed to amend the articles in order to make a number of amendments. The amendments includes changes in order to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. Meetings are a place for debate and decision: it is considered that the use of electronic means of participation be beneficial for all shareholders. Additionally, The changes would require all directors to be re-elected every year, as oppose to the current system of three year rotation. While these amendments are considered to be positive developments, the amendments also contain a more than 300% increase in the maximum fees payable to non-executive directors. It is considered that fee increases of this nature should not exceed 10% per year. It would be preferred that these amendments were proposed separately, rather than bundled with an increase in remuneration. For this reason, it is recommended to oppose.

Vote Cast: Oppose

2. Approve Investment Policy

The board is seeking shareholder approval for a proposed change in the Investment Policy.

Proposed Changes to the Company's Investment Policy:

Currently, the company investment policy states that "The Group intends to meet its investment objective by: (i) providing early stage businesses with initial smaller rounds of seed and series A primary investments, and co-investments (ii) making larger series B+ and later series C+ primary investments and co-investments for scaling technology companies; and (iii) undertaking secondary transactions." The board proposes to add "commitments to third party seed funds" to its options for investment. Additionally, the board proposes the inclusion of the following in the policy: "The Group's main focus is on making investments in the UK and Europe. No investment will be made if its costs exceed 15% of the Gross Portfolio Value at the time of investment. A further investment may be made in an existing portfolio business provided the aggregate cost of that investment and of all other unrealised investments in that portfolio business does not exceed 15 per cent. of the Gross Portfolio Value." in addition to allowing Investment in "Hardware & Deeptech and Digital Health & Wellness".

Recommendation:

Disclosure of rationale for the proposed change in policy is adequate. It is believed however that any change in investment mandate can only be recommended where a fully independent investment committee is in place, given that investment managers may be incentivised to alter a mandate to reweigh geography, sector or style by factors beyond the interests of this investment trust. In the case of the company, this responsibility is specified as being that of the entire board. As the board is not considered to be fully independent, an abstain vote is recommended.

Vote Cast: Abstain

HELICAL PLC AGM - 15-07-2021

13. Approve the Remuneration Report

Disclosure:All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary is on the median of the competitor group.

Balance:The changes in the CEO pay over the last five years are considered in line with the changes in Company's TSR performance over the same period. CEO variable pay was at 280.35% of the salary (Annual Bonus: 90.45% & LTIP: 189.9%) and is excessive. The ratio of CEO pay compared to average employee pay is acceptable, standing at less than 20:1.

Rating: AC

Vote Cast: Abstain

14. Approve Remuneration Policy

There is no Group pension scheme for Directors and no contributions are payable to Directors' own pension schemes. Total potential variable pay is at 400% of the salary and is deemed excessive since is higher than the limit of 200%. Annual Bonus performance measures are, Total Property Return(35%), Total Accounting Return (40%) and Strategic/personal objectives (25%). One third of the Bonus is deferred to shares and two third of the Bonus are paid in cash, in the case that shareholding guidelines are not met annual bonus will be payable in cash up to 100% of salary and in deferred shares from 100% to 150% of salary. This is not considered sufficient, it would be preferable 50% of the Bonus to deferred to shares for at least two-years. Long-term Incentive Plan (LTIP) performance measures are, net asset value per share, Total Property Return and Total Shareholder Return which are weighted equally. 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.

Rating: BCB

Vote Cast: Abstain

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

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

Vote Cast: Oppose

18. Authorise Share Repurchase

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

Vote Cast: Oppose

HOMESERVE PLC AGM - 16-07-2021

1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. 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

2. Approve the Remuneration Report

All elements of the Single Total Remuneration Table are adequately disclosed. The CEO's salary increased by 1% which lower than the average salary increase for employees (5%). The CEO's salary is considered in the median of the comparator group. The CEO's realized variable pay for the year under review is not considered excessive at 149.7% of salary (Annual Bonus: 79.7%, LTIP: 70.0%). The ratio of CEO to average employee pay has been estimated and is found unacceptable at 24:1. Changes in CEO pay over the last five years are not considered to be in line with changes in Company's TSR performance over the same period.

Rating: AC

Vote Cast: Abstain

4. Elect Tommy Breen - Chair (Non Executive)

Independent Non Executive Chair. 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

15. Appoint the Auditors

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

Vote Cast: Oppose

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

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

Vote Cast: Oppose

20. Authorise Market Purchase of Ordinary Shares

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

Vote Cast: Oppose

JOHNSON MATTHEY PLC AGM - 29-07-2021

1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given the serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. 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

2. Approve the Remuneration Report

Disclosure: All elements of the Single Total Remuneration Table have been adequately disclosed. The CEO will receive a 2% salary increase which is in line with the rest of the Company.

Balance: The CEO's salary is in the upper quartile of the Company's comparator group which raises concerns over the excessiveness of his pay. In addition, the balance of CEO realized pay with financial performance is not considered acceptable as the change in CEO total pay over the last five years is not aligned to the change in TSR over the same period. Total variable pay for the year under review is not considered excessive at 176.5% of the salary which is inclusive of only the annual bonus. However, the ratio of CEO pay compared to average employee pay is not acceptable at 50:1; it is recommended that the ratio does not exceed 20:1.

Rating: AD

Vote Cast: Oppose

7. Re-elect Robert MacLeod - Chief Executive

Chief Executive. As there is no Sustainability Committee and the Board Chair is not up for re-election, the Chief Executive 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

12. Reappoint PricewaterhouseCoopers LLP as Auditors

PwC proposed. Non-audit fees represented 0.00% of audit fees during the year under review and 8.74% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

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

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

Vote Cast: Oppose

18. Authorise Share Repurchase

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

Vote Cast: Oppose

DR. MARTENS PLC AGM - 29-07-2021

3. Approve Remuneration Policy

Total maximum opportunity for variable pay is at 500% of the salary for the CEO and is deemed excessive since is higher than the recommended limit of 200%. Global Management Incentive Plan (GMI) performance conditions: profit before tax and exceptional items (75%) and a range of strategic measures (25%). One-third of the GMI earned will be deferred into shares for two years; the remaining two-thirds will be paid in cash. Long-term incentive plan (LTIP) performance conditions: Diluted EPS growth (67%) and relative TSR versus constituents of the FTSE 350 excluding investment trusts (33%). There are no non-financial performance measures attached to the LTIP. 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. All Executive Directors have service contracts which are terminable by either party with 9 months' notice.

Rating: BDD.

Vote Cast: Oppose

12. Appoint the Auditors

EY proposed. Non-audit fees represented 20.00% of audit fees during the year under review and 20.00% 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.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the

standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

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

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

Vote Cast: Oppose

18. Authorise Share Repurchase

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

GAMES WORKSHOP GROUP PLC AGM - 15-09-2021

8. Appoint KPMG LLP as independent auditors of the Company

KPMG proposed as new auditor in replacement of PwC. Auditor rotation is considered a positive factor. However, in late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB

determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

11. Approve Remuneration Policy

Policy Rating: BCB Changes Proposed: i) Increase of the maximum opportunity for the Exceptional Bonus award from 100% of the salary to 150% of the salary, with an associated increase in the requirement to invest any cash payment, net of tax, from 50% to 67% and for the extension of expectation that these shares will be held from two to three years, ii) For the Group Profit share scheme the following changes were made: a) The revised scheme replaces the maximum potential value of cash payments from GBP 1,000 per person per year to a share of up to 10% of group operating profit before royalties receivable, b) From June 2021, the two executive directors are excluded from the Group Profit Share scheme.

Under the remuneration policy the profit share plan has a new maximum of up to 10% of group operating profit before royalties receivable. From June 2021 executives are not participating in the scheme. The Exceptional Annual Bonus performance is based on exceptional financial and operational performance being achieved during the year. 67% of the Bonus is defer to shares for three years which is in line with best practice. Total variable pay is capped at 150%, which is below 200% and in line with best practice. Concerns are raised since the performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. There is no evidence that dividends may not accrue on vesting awards from the date of grant. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not.

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

ASSTEAD GROUP PLC AGM - 16-09-2021

1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. 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

[2. Approve the Remuneration Report](#)

Disclosure:All elements of the Single Total Remuneration Table are adequately disclosed. The CEO pay is in line with the salary of the workforce. The CEO's salary is in the median of the Company's comparator group.

Balance:The changes in CEO total pay in the last five years are considered in line with changes in TSR during the same period. The total variable pay for the CEO during the year under review amounted to 480% (AB: 127% and PSP 353%) of salary, which is considered excessive as total variable pay should not exceed 200% of salary. The ratio of CEO pay compared to average employee pay is not acceptable at 32:1, the ratio should not exceed 20:1.

Rating: AC

Vote Cast: Abstain

[3. Approve Remuneration Policy](#)

Policy Rating: BDB Changes Proposed: i) Pension contributions for all directors will be aligned with the average available to the wider workforce in the geography in which they are based, ii) introduction of a standalone performance share award, the Strategic Plan Award, with face values of 350% of salary for the chief executive and 250% of salary for the chief financial officer. Performance will be measured over three years to 30 April 2024 and the executive directors will be required to hold the balance of any vested shares after tax settlement for two years post-vesting, iii) a new long-term incentive plan replacing the Performance Share Plan, under which the award will be 350% of base salary for the chief executive and 225% of base salary for the chief financial officer, effective from 2022/23 onwards and iv) an increase to the minimum in-post shareholding for all executive directors to 300%. The in-post shareholding applicable to the current chief executive will be 500% of salary (increased from 300% of salary currently).

Total potential variable pay could reach 475% of the salary for the CEO and 450% of the salary for the CFO and is deemed excessive since is higher, than 200%. In addition, the company gives an one off award the Strategic Plan Award, which has a maximum opportunity of 350% for the CEO and 250% for the CFO. The overall variable pay policy is consider excessive. The Annual Bonus is paid two third in cash and one third is defer to shares for three years. This is not considered adequate it would be preferable 50% of the Bonus to be paid in cash and 50% to defer to shares for three year. Further concerns for the new policy are the performance period for the Performance share Plan (as for the new LTIP which will replace it) is three years which is not considered sufficiently long-term, however, a two year holding period apply which is welcomed. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. There is no evidence that dividends may not accrue on vesting awards from the date of grant. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not.

Vote Cast: Oppose

[5. Re-elect Paul Walker - Chair \(Non Executive\)](#)

Non-Executive Chair of the Board. As the company do not have a Sustainability Committee , the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. Furthermore, the Chair is also chairing another company within the FTSE 350 index. It is considered that a chair cannot effectively represent two corporate cultures. The possibility of having to commit additional time to the role in times of crisis is ever present. Given this, a Chair should focus his attention onto the only one FTSE 350 Company. Overall opposition is recommended.

Vote Cast: Oppose

[13. Re-appoint Deloitte LLP as Auditors](#)

Deloitte proposed. Non-audit fees represented 0.18% of audit fees during the year under review and 6.55% 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

15. 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

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

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

AUTO TRADER GROUP PLC AGM - 17-09-2021

1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. 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

2. Approve Remuneration Policy

Policy Rating: BCB Changes proposed: i) Increase of the pension contributions from 5% to 7% of the salary for Executives and workforce, ii) Annual Bonus, update the discretion of the committee, iii) Introduction of ESG metric in the Performance Share Plan and iv) Introduction of post-employment shareholding guidelines. The proposed changes are welcomed particularly the introduction of an ESG metric for the performance share plan. The Annual Bonus is paid 50% in cash and 50% defer to shares for two years, in line with best practices. The Performance Share Plan, has financial and non-financial metrics which is in line with best practices. However, concerns are raised from the following; the total potential variable pay could reach 350% of the salary and in exceptional circumstances 450% of the salary. This is considered excessive since is higher than 200%. Performance period for the performance share plan is three years which is not considered sufficiently long-term, however, a two year holding period apply which is welcomed. 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. Further more there is no evidence that dividends may not accrue on vesting awards from the date of grant. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. Malus and clawback provisions apply to all variable pay.

Vote Cast: Abstain

5. Re-elect Ed Williams - Chair (Non Executive)

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. Oppose vote is therefore recommended.

Vote Cast: Oppose

9. Re-elect Jeni Mundy - Non-Executive Director

Independent Non-Executive Director and 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

13. Re-appoint KPMG LLP as auditors of the Company

KPMG proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended. In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document). The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm

that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

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

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

Vote Cast: Oppose

18. Authorise Share Repurchase

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

INTUITIVE SURGICAL INC EGM - 20-09-2021

1. Approve Authority to Increase Authorised Share Capital

It is proposed to increase the number of authorized shares of Common Stock from 300 million shares to 600 million shares for the purpose of, among other things, effecting a three-for-one split of issued and outstanding Common Stock as part of such amendment. Authority is sought to increase the authorised share capital of the Company up to 50%. At this time, the company has not disclosed whether successive increases would be carried out with or without pre-emptive rights. As such, the aggregate authority may exceed recommended limits for issues with or without pre-emptive rights. An oppose vote is therefore recommended.

Vote Cast: Oppose

Results: For: 98.9, Abstain: 0.1, Oppose/Withhold: 1.0,

OXFORD INSTRUMENTS PLC AGM - 21-09-2021

1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of

non-traditionally financial risks. 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

3. Re-elect Neil Carson - Chair (Non Executive)

Chair. Independent upon appointment. In addition, Mr. Carson is chair of the newly created 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

11. Approve the Remuneration Report

Disclosure:All elements of the Single Total Remuneration Table are adequately disclosed. The CEO's salary is in line with the workforce, it is noted that the CEO salary decrease by 3.6% when the workforce salary decrease by 0.7%. The salary of the CEO is in the lower quartile of the competitor group.

Balance: The changes in CEO total pay under the last five years are not considered in line with changes in TSR over the same period. Total variable pay for the year under review was excessive, amounting to 404% (Annual Bonus 106.4%, LTIP 297.4% & other: 0.2%) of salary for the CEO. The ratio of CEO pay compared to average employee pay is acceptable at 18:1.

Rating: AD

Vote Cast: Oppose

14. 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

15. 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

MOONPIG GROUP PLC AGM - 28-09-2021

1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. 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*

2. *Approve the Remuneration Report*

Disclosure:All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary is in line with the workforce. The CEO salary is in the lower quartile of the competitor group.

Balance:The variable pay for the year under review was at 339% of the salary and is consider excessive. It is noted that only Annual Bonus was awarded and no LTIP was vested for the hear under review. The ratio of CEO pay compared to average employee pay is considered acceptable at 16:1.

Rating: AC

Vote Cast: *Abstain*

3. *Approve Remuneration Policy*

Policy Rating: BDC Total variable pay could reach 350% of the salary and is consider excessive since is higher than 200%. For the Annual Bonus 33% of the Bonus is defer to shares for a three year period. Although the deferral part of the Bonus is welcomed it would be preferable 50% of the Bonus to be paid in cash and 50% to defer to shares for at least three years. In addition on the LTIP award, 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. Performance period is three years which is not considered sufficiently long-term, however a two year holding period apply which is welcomed. The performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. In addition, there is no evidence that dividends may not accrue on vesting awards from the date of grant. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not. Malus and claw back provisions apply to all variable pay.

Vote Cast: *Oppose*

4. *Elect Kate Swann - Chair (Non Executive)*

Chair. Independent upon appointment. Although there are concerns over potential aggregate time commitments, Ms. Swann has attended all Board and committee meetings during the year under review. In addition, as the company do not have a Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

11. Appoint PricewaterhouseCoopers LLP as Auditors of the Company

PwC proposed. Non-audit fees represented 9.94% of audit fees during the year under review. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

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

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

AO WORLD PLC AGM - 29-09-2021

1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given are serious concerns over the Company's

sustainability policies and practice, it is considered that the annual report and the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. 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: Oppose

3. Approve Remuneration Policy

Policy Rating : BCB No changes proposed. AO Incentive Plan, maximum opportunity is at 300% of the salary for each Executive. Performance measures are Financials (EBITDA, Revenue, Cash flow) which will represent the majority for the award (70%) with any other measures (strategic, objective, ESG, etc.) representing the balance. The performance period will be of at least one year and will normally be one financial year of the Company. One-third of the award will be paid in cash and two-thirds will defer to shares for at least three years. Malus and clawback apply for the award. Pension contributions have been set at 9% of the salary and are in line with the workforce. Concerns are raised for the excessiveness of the policy since the AO Incentive Plan could reach 300% which is deemed excessive, since is higher than 200%. In addition, there is no evidence that dividends may not accrue on vesting awards from the date of grant. Such rewards misalign shareholders and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not.

Vote Cast: Abstain

4. Re-elect Geoff Cooper - Chair (Non Executive)

Non-Executive Chair of the Board. As the company do not have a Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. In addition, Mr. Cooper is Chair of the Nomination Committee. Regardless of local practice or recommendations, or average percentage of diversity on the boards of local listed companies, it is considered that gender diversity should be explicitly taken into account when appointing directors. Namely, it is considered that at least one-third of the board should be reserved for the less represented gender. There is an increasing amount of research that suggests that more diverse companies actually perform better than less diverse companies, and they lead to higher returns. By seemingly not including diversity in the composition of the board, and not having an adequate target to do so, it is considered that the company is not taking into account the materiality of non-financial factors, which could be detrimental for shareholders. Overall, opposition is recommended.

Vote Cast: Oppose

11. Re-appoint KPMG LLP as Auditors of the Company

KPMG proposed. Non-audit fees represented 5.62% of audit fees during the year under review and 5.00% 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 five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the

standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

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*

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*

DIAGEO PLC AGM - 30-09-2021

2. *Approve the Remuneration Report*

Disclosure:All elements of the Single Total Remuneration Table are adequately disclosed. The increase in CEO salary (+0.7%) is in line with the average salary increase for the workforce (+5.7%). The CEO's salary is in the upper quartile of the Company's comparator group. This raises concerns over potential excessiveness of variable incentive schemes as the base salary determines the overall quantum on the remuneration structure.

Balance:The balance of CEO realized pay with financial performance is considered acceptable as the change in CEO total pay over the last five years is aligned to the change in TSR over the same period. Over the five-year period average annual increase in CEO pay has been approximately 66.51% whereas, on average, TSR has increased by 15.11%. Total realized rewards under all incentive schemes amounted to 347.9% of base salary (Annual Bonus: 187.5% - LTIP: 160.4%) which is considered excessive. The CEO pay compared to average employee pay stands at 75:1, which is not considered to be appropriate. A ratio of 20:1 would be considered appropriate.

Rating: AE

Vote Cast: *Oppose*

10. Re-elect Susan Kilsby - Senior Independent Director

Senior Independent Director. Considered independent. In addition, Ms. Kilsby is Chair of the Remuneration Committee. There are serious concerns regarding the implementation of remuneration at the company and it is considered that chair of the remuneration committee should be held accountable for it when considering re-election. Opposition is recommended.

Vote Cast: Oppose

14. Re-appoint PricewaterhouseCoopers LLP as auditor of the Company

PwC proposed. No Non-audit fees were paid for the year under review and Non-Audit fees represents 0.82% 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 five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

In late 2020 International Auditing and Assurance Standards Board (IAASB) produced a consultation entitled, Fraud and Going Concern and refers to the "expectations gap" in the sense that the public expect more of auditors than is expected of them. By reference to conclusions of the BEIS Select Committee of Parliament and High Court decisions, there isn't an expectations gap so far as the UK at least is concerned. Indeed auditor duties in respect of fraud are onerous and in the Barings case at the High Court the issue of negligence didn't merely involve the signing of the public accounts by the audit partner with misstated amounts in, but earlier at the time more junior members of staff missed the fraud when it was smaller reviewing a bank reconciliation (a private and not public document).

The IAASB model of auditing is based on auditors certifying information that is "useful to users". That construct side-steps the crucial duties auditors have for the benefit of the company itself as the Barings case demonstrated. In PIRC's view that model fuels an unwarranted expectations gap and, if audits are limited by the standards misdirect the focus of audits to being "useful for users", a delivery gap because the legal standard and duty is broader than the standards themselves state. PIRC has therefore asked the IAASB to reissue its consultation and has also written to the largest accounting firms to repudiate the IAASB consultation and confirm that the concept of an 'expectations gap' does not limit the scope of their work. In parallel PIRC has reviewed responses from the largest accounting firms to the IAASB determine whether they were encouraging or refuting the concept of an expectations gap. Both Deloitte and BDO correctly referred to the "expectations gap" being dependent on local laws. Both firms also referred to problems with international auditing standards and international accounting standards. BDO went so far as to make other recommendations as well. Mazars did similar in giving evidence to the BEIS Select Committee. In the absence of similar statements from PwC, KPMG, EY or Grant Thornton, PIRC is unable to support re-election or re-appointment of those firms as auditors.

Vote Cast: Oppose

16. Approve Political Donations

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 100,000 which is within recommended limits. However, it is noted that the Group made political donations of GBP 390,000 to state candidate committees, state political parties and federal leadership committees in North America. This raises concerns about the potential political donation which could be made by the Company under this authority. An oppose vote is therefore recommended.

Vote Cast: Oppose

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

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

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

Regulated by the Financial Conduct Authority

Version 1