



# West Yorkshire Pension Fund

## PROXY VOTING REVIEW

PERIOD 1<sup>st</sup> January 2022 to 31<sup>st</sup> March 2022

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## 1 Resolution Analysis

- Number of resolutions voted: 2450 (note that it MAY include non-voting items).
- Number of resolutions supported by client: 1473
- Number of resolutions opposed by client: 489
- Number of resolutions abstained by client: 316
- Number of resolutions Non-voting: 168
- Number of resolutions Withheld by client: 4
- 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	54
EUROPE & GLOBAL EU	56
USA & CANADA	13
ASIA	36
JAPAN	7
AUSTRALIA & NEW ZEALAND	2
SOUTH AMERICA	21
<b>TOTAL</b>	<b>189</b>

## 1.2 Number of Resolutions by Vote Categories

Vote Categories	Number of Resolutions
For	1473
Abstain	316
Oppose	489
Non-Voting	168
Not Supported	0
Withhold	4
US Frequency Vote on Pay	0
Withdrawn	0
<b>TOTAL</b>	<b>2450</b>

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

Company	Meeting Date	Type	Comment
ABN AMRO BANK	02-02-2022	EGM	Information only meeting
TUI AG	08-02-2022	AGM	No ballot received
CDON AB	22-02-2022	EGM	Information only meeting
ABS-CBN HOLDINGS CORPORATION	28-02-2022	AGM	Information only meeting
NATURGY ENERGY GROUP SA	15-03-2022	AGM	No ballot received
ROCHE HOLDING AG	15-03-2022	AGM	No ballot received
AP MOLLER - MAERSK AS	15-03-2022	AGM	No voting rights
ABRDN PLC	15-03-2022	EGM	No ballot received

## 1.4 Number of Votes by Region

	For	Abstain	Oppose	Non-Voting	Not Supported	Withhold	Withdrawn	US Frequency Vote on Pay	Total
UK & BRITISH OVERSEAS	469	45	133	0	0	0	0	0	647
EUROPE & GLOBAL EU	617	171	207	165	0	0	0	0	1160
USA & CANADA	105	11	46	0	0	4	0	0	166
ASIA	115	69	57	0	0	0	0	0	241
JAPAN	83	0	5	0	0	0	0	0	88
AUSTRALIA & NEW ZEALAND	3	0	6	2	0	0	0	0	11
SOUTH AMERICA	81	20	35	1	0	0	0	0	137
<b>TOTAL</b>	<b>1473</b>	<b>316</b>	<b>489</b>	<b>168</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>2450</b>

## 1.5 Votes Made in the Portfolio Per Resolution Category

## Portfolio

	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	3	0	1	0	0	0	0
Annual Reports	129	77	57	0	0	0	0
Articles of Association	86	6	3	0	0	0	0
Auditors	85	25	48	0	0	1	0
Corporate Actions	18	2	1	0	0	0	0
Corporate Donations	18	0	0	0	0	0	0
Debt & Loans	6	0	3	0	0	0	0
Directors	752	174	181	0	0	2	0
Dividend	95	1	0	0	0	0	0
Executive Pay Schemes	3	6	21	0	0	0	0
Miscellaneous	82	4	10	8	0	0	0
NED Fees	40	13	9	1	0	0	0
Non-Voting	1	0	0	159	0	0	0
Say on Pay	0	5	8	0	0	0	0
Share Capital Restructuring	15	2	4	0	0	0	0
Share Issue/Re-purchase	108	1	119	0	0	0	0
Shareholder Resolution	32	0	24	0	0	1	0



## 1.6 Votes Made in the UK Per Resolution Category

	UK						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
Annual Reports	26	10	2	0	0	0	0
Remuneration Reports	22	6	7	0	0	0	0
Remuneration Policy	4	3	6	0	0	0	0
Dividend	30	0	0	0	0	0	0
Directors	204	18	17	0	0	0	0
Approve Auditors	6	6	26	0	0	0	0
Share Issues	74	0	10	0	0	0	0
Share Repurchases	0	0	36	0	0	0	0
Executive Pay Schemes	1	0	2	0	0	0	0
All-Employee Schemes	1	0	0	0	0	0	0
Political Donations	15	0	0	0	0	0	0
Articles of Association	10	0	1	0	0	0	0
Mergers/Corporate Actions	8	0	1	0	0	0	0
Meeting Notification related	22	2	0	0	0	0	0
All Other Resolutions	46	0	23	0	0	0	0
Shareholder Resolution	0	0	2	0	0	0	0

## 1.7 Votes Made in the US/Global US & Canada Per Resolution Category

### US/Global US & Canada

	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	1	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	2	0	9	0	0	1	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	82	5	26	0	0	2	0
Dividend	0	0	0	0	0	0	0
Executive Pay Schemes	0	0	1	0	0	0	0
Miscellaneous	0	1	1	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	5	7	0	0	0	0
Share Capital Restructuring	0	0	0	0	0	0	0
Share Issue/Re-purchase	0	0	0	0	0	0	0

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

	US/Global US and Canada						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
<b>Social Policy</b>							
Human Rights	0	5	0	0	1	0	0
Employment Rights	0	2	0	0	0	0	0
Environmental	0	2	0	0	0	0	0
Lobbying	0	1	0	0	1	0	0
<b>Executive Compensation</b>							
Remuneration Issues	0	1	0	0	0	0	0
<b>Corporate Governance</b>							
Special Meetings	0	3	0	0	0	0	0
Diversity of the Board/Director Qualification	0	1	0	0	0	0	0
Other	0	2	0	1	0	0	0

## 1.9 Votes Made in the EU & Global EU Per Resolution Category

	EU & Global EU						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	1	0	1	0	0	0	0
Annual Reports	46	32	29	0	0	0	0
Articles of Association	55	0	1	0	0	0	0
Auditors	41	15	8	0	0	0	0
Corporate Actions	1	0	0	0	0	0	0
Corporate Donations	3	0	0	0	0	0	0
Debt & Loans	5	0	2	0	0	0	0
Directors	300	122	79	0	0	0	0
Dividend	44	0	0	0	0	0	0
Executive Pay Schemes	0	0	15	0	0	0	0
Miscellaneous	38	1	5	8	0	0	0
NED Fees	31	0	1	1	0	0	0
Non-Voting	1	0	0	156	0	0	0
Say on Pay	0	0	1	0	0	0	0
Share Capital Restructuring	13	1	2	0	0	0	0
Share Issue/Re-purchase	27	0	43	0	0	0	0
Shareholder Resolution	11	0	20	0	0	0	0

## 1.10 Votes Made in the Global Markets Per Resolution Category

	Global Markets						
	For	Abstain	Oppose	Non-Voting	Not Supported	Withheld	Withdrawn
All Employee Schemes	0	0	0	0	0	0	0
Annual Reports	31	26	13	0	0	0	0
Articles of Association	20	6	1	0	0	0	0
Auditors	2	4	5	0	0	0	0
Corporate Actions	8	2	0	0	0	0	0
Corporate Donations	0	0	0	0	0	0	0
Debt & Loans	0	0	1	0	0	0	0
Directors	166	29	59	0	0	0	0
Dividend	21	1	0	0	0	0	0
Executive Pay Schemes	2	6	3	0	0	0	0
Miscellaneous	17	0	3	0	0	0	0
NED Fees	8	13	7	0	0	0	0
Non-Voting	0	0	0	3	0	0	0
Say on Pay	0	0	0	0	0	0	0
Share Capital Restructuring	1	1	2	0	0	0	0
Share Issue/Re-purchase	5	1	9	0	0	0	0
Shareholder Resolution	1	0	0	0	0	0	0

## 1.11 Geographic Breakdown of Meetings All Supported

### SZ

Meetings	All For	AGM	EGM
2	0	0	0

### AS

Meetings	All For	AGM	EGM
36	2	1	1

### UK

Meetings	All For	AGM	EGM
54	11	0	11

### EU

Meetings	All For	AGM	EGM
56	5	0	5

### SA

Meetings	All For	AGM	EGM
21	7	0	7

### GL

Meetings	All For	AGM	EGM
0	0	0	0

### JP

Meetings	All For	AGM	EGM
7	4	4	0

### US

Meetings	All For	AGM	EGM
13	0	0	0

### TOTAL

Meetings	All For	AGM	EGM
189	29	5	24

## 1.12 List of all meetings voted

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
ODONTOPREV SA	03-01-2022	EGM	5	5	0	0
JYSKE BANK	06-01-2022	EGM	3	2	0	1
TOP GLOVE CORP BHD	06-01-2022	AGM	8	2	3	3
KOREA GAS CORP	06-01-2022	EGM	3	1	0	2
EMBRACER GROUP AB	07-01-2022	EGM	9	2	0	0
FULCRUM UTILITY SERVICES LTD	07-01-2022	EGM	4	1	0	3
BELLEVUE HEALTHCARE TRUST PLC	11-01-2022	EGM	2	2	0	0
AB DYNAMICS PLC	12-01-2022	AGM	11	9	1	1
CENTRICA PLC	13-01-2022	EGM	1	1	0	0
RESIDENTIAL SECURE INCOME PLC	14-01-2022	AGM	15	13	0	2
CHINA LONGYUAN POWER GROUP	14-01-2022	EGM	2	1	0	1
BRF - BRASIL FOODS SA	17-01-2022	EGM	6	1	0	5
WH SMITH PLC	19-01-2022	AGM	18	8	3	7
BHP GROUP PLC	20-01-2022	EGM	5	5	0	0
BHP GROUP PLC	20-01-2022	COURT	1	1	0	0
MJ HUDSON GROUP PLC	20-01-2022	AGM	11	8	0	3
COUNTRYSIDE PARTNERSHIPS PLC	20-01-2022	AGM	17	15	0	2
COSTCO WHOLESALE CORPORATION	20-01-2022	AGM	15	7	1	7
MILlicom INTL CELLULAR SA	24-01-2022	EGM	3	3	0	0
SAVANNAH ENERGY PLC	24-01-2022	EGM	10	6	0	4
MARSTON'S PLC	25-01-2022	AGM	15	10	3	2
VISA INC	25-01-2022	AGM	12	8	2	2
BARINGS EMERGING EMEA OPPORTUNITIES PLC	25-01-2022	AGM	16	15	0	1
BECTON, DICKINSON AND COMPANY	25-01-2022	AGM	15	10	0	5
METRO INC.	25-01-2022	AGM	20	16	0	4
PROSAFE SE	25-01-2022	EGM	6	4	0	0

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
PROMOTORA Y OPERADORA DE INFRAESTRUCTURA	26-01-2022	EGM	2	2	0	0
ACCENTURE PLC	26-01-2022	AGM	16	7	2	7
D. R. HORTON INC.	26-01-2022	AGM	9	4	0	5
RENEW HOLDINGS PLC	26-01-2022	AGM	11	8	1	2
ODFJELL DRILLING LTD	26-01-2022	EGM	2	2	0	0
GINKO INTERNATIONAL	27-01-2022	EGM	3	1	2	0
HOME REIT PLC	27-01-2022	AGM	12	10	1	1
BRITVIC PLC	27-01-2022	AGM	20	15	1	4
OI S.A.	27-01-2022	EGM	6	6	0	0
PRADA SPA	28-01-2022	EGM	4	4	0	0
AVON PROTECTION PLC	28-01-2022	AGM	17	12	2	3
LOGISTICS DEVELOPMENT GROUP PLC	31-01-2022	EGM	4	2	0	2
IGUATEMI SA	31-01-2022	EGM	2	2	0	0
EMERSON ELECTRIC CO.	01-02-2022	AGM	6	2	1	3
IMPERIAL BRANDS PLC	02-02-2022	AGM	20	14	4	2
BAILLIE GIFFORD EUROPEAN GROWTH TRUST PLC	03-02-2022	AGM	15	13	0	2
THE SAGE GROUP PLC	03-02-2022	AGM	22	17	1	4
COMPASS GROUP PLC	03-02-2022	AGM	24	16	2	6
FUTURE PLC	03-02-2022	AGM	19	12	2	5
AIR PRODUCTS AND CHEMICALS INC.	03-02-2022	AGM	9	6	1	2
EVN AG	03-02-2022	AGM	7	4	1	1
GRUPO DE MODA SOMA	03-02-2022	EGM	2	1	0	1
THYSSENKRUPP AG	04-02-2022	AGM	10	1	3	5
SSP GROUP PLC	04-02-2022	AGM	17	13	1	3
SHAFTESBURY PLC	04-02-2022	AGM	21	15	0	6
CLINIGEN GROUP PLC	08-02-2022	COURT	1	1	0	0
CLINIGEN GROUP PLC	08-02-2022	EGM	1	1	0	0
EUROMONEY INSTITUTIONAL INVESTOR PLC	09-02-2022	AGM	19	14	2	3



Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
GRAINGER PLC	09-02-2022	AGM	18	15	0	3
SIEMENS AG	10-02-2022	AGM	33	1	28	3
EASYJET PLC	10-02-2022	AGM	20	17	1	2
BENCHMARK HOLDINGS PLC	10-02-2022	AGM	16	8	1	7
GOOD ENERGY GROUP PLC	11-02-2022	EGM	2	0	0	2
VICTREX PLC	11-02-2022	AGM	22	14	4	4
UNITED MALT GROUP LTD	11-02-2022	AGM	5	0	0	4
GCP INFRASTRUCTURE INVESTMENTS LTD	14-02-2022	AGM	15	13	0	2
GRAINCORP LTD	17-02-2022	AGM	6	3	0	2
VIRGIN MONEY UK PLC	17-02-2022	AGM	22	13	3	6
CDON AB	22-02-2022	EGM	8	0	0	1
MONTANARO EUROPEAN SMALLER COMPANIES TRUST PLC	22-02-2022	EGM	4	3	0	1
RWS HOLDINGS PLC	23-02-2022	AGM	16	11	0	5
EDISTON PROPERTY INVESTMENT COMPANY	24-02-2022	AGM	13	11	1	1
SIEMENS ENERGY AG	24-02-2022	AGM	28	24	3	0
ON THE BEACH GROUP PLC	25-02-2022	AGM	17	11	2	4
MILLICOM INTL CELLULAR SA	28-02-2022	EGM	3	2	0	1
KONE CORP	01-03-2022	AGM	19	8	2	2
RIVER AND MERCANTILE UK MICRO CAP INV COMPANY LTD	02-03-2022	AGM	10	7	0	3
PETRO MATAD LTD	03-03-2022	AGM	7	3	1	3
ABERFORTH SMALLER COMPANIES TRUST PLC	03-03-2022	AGM	10	8	0	2
WARTSILA OYJ ABP	03-03-2022	AGM	19	8	1	3
APPLE INC	04-03-2022	AGM	18	10	0	8
CATCO REINSURANCE OPPORTUNITIES	04-03-2022	EGM	1	0	1	0
INVINITY ENERGY SYSTEMS PLC	07-03-2022	EGM	1	1	0	0
CARETECH HOLDINGS	08-03-2022	AGM	12	9	0	3
THE WALT DISNEY COMPANY	09-03-2022	AGM	18	13	2	3
QUALCOMM INCORPORATED	09-03-2022	AGM	14	11	2	1

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
BANCO BRADESCO	10-03-2022	EGM	7	6	0	1
EL PUERTO DE LIVERPOOL SA	10-03-2022	AGM	9	4	4	1
APPLIED MATERIALS INC	10-03-2022	AGM	14	11	0	3
FERGUSON PLC	10-03-2022	EGM	1	1	0	0
PANDORA AS	10-03-2022	AGM	18	8	5	3
MAPFRE SA	11-03-2022	AGM	21	17	2	2
NAVER CORP	14-03-2022	AGM	8	4	2	2
CARLSBERG AS	14-03-2022	AGM	18	8	7	2
NATURGY ENERGY GROUP SA	15-03-2022	AGM	21	14	2	5
ABRDN PLC	15-03-2022	EGM	1	1	0	0
STORA ENSO OYJ	15-03-2022	AGM	20	11	0	1
STARBUCKS CORPORATION	16-03-2022	AGM	15	7	1	7
NOVOZYMES AS	16-03-2022	AGM	21	12	6	1
SAFESTORE HOLDINGS PLC	16-03-2022	AGM	19	14	2	3
SAMSUNG ELECTRONICS CO LTD	16-03-2022	AGM	11	10	0	1
CHEIL WORLDWIDE INC	17-03-2022	AGM	5	1	3	1
DSV A/S	17-03-2022	AGM	18	7	7	2
BB BIOTECH AG	17-03-2022	AGM	14	7	3	4
DANSKE BANK AS	17-03-2022	AGM	46	23	3	19
CARGOTEC CORP	17-03-2022	AGM	18	9	0	2
NORWAY ROYAL SALMON ASA	17-03-2022	EGM	13	0	2	11
GCL TECHNOLOGY HOLDINGS LTD	17-03-2022	EGM	1	1	0	0
BANCO DE CHILE	17-03-2022	AGM	10	8	0	2
BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA)	17-03-2022	AGM	16	10	3	3
SAMSUNG C&T CORPORATION	18-03-2022	AGM	2	1	0	1
TAEYOUNG ENGINEERING & CONST	18-03-2022	AGM	6	2	3	1
LG UPLUS CORP	18-03-2022	AGM	6	1	2	3
SAMSUNG FIRE & MARINE INS	18-03-2022	AGM	5	0	5	0

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
AGRICULTURAL BANK OF CHINA	18-03-2022	EGM	2	1	0	1
UK MORTGAGES LIMITED	18-03-2022	EGM	2	2	0	0
ODFJELL DRILLING LTD	18-03-2022	EGM	1	1	0	0
THK CO LTD	19-03-2022	AGM	16	15	0	1
SURESERVE PLC	22-03-2022	AGM	10	6	1	3
VALMET CORP	22-03-2022	AGM	19	7	1	4
SKANDINAVISKA ENSKILDA BANKEN (SEB)	22-03-2022	AGM	54	30	0	15
MTG-MODERN TIMES GROUP AB	22-03-2022	EGM	6	0	0	1
LG CHEMICAL LTD	23-03-2022	AGM	8	6	2	0
BRIDGESTONE CORP	23-03-2022	AGM	14	14	0	0
STRATEGIC EQUITY CAPITAL PLC	23-03-2022	EGM	1	0	0	1
SVENSKA HANDELSBANKEN	23-03-2022	AGM	51	36	1	8
ORION CORP (SOUTH KOREA)	24-03-2022	AGM	5	0	5	0
ORION HOLDINGS	24-03-2022	AGM	7	4	3	0
SIEMENS GAMESA RENEWABLE ENERGY SA	24-03-2022	AGM	18	14	2	2
CONTROLADORA NEMAK SAB de CV	24-03-2022	AGM	5	4	0	1
NORDEA BANK ABP	24-03-2022	AGM	22	8	4	3
NOVO NORDISK A/S	24-03-2022	AGM	22	15	3	2
CEMEX SAB DE CV	24-03-2022	AGM	6	4	0	2
ABB LTD	24-03-2022	AGM	22	17	3	2
ESSITY AB	24-03-2022	AGM	44	25	2	10
GJENSIDIGE FORSIKRING	24-03-2022	AGM	24	18	1	3
NKT HOLDING A/S	24-03-2022	AGM	15	6	2	3
SHINHAN FINANCIAL GROUP LTD	24-03-2022	AGM	13	12	0	1
SKF AB	24-03-2022	AGM	42	37	0	4
CEMEX SAB DE CV	24-03-2022	EGM	2	2	0	0
CORPORACION INMOBILIARIA VESTA SAB DE CV	24-03-2022	AGM	10	9	0	1
ADVANCED INFO SERVICE PCL	24-03-2022	AGM	11	5	1	5

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
SYDBANK AS	24-03-2022	AGM	27	6	18	1
BLACKROCK THROGMORTON TRUST PLC	24-03-2022	AGM	17	14	0	3
PGS-PETROLEUM GEO-SERVICES	25-03-2022	EGM	4	4	0	0
SHISEIDO CO LTD	25-03-2022	AGM	12	11	0	1
ASAHI GROUP HOLDINGS LTD	25-03-2022	AGM	12	12	0	0
BEAZLEY PLC	25-03-2022	AGM	20	15	1	4
SK TELECOM CO LTD	25-03-2022	AGM	6	1	4	1
KB FINANCIAL GROUP	25-03-2022	AGM	14	11	3	0
TY HOLDINGS CO. LTD	25-03-2022	AGM	4	1	3	0
HANA FINANCIAL HOLDINGS	25-03-2022	AGM	14	2	7	5
KAO CORPORATION	25-03-2022	AGM	12	12	0	0
CAPRICORN ENERGY PLC	25-03-2022	EGM	2	2	0	0
PHAROL SGPS SA	25-03-2022	AGM	6	3	2	1
BRF - BRASIL FOODS SA	28-03-2022	AGM	22	9	7	6
GO-AHEAD GROUP PLC	28-03-2022	AGM	5	2	2	1
SK SQUARE	28-03-2022	AGM	2	0	1	1
FORTUM OYJ	28-03-2022	AGM	19	6	2	4
BRF - BRASIL FOODS SA	28-03-2022	EGM	5	5	0	0
BANK OF EAST ASIA LTD	28-03-2022	EGM	1	0	0	1
PTT EXPLORATION & PRODUCTION	28-03-2022	AGM	12	6	1	5
DAEWOONG PHARM CO LTD	29-03-2022	AGM	5	0	5	0
KOREA GAS CORP	29-03-2022	AGM	2	0	1	1
HYUNDAI GREEN FOOD CO LTD	29-03-2022	AGM	8	3	3	2
KT&G CORP	29-03-2022	AGM	6	6	0	0
CREDICORP LTD	29-03-2022	AGM	1	0	1	0
TIM SA	29-03-2022	AGM	8	3	1	4
UPM-KYMMENE OYJ	29-03-2022	AGM	21	7	1	6
LS CORP	29-03-2022	AGM	3	1	2	0

Company	Meeting Date	Type	Resolutions	For	Abstain	Oppose
ERICSSON	29-03-2022	AGM	53	14	16	14
TIM SA	29-03-2022	EGM	1	1	0	0
ZTE CORP	30-03-2022	EGM	14	5	0	9
HOLMEN AB	30-03-2022	AGM	38	23	0	9
SK HYNIX	30-03-2022	AGM	9	3	6	0
MICRO FOCUS INTERNATIONAL PLC	30-03-2022	AGM	19	14	2	3
SWEDBANK AB	30-03-2022	AGM	55	15	20	10
SIAM CEMENT PCL	30-03-2022	AGM	13	11	0	2
HANKOOK TIRE CO LTD	30-03-2022	AGM	2	0	1	1
ENAGAS SA	30-03-2022	AGM	18	13	3	2
CANON INC	30-03-2022	AGM	10	7	0	3
ASAHI GLASS CO LTD	30-03-2022	AGM	12	12	0	0
SWISSCOM	30-03-2022	AGM	23	14	5	4
RAIFFEISEN BANK INTERNATIONAL AG	31-03-2022	AGM	16	10	0	5
SK INNOVATION CO LTD	31-03-2022	AGM	6	0	1	5
BANCO SANTANDER SA	31-03-2022	AGM	36	32	2	2
OUTOKUMPU OY	31-03-2022	AGM	19	11	0	1
TRYG AS	31-03-2022	AGM	21	12	2	5
SCA (SVENSKA CELLULOSA) AB	31-03-2022	AGM	46	32	1	6
MINAS BUENAVENTURA SA	31-03-2022	AGM	6	3	0	2
MARCOPOLO SA	31-03-2022	AGM	19	5	6	8
DBS GROUP HOLDINGS LTD	31-03-2022	AGM	14	12	0	2
MARCOPOLO SA	31-03-2022	CLASS	3	1	1	1

## 2 Notable Oppose Vote Results With Analysis

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

### WH SMITH PLC AGM - 19-01-2022

#### [2. Approve the Remuneration Report](#)

**Disclosure:**All elements of each director cash remuneration and pension contributions are disclosed. The increase in CEO's salary is not in line with the salary of the overall workforce, since CEO salary increased by 14% and the workforce salary increased by 5%. The CEO salary is in the median range of the peer comparator group.

**Balance:**The changes in the CEO pay over the last five years are in line with Company's financial performance over the same period. The variable pay for the CEO during the year is considered acceptable at 100% of the salary which is only inclusive of the Annual Bonus and no payment for the LTIP award. The ratio of the CEO pay compared to the average employee pay is deemed highly excessive at 60:1.

Rating: AB

Vote Cast: *For*

Results: For: 46.4, Abstain: 14.7, Oppose/Withhold: 38.9,

#### [3. Approve Remuneration Policy](#)

**Policy Rating: BDC** Changes proposed: i) introduction of forward-looking post-cessation share ownership guidelines, ii) inclusion of appropriate ESG metrics into the LTIP from September 2022, iii) aligning the bonus opportunity for the two executive directors at 160% i.e. to increase Robert Moorhead's bonus opportunity from 130% to 160% in order to recognise his importance to the recovery and future success of the Group, iv) inclusion of ability in exceptional circumstances only to pay a bonus of up to 20% of maximum for strong personal performance when financial thresholds have not been met and v) re-confirmation that executive director pensions will be aligned with the wider workforce from 1 January 2023.

The changes proposed are welcomed, however concerns are raised for the remuneration policy on the following issues, on the Annual Bonus any Bonus in excess of the on-target level will be deferred into shares for a three year period, 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 at least three years. On the performance metrics for the LTIP award the ESG inclusion is welcomed however, it would have been preferable to be added immediately and not in September 2022. Performance period is three years which is not considered sufficiently long-term, however, a two year holding period applies which is welcomed. Performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. Total variable pay is considered excessive at 510% of base salary. Dividends 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: *Oppose*

Results: For: 88.2, Abstain: 0.1, Oppose/Withhold: 11.6,

#### [10. Re-elect Maurice Thompson - Non-Executive Director](#)

Independent Non-Executive Director. However, Mr. Thompson was Chair of Greensill Capital and there are concerns regarding shareholders misrepresentation. As the case is under investigation abstention is recommended.

Vote Cast: *Abstain*

Results: For: 39.1, Abstain: 50.0, Oppose/Withhold: 10.9,

## COUNTRYSIDE PARTNERSHIPS PLC AGM - 20-01-2022

### 5. *Elect Douglas Hurt - Senior Independent Director*

Senior Independent Director. Considered independent. The director received significant opposition in the previous meeting. However, this opposition has been noted and addressed. At this time support is recommended.

Vote Cast: *For*

Results: For: 84.7, Abstain: 3.1, Oppose/Withhold: 12.2,

### 6. *Elect Amanda Burton - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 85.0, Abstain: 3.1, Oppose/Withhold: 11.9,

### 7. *Elect Baroness Sally Morgan - Designated Non-Executive*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 85.0, Abstain: 3.4, Oppose/Withhold: 11.6,

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

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

Vote Cast: *Oppose*

Results: For: 83.2, Abstain: 2.1, Oppose/Withhold: 14.7,

## COSTCO WHOLESALE CORPORATION AGM - 20-01-2022

### 1g. *Elect Charles T. Munger - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 85.2, Abstain: 0.2, Oppose/Withhold: 14.7,

### 1h. *Elect Jeffrey S. Raikes - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 80.9, Abstain: 0.2, Oppose/Withhold: 18.9,

#### 1j. *Elect Mary Agnes (Maggie) Wilderotter - Non-Executive Director*

Independent Non-Executive Director. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. On balance, support is recommended.

Vote Cast: *For*

Results: For: 78.5, Abstain: 0.2, Oppose/Withhold: 21.3,

#### 4. *Shareholder Resolution: Charitable Giving Reporting*

**Proponent's argument:** National Center for Public Policy Research request the Company to list the recipients of corporate charitable contributions of USD 5,000 or more on the company website, along with the material limitations, if any, placed on the restrictions, and/or the monitoring of the contributions and its uses, if any, that the Company undertakes. "Charitable contributions should enhance the image of our company in the eyes of the public. Increased disclosure of these contributions would serve to create greater goodwill for our Company. It would also allow the public to better voice its opinions on our corporate giving strategy. Inevitably, some organizations might be viewed more favorably than others. This could be useful in guiding our Company's philanthropic decision making in the future. Corporate giving should ultimately enhance shareholder value."

**Company's response:** The board recommends a vote against this proposal. "Costco's commitment is to be active in our local communities. The Charitable Contributions Committee meets quarterly to determine which programs to support and how to best meet the needs within our communities. We budget 1% of pretax profits for selected charitable contributions, which are focused on children, education, and health and human services. In fiscal 2021, we contributed \$58 million to disaster relief and to hundreds of organizations through a variety of charitable programs and grants, including \$1 million to the Vaccine Equity Initiative, which expanded vaccine access to hardest hit, underserved communities. Additional examples of organizations we supported include United Way, Children's Miracle Network Hospitals, Communities in Schools, American Red Cross, College Success Foundation, Thurgood Marshall College Fund, United Negro College Fund, and Fred Hutchinson Cancer Research Center."

**PIRC analysis:** Disclosure surrounding the company-approved charities allows shareholders to consider diversity in the context of the long-term interests of the company, including stakeholder relationship. However, this resolution appears to focus on ideological diversity with the clear intent to ensure that some views are specifically represented among the charities to which the company's customers can donate. The proponents' request appears to be based on a flawed methodology: the fact that the company provides donations to a variety of charities, including those that some shareholders may find objectionable, does not mean that all viewpoints should be equally acceptable. Given the diversity that already exists among the organisations available for donations, a vote against the resolution is recommended.

Vote Cast: *Oppose*

Results: For: 3.1, Abstain: 0.6, Oppose/Withhold: 96.2,

#### 5. *Shareholder Resolution: Climate Change Targets*

**Proponent's argument:** Green Century Capital Management, Inc. recommend, at management's discretion: Consideration of approaches used by advisory groups such as the Science Based Targets initiative; Adopting emissions reduction targets inclusive of all GHG Protocol-defined sources of Scope 3 emissions – including from agriculture, land use change, and deforestation – that align with limiting temperature increases to 1.5C; Disclosing these targets to investors at least 180 days prior to the next annual meeting. "Costco Wholesale Corporation (Costco) uses palm oil, soy, cattle, cocoa, and pulp/paper in its products. These commodities are leading drivers of deforestation, which accounts for over 10 percent of global greenhouse gas emissions. In its 2020 10-K, Costco acknowledges that "climate change, extreme weather conditions, and rising sea levels could affect our ability to procure commodities at costs and in quantities we currently experience." Furthermore, Costco identifies a "highly competitive" retail marketplace and failure to respond to changing consumer preferences, "including those relating to sustainability," as risk factors. Costco claims to prioritize "the mitigation of Scope 1, 2 and 3 CO2e emissions" and to focus on "addressing the climate impacts attributed to our global operations and supply chains." However, Costco's absolute Scope 1 and 2 emissions have increased in each reported year since 2016. Worryingly, Costco does not plan to announce Scope 1 and 2 emissions reduction targets until December 2022 and has no time-bound plans to measure, disclose, or set reduction targets for its Scope 3 emissions. Scope 3, or value chain, emissions are likely to be Costco's greatest source of emissions. Walmart, a Costco competitor, discloses that Scope 3



emissions make up 95% of its total emissions. If the Company is to accelerate emissions reductions consistent with global goals, halving GHG emissions by 2030, it must act broadly and expeditiously. Competing retailers and food companies, including Walmart, BestBuy, Target, McDonald's, PepsiCo, Nestle, and Kellogg, measure their Scope 1, 2, and 3 emissions and are pursuing science-based emissions reductions consistent with the goals of the Paris Agreement."

**Company's response:** The board recommends a vote against this proposal. "Costco Wholesale fully appreciates the risks associated with climate change, not only to its long-term business prospects but for the global community. Nearly two years ago, we published our multi-year 10-Point Climate Action Plan, or the Plan, aimed at addressing the climate impacts attributed to our global operations and supply chains. We met or exceeded all of our targets for 2021, as further explained below. New targets have been set to assure our continued progress, at a pace that balances the urgent need for climate action with the current and projected needs of the business and our many stakeholders, including members, employees, suppliers, and shareholders. [...] Over the next three fiscal years (2022-2024), we will determine absolute Scope 1, 2 and 3 CO<sub>2</sub>e emissions reduction targets and detailed action plans, taking into consideration: the UN IPCC's 6th Assessment Report; the outcomes of the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow, Scotland; SBTi's new Corporate Net Zero Standard; forthcoming SBTi guidance on Forest, Land and Agriculture (FLAG), scheduled to be released in March 2022; Gold Standard's Value Change Initiative; and the GHG Protocol's existing Scope 3 Calculation Guidance and Scope 3 Evaluator tool. We also intend to consult the GHG Protocol's forthcoming guidance on carbon removals accounting, bioenergy accounting, and topics related to land-use emissions as we consider our approach to Scope 3 reductions. And in parallel, we will continue to pursue water conservation and waste minimization initiatives across our operations and value chain. We verified our 2020 baseline Scope 1 and 2 emissions and continued to build the capabilities to track compliance and monitor natural resource consumption at our warehouses - at the individual warehouse and aggregate levels. We applied our Sustainability Technical Assistance Review (STAR) framework to help manage warehouse CO<sub>2</sub>e emissions."

**PIRC analysis:** The report will be consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It will also include the evolution of emissions of the different business activities, facilities and assets over which the company maintains control, and will indicate annual progress with respect to the Greenhouse Gas Emissions Reduction Plan. The report on the climate strategy will be submitted each year to the ordinary general meeting.

Given the severity of the climate crisis, it is considered that companies should rely to every measure possible must be taken by investee companies to facilitate a net zero carbon transition, as well as to include shareholders and stakeholders in this process. With this respect, the Say on Climate mechanism is an important step in improving the quality and level of the disclosures and the company's plans to reduce them in line with its commitments. An advisory vote on the company's climate strategy, as well as a vote on the progresses made towards achieving the goals sets therein, is considered to be in the long-term interests of shareholders. Support is recommended.

Vote Cast: *For*

Results: For: 66.6, Abstain: 4.7, Oppose/Withhold: 28.6,

#### 6. Shareholder Resolution: Report on Racial Justice and Food Equity

**Proponent's argument:** American Baptist Home Mission Society, request that the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, describing if, and how, Costco applies its Sustainability Commitment to its core food business to address the links between structural racism, nutrition insecurity, and health disparities. The report may include systems Costco has in place to address racial justice and food equity concerns through product development, marketing, and distribution. "Costco publishes sustainability goals for its food products that address social and environmental impacts in the supply chain, however, these goals do not include any explicit targets for increasing access to healthy food in the communities where it operates, which is a salient issue for Costco and an important consideration for product development.<sup>6</sup> Costco is lagging peers in this area. For example, Walmart publishes an explicit commitment on increasing access to healthier and more affordable food. Costco's approach to marketing is unique in that it does not invest in traditional advertising in order to keep product costs low; however, the company still communicates to its members through targeted direct mail with sales promotions, email marketing, and in-store sampling. Investors lack information about the extent to which Costco is prioritizing healthy food products or addressing racial disparities in access to nutrition when it makes decisions about how to promote different grocery products and food court offerings in its warehouses. With the exception of a healthy shopping tips webpage, Costco's messaging consistently focuses on product cost and quality without addressing nutrition."

**Company's response:** The board recommends a vote against this proposal. "The Report on Food Security provides data on Costco's core food business as it relates

to providing fresh produce and organic foods, including statistics on the scale of fresh produce and organic foods we sell and how the values for these foods compare to conventional supermarkets and our wholesale club competitors. Costco's offerings of fresh produce and organic foods demonstrate its commitment to offering healthy and nutritious foods to the communities in which we operate. The Report on Food Security highlights Costco's participation in the Supplemental Nutrition Assistance Program (SNAP), a federal benefits program, which according to the U.S. Department of Agriculture provides nutrition benefits and "enables needy families to purchase healthy food and move toward self-sufficiency." The Report on Food Security also notes Costco's multiple locations convenient to or in major urban centers and its expanded offerings through two-day grocery delivery that make items accessible at affordable prices even for those who do not live close to a Costco warehouse. The Company is also evaluating adding SNAP capacity to its e-commerce site, which would further expand accessibility of our food offering."

**PIRC analysis:** The proponent is not requesting that the company initiate programmes to implement full food equity, it is asking that the company report fully on those efforts. Since the depth of information available is more complete in the Company's response, and likely to be yet more comprehensive were the Company to dedicate a complete report to the programmes on its sustainability website, it would appear to be in the Company's best interests to prepare the kind of report called for in the proposal. There has been a consistent amount of evidence linking racial and ethnic background with unequal access to food equity, apparently suggesting that the most unequal access to food equity is often located in poor neighbourhoods, where mostly people of colour lives. Support for the resolution is recommended.

Vote Cast: *For*

Results: For: 16.5, Abstain: 4.8, Oppose/Withhold: 78.7,

## VISA INC AGM - 25-01-2022

### 1a. *Elect Lloyd A. Carney - Non-Executive Director*

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

Vote Cast: *Abstain*

Results: For: 87.9, Abstain: 0.2, Oppose/Withhold: 11.8,

### 2. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CCB. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 87.9, Abstain: 0.9, Oppose/Withhold: 11.2,

## BECTON, DICKINSON AND COMPANY AGM - 25-01-2022

### 1.07. *Elect Marshall O. Larsen - Senior Independent Director*

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

Vote Cast: *Oppose*

Results: For: 85.5, Abstain: 0.1, Oppose/Withhold: 14.4,

#### 4. *Shareholder Resolution: Right to Call Special Meetings*

**Proponent's argument:** Kenneth Steiner proposes that the board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 15% of our outstanding common stock the power to call a special shareholder meeting. Adoption of this proposal could include a provision that any single shareholder could get credit for only half of the 15% threshold. The Board of Directors would continue to have its existing power to call a special meeting. Special meetings allow shareholders to vote on important matters, such as electing new directors that can arise between annual meetings. "BDX currently has one of the highest stock ownership thresholds to call a special meeting – 25% of shares. This 25% of shares translates into more than 30% of the BDX shares that normally vote at our annual meeting. It would be hopeless to expect that shareholders, who do not even vote, would go out of their way to take the special procedural steps to ask for a special shareholder meeting. Meanwhile just over 50% of our directors can call a special shareholder meeting. The current right of 10% of shares to try to convince a New Jersey judge that a special meeting is necessary is probably useless. "

**Company's response:** The board recommends to oppose the proposal, arguing that it is important for shareholders to have the ability to call special shareholder meetings to address matters that require attention prior to the next annual shareholders meeting. The articles provide for a 25% ownership threshold, which the board continues to believe is an appropriate standard for balancing shareholder rights and is consistent with prevailing practices at large public corporations. Lowering this threshold to 15% increases the risk that a small group of shareholders with narrow or short-term interests could call special meetings to advance their own particular agendas that are not aligned with the long-term interests of the company or other shareholders. Special shareholder meetings also subject the company to considerable expense, and can distract management and the board from important business initiatives and objectives. The board considers that preserving the current 25% ownership threshold ensures that a special meeting will be called only when there is significant support for the meeting among shareholders.

**PIRC analysis:** The right to call a special shareholder meeting provides shareholders with a way of communicating with the Board and debating and voting on issues with the rest of shareholders which in itself enhances shareholders' rights. A 10% threshold would be recommended. However, the 15% threshold requested by the Proponent is nevertheless considered a step forward in this sense. Support is recommended.

Vote Cast: *For*

Results: For: 78.7, Abstain: 0.2, Oppose/Withhold: 21.0,

#### 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 54.1, Abstain: 0.2, Oppose/Withhold: 45.7,

### ACCENTURE PLC AGM - 26-01-2022

#### 1b. *Elect Nancy McKinstry - Non-Executive Director*

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

Vote Cast: *Abstain*

Results: For: 85.7, Abstain: 0.1, Oppose/Withhold: 14.2,

#### 1g. *Elect Arun Sarin - Non-Executive Director*

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

and committee meetings during the year. However, as the Chair of the Nominating, Governance & Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 85.0, Abstain: 0.9, Oppose/Withhold: 14.2,

#### **D. R. HORTON INC. AGM - 26-01-2022**

##### *1b. Elect Barbara K. Allen - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 83.6, Abstain: 0.2, Oppose/Withhold: 16.2,

##### *2. Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 27.4, Abstain: 0.1, Oppose/Withhold: 72.5,

#### **BRITVIC PLC AGM - 27-01-2022**

##### *4. Approve the Remuneration Report*

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary is in the median of a peer comparator group. The performance conditions and targets for the LTIP has been disclosed. However, dividend accrual is not separately categorized.

**Balance:** The balance of CEO realized pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. Total variable pay for the year under review was excessive, amounting to approximately 222.3% of salary for the CEO (Annual Bonus: 118.79% and LTIP: 103.51%). The ratio of CEO pay compared to average employee pay is not considered acceptable, standing at 42:1.

Rating: BD

Vote Cast: *Oppose*

Results: For: 67.4, Abstain: 1.4, Oppose/Withhold: 31.3,

##### *9. Re-Elect Ian McHoul - Senior Independent Director*

Senior Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 80.1, Abstain: 6.3, Oppose/Withhold: 13.5,

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

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

Vote Cast: *For*

Results: For: 78.7, Abstain: 8.2, Oppose/Withhold: 13.1,

### 20. Meeting Notification-related Proposal

It is proposed that a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

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

Vote Cast: *For*

Results: For: 88.4, Abstain: 0.0, Oppose/Withhold: 11.6,

## AVON PROTECTION PLC AGM - 28-01-2022

### 13. Issue Shares with Pre-emption Rights

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

Vote Cast: *For*

Results: For: 88.7, Abstain: 0.0, Oppose/Withhold: 11.3,

## COMPASS GROUP PLC AGM - 03-02-2022

### 2. Approve Remuneration Policy

**Policy Rating: ADB** Changes proposed: i) an increase to the multiple of salary used to determine future LTIP award quantum for executive directors, ii) the introduction of a mandatory deferral of one third of the annual bonus for executive directors and iii) an enhancement to the company's share ownership guidelines.

Total potential variable pay could reach 600% of the salary for the CEO and 500% of the salary for the other Executives and is considered excessive. The mandatory deferral for the Annual Bonus is welcomed, however, one third of the Bonus will defer to shares. This is not considered sufficient, it would be preferable 50% of the Bonus to be paid in cash and 50% to defer to shares for at least three years. 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 applies which is welcomed. 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*

Results: For: 65.9, Abstain: 2.3, Oppose/Withhold: 31.7,

### 3. Approve the Remuneration Report

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary is in line with the workforce. It is noted that the 11.9% of the salary increase that the CEO has for the year under review reflects a return to normal full salary having voluntarily waived a proportion of his salary. No salary increase was made for the year under review and the workforce had a salary increase of 5.2%. The CEO salary is in the upper quartile of the PIRC's comparator group which raises concerns over the excessiveness of his pay.

**Balance:**The changes in CEO total pay over the last five years are not considered to be in line with changes in TSR over the same period. Variable pay for the year under review was 199.9% ( Annual Bonus: 199.9%, LTIP: 0%) of the salary and is within the recommended limit of 200% However, the ratio of CEO pay compared to average employee pay is unacceptable, standing at 188:1. This is considered excessive, given that the recommended limit is 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 87.3, Abstain: 0.8, Oppose/Withhold: 11.9,

### 16. *Re-elect Ireena Vittal - Designated Non-Executive*

Independent Non-Executive Director and Designated non-executive director for workforce engagement. It would be preferred that companies appoint directors from the workforce rather than designate a non-executive director (NED). Support will be recommended for the election or re-election of designated NEDs provided that no significant employment relations issues have been identified.

Support is recommended.

Vote Cast: *For*

Results: For: 81.5, Abstain: 8.4, Oppose/Withhold: 10.0,

## FUTURE PLC AGM - 03-02-2022

### 3. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary is with the workforce, it is noted that the CEO salary did not increase for the year under review. The CEO salary is in the median of the competitor group.

**Balance:**The changes in CEO pay over the last five years are not considered in line with the Company's TSR performance over the same period. The CEO's realized variable pay for the year under review is considered hugely excessive at 1422% of salary (Annual Bonus: 200% & LTIP: 1222%). The ratio of CEO pay compared to average employee pay is at 31:1, it is recommended that the ratio does not exceed 20:1.

Rating: AE

Vote Cast: *Oppose*

Results: For: 42.4, Abstain: 4.8, Oppose/Withhold: 52.8,

### 7. *Re-elect Mark Brooker - Non-Executive Director*

Independent Non-Executive Director and 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*

Results: For: 61.1, Abstain: 0.1, Oppose/Withhold: 38.8,

### 8. *Re-elect Hugo Drayton - Senior Independent Director*

Senior Independent Director. Considered independent. It is noted that in the 2021 Annual General Meeting Mr. Drayton received significant opposition of 10.16% of the votes, the company did not disclose information's as to how it address the issue with its shareholders. Therefore abstention is recommended.

Vote Cast: *Abstain*

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

### 9. *Re-elect Rob Hattrell - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 65.3, Abstain: 0.1, Oppose/Withhold: 34.7,

## AIR PRODUCTS AND CHEMICALS INC. AGM - 03-02-2022

### 1e. *Elect Edward L. Monser - Senior Independent Director*

Independent Senior Director. Chair of the Corporate Governance and Nominating Committee. As the Chair of the Corporate Governance and Nominating 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: *Oppose*

Results: For: 87.8, Abstain: 0.3, Oppose/Withhold: 11.9,

## SHAFTESBURY PLC AGM - 04-02-2022

### 18. *Issue Shares for Cash*

Authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. Within acceptable limits.

Vote Cast: *For*

Results: For: 71.4, Abstain: 0.8, Oppose/Withhold: 27.8,

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

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

Vote Cast: *Oppose*

Results: For: 70.4, Abstain: 0.8, Oppose/Withhold: 28.8,

## SSP GROUP PLC AGM - 04-02-2022

### 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 median of the competitors group

**Balance:**The changes in CEO total pay under the last five years are considered to be in line with changes in TSR during the same period. CEO reward in the last five years increase by an average of 14.83% when the TSR increase by an average of 21.79%. There was no variable pay for the year under review which is commendable.



The ratio of CEO pay compared to average employee pay is not acceptable at 47:1, this exceeds the recommended ratio of 20:1.

Rating: AB

Vote Cast: *For*

Results: For: 75.7, Abstain: 2.9, Oppose/Withhold: 21.4,

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

The authority is limited to one third of the Company's issued share capital. This cap can increase to two-thirds of the issued share capital if shares are issued in connection with an offer by way of a rights issue. All directors are standing for annual re-election. This resolution is in line with normal market practice and expires at the next AGM. Support is recommended.

Vote Cast: *For*

Results: For: 80.0, Abstain: 0.0, Oppose/Withhold: 20.0,

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

It is proposed that a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

It is considered that all companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues. It is noted that in 2021 Annual General Meeting the resolution received 14.13% opposition and the company did not disclose how it address the issue with its shareholders. Therefore abstention is recommended.

Vote Cast: *Abstain*

Results: For: 78.8, Abstain: 0.2, Oppose/Withhold: 21.0,

## EUROMONEY INSTITUTIONAL INVESTOR PLC AGM - 09-02-2022

### 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 workforce, although the CEO salary increase by 15.4% where the workforce salary increase by 1.1%. Upon engagement the company states that, CEO did not receive a base salary increase. His salary has not increased since appointment in October 2015. As disclosed in the 2020 and the 2021 Directors' Remuneration Reports, the CEO (and the CFO) took a base salary reduction for four months during FY 2020 in light of covid-19. The year-on-year change in base salary relates reflects a return to his normal base salary of GBP 750,000 per year. The CEO salary is in the median of the competitor group.

**Balance:** The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over the past five years is not in line with the change in TSR over the same period. Variable pay for the year under review was at 146.06% of the salary (Annual Bonus : 146.06% & PSP: 0%) which is not excessive. It is noted that no PSP award was vested for the year under review which is commendable. The ratio of CEO pay compared to average employee pay is not acceptable at 29:1. It is recommended that the CEO pay ratio to be up to 20:1

Rating: AC. It is noted that in the 2021 Annual General Meeting the Remuneration Report received significant opposition of 15.17% of the votes. The company did not disclose information as to how address the issue with its shareholders. Overall abstention is recommended.

Vote Cast: *Abstain*

Results: For: 84.8, Abstain: 0.8, Oppose/Withhold: 14.4,

### 6. *Re-elect Colin Day - Non-Executive Director*

Independent Non-Executive Director. It is noted that Mr. Day had received significant opposition of 13.27% of the votes in the 2021 Annual General Meeting and the



company did not disclosed how it address the issue with its shareholders. Therefore abstention is recommended.

Vote Cast: *For*

Results: For: 86.3, Abstain: 1.3, Oppose/Withhold: 12.4,

## **EASYJET PLC AGM - 10-02-2022**

### *2. Approve Remuneration Policy*

**Policy rating: BCC** Changes proposed - the company has introduced a new Restricted Share Plan in replacement of the LTIP. The plan does not rely on achieving the three-year targets and will better support the longer-term decision making required to deliver superior long term shareholder value creation. Restricted Share Plan awards will be granted each year, with a vesting period of three years.

Total potential variable pay is at 325% of the salary and consider excessive, additionally for exceptional circumstances could reach 350% of the salary. One-third of the Annual Bonus is deferred to shares, however best practice would be to defer at least 50%.

Vote Cast: *Abstain*

Results: For: 68.0, Abstain: 7.3, Oppose/Withhold: 24.7,

### *6. Elect Stephen Hester - Chair (Non Executive)*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 83.6, Abstain: 3.1, Oppose/Withhold: 13.3,

### *15. Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 5,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. Within recommended limits.

Vote Cast: *For*

Results: For: 77.6, Abstain: 3.1, Oppose/Withhold: 19.4,

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

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

Vote Cast: *For*

Results: For: 78.9, Abstain: 0.0, Oppose/Withhold: 21.1,

### *17. Approve Restricted Share Plan*

It is proposed to pay a portion of the long-term variable component of remuneration for the directors in financial instruments. This proposal does not include additional remuneration.

Regardless of concerns regarding the features of the long-term variable remuneration component, it is considered that paying variable remuneration in shares instead of cash may favour alignment with shareholders and retention of Identified Staff. Support is recommended.

Vote Cast: *For*

Results: For: 71.2, Abstain: 4.9, Oppose/Withhold: 23.8,

#### 18. *Disapplication of pre-emption rights*

Authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. Within acceptable limits.

Vote Cast: *For*

Results: For: 82.6, Abstain: 0.1, Oppose/Withhold: 17.4,

### **VICTREX PLC AGM - 11-02-2022**

#### 17. *Approve Political Donations*

The proposed authority is subject to an overall aggregate limit on political donations and expenditure of GBP 12,500. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. Within recommended limits.

Vote Cast: *For*

Results: For: 89.2, Abstain: 0.0, Oppose/Withhold: 10.8,

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

The authority is limited to one third of the Company's issued share capital. This cap can increase to two-thirds of the issued share capital if shares are issued in connection with an offer by way of a rights issue. All directors are standing for annual re-election. This resolution is in line with normal market practice and expires at the next AGM. Support is recommended.

Vote Cast: *For*

Results: For: 89.9, Abstain: 0.0, Oppose/Withhold: 10.1,

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

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

Vote Cast: *Oppose*

Results: For: 83.6, Abstain: 0.0, Oppose/Withhold: 16.4,

### **GCP INFRASTRUCTURE INVESTMENTS LTD AGM - 14-02-2022**

#### 4. *Elect Ian Reeves - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.

Vote Cast: *For*

Results: For: 88.8, Abstain: 0.0, Oppose/Withhold: 11.2,

#### 7. *Elect Steven Wilderspin - Non-Executive Director*

Independent Non-Executive Director.

Vote Cast: *For*

Results: For: 83.4, Abstain: 0.4, Oppose/Withhold: 16.2,

## EDISTON PROPERTY INVESTMENT COMPANY AGM - 24-02-2022

### 2. *Approve the Remuneration Report*

Shareholders are being asked to approve the Company's annual report on remuneration. Disclosure of figures and policy is adequate. The aggregate limit set in relation to Directors' remuneration was not exceeded during the year. Directors' remuneration does not comprise any performance-related element, which is welcomed. It is further noted that no additional discretionary payments were made in the year. There was no increase in individual fees during the year under review. Overall, the remuneration practices and the level of fees paid to the board are considered acceptable.

Vote Cast: *For*

Results: For: 84.9, Abstain: 0.0, Oppose/Withhold: 15.0,

### 5. *Re-elect Robin Archibald - Senior Independent Director*

Senior Independent Director. Considered independent.

Vote Cast: *For*

Results: For: 71.2, Abstain: 15.4, Oppose/Withhold: 13.4,

## APPLE INC AGM - 04-03-2022

### 1e.. *Elect Andrea Jung - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 88.9, Abstain: 0.4, Oppose/Withhold: 10.6,

### 1h.. *Elect Ron Sugar - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 88.8, Abstain: 0.4, Oppose/Withhold: 10.8,

### 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 64.0, Abstain: 0.6, Oppose/Withhold: 35.4,

### 5. *Shareholder Resolution: Reincorporate with Deeper Purpose*

**Proponent's argument:** Shareholders request the Board of Directors take steps necessary to amend our articles of incorporation and, if necessary, bylaws (including

presenting such amendments to shareholders for approval) to become a Social Purpose Corporation and to adopt specific social purposes such as (A) benefitting (1) the corporation's employees, suppliers, customers, and creditors; (2) the community and society; and (3) the environment and (B) exercising reasonable care to ensure that the Company's operations do not impose social and environmental costs that materially contribute to the degradation or destruction of important social and environmental systems. "Rechartering around deeper social purposes would help Apple align all actions around common goals. It would motivate shareholders, employees, and other stakeholders, guiding our Company on a more inspiring mission than engaging "in any lawful act or activity." Purpose is the most distilled form of strategy. It clarifies how a corporation should spend its time and resources. It aligns all actions around a common goal. And it motivates all stakeholders through a mission that is more inspiring than profit maximization. Our employees are striving to address issues such as climate risk, wealth inequality, diversity, equity, and inclusion. We should identify employee values through Slack or other channels and adopt specific social purposes in better alignment. Apple should also explore policies and practices to embed and amplify worker voice inside corporate decision-making and accountability systems. "Millennial employees, consumers, and investors will fact check claims and callout companies that fail to live up to their own rhetoric, often with significant economic consequences." A recent study determined that listed companies create annual social and environmental costs of \$2.2 trillion. These costs have many sources, including pollution, climate change and employee stress.<sup>6</sup> Being guided by a legally adopted North Star would likely lead Apple to further reduce externalized costs and even more fully engage stakeholders."

**Company's response:** The board recommends a vote against this proposal. "At Apple, we are committed to demonstrating that business can and should be a force for good. A commitment to all of our stakeholders lies at the heart of Apple's long-standing values of accessibility, education, environment, inclusion and diversity, privacy, and supplier responsibility, and reflects how management operates our company, consistent with our corporate purpose. Accordingly, we believe converting Apple to a new corporate form would not meaningfully change how we operate our company or best serve the interests of our shareholders or other stakeholders. Shareholders and other stakeholders can learn about how Apple conducts its business through various reports that we make publicly available, including our reports on Environmental Progress, People and Environment in Our Supply Chain, and Privacy Transparency, which detail our commitments, programs, and progress on these matters. In 2021, Apple extended its commitment to transparency with enhanced reporting, by introducing Apple's first Environment, Social, and Governance Report, which seeks to provide a broad view of our environmental, social, and governance efforts across Apple. The California Social Purpose Corporation model selected in this proposal by the proponent is a relatively new creation and is largely untested, particularly for a company of our size and complexity. It is extremely difficult at this time to predict the impact on our shareholders and our long-term success of changing our corporate form, but we believe such a change would entail potential risks and costs."

**PIRC analysis:** In recent years, there has been an increasing number of companies in markets overseas (France, Italy) that have changed their articles to become Public Benefit Corporation, or the equivalent local nomenclature. The main feature of a benefit company is the inclusion of Environmental, social and societal objectives (the mission) in the corporate purpose, which is considered to have an impact on effective alignment between shareholders and stakeholders, besides and beyond a statement by the chair or the Chief Executive. Support is therefore recommended.

Vote Cast: *For*

Results: For: 3.1, Abstain: 1.2, Oppose/Withhold: 95.8,

#### 6. *Shareholder Resolution: Transparency Reports*

**Proponent's argument:** Shareholders request the Board of Directors revise the Company's Transparency Reports to provide clear explanations of the number and categories of app removals from the app store, in response to or in anticipation of government requests, that may reasonably be expected to limit freedom of expression or access to information. Such revision may exclude proprietary or legally privileged information. "The New York Times reported in May 2021: "... Apple has constructed a bureaucracy that has become a powerful tool in China's vast censorship operation. It proactively censors its Chinese App Store, relying on software and employees to flag and block apps that Apple managers worry could run afoul of Chinese officials." Since 2017, the Times said, roughly 55,000 active apps have disappeared from Apple's Chinese App Store, including "tools for organizing pro-democracy protests and skirting internet restrictions." Most of those apps have remained available in other countries, the Times said. Apple's transparency report for the first half of 2020 disclosed that it complied with all 46 requests from the Chinese government to remove 152 apps from the App Store. The report did not explain which apps were removed or for what reason.[...] The 2020 Ranking Digital Rights Corporate Accountability Index found "Apple lacked transparency about its process for removing apps from the App Store for violations to iOS rules.""

**Company's response:** The board recommends a vote against this proposal. We are committed to the privacy of our users and being transparent about government app removal requests globally. We publish a bi-annual Transparency Report, where we provide comprehensive information on government requests received, including extensive disclosures on government app removal requests. The Transparency Report discloses, by country or region, the app removal request type; the number of requests received; the number of apps specified in the request; the number of requests objected to in part or rejected in full; the number of requests that resulted in an app being removed; the number of apps removed; the number of appeals received; the number of appeals granted; and the number of apps reinstated. [...] As stated in Apple's Human Rights Policy-Our Commitment to Human Rights,<sup>3</sup> and in accordance with the UN Guiding Principles on Business and Human Rights, Apple acknowledges that we have a responsibility to respect internationally recognized human rights and also comply with laws in the jurisdictions in which we operate. At times, local law may require us to limit the availability of a particular app in the App Store. In such cases, the government demanding removal of the app must present a basis in law, such as a statutory or regulatory requirement, or a valid court order. [...] All apps worldwide are screened for quality and illegal or harmful content. As part of the review process, Apple makes a good faith effort to ensure illegal content does not end up on a country's storefront. For example, in certain jurisdictions, gambling apps may be illegal or require a license to operate, and our teams seek to screen apps proposing to operate in violation of local law or without a valid license. Apple does not "proactively censor" apps, as suggested in the proposal, but rather abides by the laws in the jurisdictions in which it operates, as all companies operating in such jurisdictions must do. An app removed from an App Store in a jurisdiction where it is prohibited would remain available in other jurisdictions where the developer has made it available so long as it is not in violation of our App Store Guidelines or applicable local law in those other jurisdictions.

**PIRC analysis:** A report on the human rights impact of the company's operations that may be potentially complicit in China's human rights abuses is in shareholders' interests both as a means of informing shareholders of potential risks and opportunities faced by the Company regardless of whether there are currently plans to further expand into that country, but also as a means of ensuring that the management and board of a company gives due consideration to these issues. The company's response and the mention to abiding by local laws and regulations does not seem to address the major issue from this shareholder proposal; that is, the company apparently being proactive in compliance with local law without a due diligence of the corresponding impact on human rights in the country. The production of this transparency report is considered to be reasonable and in best interest from shareholders. While the company states that its app store is constantly screened against content illegal in a given country and that applies based on local laws, it is also considered that it would be beneficial for company, management and shareholders to receive a report which could on the potential reputational damage from investing in countries with restricted freedom of expression. Overall, support is recommended.

Vote Cast: *For*

Results: For: 31.4, Abstain: 1.2, Oppose/Withhold: 67.5,

#### *7. Shareholder Resolution: Report on Forced Labour*

**Proponent's argument:** Shareholders of Apple, Inc. ask the Board of Directors to oversee the preparation of a report, at reasonable cost and omitting confidential and proprietary information, on the extent to which Apple's policies and procedures effectively protect workers in its supply chain from forced labor, including the extent to which Apple has identified suppliers and sub-suppliers that are at significant risk for forced labor violations, the number of suppliers against which Apple has taken corrective action due to such violations, and the availability and use of grievance mechanisms to compensate affected workers. "Apple's Code of Conduct (2005) lists forced labor as a 'core violation' of its policy, with suppliers required to 'ensure that all work is voluntary' and prohibited from 'traffic[ing] persons or us[ing] any form of slave, forced, bonded, indentured, or prison labor.' The Code also states suppliers must undertake due diligence and allow Apple access to their facilities to evaluate suppliers and sub-suppliers' compliance. Apple's Human Rights Policy (2020) states its desire 'to be a force for good in the lives of people in our supply chain', and asserts that Apple works 'hand in hand with our suppliers to ensure that every workplace provides a safe and respectful environment for everyone'. It has been reported that at least nine companies in Apple's supply chain participate in the government of China's forced labor program. Reports suggest that Apple severed ties with Ofilm Group over allegations that it's involved in that program. Following evidence since 2017 of millions of Uyghurs and other Turkic Muslims being forced into internment camps and related labour programs, the Parliaments of the UK and Canada and the US State Department recognized this as a genocide. [...] The proposed report is intended to mitigate this regulatory risk, given Apple's dependence on suppliers operating under a government accused of genocide.

**Company's response:** The board recommends against this proposal. "We uphold the highest standards in the industry. The Apple Supplier Code of Conduct, Apple Supplier Responsibility Standards, and Apple Human Rights Policy outline our requirements for suppliers in the areas of labor and human rights, health and safety,

environment, management systems, and ethics. We continuously review our suppliers to verify that they can meet or exceed our strict standards and provide training and toolkits to help them better understand how to meet these standards if needed. As part of these reviews, independent, third-party assessments are conducted at supplier facilities, which verify key employee documentation, investigate hiring practices, and conduct extensive interviews with workers in their native languages and without their managers present. We conduct supplier assessments, including surprise assessments, in the 53 countries across our supply chain. The protections apply across the supply chain, regardless of a person's job or location. Any violation of our policies has immediate consequences, including possible business termination. [...]We require our suppliers to provide their employees with training on their workplace rights. Since 2008, over 21.5 million supplier employees have received training on their workplace rights under local labor laws and the human rights protections outlined in our Supplier Code of Conduct and Supplier Responsibility Standards. Our Supplier Code of Conduct and Supplier Responsibility Standards also require feedback channels for workers, including grievance mechanisms at all supplier sites, and strict protection from retaliation for speaking up. This includes third-party anonymous hotlines and the ability to contact the Apple Environment and Supply Chain Innovation (ESCI) team directly at any time and in any language. When an issue is raised, Apple thoroughly investigates, and supplier management is required to resolve violations of our standards in a timely manner. Retaliation in any form is a Core Violation of the Supplier Code of Conduct and carries significant penalties. [...]The possible consequences of probation include receiving no new projects, no new business, or the termination of existing business with Apple. To date, 24 suppliers have been removed from our supply chain due to Core Violations.

**PIRC analysis:** The proponent asks for a report on the risks associated with potential and actual forced labour risks of its operations and supply chain. Such risks can have significant reputational and financial consequences for a company and it is in the best interests of shareholders to be informed of the company's exposure to and management of such risks. Ensuring that suppliers are not employing forced labour is considered to be due diligence, in order to uphold company's policies on human rights and minimize corresponding risks. In addition, companies should get credit for referring to a true living wage, not a government-set 'living wage' which is in fact a minimum wage. Since the company indicates that it is committed to not using forced labour in its supply chains and has crafted its own policy on this, it is difficult to understand why the company opposes the shareholder request for policy statement. However, it fails to link work throughout the supply chain with living wage, and this proposal is seen as an advance in governance of social issues at the company. Support for the resolution is recommended.

Vote Cast: *For*

Results: For: 33.2, Abstain: 1.4, Oppose/Withhold: 65.4,

#### 8. Shareholder Resolution: Pay Equity

**Proponent's argument:** Shareholders request Apple report on median pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information. "Pay inequity persists across race and gender. Black workers' hourly median earnings have fallen 3.6 percent since 2000, representing 75.6 percent of white wages. The median income for women working full time is 82 percent that of men. Intersecting race, Black women make 63 cents, Native women 60 cents, and Latina women 55 cents. At the current rate, women will not reach pay equity until 2059, Black women until 2130, and Latina women until 2224.[...] Actively managing pay equity is associated with improved representation, and diversity is linked to superior stock performance and return on equity. Of note, Black employees represent 9 percent of Apple's workforce, but only 4 percent of leadership. Women only account for 34 percent of Apple's workforce and 31 percent of leadership. Pay gaps are literally defined as the median pay of minorities compared to non-minorities and the median pay of women compared to men. They are considered the valid way of measuring gender pay inequity by the United States Census Bureau, Department of Labor, OECD, and International Labor Organization. Best practice pay equity reporting consists of two parts: 1. unadjusted median pay gaps, assessing equal opportunity to high paying roles, 2. statistically adjusted gaps, assessing pay between minorities and non-minorities, men and women, performing similar roles. Apple has committed to statistically adjusted pay equity but ignores unadjusted median gaps, which address the structural bias women and underrepresented minorities face regarding job opportunity and pay."

**Company's response:** The board recommends a vote against this proposal. "Our progress on representation is broad-based across the company, and at all levels. For example, the number of female employees in leadership roles at Apple has increased by 85 percent between 2014 and 2020, and 37 percent of open leadership roles were filled by women globally from January 2020 to December 2020. In the United States, between 2014 and 2020, the number of Black employees in leadership roles has increased 60 percent, and the number of Hispanic/Latinx employees in leadership roles has increased 90 percent. Between January 2020 and December



2020, 43 percent of leadership roles were filled by people from underrepresented communities in the United States.[...]We continue to focus on increasing diverse representation at every level of the company to help Apple become an even better reflection of the world we live in, and we are proud of the progress we've made. As published on our website, between 2014 and 2020, the number of employees from underrepresented communities has increased by 64 percent in the United States, and makes up nearly 50 percent of Apple's U.S. workforce. The number of Hispanic/Latinx employees at Apple in the United States has grown by more than 80 percent during this period, with a 90 percent increase in leadership. The number of Black employees at Apple in the United States has grown by more than 50 percent, with a 60 percent increase in leadership, and the number of female employees at Apple worldwide has grown more than 70 percent, with an 85 percent increase in leadership during this time. Leadership roles include managers at all levels of our company. "

**PIRC analysis:** The proponents request for the company to report its gender pay gap. The requested disclosure is considered reasonable and would underpin the Company's efforts in fostering diversity and thereby enhance its reputation and reduce the risks associated with its human capital and business. While the Company has released statistics surrounding its gender pay parity and it appears to be committed to equal opportunities, it is considered nevertheless beneficial for the company to report further, as the median gender pay gap will show how many or how few women there are in senior positions at the company. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 33.3, Abstain: 1.0, Oppose/Withhold: 65.7,

#### 9. Shareholder Resolution: Civil Rights Audit

**Proponent's argument:** Shareholders of Apple Inc. urge the Board of Directors to oversee a third-party audit analyzing the adverse impact of Apple's policies and practices on the civil rights of company stakeholders, above and beyond legal and regulatory matters, and to provide recommendations for improving the company's civil rights impact. Input from civil rights organizations, employees, and customers should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Apple's website. "It is unclear how Apple plans to address racial inequality in its workforce. The company states that the overall number of Hispanic and Black employees in leadership increased by 90% and 60%, respectively, from 2014-2020, but Apple currently has no Hispanics and only one Black member on its executive team. Further, Hispanic and Black tech employees only account for 8% and 4% of all tech employees, respectively. Apple shut down three employee run surveys related to pay equity that focused on minorities and women. Nonetheless, achieving true racial and gender equity goes beyond just pay issues. In August 2021, Apple placed a female engineering programming manager on indefinite leave after she accused the company of sexism, harassment, and retaliation. Additionally, Apple hired Antonio García Martínez, who had a history of misogynistic and racist commentary, as an advertising platform engineer. While he was fired after a highly publicized employee petition, we believe that a civil rights audit could have identified the concerns raised by Apple's employees far earlier. Civil rights issues raised by Apple's products and services are also concerning. Privacy experts, over 90 global policy organizations, and Apple's own employees have raised concerns over the company's newly developed child sexual abuse material technology, noting it could be subject to abuse and potential misuse by law enforcement. Further, targeted advertising has a history of racist and sexist impacts. Apple's advertising business increased from \$300 million in 2017 to \$3 billion in 2021. Given the importance of advertising to Apple's future profitability, we believe that it should be subject to rigorous third-party analysis of its racial and gender impacts."

**Company's response:** The board recommends a vote against this proposal. "In 2020, the Board adopted Apple's Human Rights Policy-Our Commitment to Human Rights,<sup>1</sup> outlining our commitment to respect human rights, including civil rights and the right to privacy, among other internationally recognized rights. Our approach is based on the UN Guiding Principles on Business and Human Rights, and the Policy reflects feedback that we have heard from our shareholders, as well as civil and human rights organizations and other stakeholders. In alignment with the UN Guiding Principles, we identify salient human rights risks through internal risk assessments and external industry-level third-party audits and reports, as well as through the channels we maintain with rightsholders and other stakeholders, including investors, human rights and labor experts, governments, and international bodies such as the United Nations. We conduct human rights due diligence through a number of teams, including the Privacy, Corporate, and Compliance teams within Apple's Legal and Global Security organization. Our General Counsel oversees implementation of our Human Rights Policy and reports to the Board and its committees on progress and any significant issues identified in the diligence process.[...] As a sign of our commitment, Apple is a founding signatory to the ACT Report: Action to Catalyze Tech, A Paradigm Shift for DEI (Diversity, Equity, and Inclusion), which provides

tech companies and leaders a rigorous framework of action. As a signatory, Apple has already committed to (1) reviewing existing diversity, equity, and inclusion practices and gaps, and identifying relevant actions to operationalize diversity, equity, and inclusion throughout the company; (2) sharing diversity, equity, and inclusion data, metrics, and goals; and (3) advocating for policies that create pathways into tech for underrepresented communities and increase access to capital for diverse entrepreneurs.

**PIRC analysis:** There has been a growing amount of evidence linking poverty, racial segregation and poor access to health system in the US, apparently suggesting that the mortality rate due to COVID was higher in communities of colour due to lack of access to health care. A February 2021 documentary on BBC1 also exposed healthcare inequality by showing that the COVID pandemic disproportionately affects BAME communities often located in poor neighbourhoods. The company outlines the global strategy and commitment to support communities and employees, but it does not appear to clarify the proponents' issues or bring a case as of why such report would be counter-productive. The resolution is not unduly prescriptive and it is considered beneficial for management and shareholders to look at data from a local-global perspective, allowing to act on local potential flaws within the company's global strategy.

Vote Cast: *For*

Results: For: 52.8, Abstain: 1.4, Oppose/Withhold: 45.8,

#### 10. Shareholder Resolution: Report on Concealment Clauses

**Proponent's argument:** Shareholders of Apple Inc. ask that the Board of Directors prepare a public report assessing the potential risks to the company associated with its use of concealment clauses in the context of harassment, discrimination and other unlawful acts. The report should be prepared at reasonable cost and omit proprietary and personal information. "Apple has not excluded from these clauses their workers' rights to speak openly about harassment, discrimination and other unlawful acts. Given this, investors cannot be confident in their knowledge of Apple's workplace culture. A healthy workplace culture is linked to strong returns. McKinsey found that companies in the top quartile for workplace culture post a return to shareholders 60 percent higher than median companies and 200 percent higher than organizations in the bottom quartile.<sup>1</sup> A study by the Wall Street Journal found that over a five-year period, the 20 most diverse companies in the S&P 500 had an average annual stock return that was almost six percentage points higher than the 20 least diverse companies.<sup>2</sup> A workplace that tolerates harassment invites legal, brand, financial and human capital risk. Companies may experience reduced morale, lost productivity, absenteeism and challenges in attracting and retaining talent.<sup>3</sup> Employees who engage in harmful behavior may also be shielded from accountability. In California, forthcoming<sup>4</sup> and existing legislation prohibit concealment clauses in employment agreements involving recognized forms of discrimination and unlawful activity. Apple works under a patchwork of state laws related to the use of concealment clauses and may benefit from consistent practices across all employees and contractors."

**Company's response:** The board recommends a vote against this proposal. "Apple's Business Conduct Policy [...] sets out Apple's expectations regarding confidentiality of unreleased products and non-public business information, and provides that "nothing in this Policy should be interpreted as being restrictive of your right to speak freely about wages, hours, or working conditions." The term "working conditions" is widely understood to be broad and encompass terms and conditions of employment as well as the work environment, including unlawful acts in the workplace, such as harassment and discrimination. Accordingly, Apple employees are permitted to speak openly about unlawful acts in the workplace, including harassment and discrimination. The Business Conduct Policy applies to all of our full- and part-time employees worldwide and sets out the principles of honesty, respect, confidentiality and compliance that guide our employees and Apple's business practices. All employees are required to complete mandatory training on the Business Conduct Policy upon hiring and annually thereafter. We also expect our suppliers, contractors, consultants, and other business partners to follow our principles when providing goods and services to Apple or acting on Apple's behalf. The Business Conduct Policy is overseen by our Chief Compliance Officer, who provides regular updates to the Audit Committee on matters related to the policy. We are continually working to reinforce and clarify our policies. Most employees leave Apple without a separation agreement, but for situations where an agreement is appropriate, Apple has committed to incorporate substantially the following language in all U.S. separation agreements going forward: "Nothing in this agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful."

**PIRC analysis:** California recently banned the practice of requiring arbitration agreements as a condition of employment and Washington State enacted a law in 2018 invalidating contracts requiring arbitration of sexual harassment or assault claims. It is considered that this report will be beneficial for both the company and



shareholders, allowing investors to identify potential issues for engagement and the company response to issues that can affect the reputation as well as the ability of the company to attract and retain employees. It is considered that this report would allow a better perspective on where are potential flaws, in order for the company to be sure that there is no discrepancy between its own policy and its implementation. Support is recommended.

Vote Cast: *For*

Results: For: 49.3, Abstain: 1.4, Oppose/Withhold: 49.2,

## THE WALT DISNEY COMPANY AGM - 09-03-2022

### 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADD. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 84.6, Abstain: 0.6, Oppose/Withhold: 14.8,

### 4. *Shareholder proposal, if properly presented at the meeting, requesting an annual report disclosing information regarding lobbying policies and activities.*

**Proponent's argument:** Mercy Investment Services Disney request the preparation of a report, updated annually, disclosing: 1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications. 2. Payments by Disney used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient. 3. Description of management's decision-making process and the Board's oversight for making payments described above. "Disney spent \$42,965,000 from 2010-2020 on federal lobbying. This does not include state lobbying expenditures, where Disney also lobbies but disclosure is uneven or absent. For example, Disney spent \$4,021,464 on lobbying in California from 2010-2020, and Disney's lobbying in Florida has been described as "the 800-pound mouse." And Disney also lobbies abroad, spending between €800,000-899,999 on lobbying in Europe for 2020. Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity, and these groups may be spending "at least double what's publicly reported." Disney belongs to the Business Roundtable and Chamber of Commerce, which together have spent over \$2 billion on federal lobbying since 1998, and the RATE Coalition, a social welfare organization. Disney's memberships have drawn attention as these groups launched a "massive lobbying blitz" against raising corporate taxes. Disney's disclosure is incomplete for trade associations, failing to disclose a top limit for its payments, and omitting social welfare organizations. Shareholders cannot tell the magnitude of Disney's trade association payments over \$500,000. And Disney fails to disclose its payments to the RATE Coalition and other social welfare organizations that lobby. We are concerned that Disney's lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, Disney signed a statement opposing state voter restrictions, yet the Chamber lobbied against the For the People Act. Disney supported the Paris climate agreement, yet the Chamber opposed it. And while Disney has drawn negative attention for avoiding federal income taxes, its trade associations are lobbying against raising corporate taxes to fund health care, education and safety net programs."

**Company's response:** The Board recommends a vote against this proposal. "This is the seventh year this proposal has been presented, and it has failed to obtain majority support in any of its prior submissions. The disagreement here is not over enhancing disclosure of the Company's policies and involvement in the political and lobbying process, but the details of how it should be achieved. In direct response to shareholder feedback requesting enhanced disclosure, from the proponent here and others, the Company has previously enhanced its lobbying disclosure by expanding its scope and more clearly articulating its policy - Political Giving and Participation in the Formulation of Public Policy in the United States - which can be found on our Company website. These enhancements include annual disclosure of information regarding our membership in U.S.-based industry and trade associations, the annual dues the Company paid to these trade associations, and the percentage each trade association has indicated to us was used for lobbying activities, all of which can be found via a link from the policy. These enhancements are in addition to the significant disclosure regarding political and lobbying activities the Company continues to provide: We disclose details of our contributions to candidates for office on

a semi-annual basis on the Company's website. We provide reports that detail the issues the Company lobbied on, the houses of Congress and federal agencies lobbied, the total amounts expended during each calendar quarter on lobbying activities, and the portion of any trade association payments that are used for lobbying as disclosed to the Company by the trade associations, all of which are readily available in filings with the U.S. House of Representatives and the U.S. Senate and in the extensive lobbying disclosure reports we file, highlighting lobbying activity for individual states."

**PIRC analysis:** Political spending is considered to be a different issue than lobbying expenditures. Links to public disclosures of lobbying at the state and federal level are not the same as full disclosure published on the company's website. Moreover, it is to the benefit of the company and its shareholders to be open about lobbying activities and so avoid any suspicion and any damage that may cause to the company's reputation, that the company may be using shareholders' funds in an inappropriate way to gain undue influence. The request for a report is considered reasonable and a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 32.6, Abstain: 4.9, Oppose/Withhold: 62.5,

*5. Shareholder proposal, if properly presented at the meeting, requesting amendment of the Company's governing documents to lower the stock ownership threshold to call a special meeting of shareholders*

**Proponent's argument:** Shareowners ask the board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of the outstanding common stock the power to call a special shareowner meeting. "Disney currently has one of the highest stock ownership thresholds to call a special meeting-25% of shares. This 25% of shares translates into 38% of the Disney shares that normally vote at our annual meeting. It would be hopeless to expect that Disney shareholders, who do not even vote, would go out of their way to take the special procedural steps to ask for a special shareholder meeting. On top of the high 25% stock ownership requirement, that translates into 38% of shares that vote at the annual meeting, is the fact that all shares not held for one continuous year are 100% disqualified from formally participating in the call for a special shareholder meeting. Thus the shareholders who own 38% of shares held for one continuous year could determine that they hold 51% of shares that typically vote at the annual meeting when their shares held for less than one continuous year are included. In contrast to this potential 51% stock ownership threshold to call a special shareholder meeting, we need the more reasonable stock ownership threshold called for in this proposal."

**Company's response:** The Board recommends a vote against this proposal. "The Company already provides a meaningful and balanced right for shareholders to call a special meeting and the proposed decrease in the percentage of shares required to call a special meeting is neither necessary nor in the best interests of the Company and its shareholders. The Company currently provides that shareholders holding in aggregate at least 25% of the outstanding shares of the Company's common stock on a "net long" basis may request a special meeting. A 25% threshold, which is common among public companies, strikes an appropriate balance between avoiding an imprudent use of Company and shareholder resources to address the special interests of a select group of shareholders, while at the same time ensuring that shareholders holding a meaningful minority of our outstanding shares have a mechanism to call a special meeting if they deem it appropriate. Special meetings require the expenditure of considerable time, effort and resources, including significant costs in legal and administrative fees, costs for preparing, printing and distributing materials and soliciting proxies, and diversion of Board and management time away from overseeing and running our business. Accordingly, special meetings should be limited to circumstances where shareholders holding a meaningful minority of the Company's common stock believe a matter is sufficiently urgent or extraordinary to justify considering such matters between annual meetings. By reducing the ownership threshold to 10%, a small minority of shareholders could use the special meeting mechanism to advance their own more narrow agenda, without regard to the broader interests of the Company and its other shareholders."

**PIRC analysis:** The right to call a special shareholder meeting provides shareholders with a way of communicating with the Board and debating and voting on issues with the rest of shareholders which in itself enhances shareholders' rights. The 10% threshold adopted by the company, which is welcomed. However it is recommended to support this proposal as it adds the removal any provision that disqualifies any company shares owned for less than one unbroken year from calling for a special shareholder meeting, which is considered to be encouraging for active shareholders.

Vote Cast: *For*

Results: For: 39.4, Abstain: 0.6, Oppose/Withhold: 60.0,

#### *6. Shareholder proposal, if properly presented at the meeting, requesting a diligence report evaluating human rights impacts*

**Proponent's argument:** National Legal and Policy Center request that, beginning in 2022, Disney report on the process of due diligence, if any, that the Company undertakes in evaluating the human rights impacts of its business and associations with foreign entities, including foreign governments, their agencies, and private sector intermediaries. "Disney became the center of controversy in 2020 when it was reported that the film credits for Mulan offered "special thanks" to eight Chinese government entities in Xinjiang province. Both the Biden and Trump administrations have formally characterized the Chinese government's policy toward the Uyghur minority in Xinjiang as "genocide." The credits also expressed thanks to the publicity department of CPC Xinjiang Uyghur Autonomy Region Committee, the Chinese Communist party's propaganda agency in Xinjiang. According to the September 3, 2020 Wall Street Journal, "Disney shared the script with Chinese authorities," prior to receiving permission to release the film in China. Mulan's titular character was played by Chinese-American actress Liu Yifei, who in 2019, expressed support for the police crackdown on pro-democracy protesters in Hong Kong. In an October 7, 2020 letter to British legislators, Sean Bailey, President of Walt Disney Studios Motion Picture Production, stated: "In any motion picture production, several factors are considered when making decisions about where to produce the film, including: economics, logistics, accessibility, availability of actors, to name just a few." Notably absent was how a production might impact human rights. If one were to "name just a few" factors, it would seem that human rights would be paramount, especially in parts of the world like Xinjiang Province, China. Information on Disney's due diligence on human rights, or lack thereof, would allow shareholders to better evaluate business and reputational risks inherent in cooperation with totalitarian and authoritarian regimes that violate human rights."

**Company's response:** The board recommends a vote against the proposal. "The Company's commitment to respect human rights is a core value of all businesses within the Company, and the Company takes active steps to reflect that commitment in our everyday activities. The Company reports on its principles and performance in periodic reports to its Board, and in its periodic Corporate Social Responsibility reports available on the Company's website. The Company also employs staff with expertise in labor standards, social compliance auditing, and human rights policy and risk assessment and provides training on the requirements of our program. In making business decisions, including with regard to locations for film production, the Company engages in a thorough analysis of a number of complex considerations, including with regard to human rights. We also keep our policies and practices relating to human rights under continuous review, recognizing the need to stay vigilant in a rapidly changing and challenging world. We investigate any allegations related to human rights and develop an appropriate course of action based on our findings."

**PIRC analysis:** A report on the human rights impact of the company's operations that may be potentially complicit in China's human rights abuses is in shareholders' interests both as a means of informing shareholders of potential risks and opportunities faced by the Company regardless of whether there are currently plans to further expand into that country, but also as a means of ensuring that the management and board of a company gives due consideration to these issues. The company's response does not seem to address the major issue from this shareholder proposal. The production of this transparency report is considered to be reasonable and in best interest from shareholders. While the company states that it prefers engagement and advocacy over abandoning markets, it is also considered that it would be beneficial for company, management and shareholders to receive a report which could on the potential reputational damage from investing in countries with restricted freedom of expression. Overall, support is recommended.

Vote Cast: *For*

Results: For: 34.9, Abstain: 5.0, Oppose/Withhold: 60.0,

#### *7. Shareholder proposal, if properly presented at the meeting, requesting a report on both median and adjusted pay gaps across race and gender.*

**Proponent's argument:** Anne Butterfield requests that Disney report on both median and adjusted pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information. "Pay inequities persist across race and gender and pose substantial risk to companies and society at large. Black workers' hourly median earnings currently represent 64 percent of white wages. The median income for women working full time is 83 percent that of men. Intersecting race, Black women make 63 cents, Native women 60 cents, and Latina women 55 cents. At the current rate, women will not reach pay equity until 2059, Black women until 2130, and Latina women until 2224. Citigroup estimates closing minority and gender wage gaps 20 years ago could have generated 12 trillion dollars in additional income. PwC estimates closing the gender pay gap could boost Organization for Economic Cooperation and Development (OECD) countries' economies by 2 trillion dollars annually. Actively managing pay equity is associated with improved representation and diversity is linked to superior

stock performance and return on equity. Black employees represent 8 percent of Disney's workforce, but only 5 percent of executive leadership. Women account for 51 percent of Disney's workforce and 42 percent of executive leadership. Pay gaps are literally defined as the median pay of minorities and women compared to the median pay of non-minorities and men. Median gaps are considered the valid way of measuring gender pay inequity by the United States Census Bureau, Department of Labor, OECD, and International Labor Organization. Best practice pay equity reporting consists of two parts: 1. unadjusted median pay gaps, assessing equal opportunity to high paying roles, 2. statistically adjusted gaps, assessing whether minorities and non-minorities, men and women, are paid the same for similar roles. Disney does not report its unadjusted or adjusted pay gaps. Over 20 percent of the 100 largest employers currently report statistically adjusted gaps. An increasing number of companies also disclose unadjusted median pay gaps, as they more fully address the structural bias women and minorities face regarding job opportunity and pay."

**Company's response:** The board recommends to vote against this proposal. " The Board's quarrel with the proposal is not its focus – as the Company is fully committed to achieving pay equity – but whether it is a necessary and effective use of Company resources given the policies, practices and reporting that the Company already has in place to achieve that end. Given the many ongoing initiatives that the Company is already pursuing to promote opportunity and equity, the Board believes it is not. One of the Company's bedrock goals, as reflected in our Standards of Business Conduct, is to maintain a workplace that reflects open opportunity, where an individual's success is defined by their potential. We believe that employees should receive equal pay for equal work, regardless of gender, race or ethnicity, and we are committed to compensating our employees fairly and equitably and to promoting gender and racial diversity and inclusion in our leadership ranks and broader workforce. [...] Given the commitment to pay equity that already exists and the extensive ongoing work to achieve it, we do not believe that the requested reporting on median and adjusted pay gaps across race and gender is a practical or useful supplement to our existing efforts. This is particularly so given the global nature of our workforce. For example, an unadjusted median pay statistic does not account for factors such as cost of living, job function and level, labor force participation rates, country currency and geography that impact differences in compensation. In sum, we believe that the Company's policies, practices and reporting are more appropriate for evaluating pay equity in our workforces and more effective for driving accountability and action than the report requested by the proposal.

**PIRC analysis:** The proponents request for a report considering the risks associated with a gender pay gap on the company's human capital and business is considered in the best interest of shareholders. Disclosure of goals and policies related to the gender pay gap would also be beneficial. The requested report is considered reasonable and would underpin the company's efforts in fostering diversity and thereby enhance its reputation. While the company has released statistics surrounding its gender pay parity and it appears to be committed to equal opportunities, it is considered nevertheless beneficial for the company to report on such issues, as the median gender pay gap will show how many or how few women there are in senior positions at the company. A vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 59.1, Abstain: 0.8, Oppose/Withhold: 40.0,

#### *8. Shareholder proposal, if properly presented at the meeting, requesting a workplace non-discrimination audit and report.*

**Proponent's argument:** National Center for Public Policy Research request that the Board of Directors commission a workplace non-discrimination audit analyzing Disney's impacts, including the impacts arising from Disney-sponsored or -promoted employee training, on civil rights and non-discrimination in the workplace, and the impacts of those issues on Disney's business. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Disney's website. "Concern stretches across the ideological spectrum. Some have pressured companies to adopt "anti-racism" programs that seek to establish "racial equity," which appears to mean the distribution of pay and authority on the basis of race, sex, orientation and ethnic categories rather than on the basis of merit.<sup>1</sup> The adoption of such programs, though, demonstrates that these "anti-racist" programs are themselves deeply racist and otherwise discriminatory.<sup>2</sup> Many companies have been found to be sponsoring and promoting overtly and implicitly discriminatory employee-training programs, including Bank of America, American Express, Verizon, Pfizer, CVS, and many others.<sup>3</sup> Disney has been similarly engaged, raising widespread concern that the Company discriminates on the basis of race and other metrics. In Disney-branded and -sponsored employee-training materials, the word "white," designating the white race, remains in lowercase, while "black," designating the black race, is capitalized. White employees are told, "[d]o not question or debate Black colleagues' lived experience."<sup>4</sup> They are not, meanwhile, encouraged to share their own indisputable lived experiences, but only to "[a]cknowledge and listen with empathy."<sup>5</sup> The programming explicitly declares that at Disney "It's Equity, not Equality." Inequal treatment is discrimination. This discriminatory instruction and treatment is not limited to a single employee-training program, but has

become endemic throughout Disney.<sup>6</sup> This places our Company at significant reputational, legal and financial risk. Under the United States Constitution and laws, discrimination by race, sex and other categories is forbidden regardless of which groups are discriminated against. And a company that actively discriminates against the viewpoints of vast swathes of the American population creates needless reputational, financial, statutory and regulatory risks as well. Thoughtful study and deep remediation are required."

**Company's response:** The board recommends a vote against this proposal. "The proponent mischaracterizes the Company's commitment to diversity, equity and inclusion and the means by which it seeks to achieve those ends. This proposal also does not specifically call for enhanced disclosures or practices to improve the workplace for females or underrepresented minorities. Contrary to the proponent's thesis, the Company is fully committed to providing a work environment in which everyone is afforded the dignity and respect that they deserve. The Company does not allow any form of harassment or discrimination on the basis of race, religion, color, sex, sexual orientation, gender identification, national origin, age, marital status, covered veteran status, disability, pregnancy or any other basis prohibited by applicable law. In parallel, the Company embraces and seeks to foster a diverse and inclusive workforce. The Company and its shareholders benefit from nurturing the talents of every employee and the unique perspectives they can offer in the development of our creative output, products and services. To that end, we: • Seek to attract and develop a workforce that reflects the guests and customers, business partners, shareholders, labor markets and communities in which we do business; • Offer opportunities for professional development and advancement, in a manner consistent with individual abilities; and • Maintain a workplace that offers open opportunities to all, recognizing individuals for their experience, performance, training, work history and potential."

**PIRC analysis:** The potential benefits of staff diversity lie in widening the perspectives on human resources brought to bear on decision-making, avoiding too great a similarity of attitude and helping companies understand their workforces as a kaleidoscope of customers, marketplace, supply chain and society as a whole. Disclosure surrounding the company's staff composition allows shareholders to consider diversity in the context of the long-term interests of the company, including the ability to attract and retain key talent. Disclosure of a policy to improve diversity and goals that have been set to meet this policy also reassures shareholders that a diverse board is not just an aspiration but a goal. However, this resolution appears to be filed by a right-wing policy think tanks as a spoiler resolution to prevent other shareholders from filing resolutions regarding the company's diversity and focuses on ideological diversity with the clear intent to ensure that conservative views are represented on the board as well as so-called liberal perspectives. Given the diversity that already exists on company's staff, a vote against the resolution is recommended.

Vote Cast: *Oppose*

Results: For: 2.6, Abstain: 1.6, Oppose/Withhold: 95.8,

## QUALCOMM INCORPORATED AGM - 09-03-2022

1i. *Elect Irene B. Rosenfeld - Non-Executive Director*  
Independent Non-Executive Director.

Vote Cast: *For*

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

## APPLIED MATERIALS INC AGM - 10-03-2022

4. *Shareholder Resolution: Right to Call Special Meetings*

**Proponent's argument:** Kenneth Steiner asks the board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of the outstanding common stock the power to call a special shareholder meeting. "Management said that it would be mandatory to have the backing of 20% of all shares in existence to do so little as to ask for record date to start the written consent process. Why would any group of shareholders, who own 20% of our company, find it attractive to do so little as to ask management to look a calendar and name a date when these same owners of 20% of our company could



compel management to hold a special shareholder meeting. [...]Certain companies, that do not provide for a shareholder right to act by written consent, have a more reasonable stock ownership threshold to call for a special shareholder meeting. Southwest Airlines is an example of a company that does not provide for shareholder written consent and yet provides for 10% of shares to call for a special shareholder meeting. Special meetings allow shareholders to vote on important matters, such as electing new directors with special expertise or independence that may be lacking in our current directors as was the case with the 3 new Exxon directors supported by Engine No. 1 hedge fund in 2021. Our management is best served by providing the means for 10% of shareholders, who have special expertise, to bring emerging opportunities or solutions to problems to the attention of management and all shareholders."

**Company's response:** The board recommends a vote against this proposal. "As of December 2021, two of our largest shareholders together hold more than 10% of our outstanding shares, and three of our largest shareholders together hold approximately 20% of our outstanding shares. Given this composition, reducing the ownership threshold to 10% could enable just a small minority of shareholders to trigger the expense and disruption of a special meeting. It would also allow such shareholders to pursue narrow self-interests that are not widely viewed among our shareholder base as requiring immediate attention or that are not aligned with the long-term interests of the Company or our shareholders more broadly. The Company's current 20% ownership threshold continues to be lower than that of many other companies. As of December 2021, of the U.S. companies in the S&P 500 that permit their shareholders to call special meetings, a majority set the ownership threshold at or above 25%. Moreover, as of 2021, the current 20% ownership threshold is the same as, or more favorable to shareholders than, the special meeting rights at approximately 68% of the 486 S&P 500 companies surveyed by FactSet and that have also implemented a special meeting right. In addition, of our comparable peer companies incorporated in Delaware, over 75% either have not implemented the right to call a special meeting at all, or have done so at or above a 20% ownership threshold."

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

Vote Cast: *For*

Results: For: 47.3, Abstain: 1.0, Oppose/Withhold: 51.7,

#### *5. Shareholder Resolution: Remuneration Issue*

**Proponent's argument:** Jing Zhao recommends that Applied Materials, Inc. improve the executive compensation program and policy, such as to include the CEO pay ratio factor and voices from employees. "The Company's board opposed to improve the executive compensation program and policy at our 2021 shareholders meeting [...] and increased more than half of the CEO pay ratio from 135 to 1 (2020 Proxy Statement p. 46) to 204 to 1 [...]. America's ballooning executive compensation is not sustainable for the economy, and there is no rational methodology or program to decide the executive compensation, particularly there is no consideration of the CEO pay ratio factor and voices from employees [...]. The CEO pay ratios of big Japanese and European companies are much less than of big American companies. There is a new trend pushing for employee representation on boards, a practice quite commonplace in Europe. "Appointing workers' representatives to company boards may be an idea whose time has come," says Harvard Business Review, and a study found that employee representation on boards generated a 25% spike in productivity and increased wages. Under the latest revised UK Corporate Governance Code and amended corporate reporting law and regulations, boards must engage with employees and the wider workforce to enhance the employee voices in the boardroom."

**Company's response:** The board recommends a vote against this proposal. "On an annual basis, the HRCC also reviews the Company's CEO pay ratio, changes in the ratio from year to year, as well as the ratios of certain other peer companies and companies in the S&P 500 Index. Although SEC rules require disclosure of the ratio of annual CEO compensation to the annual compensation of a median employee, the HRCC does not believe that the pay ratio should more directly guide our compensation principles or that our executive compensation program should be changed as described in this proposal. Our Board and management team actively seek the feedback of our shareholders, including with respect to our executive compensation program and matters related to our employees, and consider that feedback in their decision-making. Feedback obtained through our robust shareholder outreach program over the last few years has resulted in the implementation of changes to our executive compensation program, including a comprehensive redesign of our long-term incentive program in 2017 that, among other things, established new performance metrics and extended performance measurement periods from one year to three years."

**PIRC analysis:** The disclosure of the pay ratio between the pay of the CEO or the NEOs and that of the median employee, is mandatory in the US under SEC rules (and applies to US-listed companies such as this) and in several other major Western economies and is considered not only to be best practice but also to provide useful information to shareholders to help guide their approval or disapproval of the executive compensation programmes at a company. Several companies have disclosed the figure voluntarily without any damage to their ability to recruit and incentivise senior level employees. Support for the resolution is recommended.

Vote Cast: *For*

Results: For: 8.2, Abstain: 0.6, Oppose/Withhold: 91.1,

## 2. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: DDB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 83.1, Abstain: 0.3, Oppose/Withhold: 16.6,

## ABRDN PLC EGM - 15-03-2022

### 1. *Approve Acquisition of Interactive Investor Group*

**Introduction & Background:** On 2 December 2021, the company announced that it had agreed to acquire the interactive investor group of companies on the terms and subject to the conditions set out in the Share Purchase Agreement (the Acquisition). Interactive Investor is the leading subscription-based, digitally-enabled, direct investing platform in the UK. The purchase price for the Acquisition will be GBP 1.49 billion in cash. The proposed acquisition offers client-led growth within one of the company's core vectors, where growth is a strategic priority, and has been negotiated on terms that are consistent with company's disciplined approach to evaluating inorganic opportunities. Interactive investor, as the leading subscription-based platform within the high-growth UK direct investing market, has over 400,000 customers and AUA of approximately GBP 55 billion. Interactive investor attracts the high-value customers it targets, and the company expects interactive investor to deliver strong customer and AUA growth while maintaining cost efficiency. The company considers that the investment choices, flexibility and fixed fee pricing model that interactive investor offers customers, and its ethos as a consumer champion, positively differentiate it in its chosen market. The company will retain interactive investor's open-architecture, subscription-based revenue model, and intends to operate interactive investor as a discrete consumer-focused business within the Group. Interactive investor will retain its own management team and operational platform, to ensure continuation of high-quality service for both existing and future customers. Mr. Richard Wilson, interactive investor's Chief Executive Officer, will join abrdn as part of the Acquisition and will lead interactive investor in its next phase of growth under the company's ownership.

**Proposal;** It is proposed to the shareholders to approve the acquisition of Interactive Investor Group.

**Rationale:** The company consider that, the acquisition to be double-digit earnings accretive compared to standalone abrdn earnings in the first full financial year following completion based on the historic and projected profitability of the Target Group and taking into account the beneficial elements and relevant costs of the acquisition. More specifically the Board of Directors considers that, the acquisition presents the following notable opportunities: i) The Acquisition brings scale in the high-growth direct investing market, accessing new customer segments and capabilities. With responsibility for providing for a longer retirement increasingly being passed to the individual, growing the company's Personal vector and expanding its capabilities and scale are clear strategic priorities for abrdn, ii) interactive investor is the UK's leading subscription-based direct investing platform. As the leading subscription-based direct investing platform in the UK, interactive investor has over 400,000 customers, of which a meaningful proportion are high-value customers based on AUA per customer. Its open-architecture, digitally-enabled, data-centric model and technology platform help drive strong customer acquisition, engagement and activity, through data analytics, customer personalisation and high user functionality. Over the twelve-month period to 30 June 2021, interactive investor attracted net flows of GBP 5.5 billion, c.17% of opening AUA, and built trading volumes to c.21,700 daily

average retail trades. This compares with c.8,700 over the twelve-month period to 31 December 2019. Total AUA increased 55% compound over the period between 31 December 2018 and 30 June 2021, iii) Transforms the company's Personal vector, significantly growing and diversifying revenue and profitability. Following the Acquisition, the company's Personal vector will have increased scale, with fee-based revenue more than doubling from GBP 83 million to GBP 199 million on a pro forma basis, iv) Shared vision of a combined high-tech, high-touch model that meets clients' financial needs throughout their lives. Interactive investor adds to the company's recently acquired digital capabilities through finimize, which offers digestible investing information and insights to a highly engaged investor community. In combination, Interactive investor's high-tech model broadens abrdn's existing personal wealth offerings, from self-directed investing to high-touch financial planning and discretionary investment management and v) This deployment of capital not currently utilised within our business will drive sustainable growth, returns, scale and shareholder value – the Acquisition is expected to be double-digit earnings accretive.

**Recommendation:** Such proposals are considered on the basis of whether they are deemed fair, whether they have been adequately explained, and whether there is sufficient independent oversight of the recommended proposal. The circular contains full details of the transaction and there is a sufficient balance of independence on the board. This provides assurance that the decision was taken with appropriate independence and objectivity. Therefore support is recommended.

Vote Cast: *For*

Results: For: 80.6, Abstain: 0.2, Oppose/Withhold: 19.1,

## STARBUCKS CORPORATION AGM - 16-03-2022

### *5. Shareholder Resolution: Annual Reports Regarding the Prevention of Harassment and Discrimination in the Workplace*

**Proponent's argument:** The State of New York Office of the State Comptroller request the Board of Directors oversee the preparation of an annual public report describing and quantifying the effectiveness and outcomes of company efforts to prevent harassment and discrimination against protected classes of employees, including, but not limited to, sexual harassment and racial discrimination. "A report such as the one requested would assist shareholders in assessing whether the company's actions align with Starbucks' public statements. Workplace abuse, harassment, and discrimination can result in substantial costs to companies, including legal costs, costs related to employee turnover and increased absenteeism and reduced productivity. They may also lead to difficulties in recruiting new employees. Information concerning complaints, legal disputes, and settlements (individually and in the aggregate) are of great interest, and often material to investors. Indeed, there have been several high-profile derivative suits, including at Twentieth Century Fox, Wynn Resorts, and Alphabet, alleging boards breached their duties for failing to protect employees from discrimination and harassment, injuring the companies and their shareholders. The effort to end sexual harassment and create discrimination-free workplaces remains a major topic of public debate. The United States Senate recently considered mandating the Securities and Exchange Commission to make rules requiring disclosures on these issues. Nine states have enacted legislation limiting secret settlements in sexual harassment cases. Legislation was also enacted in New Jersey, Illinois and passed in California that would also limit secret settlements in cases involving discriminatory conduct based on race, religion, and sexual orientation."

**Company's response:** The board recommends a vote against this proposal. "The Company's commitment to a respectful workplace starts with training and prevention. Our Partner Resources Manual and Partner Guides (which are tailored for different functional areas of the Company) include specific sections on discrimination, harassment, and retaliation that set forth our expectations for our partners. Those expectations are reinforced with regular training on preventing workplace harassment and discrimination. Through our Partner Resources Manual and Partner Guides, related policies, and regular trainings, our partners learn to identify different types of harassment and discrimination, who can be a harasser, and where harassment can take place. They also develop an understanding of their responsibility to prevent, respond to, and correct potential instances of discrimination, harassment, and retaliation. Our training includes a separate training track for partners who have management responsibilities, which emphasizes the role that managers have in identifying, preventing, and responding to allegations of discrimination, harassment, and retaliation. We recognize that despite our best efforts, we may not be able to prevent all allegations of discrimination, harassment, and retaliation. Starbucks has therefore established a process for reporting and promptly and thoroughly investigating such claims and regularly communicates that process to its partners through a variety of channels. A partner who experiences or becomes aware of discrimination, harassment, or retaliation may report this information to



any of the following: their direct manager; their next-level manager or director; their partner resources manager, partner resources director, or the Partner Relations team or the Ethics & Compliance team through the 24/7 Ethics & Compliance Helpline (by phone, email, or fax). Starbucks has a strict anti-retaliation standard and does not tolerate retaliation against any partner who raises concerns or questions regarding a potential violation of our Standards of Business Conduct or any policy that they reasonably believe to have occurred. Partners are informed of their multiple channels for reporting in Our Partner Resources Manual and Partner Guides and through the regular training on preventing workplace harassment and discrimination."

**PIRC analysis:** While company policies appear fairly comprehensive, they do not appear to be optimally enforced, neither seemed they to have the desired effect of reducing the company's exposure to the risk that occurrences of sexual harassment damage the company, both economically and reputationally, as well as exposing it to the risk of litigation. In particular, there is no mention of a specific company body, which is given specific oversight of the enforcement of sexual harassment policies. Other elements of the proponents request are currently unsatisfied: tying executive performance pay to metrics associated with the incidence of sexual harassment (stating that an executive could have his or her bonus reduced if they themselves are involved in a violation of ethics policies is not the same) and reporting to shareholders on incidences of sexual harassment and the actions taken in response. On balance, therefore, a vote for the resolution is recommended.

Vote Cast: *For*

Results: For: 31.7, Abstain: 1.2, Oppose/Withhold: 67.1,

## SAFESTORE HOLDINGS PLC AGM - 16-03-2022

### 2. Approve the Remuneration Report

**Disclosure:** All elements of the single total Remuneration have been adequately disclosed. CEO salary increase by 3% and is in line with the workforce which its salary increase by 4.2%. The CEO salary is in the median of the competitor group.

**Balance:** The balance of CEO realized pay with financial performance is not acceptable as the change in CEO total pay over five years is not in line with the change in TSR over the same period. Total variable pay for the year under review was 3,846.6% of the salary (Annual Bonus: 153.6% & LTIP: 3,693%) and is excessive. The ratio of CEO pay compared to average employee pay stands at 31:1, which is not acceptable. PIRC consider appropriate a ratio of 20:1

Rating: AD

Vote Cast: *Oppose*

Results: For: 71.6, Abstain: 0.8, Oppose/Withhold: 27.6,

### 15. Issue Shares with Pre-emption Rights

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

Vote Cast: *For*

Results: For: 85.7, Abstain: 0.0, Oppose/Withhold: 14.3,

## BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA) AGM - 17-03-2022

### 11. Advisory Vote on Remuneration Report

It is proposed to approve the annual report on remuneration of Executive and Non-Executive Directors with an advisory vote. The Company discloses all elements of remuneration for Executives and Non-Executives. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements

and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 88.3, Abstain: 0.6, Oppose/Withhold: 11.1,

## **SVENSKA HANDELSBANKEN AGM - 23-03-2022**

### *18.1. Re-Elect Jon Fredrik Baksaas - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.

Vote Cast: *For*

Results: For: 77.6, Abstain: 2.0, Oppose/Withhold: 20.4,

### *18.5. Re-Elect Pär Boman - Chair (Non Executive)*

Non-Executive Chair. Not considered independent owing to a tenure of over nine years. The director is also not independent as he was group CEO for the company between 2006 and 2015. Additionally Not considered independent as the director is considered to be connected with a significant shareholder: The director is Vice Chair of the Board at Industrivärden AB. There is sufficient independent representation on the Board.

Vote Cast: *For*

Results: For: 72.9, Abstain: 1.6, Oppose/Withhold: 25.5,

### *18.7. Re-Elect Fredrik Lundberg - Vice Chair (Non Executive)*

Non-Executive Vice Chair. Not considered to be independent, as he sits on the board of Industrivärden, which holds a significant part of the voting rights. In addition, Mr. Lundberg and related parties directly hold a significant percentage of the share capital and voting rights. Additionally, he has served on the board for more than nine years. There is sufficient independent representation on the Board.

Vote Cast: *For*

Results: For: 74.4, Abstain: 2.1, Oppose/Withhold: 23.5,

### *18.8. Re-Elect Ulf Riese - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. He was previously an executive at the company and has been employed by the company since 1983. There is sufficient independent representation on the Board.

Vote Cast: *For*

Results: For: 78.3, Abstain: 2.1, Oppose/Withhold: 19.6,

### *19. Re-elect Pär Boman as Chair (Non Executive)*

Par Boman proposed. Not considered to be independent as he was formerly the Chief Executive Officer of the company. It is considered best practice that the role of the Chair is independent or there is sufficient independent representation. As neither occurs an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 80.2, Abstain: 0.8, Oppose/Withhold: 19.0,

#### 24. *Shareholder Resolution: Bank's IT management*

**Proponent's argument:** Shareholder Carl Axel Bruno proposes that the company changes the mainframe software, so that only the Bank has the opportunity to start a second process as long as the Bank does not know who is starting a second process.

**Company's response:** The board recommends a vote against this proposal. "The bank continuously monitors developments in cyber threats and fraud and continuously adapts and improves the bank's security solutions. The Bank is of the view that such a change of software in Handelsbanken's mainframe as proposed by the shareholder is neither correct nor necessary."

**PIRC analysis:** Insufficient information regarding the rationale, the scope or the goal of the proposal was disclosed by the shareholder and the original proposal is unclear. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 3.4, Abstain: 1.0, Oppose/Withhold: 95.5,

#### 25. *Shareholder Resolution: integration institute with operations in the Öresund region*

**Proponent's argument:** Shareholder Tommy Jonasson proposed that the Board of Directors be instructed to participate in the formation of an integration institute with operations in the Öresund region (Landskrona - Copenhagen) and to set aside SEK 10,000,000 (ten million) of the profit for the year.

**PIRC analysis:** While no statement in response from the company has been made available at this time, insufficient information regarding the rationale, the scope or the goal of the proposal was disclosed by the shareholder and the original proposal is unclear. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 3.4, Abstain: 1.1, Oppose/Withhold: 95.5,

### BEAZLEY PLC AGM - 25-03-2022

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

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. All elements of each director's cash remuneration are disclosed. The salary of the CEO is in line with the workforce, since the salary increase for the CEO was at 2.6% were the increase for the workforce was at 3.5%. It is noted the CEO's salary is in the median of a PIRC comparator group.

**Balance:** The changes in CEO total pay over the last five years are not considered in line with the Company's TSR performance over the same period. The variable pay of the CEO for the year is considered excessive as it amounts to 317.88% of salary (Annual Bonus: 300%, LTIP: 17.88%), which is higher than 200%. The average CEO pay to employee pay is considered acceptable at 2:1.

Rating: AD

Vote Cast: *Oppose*

Results: For: 89.5, Abstain: 0.0, Oppose/Withhold: 10.5,

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

It is proposed that a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

It is considered that all companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues. However, the proposed change is permissible by the Companies Act. It is noted that on the 2021 Annual General Meeting the company received significant opposition of 11.95% of the votes. The company did not disclose information as to how address the issue with its shareholders. Therefore abstention is recommended.

Vote Cast: *Abstain*

Results: For: 88.4, Abstain: 0.3, Oppose/Withhold: 11.3,

## GO-AHEAD GROUP PLC AGM - 28-03-2022

### 2. *Approve Remuneration Policy*

**Policy Rating: ADC** Changes proposed: 1) The principal change proposed under the new remuneration policy is to enable the grant of Restricted Share Plan (RSP) awards to replace the existing LTIP awards. The key features of the RSP are: a) Three-year vesting period and two-year post-vesting holding period, b) Financial and non-financial underpins to ensure that any vesting of the RSP is aligned with the overall performance of the business, and to allow the Nomination Committee discretion to reduce the vesting in the event that this is not considered to be the case. The Nomination Committee will determine the underpins annually, c) Quantum of awards set at a 50% discount to the current LTIP arrangements to account for the increased certainty of vesting and d) The remuneration policy maximum in respect to the RSP will therefore be 75% of base salary. 2) Introduce a post-cessation shareholding requirement equivalent to 100% of the in-post shareholding requirement for two years post-departure, 3) Equalise executive director notice periods such that the notice period is 12 months from either the executive director or the Group and 4) Formalise recent updates as to how the company operated pay into its new remuneration policy: a) Executive director pension provision in line with that provided to the majority of the workforce (currently 3 per cent of qualifying earnings) and b) Enhanced malus and clawback trigger events.

Although some of the changes in the remuneration policy are welcomed, there are still some concerns. More specific, total potential variable pay could reach 225% of the salary for the executives and is considered excessive since it is higher than 200%. On the new Restricted Share Plan (RSP) the non-financial underprint is welcomed, however, performance period is three years which is not considered sufficiently long-term, it is noted that a two year holding period applies which is welcomed. Dividend equivalents may be paid, 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. In addition, performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met.

Vote Cast: *Oppose*

Results: For: 85.1, Abstain: 2.0, Oppose/Withhold: 12.9,

## BANCO SANTANDER SA AGM - 31-03-2022

### 8.F. *Advisory Vote on Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive Directors with an advisory vote. The Company discloses all elements of remuneration for Executives and Non-Executives. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. The Company has disclosed past achievements and future targets along with quantified performance criteria consists of an annual bonus and long term incentives. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. Support is recommended.

Vote Cast: *For*

Results: For: 85.5, Abstain: 2.8, Oppose/Withhold: 11.7,

### 3 Oppose/Abstain Votes With Analysis

#### JYSKE BANK EGM - 06-01-2022

##### *c. Transact Any Other Business*

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

Vote Cast: *Oppose*

#### TOP GLOVE CORP BHD AGM - 06-01-2022

##### *1. Re-elect Lim Hooi Sin - Executive Director*

Executive Director. Owing to an ongoing investigation into the working conditions provided to employees at the company, it is proposed to abstain the resolution until the investigation is concluded.

Vote Cast: *Abstain*

##### *2. Re-elect Lee Kim Meow - Executive Director*

Executive Director. Owing to an ongoing investigation into the working conditions provided to employees at the company, it is proposed to abstain the resolution until the investigation is concluded.

Vote Cast: *Abstain*

##### *3. Re-elect Azrina Binti Arshad - Non-Executive Director*

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

Vote Cast: *Abstain*

##### *5. Approve Benefits and Other Allowances Payable to the Board of Directors*

It is proposed to approve benefits payable to the board of directors that includes: a driver, corporate club membership subscription and leave passage, among others. Except for travel expenses, other benefits are understood as variable remuneration. It is considered that Non-Executive Directors should not receive variable pay. On this ground, opposition is recommended.

Vote Cast: *Oppose*

##### *6. Appoint the Auditors (Ernst & Young PLT) and Allow the Board to Determine their Remuneration*

EY proposed. No non-audit fees were paid during the year under review and 32.48% on a three-year aggregate basis. This level of non-audit fees raises some

concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

#### *8. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

### **KOREA GAS CORP EGM - 06-01-2022**

#### *2. Elect Young-Joo Nam as a Member of Audit Committee*

Executive Director proposed as member of the audit committee. In terms of best practice, it is considered that the audit committee should only comprise independent members. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *3. Elect Shin Dong-mi - Non-Executive Director*

The biographical information disclosed on this candidate is considered to be insufficient. Regardless of the level of independence on the Board, this is considered a serious lack of information. Opposition is recommended.

*Vote Cast: Oppose*

### **FULCRUM UTILITY SERVICES LTD EGM - 07-01-2022**

#### *1. Authorize Issue of Equity in connection with the Fundraising*

**Introduction & Background:** As announced on 15 December 2021 the Company proposes to raise, subject to certain conditions, approximately GBP 20.05 million (before expenses) by the conditional Placing of 167,083,333 new Ordinary Shares at the Issue Price of GBP 12 pence to certain institutional and other investors; and up to approximately GBP 6.0 million (before expenses) by way of an Open Offer made to Qualifying Shareholders of up to 49,976,537 Open Offer Shares at the Issue Price. 2020 was a year which presented much uncertainty to the company, whilst facing the challenges presented to the world by the COVID-19 pandemic, the company was simultaneously managing various changes to its senior management team. Since that time and following a review of strategy by the refreshed Board, the Group has selectively invested to strengthen its operational and business capabilities and renewed its focus on margin and cost discipline. During the first half of FY 2022 the Group has made positive progress in executing against its strategy with the Group delivering approximately GBP 28.6 million of revenue, a 47% increase on the previous year, adjusted EBITDA of approximately GBP 1.0 million. The company has continued to make good progress in expanding its multi-utility contracting and smart metering businesses and secured a variety of new contract wins across all the sectors in which the Group operates, resulting in order book growth of

approximately 44%, up GBP 24.8 million to GBP 80.9 million at 30 September 2021.

**Proposal:** It is proposed to authorize the issuance of equity in connection with the fundraising. The fundraising comprises: i) a Placing (the results of which were announced on 16 December 2021) pursuant to which 167,083,333 Placing Shares have been committed at the Issue Price to raise approximately GBP 20.05 million (before expenses) and ii) an Open Offer pursuant to which Qualifying Shareholders will be given the opportunity to participate in the proposed Fundraising at the same Issue Price. Pursuant to the Open Offer, all Qualifying Shareholders will be given the opportunity to subscribe for an aggregate of up to 49,976,537 Open Offer Shares, to raise up to approximately GBP 6.0 million (before expenses), on the basis of 9 Open Offer Shares for every 40 Existing Ordinary Shares held on the Record Date, at GBP 12 pence per share. The Issue Price represents a discount of approximately 12.7% to the closing price of GBP 13.75 pence per Ordinary Share on 14 December 2021. The Placing Shares will represent approximately 75.2% of the Company's existing issued ordinary share capital. The New Ordinary Shares together will represent approximately 97.72% of the Company's existing issued ordinary share capital (assuming the Open Offer Shares are fully subscribed). The total amount that the Company could raise under the Fundraising is approximately GBP 26.0 million (before expenses), assuming that the Open Offer is fully subscribed.

**Recommendation:** The proposed authority is for up to 97.72% of the issued share capital and is higher than the limit of 33%. Opposition is recommended.

*Vote Cast: Oppose*

### *3. Issue Shares for Cash in connection with the Fundraising*

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

*Vote Cast: Oppose*

### *4. Issue Shares for Cash*

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

*Vote Cast: Oppose*

## **AB DYNAMICS PLC AGM - 12-01-2022**

### *2. Approve Remuneration Policy*

The policy statement is clear. The total remuneration comprises fixed and variable components. The key executives are granted awards under the Annual Bonus and the Long Term Incentive Plan upon the achievement of several performance conditions, which is welcomed. Variable remuneration is not consistently capped at this could reach up to 250% of base salary (Annual bonus: 125% of base salary; LTIP: 125% of base salary). Annual Bonus has KPI's performance metrics, which is welcomed, but LTIP has not non-financial performance metrics which is against best practice. The absence of non-financial parameters to assess Executives' long-term performance is considered contrary to best practice as such factors allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. Clawback provisions are in place. Based on these concerns, an abstention vote is recommended.

*Vote Cast: Abstain*

### *9. Appoint the Auditors*

Crowe U.K. LLP proposed. Non-audit fees were not paid during the year under review and represented 18.48% 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 date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

## RESIDENTIAL SECURE INCOME PLC AGM - 14-01-2022

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

The Board is seeking approval to issue up to an additional 10% 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 10% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arises. As this is not the case, an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 91.7, Abstain: 0.0, Oppose/Withhold: 8.3,

### 14. *Authorise Share Repurchase*

Authority is sought to repurchase up to 14.99% of the issued share capital. The authority would expire at the next AGM. Before considering approval of buybacks (and this should come from the board, not the manager), we would like to see a public statement:

- addressing how much of the discount can be explained by capitalisation of the costs (the Total Expense Ratio),
- setting out why the board believes that the performance of the incumbent management is not a contributory factor to the discount, and
- setting out how the current fee structure might be contributing to the discount, for example some investment companies cap management fees, or reduce the manager fee the larger the fund gets,
- setting out the effect of prior year buybacks to help determine the effectiveness of prior buybacks.

Vote Cast: *Oppose*

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

## CHINA LONGYUAN POWER GROUP EGM - 14-01-2022

### 1. *Elect Wang Yiguo - Non-Executive Director*

Non-Executive Director. Not considered independent, as they are considered to be connected to the Chinese State, who is considered to be a significant shareholder via CHN Energy. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*



**BRF - BRASIL FOODS SA EGM - 17-01-2022****1. *Approve Authority to Increase Authorised Share Capital***

Authority is sought to increase the authorised share capital of the Company up to 32.5%. 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*

**2. *Issue Shares for Cash***

The authority sought is exceeding 10% of the Company's issued share capital and expires at the next AGM. This exceeds the recommended acceptable threshold. An oppose vote is recommended.

Vote Cast: *Oppose*

**3. *Approve the Offer of the Company's shares***

Authority is sought to approve the total value of the Offer of the Company's shares: (a) BRL 500,000,000.00 will be allocated to the capital stock; and (b) the remaining balance of the value of the Offer will be destined to the formation of a capital reserve. However, the increase of authorised share capital of the Company up to 32.5%. 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*

**5. *Authorize Board Make the Capital Increase and the Issuance Not Advisable, to Not Implement or Cancel the Capital Increase and the Issuance***

The authority sought is exceeding 10% of the Company's issued share capital and expires at the next AGM. This exceeds the recommended acceptable threshold. An oppose vote is recommended.

Vote Cast: *Oppose*

**6. *Authorize Board to (a) Define the Number of Shares to Be Effectively Issued, (b) Approve the Price per Share, and (c) Homologate the Capital Increase***

Authority is sought to increase the authorised share capital of the Company up to 32.5%. 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*

## WH SMITH PLC AGM - 19-01-2022

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, given 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*

Results: For: 97.3, Abstain: 2.7, Oppose/Withhold: 0.0,

### 3. *Approve Remuneration Policy*

**Policy Rating: BDC** Changes proposed: i) introduction of forward-looking post-cessation share ownership guidelines, ii) inclusion of appropriate ESG metrics into the LTIP from September 2022, iii) aligning the bonus opportunity for the two executive directors at 160% i.e. to increase Robert Moorhead's bonus opportunity from 130% to 160% in order to recognise his importance to the recovery and future success of the Group, iv) inclusion of ability in exceptional circumstances only to pay a bonus of up to 20% of maximum for strong personal performance when financial thresholds have not been met and v) re-confirmation that executive director pensions will be aligned with the wider workforce from 1 January 2023.

The changes proposed are welcomed, however concerns are raised for the remuneration policy on the following issues, on the Annual Bonus any Bonus in excess of the on-target level will be deferred into shares for a three year period, 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 at least three years. On the performance metrics for the LTIP award the ESG inclusion is welcomed however, it would have been preferable to be added immediately and not in September 2022. Performance period is three years which is not considered sufficiently long-term, however, a two year holding period applies which is welcomed. Performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. Total variable pay is considered excessive at 510% of base salary. Dividends 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: *Oppose*

Results: For: 88.2, Abstain: 0.1, Oppose/Withhold: 11.6,

### 5. *Re-elect Carl Cowling - Chief Executive*

Chief Executive. Acceptable service contract provisions. However, it is noted that this director is also a member of the nomination committee. It is important that this committee be exclusively comprised of independent directors in order to ensure an equitable and unprejudiced appointment process. Membership of the committee by the CEO raises serious concerns in this regard and therefore an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.5, Abstain: 0.1, Oppose/Withhold: 5.4,

### 6. *Re-elect Nicky Dulieu - Non-Executive Director*

Non-Executive Director, chair of the audit committee. At the company, there is no external whistle-blowing hotline. This suggests that such concerns that should be raised by a whistle-blower are dealt with internally, which may increase the risk of such issues not being followed up or escalating to a level where the higher was the level of the misconduct, the more likely is the issue to be concealed. On this basis, and on the potential unforeseeable consequences for the company, opposition is recommended to the re-election of the chair of the audit committee, who is considered to be accountable for the concerns with the whistle-blowing reporting structure.

Vote Cast: *Oppose*

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

#### 8. *Re-elect Robert Moorhead - Executive Director*

Executive director. It is noted that this executive director holds non-executive positions on another listed company.

When executives hold external NED positions, it is considered that the company should disclose how much time they dedicate to the company. In particular, it is considered that they should dedicate at least 20 working days per month to the company where they hold executive functions, as this is the equivalent of a full-time employment.

As the company has failed to disclose such time commitment, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 97.3, Abstain: 0.3, Oppose/Withhold: 2.4,

#### 9. *Re-elect Henry Staunton - 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. In addition, Mr. Staunton 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. Therefore an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 92.0, Abstain: 0.1, Oppose/Withhold: 7.9,

#### 10. *Re-elect Maurice Thompson - Non-Executive Director*

Independent Non-Executive Director. However, Mr. Thompson was Chair of Greensill Capital and there are concerns regarding shareholders misrepresentation. As the case is under investigation abstention is recommended.

Vote Cast: *Abstain*

Results: For: 39.1, Abstain: 50.0, Oppose/Withhold: 10.9,

#### 11. *Re-appoint PricewaterhouseCoopers LLP as Auditors of the Company*

PwC proposed. Non-audit fees represented 6.67% of audit fees during the year under review and 27.27% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

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*

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

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

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

Vote Cast: *Oppose*

Results: For: 88.9, Abstain: 2.6, Oppose/Withhold: 8.4,

#### *17. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.8, Oppose/Withhold: 0.4,

### **MJ HUDSON GROUP PLC AGM - 20-01-2022**

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

The Company has fully disclosed remuneration paid to directors for the year under review, which is welcome. The director remuneration is made up of Salary and Fees Benefits, and Share based payments through the LTIP, with a short term bonus not paid. The company executive and non-executive directors received a Covid-19 reduction by which in response to the COVID-19 pandemic, all Directors agreed to waive 20% of salary and fees for the three months of April to June 2020. Total Variable Remuneration paid for the year exceeded 200% of base salary for the CEO, which is considered to be excessive. The LTIP targets are disclosed but do not appear to be fully quantified. Overall, opposition is recommended based on excessive variable pay.

Vote Cast: *Oppose*

#### *7. Appoint the Auditors*

EY proposed as new auditor in replacement of BDO LLP. Auditor rotation is considered a positive factor.

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*

#### *10. 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*

### **COUNTRYSIDE PARTNERSHIPS PLC AGM - 20-01-2022**

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

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

*Vote Cast: Oppose*

*Results: For: 83.2, Abstain: 2.1, Oppose/Withhold: 14.7,*

#### *14. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

*Results: For: 99.1, Abstain: 0.0, Oppose/Withhold: 0.9,*

## **COSTCO WHOLESALE CORPORATION AGM - 20-01-2022**

### **1a. *Elect Susan L. Decker - Non-Executive Director***

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

Vote Cast: *Oppose*

Results: For: 90.3, Abstain: 0.1, Oppose/Withhold: 9.6,

### **1d. *Elect Hamilton E. James - Chair (Non Executive)***

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

Vote Cast: *Oppose*

Results: For: 93.9, Abstain: 0.2, Oppose/Withhold: 5.9,

### **1e. *Elect W. Craig Jelinek - Chief Executive***

Chief Executive. As there are no members of the Sustainability Committee, the Chief Executive is considered accountable for the company's Sustainability programme. As such, given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.2, Oppose/Withhold: 1.3,

### **1g. *Elect Charles T. Munger - Non-Executive Director***

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

Vote Cast: *Oppose*

Results: For: 85.2, Abstain: 0.2, Oppose/Withhold: 14.7,

### **1h. *Elect Jeffrey S. Raikes - Non-Executive Director***

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

Vote Cast: *Oppose*

Results: For: 80.9, Abstain: 0.2, Oppose/Withhold: 18.9,

## **2. *Appoint the Auditors***

KPMG proposed. Non-audit fees represented 6.00% of audit fees during the year under review and 5.61% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.2, Oppose/Withhold: 2.3,

## **3. *Advisory Vote on Executive Compensation***

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ACB. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 95.3, Abstain: 0.3, Oppose/Withhold: 4.4,

#### 4. *Shareholder Resolution: Charitable Giving Reporting*

**Proponent's argument:** National Center for Public Policy Research request the Company to list the recipients of corporate charitable contributions of USD 5,000 or more on the company website, along with the material limitations, if any, placed on the restrictions, and/or the monitoring of the contributions and its uses, if any, that the Company undertakes. "Charitable contributions should enhance the image of our company in the eyes of the public. Increased disclosure of these contributions would serve to create greater goodwill for our Company. It would also allow the public to better voice its opinions on our corporate giving strategy. Inevitably, some organizations might be viewed more favorably than others. This could be useful in guiding our Company's philanthropic decision making in the future. Corporate giving should ultimately enhance shareholder value."

**Company's response:** The board recommends a vote against this proposal. "Costco's commitment is to be active in our local communities. The Charitable Contributions Committee meets quarterly to determine which programs to support and how to best meet the needs within our communities. We budget 1% of pretax profits for selected charitable contributions, which are focused on children, education, and health and human services. In fiscal 2021, we contributed \$58 million to disaster relief and to hundreds of organizations through a variety of charitable programs and grants, including \$1 million to the Vaccine Equity Initiative, which expanded vaccine access to hardest hit, underserved communities. Additional examples of organizations we supported include United Way, Children's Miracle Network Hospitals, Communities in Schools, American Red Cross, College Success Foundation, Thurgood Marshall College Fund, United Negro College Fund, and Fred Hutchinson Cancer Research Center."

**PIRC analysis:** Disclosure surrounding the company-approved charities allows shareholders to consider diversity in the context of the long-term interests of the company, including stakeholder relationship. However, this resolution appears to focus on ideological diversity with the clear intent to ensure that some views are specifically represented among the charities to which the company's customers can donate. The proponents' request appears to be based on a flawed methodology: the fact that the company provides donations to a variety of charities, including those that some shareholders may find objectionable, does not mean that all viewpoints should be equally acceptable. Given the diversity that already exists among the organisations available for donations, a vote against the resolution is recommended.

Vote Cast: *Oppose*

Results: For: 3.1, Abstain: 0.6, Oppose/Withhold: 96.2,

### SAVANNAH ENERGY PLC EGM - 24-01-2022

#### 6. *Authorise issue of equity in connection with the awards granted under Employee 2014/15 Replacement Plan*

Under this allocation, Non-Executive Directors would receive a variable component on top of their fees. It is considered that non-executive directors should receive only fixed fees, as variable compensation may align them with short-term interests and not with long-term supervisory duties. On this basis, opposition is recommended.

Vote Cast: *Oppose*

#### 7. *Issue Shares for Cash*

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

Vote Cast: *Oppose*

#### 9. *Issue Shares for Cash in connection with the allotment of Warrant Shares*

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



Vote Cast: *Oppose*

**10. Issue Shares for Cash in connection with the awards granted under the employee 2014/15 Replacement Plan**

Authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. However, as the authority is requested for the awards granted under the employee 2014/15 Replacement Plan, it is noted that non-executive directors will receive a variable component on top of their fees. It is considered that non-executive directors should receive only fixed fees, as variable compensation may align them with short-term interests and not with long-term supervisory duties. On this basis, opposition is recommended.

Vote Cast: *Oppose*

**MARSTON'S PLC AGM - 25-01-2022**

**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*

Results: For: 98.2, Abstain: 1.5, Oppose/Withhold: 0.3,

**5. Elect Bridget Lea - Designated Non-Executive**

Designated Non-Executive Director.

There is no disclosure of COVID cases at workplace since the outbreak of the pandemic. Companies are in a position where data regarding COVID cases should be disclosed. If there are fatalities, companies are expected to disclose whether any of them are related to COVID.

Vote Cast: *Abstain*

Results: For: 98.2, Abstain: 1.4, Oppose/Withhold: 0.4,

**8. Elect William Rucker - Chair (Non Executive)**

Non-Executive Chair of the Board. As there is no Sustainability Committee up for election, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 92.7, Abstain: 2.8, Oppose/Withhold: 4.5,

**9. Appoint the Auditors**

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*

Results: For: 98.4, Abstain: 0.1, Oppose/Withhold: 1.5,

### 13. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 1.0, Oppose/Withhold: 1.5,

## VISA INC AGM - 25-01-2022

### 1a. *Elect Lloyd A. Carney - Non-Executive Director*

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

Vote Cast: *Abstain*

Results: For: 87.9, Abstain: 0.2, Oppose/Withhold: 11.8,

### 1d. *Elect Alfred F. Kelly Jr. - Chair & Chief Executive*

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

Vote Cast: *Oppose*

Results: For: 95.7, Abstain: 0.6, Oppose/Withhold: 3.6,

### 2. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects

the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CCB. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 87.9, Abstain: 0.9, Oppose/Withhold: 11.2,

### 3. *Ratify the Appointment of KPMG as Auditors*

KPMG proposed. Non-audit fees represented 1.40% of audit fees during the year under review and 3.55% 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.

Vote Cast: *Oppose*

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

## BARINGS EMERGING EMEA OPPORTUNITIES PLC AGM - 25-01-2022

### 14. *Authorise Share Repurchase*

Authority is sought to repurchase up to 14.99% of the issued share capital. The authority would expire at the next AGM. Before considering approval of buybacks (and this should come from the board, not the manager), we would like to see a public statement:

- addressing how much of the discount can be explained by capitalisation of the costs (the Total Expense Ratio),
- setting out why the board believes that the performance of the incumbent management is not a contributory factor to the discount, and
- setting out how the current fee structure might be contributing to the discount, for example some investment companies cap management fees, or reduce the manager fee the larger the fund gets,
- setting out the effect of prior year buybacks to help determine the effectiveness of prior buybacks.

Vote Cast: *Oppose*

## BECTON, DICKINSON AND COMPANY AGM - 25-01-2022

### 1.06. *Elect Christopher Jones - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board. However, as the Chair of the Corporate Governance and Nominating Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 94.2, Abstain: 1.0, Oppose/Withhold: 4.8,

### 1.07. *Elect Marshall O. Larsen - Senior Independent Director*

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

Vote Cast: *Oppose*

Results: For: 85.5, Abstain: 0.1, Oppose/Withhold: 14.4,

#### 1.09. *Elect Thomas E. Polen - Chair & Chief Executive*

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

Vote Cast: *Oppose*

Results: For: 93.4, Abstain: 0.4, Oppose/Withhold: 6.2,

#### 2. *Appoint the Auditors*

E&Y proposed. Non-audit fees represented 5.34% of audit fees during the year under review and 5.86% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 94.2, Abstain: 0.2, Oppose/Withhold: 5.6,

#### 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 54.1, Abstain: 0.2, Oppose/Withhold: 45.7,

### **METRO INC. AGM - 25-01-2022**

#### 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ABC. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

#### 4. *Approve Scheme of Arrangement*

The Board is sought to adopt a shareholder rights plan between the Corporation and AST Trust Company (Canada). It was successful and came into force on January 30, 2019. To remain effective, the Rights Plan must be reconfirmed every third annual meeting of shareholders of the Corporation. The proposed amendments to the Original Rights Plan Agreement contained in the Amended and Restated Rights Plan Agreement also include certain clarifications in respect of non-certificated securities of the Corporation (including those represented by book entry form registration) and non-material changes to the sections of the Rights Plan related to the duties of the Rights Agent. The proposed amendments do not have any material impact on the rights of the shareholders or the rights holders under the Rights Plan. The Rights Plan is therefore designed to encourage a potential acquirer who intends to make a take-over bid to proceed either by way of a Permitted Bid, which requires

a take-over bid to meet certain minimum standards designed to promote the fair and equal treatment of all shareholders, or with the concurrence of the Board of Directors. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Board of Directors, the Rights to be issued to shareholders under the Rights Plan will entitle the holders thereof, other than the acquiror and certain related parties, to purchase additional common shares at a significant discount to market, thus exposing the person acquiring 20% or more of the common shares to substantial dilution of its holding. Whilst the plan offers shareholder protection, there are concerns that the reconfirmation could lead to an abuse of power. It is considered that the plan should be subject to a shareholder vote prior to being triggered by the board. The current vote every three years does not provide sufficient protection to minority shareholders. On this basis, shareholders are advised to oppose.

Vote Cast: *Oppose*

## **ACCENTURE PLC AGM - 26-01-2022**

### *1b. Elect Nancy McKinstry - Non-Executive Director*

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

Vote Cast: *Abstain*

Results: For: 85.7, Abstain: 0.1, Oppose/Withhold: 14.2,

### *1d. Elect Gilles C. Pélisson - Senior Independent Director*

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

Vote Cast: *Oppose*

Results: For: 98.8, Abstain: 0.1, Oppose/Withhold: 1.1,

### *1g. Elect Arun Sarin - Non-Executive Director*

Independent Non-Executive Director. There are concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. However, as the Chair of the Nominating, Governance & Sustainability Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 85.0, Abstain: 0.9, Oppose/Withhold: 14.2,

### *1h. Elect Julie Sweet - Chair & Chief Executive*

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

Vote Cast: *Oppose*

Results: For: 94.7, Abstain: 0.5, Oppose/Withhold: 4.8,

### 1j. *Elect Tracey T. Travis - Non-Executive Director*

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

Vote Cast: *Abstain*

Results: For: 96.7, Abstain: 0.1, Oppose/Withhold: 3.2,

### 2. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.9, Abstain: 0.1, Oppose/Withhold: 8.0,

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

The Board proposes the approval of a new long-term incentive plan. Under the plan, the CEO and other executives will be awarded rights to shares, a portion (or all) of which will vest depending on the achievement of some performance criteria. Vesting period is three years and as such is considered to be short-term, while performance targets have not been fully disclosed in a quantified manner at this time.

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

Vote Cast: *Oppose*

Results: For: 94.6, Abstain: 0.1, Oppose/Withhold: 5.3,

### 4. *Appoint the Auditors*

KPMG proposed. Non-audit fees represented 5.55% of audit fees during the year under review and 5.87% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 97.5, Abstain: 0.3, Oppose/Withhold: 2.3,

### 6. *Issue Shares for Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 5% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

Vote Cast: *Oppose*

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

## D. R. HORTON INC. AGM - 26-01-2022

### 1a. *Elect Donald R. Horton - 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. Additionally, in the absence of a Sustainability Committee, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given the concerns over the Company's sustainability policies and practice, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.0, Oppose/Withhold: 2.9,

### 1c. *Elect Brad S. Anderson - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 48.4, Abstain: 48.8, Oppose/Withhold: 2.8,

### 1d. *Elect Michael R. Buchanan - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.0, Oppose/Withhold: 4.7,

### 1f. *Elect Michael W. Hewatt - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 95.0, Abstain: 0.0, Oppose/Withhold: 5.0,

## 2. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 27.4, Abstain: 0.1, Oppose/Withhold: 72.5,

## RENEW HOLDINGS PLC AGM - 26-01-2022

### 6. *Approve the Remuneration Report*

All elements of the Total Remuneration Table are adequately disclosed. The total realised awards under all incentive schemes for the CEO is considered appropriate. However, the performance conditions and targets are not clearly stated for the annual bonus and the LTIP. There are also concerns that annual bonus targets include health and safety targets, in which Executives should not be financially incentivised and should be seen as the minimum requirements of their responsibility. The LTIP only utilises TSR as the sole metric. According to best practice, the scheme should operate at least two quantifiable performance metrics interdependently. The plans

in operation use a share price-based performance criteria, its use as an incentivising tool remains questionable as share price movements are dependent on various factors, most of which are outside management's control. On balance, an abstain vote is recommended.

*Vote Cast: Abstain*

#### *7. Appoint the Auditors*

EY LLP 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*

#### *11. 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*

### **GINKO INTERNATIONAL EGM - 27-01-2022**

#### *2. Approve Merger with Glamor International Ltd*

**Introduction & Proposal:** On 9 November 2021 the company received a Non-Binding Offer from Glamor Vision Ltd. indicating that Glamor proposes to acquire Ginko International's all outstanding ordinary shares via merger. On 26 November 2021 the company announced that it has reach an agreement to merger with Glamor Vision Ltd (the Holding Company) subsidiary, Glamor International Ltd. The merger agreement is made accordingly with the Cayman Islands Companies Act, with Ginko being the surviving company resulting from the Merger in accordance with the Cayman law ("Surviving Company") and the Merger Sub being the



extinguished company after the Merger. Under the merger agreement each and every Ginko Share, excluding Excluded Shares and Dissenting Shares, which is issued and outstanding immediately prior to the Merger Effective Date will be cancelled in exchange for the entitlement to receive a consideration of NTD 280 per share (Merger Consideration). The Holding Company shall promptly pay the Merger Consideration to Ginko's shareholders, excluding those holding the Excluded Shares and Dissenting Shares. Each and every Excluded Share which is issued and outstanding immediately prior to the Merger Effective Date will be cancelled for no consideration and no payment will be allocated to holders of the Excluded Shares.

**Rationale:** The Board consider that the in order to integrating overall resources and scaling up the business to advance the performance and competitiveness of the Company to proceed with the merger. In addition, shareholders will receive a consideration of NTD 280 per ordinary share.

**Recommendation:** Such proposals are considered on the basis of whether they are deemed fair, whether they have been adequately explained, and whether there is sufficient independent oversight of the recommended proposal. The circular contains full details of the transaction, however, and there is not a sufficient balance of independence on the board. This does not provides assurance that the decision was taken with appropriate independence and objectivity. Therefore, abstention is recommended.

*Vote Cast: Abstain*

### *3. Approve the Delisting of the Company*

After the approval of the proposed Merger on resolution 2 the Company intends to file application with the Financial Supervisory Commission for ceasing the Company's status as a public company. Since the company Board of Directors has insufficient independence and in line with the recommendation of resolution 2, abstention is recommended.

*Vote Cast: Abstain*

## **HOME REIT PLC AGM - 27-01-2022**

### *9. Re-appoint BDO LLP as Auditor to the Company*

BDO LLP proposed. Non-audit fees represented 45.00% of audit fees during the year under review. This level of non-audit fees raises some concerns about the independence of the statutory auditor. Abstention is recommended.

*Vote Cast: Abstain*

**Results: For: 96.9, Abstain: 3.0, Oppose/Withhold: 0.1,**

### *11. Authorise Share Repurchase*

Authority is sought to repurchase up to 14.99% of the issued share capital. The authority would expire at the next AGM. Share repurchase proposals for investment trusts will not be supported unless an analysis of the effect of buybacks in prior years on reducing discounts is disclosed. As the company has not disclosed such statement, opposition is recommended.

The argument that the share price may be higher or lower than the NAV due to supply and demand factors because shares are traded on a stock market is not supported. On the contrary, it is considered that the buyback discount is largely a product of the management fee. Investment trusts' net asset value (NAV) reflects the sum of individual holdings' share prices, which reflect the dividend and growth of those companies. Such share prices in the NAV don't reflect the trust's management fees and costs, but the share price will. Therefore, the dividends of the investment portfolio first of all have to absorb the management fees and other costs before being passed through to the shareholders. The net dividend to the shareholders is therefore less than the dividends of the portfolio, resulting in the value of the company being less than the value of the portfolio.



Vote Cast: *Oppose*

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

## BRITVIC PLC AGM - 27-01-2022

### 3. Approve Remuneration Policy

**Policy rating: CCC** Maximum potential benefits are disclosed, which is welcomed. Pension contributions and entitlements are fully disclosed, and do not consider excessive. There is deferral period for the annual bonus. It is recommended that at least half of the annual bonus is subject to share deferral for a period of at least two years. The Company uses multiple performance conditions for the annual bonus, though they do not operate interdependently. The Company uses multiple performance conditions when determining PSP awards, though they are all financial based and do not operate interdependently. At three years the performance period is not considered to be sufficiently long-term. However, a two year post-vesting holding period applies, which is welcomed. Malus and clawback provisions apply. Total potential variable pay is excessive, as the CEO can receive a payout up to 425% of salary (Annual bonus capped at 175% of CEO base salary and LTIP capped at 250% of CEO base salary).

Vote Cast: *Abstain*

Results: For: 91.4, Abstain: 0.3, Oppose/Withhold: 8.3,

### 4. Approve the Remuneration Report

**Disclosure:** All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary is in the median of a peer comparator group. The performance conditions and targets for the LTIP has been disclosed. However, dividend accrual is not separately categorized.

**Balance:** The balance of CEO realized pay with financial performance is not considered acceptable as the change in CEO total pay over five years is not commensurate with the change in TSR over the same period. Total variable pay for the year under review was excessive, amounting to approximately 222.3% of salary for the CEO (Annual Bonus: 118.79% and LTIP: 103.51%). The ratio of CEO pay compared to average employee pay is not considered acceptable, standing at 42:1.

Rating: BD

Vote Cast: *Oppose*

Results: For: 67.4, Abstain: 1.4, Oppose/Withhold: 31.3,

### 13. Appoint the Auditors

EY 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*

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

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

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

Vote Cast: *Oppose*

Results: For: 92.1, Abstain: 0.0, Oppose/Withhold: 7.9,

#### 19. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **AVON PROTECTION PLC AGM - 28-01-2022**

#### 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*

Results: For: 99.1, Abstain: 0.8, Oppose/Withhold: 0.0,

#### 6. *Re-Elect Bruce Thompson - Chair (Non Executive)*

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

Vote Cast: *Abstain*

Results: For: 99.1, Abstain: 0.8, Oppose/Withhold: 0.1,

### 10. *Appoint the Auditors*

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*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

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

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

Vote Cast: *Oppose*

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

### 16. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

## LOGISTICS DEVELOPMENT GROUP PLC EGM - 31-01-2022

### 2. *Authorise Share Repurchase*

Authority is sought to repurchase up to 20% of the issued share capital. The authority would expire at the next AGM. Before considering approval of buybacks (and this should come from the board, not the manager), we would like to see a public statement:

- addressing how much of the discount can be explained by capitalisation of the costs (the Total Expense Ratio),
- setting out why the board believes that the performance of the incumbent management is not a contributory factor to the discount, and
- setting out how the current fee structure might be contributing to the discount, for example some investment companies cap management fees, or reduce the manager fee the larger the fund gets,
- setting out the effect of prior year buybacks to help determine the effectiveness of prior buybacks.

Vote Cast: *Oppose*

### 3. Proposed Approval of Waiver of Rule 9 of the Takeover Code

The company are proposing a Rule 9 waiver, which will exempt The Concert Party of DBAY Funds (funds being advised by DBAY) from the requirement of the City Code that they make an offer for the entire share capital of the company. If the Company were to repurchase from persons other than the concert party all the ordinary shares for which it is seeking authority, their interest would increase from 32.9% to 41.12% of the issued share capital. The tender linked to this proposal will mean that the significant shareholder becomes a controlling shareholder and therefore this requested waiver is not supported, given its impact on the governance of the company by minority shareholders.

Vote Cast: *Oppose*

## EMERSON ELECTRIC CO. AGM - 01-02-2022

### 2. Appoint the Auditors

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

Vote Cast: *Oppose*

Results: For: 94.7, Abstain: 0.3, Oppose/Withhold: 5.1,

### 3. Advisory Vote on Executive Compensation

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CCB. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 80.9, Abstain: 9.6, Oppose/Withhold: 9.6,

## IMPERIAL BRANDS PLC AGM - 02-02-2022

### 1. Receive the Annual Report

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the

financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

*Vote Cast: Abstain*

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

#### *7. Re-elect Therese Esperdy - Chair (Non Executive)*

Chair of the Board and Chair of the ESG Steering Committee. As the Chair of the ESG Steering 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. In addition it is noted that the Chair of the Board in the 2021 Annual General Meeting received 10.07% opposition on his re-election, however, the company upon engagement disclosed how it address the issue with its shareholders. Overall, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 99.2, Abstain: 0.5, Oppose/Withhold: 0.4,*

#### *9. Re-elect Bob Kunze-Concewitz - Non-Executive Director*

Independent Non-Executive Director. There are concerns over a potential conflict of interest between his role as an Executive in a listed company and membership of the remuneration committee. An abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 99.2, Abstain: 0.5, Oppose/Withhold: 0.3,*

#### *13. Re-elect Jonathan Stanton - Non-Executive Director*

Independent Non-Executive Director. There are concerns over a potential conflict of interest between his role as an Executive in a listed company and membership of the remuneration committee. In addition it is noted that the director in the 2021 Annual General Meeting received 11.34% opposition on his re-election, however, the company upon engagement disclosed how it address the issue with its shareholders. Overall, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 99.0, Abstain: 0.5, Oppose/Withhold: 0.5,*

#### *14. Re-appoint Ernst & Young LLP as auditor of the Company*

EY proposed. Non-audit fees represented 5.63% of audit fees during the year under review and 3.90% 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*

Results: For: 99.5, Abstain: 0.1, Oppose/Withhold: 0.4,

#### 19. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.5, Abstain: 0.1, Oppose/Withhold: 0.4,

### **BAILLIE GIFFORD EUROPEAN GROWTH TRUST PLC AGM - 03-02-2022**

#### 4. *Re-elect Michael MacPhee - Chair (Non Executive)*

Non-Executive Chair. The chair is not considered to be independent, as he is considered to be connected to the Investment Manager. It is noted he joined Baillie Gifford & Co in 1989 and became a partner in 1998. He also headed the firm's European department from 2003 to 2008 and retired from Baillie Gifford in April 2014. 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 a non-independent non-executive position is incompatible with this and an oppose vote is therefore recommended.

Vote Cast: *Oppose*

Results: For: 86.5, Abstain: 12.0, Oppose/Withhold: 1.5,

#### 13. *Authorise Share Repurchase*

Authority is sought to repurchase up to 14.99% of the issued share capital. The authority would expire at the next AGM. Before considering approval of buybacks (and this should come from the board, not the manager), we would like to see a public statement:

- addressing how much of the discount can be explained by capitalisation of the costs (the Total Expense Ratio),
- setting out why the board believes that the performance of the incumbent management is not a contributory factor to the discount, and
- setting out how the current fee structure might be contributing to the discount, for example some investment companies cap management fees, or reduce the manager fee the larger the fund gets,
- setting out the effect of prior year buybacks to help determine the effectiveness of prior buybacks.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

## THE SAGE GROUP PLC AGM - 03-02-2022

### 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 as the CEO salary increased by 0.5% for the year under review and the workforce salary increase by 5%. The CEO's salary is in the upper quartile of the PIRC's comparative group which raises concerns over the excessiveness of his pay.

**Balance:** The changes in CEO total pay under the last five years are not considered in line with changes in TSR during the same period. CEO awards increased by 21.84% in the last five years were the TSR increased by 12.30% in the same period. Total variable pay for the year under review was considered appropriate at approximately 192.2% of salary ( Annual Bonus: 105.4% and PSP: 86.6%) for the CEO. The ratio of CEO pay compared to average employee pay is not considered acceptable, standing at 22:1. It is recommended that CEO pay ratio to be at 20:1

Rating: AC

Vote Cast: *Abstain*

Results: For: 98.0, Abstain: 0.4, Oppose/Withhold: 1.5,

### 3. Approve Remuneration Policy

**Policy Rating: ADC** Changes proposed: i) Reshaped FY22 performance measures. a) Annual Bonus: Removal of duplication of measures and focusing on the company's annual growth model: 70% of bonus based on ARR growth, 10% based on customer NPS and 20% based on personal strategic goals aligned to strategy execution, b) Performance Share Plan (PSP), Creating sustainable long-term growth: 55% of the FY22 PSP will be measured by Sage Business Cloud penetration, balanced with cloud native penetration and absolute growth. Any pay-out would be subject to the achievement of Return on Capital Employed (ROCE) and cloud native penetration underpins. 15% of the FY22 PSP will be based on the following measures aligned to the Sustainability and Society strategy: 7.5% is based on delivering impact in society through the strategic pillars of Tech for Good and Fuel for Business and 7.5% is based on the impact of the Sustainability and Society strategy against the company's most material issues, ii) Increasing the alignment of the CEO's remuneration to sustainable long-term value creation and the external executive talent market and iii) Amendments to 2022 Directors' Remuneration Policy: a) Alignment with the Investment Association guidance on post-employment shareholding guidelines (the lower of the shareholding requirement (being 300% of base salary for the CEO and 250% of base salary for other Executive Directors) immediately prior to departure or the actual shareholding on departure to be held for at least two years after stepping down as a Director), b) Pension provision of Directors is fully aligned with the workforce, accordingly the CEO's pension has reduced from 15% to 10% of salary with effect from 1 October 2021, c) Flexibility to set and measure bonus targets otherwise than on an annual basis and d) Flexibility to make additional travel allowance payments to Non-executive Directors for time spent travelling internationally on Company business due to the increasing level of time commitment required from a Non-executive Director in our internationalised business.

Potential variable pay could be at 475% of the salary and considered excessive. It is recommended that variable pay is limited to 200% of of salary. One third of the Annual Bonus is deferred to shares, this is considered inadequate, as it is recommended 50% of the Annual Bonus to be deferred. Performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. The vesting period for the PSP award is three years which is not considered sufficiently long term, however a two-year holding period apply and it is welcomed. Malus and clawback provisions apply for the variable pay.

Vote Cast: *Oppose*

Results: For: 99.1, Abstain: 0.0, Oppose/Withhold: 0.9,

### 15. Re-appoint Ernst & Young LLP as Auditors to the Company

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

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*

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

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

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

Vote Cast: *Oppose*

Results: For: 97.4, Abstain: 0.5, Oppose/Withhold: 2.1,

#### *21. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### **COMPASS GROUP PLC AGM - 03-02-2022**

#### *2. Approve Remuneration Policy*

**Policy Rating: ADB** Changes proposed: i) an increase to the multiple of salary used to determine future LTIP award quantum for executive directors, ii) the introduction of a mandatory deferral of one third of the annual bonus for executive directors and iii) an enhancement to the company's share ownership guidelines.

Total potential variable pay could reach 600% of the salary for the CEO and 500% of the salary for the other Executives and is considered excessive. The mandatory deferral for the Annual Bonus is welcomed, however, one third of the Bonus will defer to shares. This is not considered sufficient, it would be preferable 50% of the Bonus to be paid in cash and 50% to defer to shares for at least three years. 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 applies which is welcomed. 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*

Results: For: 65.9, Abstain: 2.3, Oppose/Withhold: 31.7,

### 3. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary is in line with the workforce. It is noted that the 11.9% of the salary increase that the CEO has for the year under review reflects a return to normal full salary having voluntarily waived a proportion of his salary. No salary increase was made for the year under review and the workforce had a salary increase of 5.2%. The CEO salary is in the upper quartile of the PIRC's comparator group which raises concerns over the excessiveness of his pay.

**Balance:**The changes in CEO total pay over the last five years are not considered to be in line with changes in TSR over the same period. Variable pay for the year under review was 199.9% ( Annual Bonus: 199.9%, LTIP: 0%) of the salary and is within the recommended limit of 200% However, the ratio of CEO pay compared to average employee pay is unacceptable, standing at 188:1. This is considered excessive, given that the recommended limit is 20:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 87.3, Abstain: 0.8, Oppose/Withhold: 11.9,

### 8. *Re-elect Ian Meakins - Chair (Non Executive)*

Non-Executive Chair. The Chair is also chairing another listed company. It is considered that a chair cannot effectively represent two corporate cultures. The possibility of having to commit additional time to the role in times of crisis is ever present. Given this, a Chair should focus his attention onto the only one FTSE 350 Company.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.4, Oppose/Withhold: 1.5,

### 11. *Re-elect Carol Arrowsmith - Non-Executive Director*

Non-Executive Director. Not considered to be independent, as this director is considered to be in a material connection with the current remuneration advisor: It is noted the director who is currently the chair of the remuneration committee was a remuneration consultant at Deloitte until 2014 and Deloitte was appointed as the remuneration advisor in 2020. This relationship raises concerns over a potential conflict of interest and therefore the director cannot be supported.

Vote Cast: *Oppose*

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

### 12. *Re-elect Stefan Bomhard - Non-Executive Director*

Independent Non-Executive Director. There are concerns over a potential conflict of interest between his role as an Executive in a listed company and membership of the remuneration committee. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 98.9, Abstain: 0.4, Oppose/Withhold: 0.7,

### 17. *Re-appoint KPMG LLP as the Company's auditor*

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 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*

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

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

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

*Vote Cast: Oppose*

*Results: For: 93.8, Abstain: 0.1, Oppose/Withhold: 6.0,*

## *23. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

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

## **FUTURE PLC AGM - 03-02-2022**

### *1. Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the

financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain*

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

### 3. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. The CEO salary is with the workforce, it is noted that the CEO salary did not increase for the year under review. The CEO salary is in the median of the competitor group.

**Balance:**The changes in CEO pay over the last five years are not considered in line with the Company's TSR performance over the same period. The CEO's realized variable pay for the year under review is considered hugely excessive at 1422% of salary (Annual Bonus: 200% & LTIP: 1222%). The ratio of CEO pay compared to average employee pay is at 31:1, it is recommended that the ratio does not exceed 20:1.

Rating: AE

Vote Cast: *Oppose*

Results: For: 42.4, Abstain: 4.8, Oppose/Withhold: 52.8,

### 4. *Re-elect Richard Huntingford - Chair (Non Executive)*

The Chair is also chairing another company within the FTSE 350 index. It is considered that a chair cannot effectively represent two corporate cultures. The possibility of having to commit additional time to the role in times of crisis is ever present. Given this, a Chair should focus his attention onto the only one FTSE 350 Company.

Vote Cast: *Oppose*

Results: For: 96.9, Abstain: 2.0, Oppose/Withhold: 1.1,

### 5. *Re-elect Zillah Byng-Thorne - Chief Executive*

Chief Executive. Acceptable service contract provisions. However, it is noted that this director is also a member of the nomination committee. It is important that this committee be exclusively comprised of independent directors in order to ensure an equitable and unprejudiced appointment process. Membership of the committee by the CEO raises serious concerns in this regard and therefore an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 91.0, Abstain: 0.0, Oppose/Withhold: 9.0,

### 7. *Re-elect Mark Brooker - Non-Executive Director*

Independent Non-Executive Director and 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*

Results: For: 61.1, Abstain: 0.1, Oppose/Withhold: 38.8,

### 8. *Re-elect Hugo Drayton - Senior Independent Director*

Senior Independent Director. Considered independent. It is noted that in the 2021 Annual General Meeting Mr. Drayton received significant opposition of 10.16% of the votes, the company did not disclose information's as to how it address the issue with its shareholders. Therefore abstention is recommended.

Vote Cast: *Abstain*

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

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

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

Vote Cast: *Oppose*

Results: For: 93.8, Abstain: 0.0, Oppose/Withhold: 6.2,

## **AIR PRODUCTS AND CHEMICALS INC. AGM - 03-02-2022**

### 1c. *Elect Seifollah (Seif) Ghasemi - Chair & Chief Executive*

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

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 0.5, Oppose/Withhold: 3.3,

### 1e. *Elect Edward L. Monser - Senior Independent Director*

Independent Senior Director. Chair of the Corporate Governance and Nominating Committee. As the Chair of the Corporate Governance and Nominating 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: *Oppose*

Results: For: 87.8, Abstain: 0.3, Oppose/Withhold: 11.9,

### 2. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ACB. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 93.3, Abstain: 0.3, Oppose/Withhold: 6.4,

## **EVN AG AGM - 03-02-2022**

### 5. *Appoint the Auditors BDO Austria GmbH*

BDO Austria GmbH proposed. Non-audit fees represented 45.87% of audit fees during the year under review and 136.28% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor.

Vote Cast: *Oppose*

### *6. Approve Remuneration Policy*

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

*Vote Cast: Abstain*

## **GRUPO DE MODA SOMA EGM - 03-02-2022**

### *1. Approve New Executive Share Plan*

The Board proposes the approval of a new incentive plan. Under the plan, the CEO and other executives will be awarded options or rights to receive shares, which will start vesting after three years from the date of award. At this time, it seems that this plan will not be based on any performance criteria but only on the beneficiaries continued employment. As a result, they may receive bonuses unrelated to their performance or even the performance of the Company as a whole, which is considered a serious frustration of shareholder accountability.

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

*Vote Cast: Oppose*

## **THYSSENKRUPP AG AGM - 04-02-2022**

### *2. Approve Discharge of Management Board for Fiscal 2020/21*

With sentence on 12/12/2016 n 52511, Italy's Supreme Court (Corte di Cassazione) has confirmed the sentence for six of the defendants, finding them guilty of involuntary homicide and fire at the Turin plant in 2007, where seven workers were found dead. The defendant were found guilty also of malicious omission of labour safety measures (which the company has however always denied).

Former Thyssen CEO Harald Espenhahn was given a term of nine years, eight months in relation to the disaster. Five other managers, four Italians and German Gerald Priegnitz, got sentences of between 6 and 7 years. Priegnitz, the German manager, was sentenced to 6 years and 3 months. On 14 November 2019, the European Court of Human Rights has opened a procedure against Italy and Germany regarding a fire at ThyssenKrupp's Turin steel plant in December 2007 in which seven workers died. Relatives of the victims and one survivor, Antonio Boccuzzi, appealed to the court saying their rights were being breached, because two German managers are still free despite convictions in Italy dating back to 2016.

Although the convicted Thyssen's executives do not appear to be at the company, and none on the supervisory board or the management board was in office at the time of the incident, it is considered that the annual report should have mentioned these legal proceedings, their implications for the employee relations at the company, the consequences (even financial or reputational) and potential mitigation actions. In lack of this, abstention is recommended to the discharge

*Vote Cast: Abstain*

### *3. Approve Discharge of Supervisory Board for Fiscal 2020/21*

With sentence on 12/12/2016 n 52511, Italy's Supreme Court (Corte di Cassazione) has confirmed the sentence for six of the defendants, finding them guilty of involuntary homicide and fire at the Turin plant in 2007, where seven workers were found dead. The defendant were found guilty also of malicious omission of labour safety measures (which the company has however always denied).

Former Thyssen CEO Harald Espenhahn was given a term of nine years, eight months in relation to the disaster. Five other managers, four Italians and German Gerald Priegnitz, got sentences of between 6 and 7 years. Priegnitz, the German manager, was sentenced to 6 years and 3 months. On 14 November 2019, the European Court of Human Rights has opened a procedure against Italy and Germany regarding a fire at ThyssenKrupp's Turin steel plant in December 2007 in which seven workers died. Relatives of the victims and one survivor, Antonio Boccuzzi, appealed to the court saying their rights were being breached, because two German managers are still free despite convictions in Italy dating back to 2016.

Although the convicted Thyssen's executives do not appear to be at the company, and none on the supervisory board or the management board was in office at the time of the incident, it is considered that the annual report should have mentioned these legal proceedings, their implications for the employee relations at the company, the consequences (even financial or reputational) and potential mitigation actions. In lack of this, abstention is recommended to the discharge

*Vote Cast: Abstain*

### *4. Ratify the Appointment of PwC as Auditors*

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

*Vote Cast: Abstain*

### *5. 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*

### *6. Approve Creation of pool of capital with exclusion of pre-emptive rights*

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

*Vote Cast: Oppose*

### *7. Issue convertible option bonds*

The Board seeks authority to issue convertible bonds, warrant bonds, profit participation rights and/or income bonds (or a combination of these instruments) and to exclude subscription rights for a nominal amount corresponding to more than 10% of the share capital and for five years. As the authority would also include bonds convertible and without pre-emptive rights, the amount under this authority exceeds guidelines for issues of shares without pre-emptive rights.

Vote Cast: *Oppose*

#### 8. *Authorise Share Repurchase*

It is proposed to approve authority to use financial derivatives to repurchase and use capital stock within legal boundaries. Authority is sought for a period of more than 18 months.

Within EU regulation, companies are required to maintain safe harbour conditions, which generally limit share buybacks with derivatives from within by limiting the possibilities of derivatives used. Given the concerns with the corresponding share repurchase resolution, opposition is recommended

Vote Cast: *Oppose*

#### 9. *Authorisation for the Board of Directors to decide on acquisition and transfer of treasury shares*

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

### SSP GROUP PLC AGM - 04-02-2022

#### 10. *Re-appoint KPMG LLP as Auditor of the Company*

KPMG proposed. Non-audit fees represented 38.10% of audit fees during the year under review and 16.33% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

In 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*

Results: For: 98.1, Abstain: 0.0, Oppose/Withhold: 1.9,



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

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

Vote Cast: *Oppose*

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

### 16. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

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

It is proposed that a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice. It is considered that all companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues. It is noted that in 2021 Annual General Meeting the resolution received 14.13% opposition and the company did not disclose how it address the issue with its shareholders. Therefore abstention is recommended.

Vote Cast: *Abstain*

Results: For: 78.8, Abstain: 0.2, Oppose/Withhold: 21.0,

## SHAFTESBURY PLC AGM - 04-02-2022

### 2. *Approve Remuneration Policy*

**Policy Rating: BDC** Changes Proposed: i) Reduction of the pension contributions received by incumbent executive directors to the rate received by all other employees (17.5% of salary) with effect from 1 October 2022, ii) strengthen the malus and clawback provisions which apply to the bonus and LTIP, iii) introduce a mandatory deferral of 50% of any bonus earned into deferred shares for three years and iv) Increase the LTIP award level for executive directors to 200% of salary with effect from the 2022 awards. In addition the company included flexibility to be able to include sustainability targets in both its annual bonus and LTIP within its proposed 2022 Policy

Some of the changes proposed in the remuneration policy are welcomed as the mandatory deferral for the Annual Bonus. However, concerns are raised since the total variable pay could reach 350% of the salary and is deemed excessive since is higher than 200%. On the Long-Term Incentive Plan (LTIP) although the company add the flexibility to add sustainability targets for the FY2022 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 measures are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met. Dividend equivalent payments are permitted under the



plan. Such payments misalign shareholder and executive interests as shareholders must subscribe for shares in order to receive dividends whereas participants in the scheme do not.

Vote Cast: *Oppose*

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

#### 4. *Amend 2016 Long-Term Incentive Plan*

The Board proposes the approval of the amendment of the 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 the maximum opportunity for the LTIP plan is increased to 200% of the salary which is considered excessive.

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

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.8, Oppose/Withhold: 0.7,

#### 7. *Re-elect Jonathan C Nicholls - Chair (Non Executive)*

The Chair is also chairing another company within the FTSE 350 index. It is considered that a chair cannot effectively represent two corporate cultures. The possibility of having to commit additional time to the role in times of crisis is ever present. Given this, a Chair should focus his attention onto the only one FTSE 350 Company.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 0.7, Oppose/Withhold: 1.3,

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

EY proposed. Non-audit fees represented 55.05% of audit fees during the year under review and 55.43% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

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*

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

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

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

Vote Cast: *Oppose*

Results: For: 70.4, Abstain: 0.8, Oppose/Withhold: 28.8,

#### 20. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.1, Oppose/Withhold: 0.2,

### EUROMONEY INSTITUTIONAL INVESTOR PLC AGM - 09-02-2022

#### 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 workforce, although the CEO salary increase by 15.4% where the workforce salary increase by 1.1%. Upon engagement the company states that, CEO did not receive a base salary increase. His salary has not increased since appointment in October 2015. As disclosed in the 2020 and the 2021 Directors' Remuneration Reports, the CEO (and the CFO) took a base salary reduction for four months during FY 2020 in light of covid-19. The year-on-year change in base salary relates reflects a return to his normal base salary of GBP 750,000 per year. The CEO salary is in the median of the competitor group.

**Balance:** The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over the past five years is not in line with the change in TSR over the same period. Variable pay for the year under review was at 146.06% of the salary (Annual Bonus : 146.06% & PSP: 0%) which is not excessive. It is noted that no PSP award was vested for the year under review which is commendable. The ratio of CEO pay compared to average employee pay is not acceptable at 29:1. It is recommended that the CEO pay ratio to be up to 20:1

Rating: AC. It is noted that in the 2021 Annual General Meeting the Remuneration Report received significant opposition of 15.17% of the votes. The company did not disclose information as to how address the issue with its shareholders. Overall abstention is recommended.

Vote Cast: *Abstain*

Results: For: 84.8, Abstain: 0.8, Oppose/Withhold: 14.4,

#### 9. *Re-elect Tim Pennington - Non-Executive Director*

Independent Non-Executive Director. There are concerns over a potential conflict of interest between his role as an Executive in a listed company and membership of the remuneration committee. An abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 99.2, Abstain: 0.5, Oppose/Withhold: 0.3,

### *12. Re-appoint PricewaterhouseCoopers LLP as auditor of the Company*

PwC proposed. Non-audit fees represented 0.13% of audit fees during the year under review and 3.17% 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*

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

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

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

*Vote Cast: Oppose*

*Results: For: 92.2, Abstain: 0.0, Oppose/Withhold: 7.8,*

### *17. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

*Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,*

## GRAINGER PLC AGM - 09-02-2022

### 11. *Re-appoint KPMG LLP as auditors of the Company*

KPMG proposed. Non-audit fees represented 2.11% of audit fees during the year under review and 2.15% 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*

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

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

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

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 1.4, Oppose/Withhold: 3.8,

### 16. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.5, Abstain: 0.1, Oppose/Withhold: 0.4,

## EASYJET PLC AGM - 10-02-2022

### 2. Approve Remuneration Policy

**Policy rating: BCC** Changes proposed - the company has introduced a new Restricted Share Plan in replacement of the LTIP. The plan does not rely on achieving the three-year targets and will better support the longer-term decision making required to deliver superior long term shareholder value creation. Restricted Share Plan awards will be granted each year, with a vesting period of three years.

Total potential variable pay is at 325% of the salary and consider excessive, additionally for exceptional circumstances could reach 350% of the salary. One-third of the Annual Bonus is deferred to shares, however best practice would be to defer at least 50%.

Vote Cast: *Abstain*

Results: For: 68.0, Abstain: 7.3, Oppose/Withhold: 24.7,

### 13. Ratify PwC LLP as Auditors

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

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*

Results: For: 88.9, Abstain: 3.1, Oppose/Withhold: 8.0,

### 19. Authorise Share Repurchase

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

Vote Cast: *Oppose*

Results: For: 97.3, Abstain: 0.1, Oppose/Withhold: 2.6,

## BENCHMARK HOLDINGS PLC AGM - 10-02-2022

### [2. Approve the Remuneration Report](#)

There are no significant concerns over the value of the payments made to the directors during the year. The CEO received variable remuneration during the year which is welcomed. The company states they will be making an award of performance shares under the new long term incentive scheme using nominal value share options to members of the executive team, operations board and certain other employees. The measures are EPS growth and relative total shareholder return. The non-financial measures relate to the strategic priorities, which in addition to three commercial objectives also include two new objectives, one on ESG goals and one related to People and Culture. Non-financial parameters allow the remuneration policy to focus on the operational performance of the business as a whole and the individual roles of each of the senior executives in achieving that performance. Furthermore, it is noted share options were granted to Trond Williksen and Septima Maguire of 1,500,000 and 600,000 in June 2020, February 2020 and June 2020 respectively. Although the exact value of these awards cannot be determined until the date of grant, the Company has not provided any estimates. Furthermore, the level of performance that merited the number of options has not been disclosed. Due to the concerns raised, an oppose vote is recommended.

*Vote Cast: Oppose*

### [3. Appoint the Auditors](#)

KPMG proposed. Non-audit fees represented 0.46% of audit fees during the year under review and 2.55% 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 date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

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*

### [6. Elect Kristian Eikre - Non-Executive Director](#)

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: The director is co-Head of Ferd Capital, a division of Ferd A/S, a Norwegian Investment Company holding 25.96% of the company's issued share capital. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*8. Elect Peter George - Chair (Non Executive)*

Non-Executive Chair. Not considered independent as the director served in an executive capacity at the Company between 19 August 2019 until 31 July 2020. 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. Previously holding an executive position is incompatible with this and an oppose vote is therefore recommended.

*Vote Cast: Oppose*

*11. Elect Yngve Myhre - Non-Executive Director*

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

*Vote Cast: Abstain*

*12. Elect Atle Eide - Non-Executive Director*

Non-Executive Director. Not considered independent given his previous role as a director of Kverva AS, a significant shareholder with 19.27 % in the Company. There is insufficient independent representation on the Board.

*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*



## SIEMENS AG AGM - 10-02-2022

### *3.1. Discharge the Board Management Board Member Roland Busch For Fiscal Year 2020/21*

Standard proposal. The Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. In addition, the company was recently criticized for its decision not to pull out of the contract at the new Adani coal mine in Australia, rejecting calls to do so from climate campaigners. The company's CEO claimed that the company cannot pull out, due to its legally binding responsibility and stressed that Siemens AG was one of the first companies to have pledged to be carbon-neutral by 2030. However, the continuation of the contract with the Adani coal mine comes to opposition with the company's sustainability policy, and more specific with its Climate Change policy. Based on the raised concerns for the sustainability policy of the company and as there are no directors up for election at this meeting, who could be held accountable for the Company's sustainability programme, and the financial statements are not submitted to vote, opposition is recommended on the discharge.

Vote Cast: *Oppose*

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

### *3.2. Approve Discharge Of Management Board Member Klaus Helmrich (Until March 31, 2021) For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

### *3.3. Approve Discharge Of Management Board Member Joe Kaeser (Until Feb. 3, 2021) For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 99.4, Abstain: 0.0, Oppose/Withhold: 0.6,

### *3.4. Approve Discharge Of Management Board Member Cedrik Neike For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

### *3.5. Approve Discharge Of Management Board Member Matthias Rebellius For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

### *3.6. Approve Discharge Of Management Board Member Ralf Thomas For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.



Vote Cast: *Abstain*

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

*3.7. Approve Discharge Of Management Board Member Judith Wiese For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.1. Approve Discharge Of Supervisory Board Member Jim Snabe For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.2. Approve Discharge Of Supervisory Board Member Birgit Steinborn For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.3. Approve Discharge Of Supervisory Board Member Werner Brandt For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.4. Approve Discharge Of Supervisory Board Member Tobias Baeumler (From Oct. 16, 2020) For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.5. Approve Discharge Of Supervisory Board Member Michael Diekmann For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

#### 4.6. *Approve Discharge Of Supervisory Board Member Andrea Fehrmann For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

#### 4.7. *Approve Discharge Of Supervisory Board Member Bettina Haller For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

#### 4.8. *Approve Discharge Of Supervisory Board Member Harald Kern For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

#### 4.9. *Approve Discharge Of Supervisory Board Member Juergen Kerner For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

#### 4.10. *Approve Discharge Of Supervisory Board Member Nicola Leibinger-Kammueler (Until Feb. 3, 2021) For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

#### 4.11. *Approve Discharge Of Supervisory Board Member Benoit Potier For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

#### 4.12. *Approve Discharge Of Supervisory Board Member Hagen Reimer For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.13. Approve Discharge Of Supervisory Board Member Norbert Reithofer For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.14. Approve Discharge Of Supervisory Board Member Kasper Roersted For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.15. Approve Discharge Of Supervisory Board Member Nemat Shafik For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.16. Approve Discharge Of Supervisory Board Member Nathalie Von Siemens For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.17. Approve Discharge Of Supervisory Board Member Michael Sigmund For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.18. Approve Discharge Of Supervisory Board Member Dorothea Simon For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

*4.19. Approve Discharge Of Supervisory Board Member Grazia Vittadini (From Feb. 3, 2021) For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to

minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

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

#### *4.20. Approve Discharge Of Supervisory Board Member Werner Wenning (Until Feb. 3, 2021) For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

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

#### *4.21. Approve Discharge Of Supervisory Board Member Matthias Zachert For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

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

#### *4.22. Approve Discharge Of Supervisory Board Member Gunnar Zukunft For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

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

### *5. Appoint the Auditors*

EY proposed. Non-audit fees were not paid during the year under review and 0.14% of non-audit fees were paid on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

Results: For: 96.7, Abstain: 0.0, Oppose/Withhold: 3.3,

### *6. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

Results: For: 91.7, Abstain: 0.0, Oppose/Withhold: 8.3,

## GOOD ENERGY GROUP PLC EGM - 11-02-2022

### *1. Shareholder Resolution: Resignation of William Whitehorn*

This is a shareholder resolution proposed by Ecotricity, a direct competitor of Good Energy, which owns 25.1% of the Company's issued capital. Ecotricity seeks the approval of the resignation of William Whitehorn, Chair of the Board, as an independent director and member of the Board of the Company.

**Proponent Supporting Arguments:** Ecotricity stated that its action to propose the resignation of the Chair of the Board is motivated by the Company's poor performance, corporate governance, and related party transactions.

**Board Opposing arguments:** The Board has vehemently rejected the claims made by Ecotricity surrounding the company's performance, corporate governance, and related transactions issues. The Board believes that Will Whitehorn has extensive experience in technology and digital, including 20 years at Virgin Group and a current role as President of UKspace. The Board argues that: "His depth of knowledge is both highly relevant to Good Energy's strategy and is an important element of the balance of experience on the Board. Will's track record with the Company is a successful one. Since his appointment to the Board in 2018 Will has overseen revenue growth through 2019 and 2020, Good Energy's strategically important investment in Zap-Map and the appointment of a new CEO in April 2021 with the skills to lead our modern, digital-first strategy."

**Recommendation:** Ecotricity has expressed concerns over corporate governance issues in the Company. However, currently, 50% of the Board is considered independent (excluding the Chair), which is in line with best practice. It is considered that the resignation of the Chair of the Board is not the most suitable approach to resolve the supposed corporate governance concerns. The resignation of Mr. William Whitehorn will serve to reduce the level of independent representation on the board and will weak corporate governance structures in the Company. Based on these concerns, shareholders are advised to vote against this resolution.

*Vote Cast: Oppose*

### *2. Shareholder Resolution: Direct the board not to effect or undertake any disposal of any of the group's generation assets without shareholder approval*

This is a shareholder resolution proposed by Ecotricity, a direct competitor of Good Energy, which owns 25.1% of the Company's issued capital. Ecotricity seeks the approval of directing the board not to effect or undertake any disposal of any of the group's generation assets without shareholder approval.

**Proponent Supporting Arguments:** Ecotricity stated that its action to direct the board not to effect or undertake any disposal of any of the group's generation assets without shareholder approval, is motivated by the Company's poor performance, corporate governance, and related party transactions.

**Board Opposing arguments:** The Board has vehemently rejected the claims made by Ecotricity surrounding the company's performance, corporate governance, and related transactions issues. The Board believes that: " The sale of the Group's generation portfolio is a positive step forward for Good Energy, in line with our modern, digital-first strategy. Our decentralised model is different to that of an asset developer. We don't need or want to physically build, own and operate renewable assets when we can enable community energy schemes, small businesses and homeowners to do so for themselves. The sale of our generation portfolio will allow us to invest further in our clearly outlined strategy of decentralised, digitised clean energy and transport services. This includes: 1) The electric transport boom; and 2) Decentralized energy services. We have commenced an auction process run by KPMG for the sale of the generation portfolio. Bidding has been competitive and we are confident of securing an offer which represents good value for the Company, for its Shareholders and for the longer term strategy of the business."

**Recommendation:** Ecotricity has expressed concerns over corporate governance issues in the Company. However, currently, 50% of the Board is considered independent (excluding the Chair), which is in line with best practice. It is also noticed that there is a lack of evidence and disclosed arguments by Ecotricity in order to support this proposal. Based on these concerns, shareholders are advised to vote against this resolution.

*Vote Cast: Oppose*

## VICTREX PLC AGM - 11-02-2022

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain*

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

### 2. *Approve the Remuneration Report*

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. CEO salary is line with the workforce, it is noted that the CEO salary do not increased for the year under review, however, the workforce salary decreased for the same period by an average of -2.93%. However, upon engagement the company states that the employee average is based on global employees. The reason for the decreases year on year was predominantly due to a change in the distribution of the global workforce and the impact of exchange rate movements. The CEO's salary is in the median of a peer comparator group.

**Balance:**The changes in CEO total pay under the last five years are not considered in line with changes in TSR during the same period. The CEO has been paid an Annual Bonus for the Year Under Review which amounts to 139.9% of his base salary, which is considered acceptable. No LTIP award was vested during the year. Additionally, the ratio of the CEO pay compared to average employee is slightly above the recommended limit of 20:1 and stands at 21:1.

Rating: AC

Vote Cast: *Abstain*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

### 6. *Re-elect Jane Toogood - Non-Executive Director*

Independent Non-Executive Director. There are concerns over a potential conflict of interest between her role as an Executive in a listed company and membership of the remuneration committee. An abstain vote is recommended.

Vote Cast: *Abstain*

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

### 11. *Re-elect Jakob Sigurdsson - Chief Executive*

Chief Executive Officer, 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. Overall, an abstain vote is recommended.

Vote Cast: *Abstain*

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

### 14. *Approve Increase in Non-executives Fees*

It is proposed to approve the increase of the limit for the non-executive directors fees from GBP 600,000 to GBP 1,000,000. The limit was set on 2018 so the proposed increase is of 16.6% annually from the period 2018 to 2022. The proposed increase is higher than the recommended limit of 10% annually, therefore opposition is recommended.

Vote Cast: *Oppose*

Results: For: 90.7, Abstain: 0.0, Oppose/Withhold: 9.3,

#### 15. *Re-appoint PricewaterhouseCoopers LLP as auditors of the Company*

PwC proposed. Non-audit fees represented 8.68% of audit fees during the year under review and 9.08% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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*

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

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

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

Vote Cast: *Oppose*

Results: For: 83.6, Abstain: 0.0, Oppose/Withhold: 16.4,

#### 21. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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



## UNITED MALT GROUP LTD AGM - 11-02-2022

### *2. Approve the Remuneration Report*

In accordance with Section 250R of the Australian Corporations Act, the directors are seeking approval of the remuneration report. The Act does not require directors to act on approval of the resolution and the vote is advisory.

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

*Vote Cast: Oppose*

### *3. Elect Graham Bradley - Chair (Non Executive)*

Non Executive Chair. Although there are concerns over potential aggregate time commitments, Graham has attended all Board and committee meetings during the year under review. Not considered independent as the director is considered to be connected with a significant shareholder: Mr Bradley was chair of the board on GrainCorp until 2020, GrainCorp is a significant shareholder of the company.

*Vote Cast: Oppose*

### *4. Elect Terry Williamson - Non-Executive Director*

Non-Executive Director. Although there are concerns over potential aggregate time commitments, this Terry has attended all Board and committee meetings during the year under review. Not considered to be independent, as this director is considered to be in a material connection with the current auditor: PwC. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *5. Approve Equity Grant to Mark Palmquist*

The Boards is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the grant of 295,208 performance shares to the Chief Executive And Managing Director, Mark Palmquist, under the company's Long-term Incentive Plan. The proposed grant has an approximate value of AUD 1,236,921.52 which equates to 100% of the CE's fixed remuneration.

Although the potential award is not considered to be excessive, concerns over the plan are raised as awards are based on performance conditions which do not run interdependently.

LTIP based schemes are inherently flawed. LTIPs are not considered an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature.

*Vote Cast: Oppose*



## GCP INFRASTRUCTURE INVESTMENTS LTD AGM - 14-02-2022

### 11. *Appoint the Auditors*

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

Results: For: 93.3, Abstain: 0.0, Oppose/Withhold: 6.7,

### 14. *Authorise Share Repurchase*

Authority is sought to repurchase up to 14.99% of the issued share capital. The authority would expire at the next AGM. Before considering approval of buybacks (and this should come from the board, not the manager), we would like to see a public statement:

- addressing how much of the discount can be explained by capitalisation of the costs (the Total Expense Ratio),
- setting out why the board believes that the performance of the incumbent management is not a contributory factor to the discount, and
- setting out how the current fee structure might be contributing to the discount, for example some investment companies cap management fees, or reduce the manager fee the larger the fund gets,
- setting out the effect of prior year buybacks to help determine the effectiveness of prior buybacks.

Vote Cast: *Oppose*

Results: For: 93.3, Abstain: 0.0, Oppose/Withhold: 6.7,

## GRAINCORP LTD AGM - 17-02-2022

### 2. *Approve the Remuneration Report*

Overall disclosure is good. The policy statement is clear and concise. The total remuneration comprises both a fixed and variable component. The variable remuneration consists of Short-Term Incentives (STI) and Long-Term Incentives (LTI). The total variable remuneration realised by the CEO in the year under review equates to 49.45% of his base salary and is considered within acceptable limits. Half of the bonus is deferred into shares for a twelve-month period for the CEO. The LTI awards are based

on two performance measures: Return on Equity and Relative Total Shareholder Return. Performance conditions do not run interdependently and do not include a non-financial performance element, contrary to best practice. LTIs are awarded based on a three-year performance period without further holding period, which is not considered sufficiently long term. The notice period for the CEO is six months and for other executives is three to six months. The Company has clawback provision in place. However, there are concerns as recoup of compensation is determined by the committees discretion which is not considered best practice. Based on the above concerns, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *4. Approve FY 22 Long Term Incentive Grant of Performance Rights to the MD and CEO.*

The Board is seeking shareholder approval for the purposes of ASX Listing Rule 10.14 for the grant of 164,786 performance shares to the Chief Executive And Managing Director, under the company's Long-term Incentive Plan. The proposed grant has an approximate value of AUD 1,050,000, which would correspond to more than 200% of the fixed salary, together with other components of the variable remuneration, which is considered to be excessive.

LTIP based schemes are inherently flawed. LTIPs are not considered an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature.

*Vote Cast: Oppose*

### **VIRGIN MONEY UK PLC AGM - 17-02-2022**

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

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

*Vote Cast: Abstain*

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

#### *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 workforce, since for the year under review there was no increase in the salary for the CEO and the workforce salary increased by 3%. Also, the CEO salary is in the median of a peer comparator group

**Balance:**The balance of CEO realized pay with financial performance is not acceptable as the change in CEO total pay over five years is not in line with the change in TSR over the same period. Total variable pay for the year under review is not excessive since it amounts at 147.92% of the salary (Annual Bonus: 13.72% & LTIP: 134.2%). The ratio of CEO pay compared with average employee pay is not acceptable, standing at 36:1. It is considered that a ratio of 20:1 is acceptable.

Rating: BC

*Vote Cast: Abstain*

**Results: For: 89.1, Abstain: 1.9, Oppose/Withhold: 9.0,**

#### *5. Re-elect David Bennett - Chair (Non Executive)*

Non-Executive Chair of the Board. As the company's sustainability director is not up for election, the Chair of the Board is considered accountable for the Company's

Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

*Vote Cast: Abstain*

*Results: For: 99.7, Abstain: 0.1, Oppose/Withhold: 0.2,*

### *13. Re-appoint Ernst & Young LLP as auditors of the Company*

EY proposed. Non-audit fees represented 1.84% of audit fees during the year under review and 2.45% 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*

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

### *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*

*Results: For: 94.0, Abstain: 0.1, Oppose/Withhold: 5.9,*

### *18. Authority to allot equity securities in connection with AT1 Securities*

Approval is sought for the directors to allot shares in the Company, or grant rights to subscribe for, or convert securities into shares. Up to an aggregate nominal amount of GBP 37,900,000 (representing 379,000,000 ordinary shares of GBP 10 pence each) in connection with the issue of further additional Tier 1 Securities where the directors consider these necessary or desirable for maintaining compliance with regulatory requirements. The authority expires (unless previously renewed, varied or revoked by the Company in general meeting) at the next AGM. The use of Contingent Convertible Securities (CCS) is not considered appropriate as they put investors at significant risk of dilution in the event that conversion occurs. CCSs are relatively new instruments and there are concerns that CCSs may create a situation which

whilst converting some debt to equity actually disincentives equity investors from putting more new funds into banks via rights issues, due to the dilutive effect of the conversion taking away much, or some, of the premium that would ordinarily accrue to shareholders. Previous events at Deutsche Bank has led to others voicing their concerns about the destabilising effect of CCSs on both the CCS price and the share price. Based on these concerns, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

#### 19. *Disapplication of pre-emption rights in connection with AT1 Securities*

Authority is sought to disapply the pre-emption rights in connection with AT1 Securities convertible securities. In line with our concerns on resolution 18, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.1, Oppose/Withhold: 1.4,

#### 20. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.1, Oppose/Withhold: 1.2,

#### 21. *Approve Contingent Purchase Contract ('CP Contract')*

The Company is not able to purchase CDIs directly on the Australian Securities Exchange and so the authority sought at resolution 22 cannot be used for market purchase of CDIs. In order to purchase CDIs, the Company would need to make off-market purchases in accordance with section 694 of the Act. This authority will allow the Company to make off-market purchases of ordinary shares implemented by entering into the Contingent Purchase (CP) Contract with Citigroup Global Markets Australia Pty Limited ('Citi'). The maximum number of Converted Shares which can be purchased, taken together with any ordinary shares purchased by the Company pursuant to resolution 20, would be capped 10% of the issued share capital of the Company. The Directors have no present intention of exercising the authority to make off-market purchases. However the authority provides the flexibility to allow them to do so in the future. Converted Shares purchased under this authority may be held in treasury or they may be cancelled. The Directors will consider holding any Converted Shares the Company may purchase as treasury shares. In line with the vote recommendation on resolution 20, an oppose vote is recommended.

Vote Cast: *Oppose*

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

### **CDON AB EGM - 22-02-2022**

#### 7. *Approve New Executive Share Option Scheme/Plan*

The Board proposes the approval of a new incentive plan. Under the plan, the CEO and other executives will be awarded options or rights to receive shares, which will start vesting after three years from the date of award. At this time, it seems that this plan will not be based on any performance criteria but only on the beneficiaries continued employment. As a result, they may receive bonuses unrelated to their performance or even the performance of the Company as a whole, which is considered a serious frustration of shareholder accountability.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful

- dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

Vote Cast: *Oppose*

### **MONTANARO EUROPEAN SMALLER COMPANIES TRUST PLC EGM - 22-02-2022**

#### *3. Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 93.1, Abstain: 0.3, Oppose/Withhold: 6.6,

### **RWS HOLDINGS PLC AGM - 23-02-2022**

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

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. The CEO did not receive any variable remuneration during the year. The Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration can be calculated, which is considered inappropriate. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, on balance an oppose vote is recommended.

Vote Cast: *Oppose*

#### *4. Elect Andrew Brode - 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 and a vote to Oppose is recommended.

Vote Cast: *Oppose*

#### *11. Appoint the Auditors*

EY proposed as new auditor in replacement of PwC . 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. 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*

### **EDISTON PROPERTY INVESTMENT COMPANY AGM - 24-02-2022**

#### *3. Re-appoint the Auditors: Grant Thornton UK LLP*

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

*Vote Cast: Abstain*

*Results: For: 98.1, Abstain: 1.9, Oppose/Withhold: 0.0,*

#### *12. Authorise Share Repurchase*

Authority is sought to repurchase up to 14.99% of the issued share capital. The authority would expire at the next AGM. Before considering approval of buybacks (and this should come from the board, not the manager), we would like to see a public statement:

- addressing how much of the discount can be explained by capitalisation of the costs (the Total Expense Ratio),

- setting out why the board believes that the performance of the incumbent management is not a contributory factor to the discount, and
- setting out how the current fee structure might be contributing to the discount, for example some investment companies cap management fees, or reduce the manager fee the larger the fund gets,
- setting out the effect of prior year buybacks to help determine the effectiveness of prior buybacks.

Vote Cast: *Oppose*

Results: For: 99.9, Abstain: 0.0, Oppose/Withhold: 0.1,

## SIEMENS ENERGY AG AGM - 24-02-2022

### 3.1. *Approve Discharge Of Management Board Member Christian Bruch For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

### 6. *Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration policy. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 97.3, Abstain: 0.0, Oppose/Withhold: 2.7,

### 4.1. *Approve Discharge Of Supervisory Board Member Joe Kaeser For Fiscal Year 2020/21*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

## ON THE BEACH GROUP PLC AGM - 25-02-2022

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain*

Results: For: 98.9, Abstain: 1.1, Oppose/Withhold: 0.0,



## 2. Approve Remuneration Policy

**Policy Rating: BDB** Changes Proposed: i) Formalises the existing level of pension provision in line with the wider workforce following the appointment of Mr. Shaun Morton as CFO, ii) The annual bonus will be based on a scorecard of financial and non-financial performance targets which are aligned to the business strategy. At least half of the bonus will be based on financial performance, iii) LTIP award, introduction of an exceptional maximum opportunity of 300% of base salary and iv) Shareholding requirement, from FY22, Executive Directors will be required to retain 100% of their shareholding requirement (i.e. 200% of base salary) for two years post-cessation (or full actual holding if lower).

Total variable pay is at 300% of the salary and in exceptional circumstances could reach 400% which is considered excessive. 50% of the Annual Bonus is deferred to shares for a two-year period which is in line with best practices. Long-Term Incentive Awards performance period is three years which is not considered sufficiently long-term, however, a two year holding period applies which is welcomed. 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: *Oppose*

Results: For: 98.0, Abstain: 0.0, Oppose/Withhold: 2.0,

## 5. Re-elect Simon Cooper - Chief Executive

Chief Executive. As Mr. Cooper is the Head of the ESG steering group, he is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

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

## 10. Re-appoint Ernst & Young LLP as auditor to the Company

EY 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*

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



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

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

Vote Cast: *Oppose*

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

#### 16. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 98.9, Abstain: 0.0, Oppose/Withhold: 1.1,

### **MILLICOM INTL CELLULAR SA EGM - 28-02-2022**

#### 2. *Approve Authority to Increase Authorised Share Capital*

Authority is sought to increase the authorised share capital of the Company up to USD 300,000,000 divided into USD 200,000,000 shares with a par value of USD 1.50. 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*

### **KONE CORP AGM - 01-03-2022**

#### 7. *Approve Financial Statements*

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

Vote Cast: *Abstain*

#### 9. *Discharge the Board*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

#### *10. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

#### *17. 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*

### **RIVER AND MERCANTILE UK MICRO CAP INV COMPANY LTD AGM - 02-03-2022**

#### *6. Re-Elect Mark Hodgson - Non-Executive Director*

Non-Executive Director. It is noted that this director has significant links to the investment advisor and therefore cannot be supported on the Board. There are concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. An oppose vote is recommended.

*Vote Cast: Oppose*

#### *7. Appoint the Auditors*

PwC proposed. Non-audit fees represented 37.81% of audit fees during the year under review and 25.77% on a three-year aggregate basis. This level of non-audit fees raises some 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*

#### *9. Authorise Share Repurchase*

Authority is sought to repurchase up to 14.99% of the issued share capital. The authority would expire at the next AGM. Before considering approval of buybacks (and this should come from the board, not the manager), we would like to see a public statement:

- addressing how much of the discount can be explained by capitalisation of the costs (the Total Expense Ratio),
- setting out why the board believes that the performance of the incumbent management is not a contributory factor to the discount, and
- setting out how the current fee structure might be contributing to the discount, for example some investment companies cap management fees, or reduce the manager fee the larger the fund gets,
- setting out the effect of prior year buybacks to help determine the effectiveness of prior buybacks.

*Vote Cast: Oppose*

### **PETRO MATAD LTD AGM - 03-03-2022**

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

Disclosure is adequate and the annual report was made available sufficiently before the meeting. The financial statements (excluding the remuneration report) have been audited and unqualified. Although not required to do so under AIM listing regulations, it is considered best practice for the Remuneration report to be submitted to a shareholder vote. As the Company has failed to do this, an oppose vote is recommended.

*Vote Cast: Oppose*

#### *2. Appoint the Auditors*

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

*Vote Cast: Abstain*

#### *5. Amend Articles 6.4 and 6.5 of the company's Articles of Association*

The Board proposes to amend the Articles. The amendment will allow the Directors the power to issue ordinary shares without pre-emptive rights, up to an aggregate nominal amount of USD 1,877,843.49, which represents approximately 11.3% of the company's share capital (as of 31 December 2020). It is considered that the proposed amendments may have an adverse effect on shareholder rights, as it will grant the directors the ability to issue non-premptive shares without shareholder

approval. In addition, this represents a significant proportion of the overall share capital and thus it will dilute shareholders' rights. Therefore, it is recommended to oppose.

*Vote Cast: Oppose*

#### *7. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

### **ABERFORTH SMALLER COMPANIES TRUST PLC AGM - 03-03-2022**

#### *5. Re-elect Julia Le Blan - Non-Executive Director*

Non-Executive Director. The director is not considered independent, as this director is considered to be in a material connection with the current auditor. It is noted the director stepped down from Deloitte in 2009 and was appointed to the board of the company in 2014 while Deloitte was appointed by the board of the company in 2013. It is worthy to note that the recommended seven year cool-off period has not elapsed in this case. She is also the chair of the audit committee which should comprise wholly of independent directors. Based on these concerns, an oppose vote is recommended

*Vote Cast: Oppose*

*Results: For: 95.5, Abstain: 0.0, Oppose/Withhold: 4.4,*

#### *10. Authorise Share Repurchase*

Authority is sought to repurchase up to 14.99% of the issued share capital. The authority would expire at the next AGM. Before considering approval of buybacks (and this should come from the board, not the manager), we would like to see a public statement:

- addressing how much of the discount can be explained by capitalisation of the costs (the Total Expense Ratio),
- setting out why the board believes that the performance of the incumbent management is not a contributory factor to the discount, and
- setting out how the current fee structure might be contributing to the discount, for example some investment companies cap management fees, or reduce the manager fee the larger the fund gets,
- setting out the effect of prior year buybacks to help determine the effectiveness of prior buybacks.

*Vote Cast: Oppose*

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

### **WARTSILA OYJ ABP AGM - 03-03-2022**

#### *10. Approve Remuneration Policy*

It is proposed to approve the remuneration policy. STI is 100% and LTI is three times at maximum, at the amount equalling three times the annual fixed pay at grant, which means 300%. Not sufficiently capped. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed.

However, the Company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Oppose*

#### *16. Appoint the Auditors*

PwC proposed. Non-audit fees were not paid during the year under review and 4.80% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

#### *17. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 9.63 % 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*

#### *18. Issue Shares for Cash*

Authority to issue shares without pre-emptive rights is proposed for less than 9.63% of the current share capital. However; the duration of the authority exceeds 12 months. It is considered that shareholders should have the occasion to vote on such resolutions annually.

*Vote Cast: Oppose*

### **APPLE INC AGM - 04-03-2022**

#### *1b.. Elect Tim Cook - Chief Executive*

Chief Executive. This director is considered to be accountable, at board level, for issues where the company has been involved during the year, namely: the settlements regarding the alleged slowing of older iPhone models, and the alleged 'bullying' of smaller competitors, alleged discriminatory practices against resellers, alleged patent infringement and anti-competitive behavior. The company has failed to discuss these issues adequately with shareholders and to disclose a road map for preventing further failures within sanctions regulations. On this basis, an oppose vote is recommended.

*Vote Cast: Oppose*

*Results: For: 98.0, Abstain: 0.2, Oppose/Withhold: 1.8,*

#### *1c.. Elect Al Gore - Non-Executive Director*

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

*Vote Cast: Oppose*

*Results: For: 91.4, Abstain: 0.4, Oppose/Withhold: 8.2,*

#### 1e.. *Elect Andrea Jung - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 88.9, Abstain: 0.4, Oppose/Withhold: 10.6,

#### 1f.. *Elect Art Levinson - Chair (Non Executive)*

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

Vote Cast: *Oppose*

Results: For: 92.5, Abstain: 0.4, Oppose/Withhold: 7.2,

#### 1h.. *Elect Ron Sugar - Non-Executive Director*

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

Vote Cast: *Oppose*

Results: For: 88.8, Abstain: 0.4, Oppose/Withhold: 10.8,

#### 1i.. *Elect Sue Wagner - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Susan L. Wagner serves on the board of BlackRock, which owns 6.47% of the Company's outstanding share capital. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 96.3, Abstain: 0.4, Oppose/Withhold: 3.2,

#### 2. *Appoint the Auditors*

EY proposed. Non-audit fees represented 18.54% of audit fees during the year under review and 17.14% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 98.5, Abstain: 0.3, Oppose/Withhold: 1.1,

#### 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADB. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 64.0, Abstain: 0.6, Oppose/Withhold: 35.4,

## CATCO REINSURANCE OPPORTUNITIES EGM - 04-03-2022

### 1. *Approve Scheme of Arrangement*

The board seeks to approve the Scheme of Arrangement between Private Fund and the Private Fund Scheme Creditors. The Private Fund will initiate distributions to all Private Fund Scheme Creditors with interests in Shares issued by the Retro Funds. These Scheme Creditors will receive an accelerated cash distribution of 100% of the Closing NAV of their investments in each SP plus their proportion of the Additional Consideration.

**Introduction:** The board states that since mid-2019, the Markel CATCo Business, including the Private Fund and the Public Fund have been in run-off and focused on returning capital to investors. The decision to run-off the Markel CATCo Business culminates from a few factors, including the severe losses that the insurance industry suffered as a whole in 2017 and 2018 as a result of the occurrence of a large number of catastrophic events, namely, multiple hurricanes and several wildfires in four different geographic regions. Catastrophic risk insured losses for 2017 rank as the highest annual losses since records commenced about a century ago, and 2018 losses rank as the fourth-highest annual losses. Accordingly, investors in the Markel CATCo Business suffered material losses on their investments.

In early 2021 the Manager settled a claim brought by an investor against Mr Anthony Belisle, the founder and former CEO of the CATCo Group. The claim sought compensation for alleged losses suffered as a result of the investor's investment in the Retro Funds in 2018. Pursuant to an indemnity provided by the Manager to Mr Belisle, he demanded that the Manager meet his costs of defending this litigation and the amount of any judgment. The Private Fund, the Public Fund and the Reinsurer have provided indemnities to the Manager, so all CATCo Group entities would be liable for these costs and therefore the Manager found it prudent to settle the claim. The CATCo Group Companies deny liability with respect to any of the Investor Claims, would intend to defend any asserted Investor Claims and do not believe any such claims would succeed.

Markel Corporation has offered a solution to the uncertainty around Investor Claims by making the Buy-Out Transaction available to the Scheme Companies and their Scheme Creditors. Pursuant to the Buy-Out Transaction, affiliates of Markel Corporation will provide funding to allow for the accelerated return of all current capital in the Retro Funds and the Aquilo Fund, less costs, plus an additional cash payment to pay all transaction costs and provide an extra cash recovery to Scheme Creditors. Markel Corporation will also pay an Early Consent Fee, a Work Fee and legal fees to certain Scheme Creditors. All Scheme Creditors will also retain the right to receive any upside should fund assets exceed ultimate cedant claims. Markel Corporation will make this funding available in exchange for the Scheme Creditors granting releases of any and all claims of whatever nature against the CATCo Group, Markel Corporation and each of their related parties arising out of the CATCo Group companies' businesses and/or the Scheme Creditors' interests in the Shares. The Releases are essential to allowing future distributions as they will provide certainty that the Scheme Creditors would be unable to pursue Investor Claims.

The Purchaser will acquire the Acquired Shares in exchange for the Buy-Out Amounts. The Purchaser will finance the Buy-Out Amounts through the Loans lent by the Funding Cos, which will be co-borrowed by the Reinsurer. In addition, the Loans will be mandatorily repayable to the Funding Cos upon proceeds becoming available for distribution by the Reinsurer attributable to particular side pockets, up to the portion of the Buy-Out Amounts attributable to such side-pocket.

If the Schemes are approved by Scheme Creditors and sanctioned by the Court, all Scheme Creditors will be bound by the Releases. This will resolve any question of the solvency of the Scheme Companies, enabling the CATCo Group to make the distributions to Scheme Creditors contemplated by the Restructuring, and thereafter to continue to run-off the remaining Fund assets in the ordinary course and return capital as contemplated under the terms of the Buy-Out Transaction.

Such proposals are considered on the basis of whether they are deemed fair, whether they have been adequately explained, and whether there is sufficient independent oversight of the recommended proposal. The circular contains sufficient details of the transaction, but there is insufficient independence on the Board. This is considered to be a potential risk for the decision not to be taken with appropriate independence and objectivity. Abstention is recommended.

*Vote Cast: Abstain*

## CARETECH HOLDINGS AGM - 08-03-2022

### *7. Appoint the Auditors*

Grant Thornton UK LLP proposed. No Non-audit fees were paid for the year under review and non-audit fees represents 159.51% of Audit fees on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Overall an oppose vote is recommended.

Vote Cast: *Oppose*

### *11. 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*

### *12. 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*

## THE WALT DISNEY COMPANY AGM - 09-03-2022

### *1a. Elect Susan E. Arnold - Senior Independent Director*

Chair of the Governance and Nominating Committee. As the Chair of the Governance and Nominating Committee is considered to be accountable for the Company's sustainability programme, and given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

Results: For: 96.3, Abstain: 0.5, Oppose/Withhold: 3.2,

### *1k. Elect Derica W. Rice - Non-Executive Director*

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

Vote Cast: *Abstain*

Results: For: 97.4, Abstain: 0.4, Oppose/Withhold: 2.2,



## 2. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 10.49% of audit fees during the year under review and 12.30% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

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

## 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADD. Based on this rating, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 84.6, Abstain: 0.6, Oppose/Withhold: 14.8,

## 8. *Shareholder proposal, if properly presented at the meeting, requesting a workplace non-discrimination audit and report.*

**Proponent's argument:** National Center for Public Policy Research request that the Board of Directors commission a workplace non-discrimination audit analyzing Disney's impacts, including the impacts arising from Disney-sponsored or -promoted employee training, on civil rights and non-discrimination in the workplace, and the impacts of those issues on Disney's business. A report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on Disney's website. "Concern stretches across the ideological spectrum. Some have pressured companies to adopt "anti-racism" programs that seek to establish "racial equity," which appears to mean the distribution of pay and authority on the basis of race, sex, orientation and ethnic categories rather than on the basis of merit.<sup>1</sup> The adoption of such programs, though, demonstrates that these "anti-racist" programs are themselves deeply racist and otherwise discriminatory.<sup>2</sup> Many companies have been found to be sponsoring and promoting overtly and implicitly discriminatory employee-training programs, including Bank of America, American Express, Verizon, Pfizer, CVS, and many others.<sup>3</sup> Disney has been similarly engaged, raising widespread concern that the Company discriminates on the basis of race and other metrics. In Disney-branded and -sponsored employee-training materials, the word "white," designating the white race, remains in lowercase, while "black," designating the black race, is capitalized. White employees are told, "[d]o not question or debate Black colleagues' lived experience."<sup>4</sup> They are not, meanwhile, encouraged to share their own indisputable lived experiences, but only to "[a]cknowledge and listen with empathy."<sup>5</sup> The programming explicitly declares that at Disney "It's Equity, not Equality." Inequal treatment is discrimination. This discriminatory instruction and treatment is not limited to a single employee-training program, but has become endemic throughout Disney.<sup>6</sup> This places our Company at significant reputational, legal and financial risk. Under the United States Constitution and laws, discrimination by race, sex and other categories is forbidden regardless of which groups are discriminated against. And a company that actively discriminates against the viewpoints of vast swathes of the American population creates needless reputational, financial, statutory and regulatory risks as well. Thoughtful study and deep remediation are required."

**Company's response:** The board recommends a vote against this proposal. "The proponent mischaracterizes the Company's commitment to diversity, equity and inclusion and the means by which it seeks to achieve those ends. This proposal also does not specifically call for enhanced disclosures or practices to improve the workplace for females or underrepresented minorities. Contrary to the proponent's thesis, the Company is fully committed to providing a work environment in which everyone is afforded the dignity and respect that they deserve. The Company does not allow any form of harassment or discrimination on the basis of race, religion, color, sex, sexual orientation, gender identification, national origin, age, marital status, covered veteran status, disability, pregnancy or any other basis prohibited by applicable law. In parallel, the Company embraces and seeks to foster a diverse and inclusive workforce. The Company and its shareholders benefit from nurturing the talents of every employee and the unique perspectives they can offer in the development of our creative output, products and services. To that end, we: • Seek to attract and develop a workforce that reflects the guests and customers, business partners, shareholders, labor markets and communities in which we do business;

- Offer opportunities for professional development and advancement, in a manner consistent with individual abilities; and
- Maintain a workplace that offers open opportunities to all, recognizing individuals for their experience, performance, training, work history and potential."

**PIRC analysis:** The potential benefits of staff diversity lie in widening the perspectives on human resources brought to bear on decision-making, avoiding too great a similarity of attitude and helping companies understand their workforces as a kaleidoscope of customers, marketplace, supply chain and society as a whole. Disclosure surrounding the company's staff composition allows shareholders to consider diversity in the context of the long-term interests of the company, including the ability to attract and retain key talent. Disclosure of a policy to improve diversity and goals that have been set to meet this policy also reassures shareholders that a diverse board is not just an aspiration but a goal. However, this resolution appears to be filed by a right-wing policy think tanks as a spoiler resolution to prevent other shareholders from filing resolutions regarding the company's diversity and focuses on ideological diversity with the clear intent to ensure that conservative views are represented on the board as well as so-called liberal perspectives. Given the diversity that already exists on company's staff, a vote against the resolution is recommended.

Vote Cast: *Oppose*

Results: For: 2.6, Abstain: 1.6, Oppose/Withhold: 95.8,

## QUALCOMM INCORPORATED AGM - 09-03-2022

### 1g. *Elect Mark D. McLaughlin - Chair (Non Executive)*

Non-Executive Chair of the Board. As none of the members of the Sustainability Committee is up for election, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

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

### 2. *Appoint the Auditors*

PwC proposed. Non-audit fees represented 4.91% of audit fees during the year under review and 3.21% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 94.7, Abstain: 0.2, Oppose/Withhold: 5.1,

### 3. *Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: BCA. Based on this rating, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 94.6, Abstain: 0.4, Oppose/Withhold: 5.0,

## **BANCO BRADESCO EGM - 10-03-2022**

### *6. Add Article 29*

The board seeks to approve amendment to Articles of Association, adding article 29. It aims to establish the possibility of signing indemnity agreements in favour of Directors, Members of Supervisory Bodies and Technical Committees, Representatives and Employees of the Company and/or companies belonging to the Bradesco Organization, whose establishment of rules, procedures, conditions and limitations of the contracts shall be the responsibility of the Board of Directors. It is proposed to extend the insurance cover to the members of the governing bodies of all Group companies. The insurance policy covers the civil liability (and related legal and advisory expenses) of the members of the governing bodies of all Group companies versus third parties, deriving from non-fraudulent conduct in breach of the obligations deriving from the law or intrinsic to their duties. In addition, the insurance does not explicitly exclude that it would cover also liabilities arising from fraudulent conduct, and fines handed down by the supervisory authorities. On this basis, shareholders would pay wilful violations and fraudulent conduct led by directors and executives. Opposition is thus recommended.

*Vote Cast: Oppose*

## **EL PUERTO DE LIVERPOOL SA AGM - 10-03-2022**

### *III. Approve Financial Statements and Allocation of Income*

The Board seeks shareholders' approval for the consolidated and individual financial statements for the year under review. Disclosure is adequate. The financial statements have been audited and the auditors have not qualified their opinion. The reports have been made available to shareholders sufficiently prior to the date of the general meeting. However, the Board has not made the dividend proposal available sufficiently before the meeting. It would be welcomed that the Company submitted the approval of the financial statements and the allocation of income individually, under two separate resolutions. Due to the lack of disclosure concerning the dividend, abstention is recommended.

*Vote Cast: Abstain*

### *IV. Approve Remuneration of Directors and members of the Patrimonial Council for the financial year 2022*

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

*Vote Cast: Abstain*

### *V. Elect Board: Slate Election*

Proposal to renew the Board with a bundled election. Although slate elections are not considered to be best practice, they are common in this market. There is insufficient independent representation on the Board after the meeting as resulting from this slate of candidates.

*Vote Cast: Oppose*

#### *VI. Elect Management Board*

Bundled proposal to elect directors and approve their compensation. At this time, neither candidates nor their proposed compensation have been disclosed. Although it is common practice in this market, it is considered that shareholders should be given sufficient information prior to the meeting and should not support director elections where insufficient information has been released. Abstention is recommended.

*Vote Cast: Abstain*

#### *VII. Authorise Share Repurchase*

The proposal was not made available in sufficient time prior to the meeting. On this basis, abstention is recommended.

*Vote Cast: Abstain*

### **APPLIED MATERIALS INC AGM - 10-03-2022**

#### *1b. Elect Judy Bruner - Non-Executive Director*

Independent Non-Executive Director, Chair of the Governance and Nominating Committee and Chair of the Audit Committee. The level of non-audit fees break-down is not considered to be sufficient, as the Company has not clearly disclosed the nature of non-audit fees. This is considered to be a frustration of shareholder accountability. In addition, as the Chair of the Governance and Nominating Committee is considered to be accountable for the Company's sustainability programme, and given the concerns over the Company's sustainability policies and practice, an oppose vote is recommended.

*Vote Cast: Oppose*

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

#### *2. Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: DDB. Based on this rating, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 83.1, Abstain: 0.3, Oppose/Withhold: 16.6,*

#### *3. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 1.62% of audit fees during the year under review and 3.23% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

*Results: For: 98.4, Abstain: 0.1, Oppose/Withhold: 1.5,*

## PANDORA AS AGM - 10-03-2022

### *3. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration policy. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 93.9, Abstain: 0.0, Oppose/Withhold: 6.1,

### *6.1. Re-Elect Peter A. Ruzicka - Chair (Non Executive)*

Independent Non-Executive Director. There are concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. Additionally, as there is no Sustainability Committee up for election, the Chair of the Board is considered accountable for the Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

Vote Cast: *Abstain*

### *6.2. Re-Elect Christian Frigast - Vice Chair (Non Executive)*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board. However, there are concerns over the director's potential aggregate time commitments and the director could not prove full attendance of board and committee meetings during the year.

Vote Cast: *Abstain*

### *6.3. Re-Elect Heine Dalsgaard - Non-Executive Director*

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

Vote Cast: *Abstain*

### *6.5. Re-Elect Marianne Kirkegaard - Non-Executive Director*

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

Vote Cast: *Abstain*

### *7. Appoint the Auditors*

EY proposed. Non-audit fees were not paid during the year under review and 3.13% on a three-year aggregate basis. This level of non-audit fees does not raise

serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

Results: For: 98.1, Abstain: 1.9, Oppose/Withhold: 0.0,

#### 8. *Discharge the Board Board and Executive Management*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 99.1, Abstain: 0.6, Oppose/Withhold: 0.3,

#### 9.2. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

### MAPFRE SA AGM - 11-03-2022

#### 2.1. *Elect Antonio Huertas Mejias - Chair & Chief Executive*

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

Vote Cast: *Oppose*

#### 2.2. *Elect Catalina Minarro Brugarolas - Senior Independent Director*

Senior Independent Director. Not considered independent as owing to a tenure over nine years. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. An Oppose/Withhold vote is recommended.

Vote Cast: *Oppose*

#### 5.1. *Approve Remuneration Policy*

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

Vote Cast: *Abstain*

### *5.2. Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive Directors with an advisory vote. The Company discloses all elements of remuneration for Executives and Non-Executives. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

## **NAVER CORP AGM - 14-03-2022**

### *1. Approve Financial Statements*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

### *3.2. Elect Noh Hyeok-jun - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *4.2. Elect Audit Committee: Elect Noh Hyeok-jun*

Non-Executive Director, member of the audit committee. Not considered to be independent. In terms of best practice, it is considered that the audit committee should only comprise independent members. An oppose vote is recommended.

*Vote Cast: Oppose*

### *5. Approve Total Remuneration of Inside Directors and Outside Directors*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

## CARLSBERG AS AGM - 14-03-2022

### *2. Discharge the Board*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

### *4. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration policy. There are concerns regarding excess as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. Furthermore, there are claw back clauses in place, however, it is not clear that LTIP awards can be clawed-back after being paid out which is against best practices. Opposition is recommended.

*Vote Cast: Oppose*

### *5c. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 10% until 13 March 2027. 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*

### *6b. Elect Carl Bache - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Carlsberg Foundation. There is insufficient independent representation on the Board. As opposition is not a valid vote option for this resolution, abstention is recommended.

*Vote Cast: Abstain*

### *6f. Elect Soren-Peter Fuchs Olesen - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Carlsberg Foundation. There is insufficient independent representation on the Board. As opposition is not a valid vote option for this resolution, abstention is recommended.

*Vote Cast: Abstain*

### *6g. Elect Majken Schultz - Non-Executive Director*

Non-Executive Director, Vice Chair. Not considered independent as the director is considered to be connected with a significant shareholder: Carlsberg Foundation. There is insufficient independent representation on the Board. As opposition is not a valid vote option for this resolution, abstention is recommended.



*Vote Cast: Abstain*

*6i. Elect Mikael Aro - Non-Executive Director*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as head of the Northern Europe region from 2007 to 2009. There is insufficient independent representation on the Board. As opposition is not a valid vote option for this resolution, abstention is recommended.

*Vote Cast: Abstain*

*7. Appoint the Auditors*

PwC proposed. Non-audit fees represented 17.39% of audit fees during the year under review and 26.56% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor.

*Vote Cast: Abstain*

*6e. Elect Richard Burrows - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. As opposition is not a valid vote option for this resolution, abstention is recommended.

*Vote Cast: Abstain*

**NATURGY ENERGY GROUP SA AGM - 15-03-2022**

*6. 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*

Results: For: 90.9, Abstain: 4.6, Oppose/Withhold: 4.5,

*7. Approve Share Appreciation Rights Plan*

The Board proposes the approval of the Share Appreciation Rights Plan. Under the plan, the CEO and other executives will be awarded options or rights to receive shares, which will start vesting after three years from the date of award. At this time, it seems that this plan will not be based on any performance criteria but only on the beneficiaries continued employment. As a result, they may receive bonuses unrelated to their performance or even the performance of the Company as a whole, which is considered a serious frustration of shareholder accountability.

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

Vote Cast: *Oppose*

Results: For: 61.1, Abstain: 34.5, Oppose/Withhold: 4.4,

#### 8. *Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive Directors with an advisory vote. The Company discloses all elements of remuneration for Executives and Non-Executives. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 90.9, Abstain: 4.9, Oppose/Withhold: 4.2,

#### 9.1. *Elect Enrique Alcantara Garcia-Irazoqui - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Proprietary Director by Criteria Caixa, S.A.U. Additionally, not considered independent owing to a tenure of over nine years as the director was previously member of this Board from 1991 to 2020. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 91.2, Abstain: 4.6, Oppose/Withhold: 4.2,

#### 9.2. *Elect Jaime Siles Fernandez-Palacios - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Proprietary Director of Global InfraCo O, S.à.r.l. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 92.5, Abstain: 4.6, Oppose/Withhold: 2.8,

#### 9.3. *Elect Ramon Adell Ramon - Senior Independent Director*

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

Vote Cast: *Oppose*

Results: For: 91.2, Abstain: 4.6, Oppose/Withhold: 4.2,

#### 14. *Approve Authority to Increase Authorised Share Capital*

Authority is sought to increase the authorised share capital of the Company up to 50% via issuance of equity or equity-linked securities. The increase without pre-emptive rights is more than 10% of the share capital, up to 20%. This is not in line with recommended limits. Abstention is recommended.

Vote Cast: *Abstain*

Results: For: 93.2, Abstain: 4.7, Oppose/Withhold: 2.2,

## STORA ENSO OYJ AGM - 15-03-2022

### 10. *Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration policy. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On this basis, opposition is recommended

Vote Cast: *Oppose*

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

## STARBUCKS CORPORATION AGM - 16-03-2022

### 1c. *Elect Mary N. Dillon - Non-Executive Director*

Non-Executive Director and Chair of the Remuneration Committee. It is considered that the Chair of the remuneration committee is responsible for the company's remuneration policy, and owing to concerns with the company's remuneration policy, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 94.4, Abstain: 0.2, Oppose/Withhold: 5.4,

### 1e. *Elect Mellody Hobson - Chair (Non Executive)*

Independent Non-Executive Director. There are concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. In addition, Ms Hobson is not considered independent as Chair of the Board upon appointment, owing to a tenure of nine or more years. Furthermore, there are concerns about the company's sustainability policies and practice and the Chair of the Board is considered to be accountable for the company's sustainability programme. Overall, opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.3, Abstain: 0.7, Oppose/Withhold: 4.0,

### 1f. *Elect Kevin R. Johnson - Chief Executive*

Chief Executive. Although there is no evidence that the CEO has been directly involved in the firing of seven employees at the Poplar Highland store in Memphis (Tennessee), he is considered to be ultimately accountable for this decision. Seven employees were fired as they were presenting their attempt to unionise; the company cited safety breaches because they held the press conference presenting their unionisation at that store after opening hours. Although authorisation before using company spaces should have been requested, labour and the right to associate in unions may not be separated from the workplace itself. As such, the company's decision is considered to be an example how codes of conduct and internal rules may be used against employees and against stakeholders as a whole if an opportunity occurs.

Vote Cast: *Oppose*

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

### 1i. *Elect Joshua Cooper Ramo - Non-Executive Director*

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

and committee meetings during the year. In addition, the director is not considered independent as they have a tenure of over nine years, although there is sufficient independence in the overall board.

*Vote Cast: Abstain*

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

#### *1k. Elect Javier G. Teruel - Non-Executive Director*

Non-Executive Director, Chair of the Audit Committee. Not considered independent owing to a tenure of over nine years. It is considered that audit committees should be comprised exclusively of independent members, including the chair.

*Vote Cast: Oppose*

*Results: For: 93.8, Abstain: 0.2, Oppose/Withhold: 6.0,*

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

The Board proposes the amendment of an existing long-term incentive plan. Under the plan, the CEO and other executives are awarded rights to shares, a portion (or all) of which vest depending on the achievement of some performance criteria. The proposed resolution will increase the number of authorised shares, eliminate the termination date (which was previously March 2023), extend the term under which stock option incentives can be granted until 9 November 2031, expand performance criteria and eliminate references to the no longer available Section 162(m) of the Internal Revenue Code. The vesting period of three years is considered to be short-term and the proposal does not disclose the specific performance targets it will implement in the future.

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

*Vote Cast: Oppose*

*Results: For: 93.6, Abstain: 0.3, Oppose/Withhold: 6.1,*

#### *4. Advisory Vote on Executive Compensation*

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADD. Based on this rating, opposition is recommended.

*Vote Cast: Oppose*

*Results: For: 92.1, Abstain: 0.4, Oppose/Withhold: 7.6,*

#### *3. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 103.76% of audit fees during the year under review and 35.73% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

*Results: For: 95.2, Abstain: 0.2, Oppose/Withhold: 4.6,*

## **NOVOZYMES AS AGM - 16-03-2022**

### *2. Approve Financial Statements*

The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. An abstain vote is recommended on the Annual Report.

*Vote Cast: Abstain*

### *4. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration policy. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

### *6. Re-Elect Jørgen Buhl Rasmussen - Chair (Non Executive)*

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

*Vote Cast: Abstain*

### *8.a. Re-Elect Heine Dalsgaard - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on the Company's own assessment. It was not possible to retrieve sufficient information on this director in order to assess independence. There is insufficient independent representation on the Board.

*Vote Cast: Abstain*

### *8.c. Re-Elect Kasim Kutay - Non-Executive Director*

Non-Executive Director. Not considered independent as he is the CEO of Novo Holdings A/S, the majority shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Abstain*

### *9. Appoint the Auditors*

PwC proposed. Non-audit fees represented 44.44% of audit fees during the year under review and 69.23% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

### 10.c. *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*

## SAFESTORE HOLDINGS PLC AGM - 16-03-2022

### 2. *Approve the Remuneration Report*

**Disclosure:** All elements of the single total Remuneration have been adequately disclosed. CEO salary increase by 3% and is in line with the workforce which its salary increase by 4.2%. The CEO salary is in the median of the competitor group.

**Balance:** The balance of CEO realized pay with financial performance is not acceptable as the change in CEO total pay over five years is not in line with the change in TSR over the same period. Total variable pay for the year under review was 3,846.6% of the salary (Annual Bonus: 153.6% & LTIP: 3,693%) and is excessive. The ratio of CEO pay compared to average employee pay stands at 31:1, which is not acceptable. PIRC consider appropriate a ratio of 20:1

Rating: AD

Vote Cast: *Oppose*

Results: For: 71.6, Abstain: 0.8, Oppose/Withhold: 27.6,

### 3. *Re-appoint Deloitte LLP as auditor of the Company*

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

Vote Cast: *Abstain*

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

### 11. *Re-elect Gert van de Weerdhof - Non-Executive Director*

Independent Non-Executive Director. However, Mr. Gert van de Weerdhof election in the 2021 Annual General Meeting received significant opposition of 18.78% of the votes and the company did not disclosed how it address the issue with its shareholders. Therefore an abstain vote is recommended.

Vote Cast: *Abstain*

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

### 12. *Re-elect Ian Krieger - Senior Independent Director*

Senior Independent Director. Not considered to be independent as until 2012 Mr Krieger was a senior partner and vice chairman at Deloitte, Company's Statutory Auditors since September 2014. It is considered that a Senior Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, Mr Krieger is Chair of the Audit committee, it is considered that audit committees should be comprised exclusively of independent members. Overall opposition is recommended.

Vote Cast: *Oppose*

Results: For: 95.1, Abstain: 0.0, Oppose/Withhold: 4.8,

### 18. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

## **SAMSUNG ELECTRONICS CO LTD AGM - 16-03-2022**

### 3. *Approval of Remuneration For Director*

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*

## **CHEIL WORLDWIDE INC AGM - 17-03-2022**

### 1. *Approve Financial Statements*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

### 2.1. *Elect Jang Byeong-wan - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### 3. *Approve Total Remuneration of Inside Directors and Outside Directors*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

#### 4. *Allow the Board to Determine the Auditor's Remuneration*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

### **DSV A/S AGM - 17-03-2022**

#### 5. *Approve the Remuneration Report*

It is proposed to approve the remuneration paid or due to executives with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. The Company has disclosed target criteria, but does not appear to have disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated, although 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.

Vote Cast: *Abstain*

Results: For: 94.8, Abstain: 0.1, Oppose/Withhold: 5.1,

#### 6.1. *Re-Elect Thomas Plenborg - Chair (Non Executive)*

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

Vote Cast: *Abstain*

Results: For: 97.9, Abstain: 2.1, Oppose/Withhold: 0.0,

#### 6.2. *Re-Elect Jørgen Møller - Vice Chair (Non Executive)*

Non-Executive Director. Not considered independent as he previously served as Chief Executive Officer of DSV Air & Sea Holding A/S of the Company until 2015. There is insufficient independent representation on the Board.

Vote Cast: *Abstain*

Results: For: 95.5, Abstain: 4.5, Oppose/Withhold: 0.0,

#### 6.3. *Re-Elect Birgit W. Nørgaard - Non-Executive Director*

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

Vote Cast: *Abstain*

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

#### 6.5. *Re-Elect Beat Walti - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Ernst Göhner Foundation. The latter owns, as a result of the above-mentioned 2020 merger, 9.7 % of the issued share capital in DSV. There is insufficient independent representation on the Board.

Vote Cast: *Abstain*

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



### 6.6. *Re-Elect Niels Smedegaard - Non-Executive Director*

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

Vote Cast: *Abstain*

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

### 6.7. *Elect Tarek Sultan Al-Essa - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is was Vice Chair and CEO of Agility the second largest shareholder of the company which owns 8% of the share capital. There is insufficient independent representation on the Board.

Vote Cast: *Abstain*

Results: For: 91.3, Abstain: 8.7, Oppose/Withhold: 0.0,

### 8.2. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

Results: For: 99.2, Abstain: 0.0, Oppose/Withhold: 0.8,

### 8.3. *Approve Related Party Transaction*

It is proposed to extend the insurance cover to the members of the governing bodies of all Group companies. The insurance policy covers the civil liability (and related legal and advisory expenses) of the members of the governing bodies of all Group companies versus third parties, deriving from non-fraudulent conduct in breach of the obligations deriving from the law or intrinsic to their duties. In addition, the insurance does not explicitly exclude that it would cover also liabilities arising from fraudulent conduct, and fines handed down by the supervisory authorities. On this basis, shareholders would pay wilful violations and fraudulent conduct led by directors and executives. Opposition is thus recommended.

Vote Cast: *Oppose*

Results: For: 99.7, Abstain: 0.2, Oppose/Withhold: 0.1,

## **BB BIOTECH AG AGM - 17-03-2022**

### 3. *Discharge the Board*

Approval is sought to release the members of the Board regarding their activities in the Financial Year under review. The Company does not have an established whistle-blower hotline. It is considered that without a whistle-blower hotline, the company is potentially subject to reputational and financial damage by a lack of supervision of potential malpractice. For this reason, opposition is recommended.

Vote Cast: *Oppose*

### 4.2. *Elect Clive Meanwell - Vice Chair (Non Executive)*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board. However, there

are concerns over the director's potential aggregate time commitments and the director could not prove full attendance of board and committee meetings during the year.

*Vote Cast: Abstain*

#### *4.3. Elect Mads Krogsgaard Thomsen - Non-Executive Director*

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

*Vote Cast: Abstain*

#### *5.1. Elect Remuneration Committee: Dr. Clive Meanwell*

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

*Vote Cast: Oppose*

#### *5.2. Elect Remuneration Committee: Prof. Dr. Mads Krogsgaard Thomsen*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

*Vote Cast: Abstain*

#### *4.5. Elect Pearl Huang - Non-Executive Director*

Non-Executive Director. Not considered to be independent, due to lack of disclosure. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *4.6. Elect Thomas von Planta - Non-Executive Director*

Non-Executive Director. Not considered to be independent, due to lack of disclosure. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

## **DANSKE BANK AS AGM - 17-03-2022**

### *2. Receive the Annual Report*

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, there are concerns

over the Company's sustainability policies and practice. As there are no directors up for election at this meeting who have been appointed responsibility and can be held accountable, it is recommended to instead abstain the annual report.

*Vote Cast: Oppose*

#### *5. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 12.50% of audit fees during the year under review and 19.40% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

#### *6a. Issue Shares with Pre-emption Rights*

It is proposed to issue new shares with pre-emptive rights for up less than 20% of the current share capital. However, the duration of the proposed authority exceeds 26 months. On this ground, opposition is recommended.

*Vote Cast: Oppose*

#### *7. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

#### *8. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration policy. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

#### *10. Approve Remuneration Policy*

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

*Vote Cast: Abstain*

### 11. *Approve Indemnification of Directors and Officers*

It is proposed to extend the insurance cover to the members of the governing bodies of all Group companies. The insurance policy covers the civil liability (and related legal and advisory expenses) of the members of the governing bodies of all Group companies versus third parties, deriving from non-fraudulent conduct in breach of the obligations deriving from the law or intrinsic to their duties. In addition, the insurance does not explicitly exclude that it would cover also liabilities arising from fraudulent conduct, and fines handed down by the supervisory authorities. On this basis, shareholders would pay wilful violations and fraudulent conduct led by directors and executives. Opposition is thus recommended.

*Vote Cast: Oppose*

### 13. *Shareholder Resolution: Share Repurchase Program*

**Proponent's argument:**Jørgen Thulesen proposes that Danske Bank allocates profits for share buyback."Danske Bank's share price is well below the net asset value of the share of DKK 206.60. By means of share buybacks, Danske Bank will signal its wish that the share price should increase. Danske Bank's major shareholder A.P. Moller Maersk has a share buyback programme of DKK 32 billion. When dividends are distributed, the share price drops, and Danske Bank thereby signals that the share price does not need to increase. When dividends are distributed, dividend tax fraud may take place, which Danske Bank should discourage by not distributing dividends.

**Company's response:** The board recommends to vote against this proposal. "Danske Bank's capital distribution policy is first and foremost its dividend policy where it is the ambition to pay out 40-60% of net profit for the year. However, if it is assessed that Danske Bank has excess capital, Danske Bank remains committed to returning excess capital to our shareholders. Until October 2018, Danske Bank distributed excess capital to its shareholders through a share buyback programme. This programme was discontinued in order to remain prudent and ensure an adequate capital position in light of the Estonia matter. Given that Danske Bank remains unable to estimate any potential outcome or timing of the Estonia matter, Danske Bank does not currently plan for any further capital distribution in the form of share buyback programmes."

**PIRC analysis:**Share buyback are not considered to be an appropriate method for paying back shareholders, while dividends are preferred. As such, opposition is recommended to the accessory proposal of setting up profits for share buybacks.

*Vote Cast: Oppose*

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

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

*Vote Cast: Oppose*

### 14b. *Shareholder Resolution: Board Size*

**Proponent's argument:**Wismann Property Consult A/S proposed three new articles in order to provide for alternate directors:

Article 15.4. In or der to ensure that the number of members of the Board of Directors of Danske Bank does not fall below what the shareholders have decided at the annual general meeting, those candidates who were not elected to the Board will in future become alternates according to the number of votes they received.

Article 15.5. In futur e, the Board of Directors can thus, cf. article 15.2, consist of at least six and at most 10 members elected by the general meeting, depending on what the general meeting decides, and the number of alternates will thus be up to 10 alternates, limited by the number of candidates seeking election to the Board of Directors of Danske Bank.

Article 15.6. The Board of Directors of Danske Bank is a governing body, where the members should strive to have complementary competencies, know what is happening in the business, and have diversity with respect to competencies, age and gender. In future, the Board of Directors, who historically with proxies have attended with an absolute majority, must be limited to nominating only 2/3 of the number of the proposed number of candidates for the Board of Directors elected by the general meeting that the Board of Directors may want to be elected to the Board of Directors." In 2021, Danske Bank's shareholders found that the Board of Directors in the agenda nominated nine board members elected by the general meeting, to ensure that Danske Bank had a responsible board, where the nine were with their complementary competencies collectively to have been a winning team. Shortly after the ordinary general meeting on 16 March 2021, the board had lost 22% of the nine Board members that the Board had wanted. It would therefore have been an advantage for Danske Bank to have had alternates who could have filled the vacant seats. Danske Bank's Board of Directors is to protect Danske Bank against having a board that does not meet the desired targets for diversity, competencies, gender and age, what is commonly known as an 'aunt board" with the arrogant perception that the Articles of Association only require between six and 10 AGM-elected members. Each time the board is a member short, the board is a complementary competency short. Allowing alternates to become board members when members elected by the general meeting step down can only be a gain for the board's collective and complementary competency."

**Company's response:** The board recommends a vote against this proposal. "Alternate arrangements are not standard practice in listed Danish companies, and such arrangements are not in practice necessary, as new members can be elected to the Board of Directors with the involvement of the shareholders at ordinary or extraordinary general meetings if necessary. The Board of Directors assesses on an ongoing basis which candidates are a match to the board's competency profile, and nominates candidates for the Board of Directors against this background."

**PIRC analysis:** Alternate directors are not considered to be best practice. While point of board continuity is taken, it is considered that co-option and subsequent ratification by shareholders at a general meeting (to be called without delay) are mechanisms sufficient for the pursue of this goal.

*Vote Cast: Oppose*

#### *14c. Shareholder Resolution: Obligation to Comply with Applicable Legislation*

**Proponent's argument:** Wismann Property Consult A/S proposed that current legislation must be complied with in all circumstances for any company owned by Danske Bank, including the bank's subsidiaries.

**Company's response:** The board recommended a vote against this proposal: "Danske Bank Group is (like everyone else) obliged to comply with applicable law. The proposal therefore has no real substance."

**PIRC analysis:** The proposal is considered to be unclear, as shareholders have already legal mechanism to complain or ask for an internal investigation, should law be infringed or should there be evidence or suspicions in that sense.

*Vote Cast: Oppose*

#### *14e. Shareholder Resolution: Respond to Enquiries from Shareholders*

**Proponent's argument:** Wismann Property Consult A/S proposed that any enquiry from a shareholder sent to the bank's Board of Directors, Executive Leadership Team or Company Secretariat cannot be expected to be answered, and receipt cannot be expected to be confirmed.

**Company's response:** The board recommend a vote against this proposal. "The proposing shareholder submitted a similar proposal at the annual general meeting in 2020 which was not adopted. As noted then, Danske Bank receives many different enquiries every day. Because of the nature of the enquiries and the many channels through which these enquiries are made, it is not possible, however, to establish identical procedures and/or deadlines for all enquiries. What is most important for Danske Bank is to reply to all enquiries as soon as possible."

**PIRC analysis:** While it is considered reasonable that the company set up a process for tracking all of the enquiries it receives, it is also considered that the proposal is overly prescriptive. On balance, opposition is recommended.

Vote Cast: *Oppose*

*14f. Shareholder Resolution: The Inalterability of the Articles*

**Proponent's argument:** Wismann Property Consult A/S proposed that the bank's Articles of Association are mandatory, absolute, and decide that it should not be possible for a chairman of the meeting to arbitrarily derogate from the bank's Articles of Association during a general meeting on the basis of the diffuse concept of 'the powers of the chairman of the meeting' and to allow changes to the wording of proposals that have been put to the vote at the annual general meeting, which according to article 9.3. of the Articles of Association must be complete.

**Company's response:** The Board recommends a vote against this proposal. " The Articles of Association are mandatory, unless otherwise stated by applicable law or the Articles of Association themselves. The chairman of the general meeting is not legally entitled to arbitrarily derogate from Danske Bank's Articles of Association. The proposal therefore has no real substance."

**PIRC analysis:** The proposal is unclear. The chair of the meeting has some powers when it comes to the agenda and the organisation of the meeting itself, but no authority over the articles itself. The articles, on the other hand, cannot overly prescribe or foresee any possible scenario at meetings. There are also sufficient legal mechanisms for shareholders to complain, externally to the articles.

Vote Cast: *Oppose*

*14h. Shareholder Resolution: The Chairman of the Meeting's Derogation From the Articles of Association*

**Proponent's argument:** Wismann Property Consult A/S proposed the chairman's derogation from the Articles of Association. " The shareholders decide that the chairman of the meeting appointed by the Board of Directors has the power to derogate from one or more of the bank's Articles of Association during the annual general meeting if the chairman of the meeting so wishes, on the basis of the diffuse concept of 'the powers of the chairman of the meeting'".

**Company's response:** The Board recommends a vote against this proposal. " The Articles of Association are mandatory, unless otherwise stated by applicable law or the Articles of Association themselves. The chairman of the general meeting is not legally entitled to arbitrarily derogate from Danske Bank's Articles of Association. The proposal therefore has no real substance."

**PIRC analysis:** The proposal is unclear. The chair of the meeting has some powers when it comes to the agenda and the organisation of the meeting itself, but no authority over the articles itself. The articles, on the other hand, cannot overly prescribe or foresee any possible scenario at meetings. There are also sufficient legal mechanisms for shareholders to complain, externally to the articles.

Vote Cast: *Oppose*

*14i. Shareholder Resolution: Legal Statement Concerning the Chairman of the Meeting's Derogation From the Articles of Association*

**Proponent's argument:** Wismann Property Consult A/S proposed a legal statement concerning the chairman of the general meeting's derogation from the Articles of Association. "If the general meeting decides that the chairman of the meeting appointed by the Board of Directors should have the authority to derogate from the bank's Articles of Association during an annual general meeting, the shareholders decide that a legal statement must be prepared no later than three months after this general meeting held on 17 March 2022 that justifies that a chairman of the meeting – on the basis of the diffuse concept of 'the powers of the chairman of the meeting' – can derogate from the bank's Articles of Association, including articles 9.4. and 9.3., to what extent this can be done and when."

**Company's response:** The Board recommends a vote against this proposal. " The Articles of Association are mandatory, unless otherwise stated by applicable law or the Articles of Association themselves. The chairman of the general meeting is not legally entitled to arbitrarily derogate from Danske Bank's Articles of Association. The proposal therefore has no real substance."

**PIRC analysis:** The proposal is unclear. The chair of the meeting has some powers when it comes to the agenda and the organisation of the meeting itself, but no authority over the articles itself. The articles, on the other hand, cannot overly prescribe or foresee any possible scenario at meetings. There are also sufficient legal

mechanisms for shareholders to complain, externally to the articles.

*Vote Cast: Oppose*

#### *14j. Shareholder Resolution: Payment of compensation to Lars Wismann*

**Proponent's argument:** Wismann Property Consult A/S proposed to compensate Lars Wismann. "If the general meeting decides that the bank's Articles of Association can never be derogated from, including article 9.4., it can be inferred that the chairman of the meeting, derogation from article 9.4. on 16 March 2021 was unlawful. The shareholders therefore decide that board candidate Lars Wismann should rightfully have joined Danske Bank's Board of Directors on 16 March 2021, and consequently, Lars Wismann is granted compensation amounting to twice the average annual remuneration that the six other board members elected by the general meeting received in the period from 16 March 2021 to 17 March 2022."

**Company's response:** The board recommends a vote against this proposal. "The general meeting does not have legal competence to make a decision on what took place at the previous annual general meeting. In the event that a shareholder wants to dispute a decision made at a general meeting, the shareholder shall follow the procedure set out in section 109 of the Danish Companies Act pursuant to which a trial regarding the question shall commence no later than 3 months after the decision was made. If not, the decision shall stand and be final. In addition, the issues raised in the proposals were brought before the Danish Business Authority who did not side with the proposing shareholder."

**PIRC analysis:** The proponent is seeking compensation for not being elected to the board at the 2021 AGM, alleging that this is due to a misconduct from the chair of the meeting. At the 2021 AGM, the proponent believed that "Michael Strabo had obviously been nominated at the request of the Board of Directors two hours prior to the general meeting, as the Chairman of the Meeting had announced at that time that the Board of Directors would reduce its proposal to elect nine board members to eight. Michael Strabo's candidacy was therefore, in Lars Wismann's opinion, an obvious violation of the Articles of Association. The shareholders who had already voted before 2.00pm had been prevented from voting for him, while others, who had voted for Topi Manner, would have voted differently. The Chairman of the Meeting noted that Michael Strabo's candidacy had been announced well before the general meeting, but not in due time to be included in the submitted notice convening the general meeting and that the Board of Directors' proposed amendment was stated in the company announcement issued on the day before the general meeting. Lars Wismann's claim that Michael Strabo's candidacy was planned by the Board of Directors was contradicted by the fact that the Board of Directors did not support the candidacy."

The chair of the meeting has some powers when it comes to the agenda and the organisation of the meeting itself, but no authority over the articles itself. The articles, on the other hand, cannot overly prescribe or foresee any possible scenario at meetings. There are also sufficient legal mechanisms for shareholders to complain, externally to the articles.

*Vote Cast: Oppose*

#### *14m. Shareholder Resolution: Danish Language Requirement for the CEO*

**Proponent's argument:** Wismann Property Consult A/S proposed Danish language requirements for the CEO. "Regardless of his or her native tongue, Danske Bank's chief executive officer must, no later than six months after appointment, master the Danish language at a level corresponding to Danish Education 3 (PD3), so that the chief executive officer can read Danish newspapers and communicate messages orally and in writing to the bank's shareholders and customers. If Danske Bank's chief executive officer fails to acquire the required language skills corresponding to Danish Education 3 (PD3) within six months after his/her appointment, (the language requirement can be extended for three months due to force majeure). If not, it is a breach of contract, and the chief executive officer's employment will be terminated immediately without any pecuniary compensation or other type of severance payment."

**Company's response:** The board recommends a vote against this proposal. "According to article 3.1 of the Articles of Association, the Danske Bank Group's corporate languages are Danish and English. The Board of Directors does not want to limit the recruitment options relating to possible candidates for the Executive Leadership Team, as it is neither in the interest of Danske Bank nor its shareholders. Furthermore, the proposals may be non-compliant with the Danish Anti-Discrimination Act



and the decisions of the Board of Equal Treatment."

**PIRC analysis:** It is welcomed for companies to include and foster local language learning for staff (both in executive and non-executive roles). However, it is considered that diversity should increase and not restrict opportunities. Language should not prevail over education, results and professional trajectory overall based on company and personal needs, for any candidate to any role, executive or non-executive ones alike. Opposition is recommended.

*Vote Cast: Oppose*

#### *14n. Shareholder Resolution: Require Completion of Danish Citizenship Test*

**Proponent's argument:** Wismann Property Consult A/S proposed a requirement for completion of Danish Citizen Test "Regardless of their origin, members of Danske Bank's Executive Leadership Team must, no later than four weeks after their appointment, pass the current Citizenship Test so that Danske Bank's Executive Leadership Team members prove that they have the same insight into Danish culture and Danish values as people who want to apply for Danish citizenship. In case of failing the Citizenship Test, the test can be taken again twice with two weeks interval after the first test. If the test is not passed within this deadline, it constitutes a breach of contract, and the employment will be terminated immediately without any pecuniary compensation or other type of severance payment."

**Company's response:** The board recommends a vote against this proposal. "According to article 3.1 of the Articles of Association, the Danske Bank Group's corporate languages are Danish and English. The Board of Directors does not want to limit the recruitment options relating to possible candidates for the Executive Leadership Team, as it is neither in the interest of Danske Bank nor its shareholders. Furthermore, the proposals may be non-compliant with the Danish Anti-Discrimination Act and the decisions of the Board of Equal Treatment."

**PIRC analysis:** It is welcomed for companies to include and foster knowledge of local culture and values for staff (both in executive and non-executive roles). However, it is considered that diversity should increase and not restrict opportunities. Local culture is intended as static and immutable in this proposal, and as such should not prevail over education, results and professional trajectory overall based on company and personal needs, for any candidate to any role, executive or non-executive ones alike. Opposition is recommended.

*Vote Cast: Oppose*

#### *14q. Shareholder Resolution: Disclosure of Valuation Basis*

**Proponent's argument:** Wismann Property Consult A/S proposed Disclosure of valuation basis "In future, Danske Bank and Realkredit Danmark must not only disclose the loan value in connection with loans secured on real property but also present the valuation basis just as appraisers of cooperative housing societies do in their valuation reports, as Danske Bank wants a culture of openness."

**Company's response:** The board recommends a vote against this proposal " The proposing shareholder submitted a similar proposal at the annual general meeting in 2020 which was not adopted. As noted then, Danske Bank and Realkredit Danmark are always willing to discuss loan-to-value ratios with their business customers. However, neither Danske Bank nor Realkredit Danmark is in a position to offer further insight into the pricing tools etc. as this constitutes confidential information in a competitive market."

**PIRC analysis:** While transparency should be privileged, it is considered that this proposal may result to be overly prescriptive. On balance, opposition is recommended.

*Vote Cast: Oppose*

#### *14r. Shareholder Resolution: Shareholder Resolution: Minutes of Annual General Meeting*

**Proponent's argument:** Wismann Property Consult A/S proposed disclosure of minutes of the AGM. " In future, the written minutes of the annual general meeting must state whether the minutes give a per verbatim account of the words spoken from the speaker's rostrum. If the written minutes of the annual general meeting do not give a per verbatim account of the words spoken, it must be expressly stated in the minutes that they do not give a per verbatim account but reflect the chairman of



the meeting's summary of the business transacted that the chairman of the meeting found to be important/significant to convey in the minutes.

**Company's response:** The board recommends a vote against this proposal. "The proposing shareholder submitted a similar proposal at the annual general meeting in 2020 which was not adopted. As noted then, the minutes of the general meeting are drafted and signed by the appointed chairman of the general meeting thereby confirming these to be true, accurate and in compliance with Danish law. The minutes must record the proceedings and resolutions of the general meeting and – as a minimum – include a reproduction of the main points and decisions under each agenda item. The minutes are not, and should not be, a direct transcript of all discussions."

**PIRC analysis:** While increased disclosure is often welcomed, it is considered that the minutes would become difficult for investors to navigate, when determining the contents and outcome of the agenda. While it considered there may be value in an additional disclosure of a verbatim transcription, it is not deemed in shareholders best interests, for this document to replace the minutes. Due to a lack of clarity surrounding this, opposition is recommended.

*Vote Cast: Oppose*

#### *14s. Shareholder Resolution: Use of the Danish Tax Scheme for Researchers and Highly Paid Employees*

**Proponent's argument:**Wismann Property Consult A/S proposed to modify the use of the Danish tax scheme for researchers and highly paid employees (forskerordningen).

" If Danske Bank's employees make use of or can make use of sections 48E and 48F of the Danish Withholding Tax Act, known as the researcher tax scheme, the pecuniary remuneration must be reduced so that the net salary will be the same for all employees regardless of their origin."

**Company's response:** The board recommends a vote against this proposal. " The proposing shareholder submitted a similar proposal at the annual general meeting in 2020 which was not adopted. As noted then, the Board of Directors does not find it reasonable to impose a certain level of tax contribution on individual employees as long as the employees adhere to applicable tax legislation. The Danish researcher tax scheme was adopted by a broad majority of the Danish Parliament to ensure that companies are in a position to attract individuals who possess the qualifications needed in Denmark. It has been and is still important for Danske Bank to be able to attract managers and employees with the right experience and expertise, including individuals from other countries.This benefits both Danske Bank and its shareholders."

**PIRC analysis:**In Denmark, workers from overseas that are eligible may be able to benefit from being considered a part of the Researcher Tax Scheme this scheme attracts a 26% tax, although there is still an 8% social security payment that must be made. Denmark has specific legislation that is known as the Researcher Tax Scheme. Primarily, this scheme is aimed at individuals that wish to enter the country and work as a researcher on behalf of a foreign company. However, while the scheme may be geared primarily towards researchers, it is not limited to this type of work according to the wording of the scheme. Other foreign workers, including athletes and even managing directors, may be eligible to join the scheme but only if they meet certain criteria. The individual must earn a minimum of DKK 69,330 per month. This may, under certain conditions, include bonus payments, and will include cash salary and the taxable value of a car provided to the employee. However, it will not include the taxable value of any accommodation provided by an employer.

The system appears to be substantially aimed at foreign executives, while the average Danish employee (or foreign employee residing in Denmark) will likely not benefit from it. However, this system is in place in many other countries and after review we considered that there are no serious reasons why Danske bank should not apply it.

*Vote Cast: Oppose*

#### *14t. Shareholder Resolution: The CEO's Use of the Danish Tax Scheme for Researchers and Highly Paid Employees*

**Proponent's argument:**Wismann Property Consult A/S proposed that the CEO never use a tax reduction scheme for researchers and highly paid employees (forskerordningen). " Dansk e Bank's chief executive officer must never make use of sections 48E or 48F of the Danish Withholding Tax Act, as the net salary of the chief executive officer must and should be the same regardless of whether the chief executive officer can make use of sections 48E and 48F of the Danish Withholding Tax Act."

**Company's response:** The board recommends a vote against this proposal. " The proposing shareholder submitted a similar proposal at the annual general meeting in 2020 which was not adopted. As noted then, the Board of Directors does not find it reasonable to impose a certain level of tax contribution on individual employees as long as the employees adhere to applicable tax legislation. The Danish researcher tax scheme was adopted by a broad majority of the Danish Parliament to ensure that companies are in a position to attract individuals who possess the qualifications needed in Denmark. It has been and is still important for Danske Bank to be able to attract managers and employees with the right experience and expertise, including individuals from other countries. This benefits both Danske Bank and its shareholders."

**PIRC analysis:** In Denmark, workers from overseas that are eligible may be able to benefit from being considered a part of the Researcher Tax Scheme this scheme attracts a 26% tax, although there is still an 8% social security payment that must be made. Denmark has specific legislation that is known as the Researcher Tax Scheme. Primarily, this scheme is aimed at individuals that wish to enter the country and work as a researcher on behalf of a foreign company. However, while the scheme may be geared primarily towards researchers, it is not limited to this type of work according to the wording of the scheme. Other foreign workers, including athletes and even managing directors, may be eligible to join the scheme but only if they meet certain criteria. The individual must earn a minimum of DKK 69,330 per month. This may, under certain conditions, include bonus payments, and will include cash salary and the taxable value of a car provided to the employee. However, it will not include the taxable value of any accommodation provided by an employer.

The system appears to be substantially aimed at foreign executives, while the average Danish employee (or foreign employee residing in Denmark) will likely not benefit from it. However, this system is in place in many other countries and after review we considered that there are no serious reasons why Danske bank should not apply it.

*Vote Cast: Oppose*

## **CARGOTEC CORP AGM - 17-03-2022**

### *10. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

### *17. Authorising the Board of Directors to decide on repurchase and/or on the acceptance as pledge of Cargotec's shares*

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*

**NORWAY ROYAL SALMON ASA EGM - 17-03-2022****1. Election of a chair of the meeting and a representative to sign the minutes of the general meeting together with the chairman of the meeting**

No information was disclosed at the time of the report for the chair of the meeting and the representatives. Abstention is recommended.

Vote Cast: *Abstain*

**2. Approval of the notice and proposed agenda**

No information is provided at the time of the report for the proposed resolution, therefore abstention is recommended.

Vote Cast: *Abstain*

**3.1. Elect the candidate nr 1 as a board member**

The Company, has not disclosed any information regarding the nominees to the Board. Opposition is recommended.

Vote Cast: *Oppose*

**3.2. Elect the candidate nr 2 as a board member**

The Company, has not disclosed any information regarding the nominees to the Board. Opposition is recommended.

Vote Cast: *Oppose*

**3.3. Elect the candidate nr 3 as a board member**

The Company, has not disclosed any information regarding the nominees to the Board. Opposition is recommended.

Vote Cast: *Oppose*

**3.4. Elect the candidate nr 4 as a board member**

The Company, has not disclosed any information regarding the nominees to the Board. Opposition is recommended.

Vote Cast: *Oppose*

**3.5. Elect the candidate nr 5 as a board member**

The Company, has not disclosed any information regarding the nominees to the Board. Opposition is recommended.

Vote Cast: *Oppose*

**3.6. Elect the candidate nr 6 as a board member**

The Company, has not disclosed any information regarding the nominees to the Board. Opposition is recommended.

Vote Cast: *Oppose*

*3.7. Elect the candidate as Board Chair*

The Company, has not disclosed any information regarding the nominees to the Board. Opposition is recommended.

Vote Cast: *Oppose*

*4.1. Elect the candidate nr 1 as member of the Nomination Committee*

The Company, has not disclosed any information regarding the nominees to the nomination committee. Opposition is recommended.

Vote Cast: *Oppose*

*4.2. Elect the candidate nr 2 as member of the Nomination Committee*

The Company, has not disclosed any information regarding the nominees to the nomination committee. Opposition is recommended.

Vote Cast: *Oppose*

*4.3. Elect the candidate nr 3 as member of the Nomination Committee*

The Company, has not disclosed any information regarding the nominees to the nomination committee. Opposition is recommended.

Vote Cast: *Oppose*

*4.4. Elect the candidate as head of the Nomination Committee*

The Company, has not disclosed any information regarding the nominees to the nomination committee. Opposition is recommended.

Vote Cast: *Oppose*

**BANCO DE CHILE AGM - 17-03-2022**

*E. Appoint the Auditors*

EY proposed. An adequate break-down of the nature of non-audit fees is not provided, which makes the assessment of auditor's independence based on the non-audit fee impossible. The date of appointment of the auditor is not disclosed, meaning that there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

Vote Cast: *Oppose*

*J. Other Business*

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

Vote Cast: *Oppose*

## **BANCO BILBAO VIZCAYA ARGENTARIA SA (BBVA) AGM - 17-03-2022**

### *1.1. Approve Consolidated and Standalone Financial Statements*

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

Vote Cast: *Abstain*

Results: For: 99.1, Abstain: 0.2, Oppose/Withhold: 0.8,

### *1.4. Discharge the Board*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

Results: For: 98.2, Abstain: 0.6, Oppose/Withhold: 1.1,

### *3.1. Elect Carlos Torres Vila - 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 and a vote to Oppose is recommended.

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.5, Oppose/Withhold: 2.5,

### *5. Authorize Issuance of Convertible Bonds, Debentures, Warrants, and Other Debt Securities without Preemptive Rights*

The Board requests shareholder authorization to issue debt, including convertible debt without pre-emptive rights, up to 10% of the share capital, over a period of five years. This is in accordance with Article 507 of the Capital Companies Act and the limit for issuance without pre-emptive rights is within guidelines. However, it would be preferred that shareholders approved or re-approved issues without pre-emptive rights annually.

Vote Cast: *Oppose*

Results: For: 95.7, Abstain: 0.2, Oppose/Withhold: 4.2,

### *6. Authorize Share Repurchase Program*

It is proposed to authorise the Board to purchase Company's shares for 10% and five years. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. The Company has stated that this resolution may authorise the Board of Directors to allocate all or part of its repurchased shares to remuneration schemes. However, this is not considered to be sufficient, as it includes only part of the requested authority. As no clear justification was provided by the Board regarding the full use of the authority, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 97.6, Abstain: 0.2, Oppose/Withhold: 2.2,

### 11. *Advisory Vote on Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive Directors with an advisory vote. The Company discloses all elements of remuneration for Executives and Non-Executives. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 88.3, Abstain: 0.6, Oppose/Withhold: 11.1,

## **SAMSUNG C&T CORPORATION AGM - 18-03-2022**

### 2. *Approval of Remuneration Limit for Directors in FY 2022*

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

Vote Cast: *Oppose*

## **TAEYOUNG ENGINEERING & CONST AGM - 18-03-2022**

### 1. *Approve Financial Statements and Allocation of Income*

It was not possible to secure sufficient information in English from the Company to enable delivery of an informed report. Reports are provided for companies which provide adequate and timely disclosure of materials in English which explain the meeting agenda. Best efforts have been made to obtain such disclosures for this meeting but have not been successful. Unless sufficient information becomes available subsequent to the issuance of these recommendations, it is advised not to support the proposals.

Vote Cast: *Abstain*

### 2. *Amend Articles of Incorporation*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

### 3.2. *Elect Yang Se-jeong - Non-Executive Director*

Non-Executive Director. Not considered to be independent, due to lack of disclosure. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*5. Approve Total Remuneration of Inside Directors and Outside Directors*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

**SAMSUNG FIRE & MARINE INS AGM - 18-03-2022**

*1. Approve Financial Statements and Allocation of Income*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

*2.1. Elect Tae-Young Bae*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

*2.2. Elect Seong-yeon*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

*3.1. Elect Audit Committee member: Park Seong-yeon*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

*4. Approval of the limit of remuneration for directors*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

**AGRICULTURAL BANK OF CHINA EGM - 18-03-2022**

*2. Approve the Issuance Plan of Write-Down eligible Tier-2 Capital Instruments of the Bank*

Authority is sought to consider and approve the issuance plan of tier-2 capital instruments of the Bank. The move is requested in order to improve the capital

strength, optimize the capital structure and assure robust and sustainable business development, based on the Bank's need of business development. It is noted the bank the Bank will issue eligible tier-2 capital instruments in accordance with the following terms and conditions: (i) Type of instrument: write-down eligible tier-2 capital instruments which meets the relevant requirements as stipulated in Capital Rules for Commercial Banks (Provisional), and can be used to replenish capital of commercial banks; (ii) Total amount: up to RMB200 billion or equivalent in foreign currencies; (iii) Term of instruments: no less than 5 years; (iv) Interest rate: to be determined based on the market interest rates; (v) Markets and means of issuance: to be issued in batches in the domestic and overseas markets, depending on the capital needs and market condition; (vi) Means of loss absorption: upon the occurrence of triggering events specified in the issuing documents, the loss will be absorbed by means of write-down; (vii) Use of proceeds: to replenish the Bank's tier-2 capital; (viii) Validity period of this resolution: from the date of approval by the EGM of this issuance of write- down eligible tier-2 capital instruments to 31 December 2023.

There is minimal information on the issuance provided in the circular, particularly in relation to potential costs which may occur as a result of the transaction. The issued debt may be converted into equity, and without pre-emption rights the proposal causes potential significant dilution for existing shareholders. An oppose vote is recommended.

*Vote Cast: Oppose*

## **LG UPLUS CORP AGM - 18-03-2022**

### *1. Approve Financial Statements*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

### *2.2. Elect Hong Beom-sik - Non-Executive Director*

Non-Executive Director. Not considered to be independent, due to lack of disclosure. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *2.3. Elect Nam Hyeong-du - Non-Executive Director*

Non-Executive Director. Not considered to be independent, due to lack of disclosure. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *3. Elect Nam Hyeong-du as a Member of Audit Committee*

Non-Executive Director, member of the audit committee. Not considered to be independent. In terms of best practice, it is considered that the audit committee should only comprise independent members. An oppose vote is recommended.

*Vote Cast: Oppose*

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

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.



Vote Cast: *Abstain*

### **THK CO LTD AGM - 19-03-2022**

#### *3.8. Elect Kainoshou Masaaki - Non-Executive Director*

Not considered independent as the candidate's tenure exceeds nine years. Non-Executive Director, not considered to be independent. There is insufficient independent representation on the Board (less than one-third of the whole Board). Opposition is recommended.

Vote Cast: *Oppose*

### **SURESERVE PLC AGM - 22-03-2022**

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

Disclosure is adequate and the Annual report was made available sufficiently before the meeting. The financial statements have been audited and unqualified. Although not required to do so under AIM listing regulations, it is considered best practice for the Remuneration report to be submitted to a shareholder vote. As the Company has failed to do this, an oppose vote is recommended.

Vote Cast: *Oppose*

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

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

Vote Cast: *Abstain*

#### *9. Issue Shares for Cash*

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

Vote Cast: *Oppose*

#### *10. 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*

**VALMET CORP AGM - 22-03-2022****10. *Approve the Remuneration Report***

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

*Vote Cast: Oppose*

**13. *Elect Board: Slate Election***

Proposal to renew the Board with a bundled election and reelect: Aaro Cantell (Vice Chair), Pekka Kempainen, Monika Maurer, Mikael Makinen (Chair), Eriikka Soderstrom and Per Lindberg as Directors; Approve Conditional Election of Jaakko Eskola and Anu Hamalainen. There is sufficient independent representation on the Board after the meeting as resulting from this slate of candidates. However, there are concerns over potential time commitment concerns over the majority of the candidates. During the year, some of the directors seeking re-election missed board meetings without due justification being disclosed by the company. It is considered that re-election of directors should not be supported, where candidates could not prove full attendance, or adequately justify absence from board or committee meetings.

*Vote Cast: Oppose*

**15. *Re-appoint PricewaterhouseCoopers as the Auditors***

PwC proposed. Non-audit fees represented 23.53% of audit fees during the year under review and 19.61% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

**16. *Authorise Share Repurchase***

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

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

It is proposed to give authority to issue new shares or redistribute the shares repurchased under the authority submitted in the previous resolution. The Board will maintain full discretion over the use and destination of repurchased shares. The authority is valid up to next AGM. This is of concern as the Board could use this authority as an anti-takeover device or for an inappropriate form of compensation without further shareholder approval. On this basis, opposition is recommended.

Vote Cast: *Oppose*

#### **SKANDINAVISKA ENSKILDA BANKEN (SEB) AGM - 22-03-2022**

##### *14.1. Elect Signhild Arnegard Hansen - Non-Executive Director*

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

Vote Cast: *Oppose*

##### *14.3. Elect Winnie Fok - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she is Senior Advisor to the Wallenberg Foundation and a former advisor to Investor AB. Investor AB is Wallenberg family holding and the major shareholder in the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

##### *14.4. Elect Sven Nyman - Vice Chair (Non Executive)*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: Investor AB, where they are also a director. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

##### *14.6. Elect Jesper Ovesen - Vice Chair (Non Executive)*

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

Vote Cast: *Oppose*

##### *14.7. Elect Helena Saxon - Non-Executive Director*

Non-Executive Director. Not considered to be independent as she is an executive of Investor AB. Investor AB is the major shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

##### *14.9. Elect Marcus Wallenberg - As Non-Executive Director*

Non-Executive Chair. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. On balance, support is recommended. Not considered to be independent as he controls Investor AB (the major shareholder) through his family holding FAM. In addition he has been on the Board for more than nine years and a previous employee of the Company. Finally, there are concerns over his aggregate time commitments. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### *14.11. Elect Marcus Wallenberg - As Chair (Non Executive)*

Non-Executive Chair. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. On balance, support is recommended. Not considered to be independent as he controls Investor AB (the major shareholder) through his family holding FAM. In addition he has been on the Board for more than nine years and a previous employee of the Company. Finally, there are concerns over his aggregate time commitments. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *16. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

#### *17.b. Approve SEB Share Deferral Programme 2022 (SDP) for the Group Executive Committee, certain other senior managers and key employees*

The Share Deferral Program is for the group executive committee, other senior managers and key employees approximately 1,000 participants in total. The targets for the program is set on an annual basis and consists of a combination of financial target Return on Equity/Return on Business Equity, cost development as well as on e.g. customer satisfaction and other parameters such as compliance, employee commitment and corporate sustainability. For Executives the initial allotment may not exceed 100% of the base pay. For executives and other senior managers, ownership of 50% of the share rights is transferred to the participant after a qualification period of three years, 50% after a qualification period of five years. For other participants, ownership of 100 per cent of the share rights is transferred after three years. After each respective qualification period there is an additional holding period of one year after which the share rights can be exercised during a period of three years. Performance targets have not been disclosed which is against best practices. In addition, LTIPs are not considered an effective means of incentivizing performance. These schemes are not considered to be sufficiently long term and are subject to manipulation due to their discretionary nature. Opposition is recommended.

*Vote Cast: Oppose*

#### *17.c. Approve SEB Restricted Share Programme 2022 (RSP) for other than senior managers incertain business units*

The Board proposes the approval of SEB Restricted Share Program 2022. The program is for selected employees on the level below senior executives within certain business units of SEB, approximately 1,000 participants. The participants are granted an individual number of share rights based on the fulfilment of pre-determined Group, business unit and individual targets as outlined in SEB's business plan. The targets are set on an annual basis as a mix of financial targets and non-financial targets. The ownership of the share rights are transferred to the participants during a three year period in either three (starting 2023) or five (starting 2022) annual instalments. After the transfer of the ownership there is an additional holding period of one year after which the share rights can be converted to shares and transferred to the participant. Each share right carries the right to receive one Class A-share in the Bank. The Company has not disclosed the performance criteria for the allocation of incentives, and as such there are concerns that it may overpay for underperformance. In addition, LTIPs are not considered an effective means of incentivizing performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature. Opposition is recommended.

*Vote Cast: Oppose*

*18.a. 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*

*18.b. Authorise acquisition and sale of SEB's own shares for capital purposes and for long-term equity programmes*

It is proposed to authorise the Board to purchase Company's shares in order to carry out the long-term equity programmes. The authorisation will last until next AGM and the company may not hold more than 10 percent of the total number of its shares. 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*

*18.c. Issuance of Shares for 2022 long-term equity programmes*

This is considered a technical resolution for the implementation of plans approved at previous AGMs, which companies have a legal duty to fund. However, this authority refers to the LTIP proposed at this meeting: thus, opposition is recommended based on the concerns identified on the proposed incentive plan.

*Vote Cast: Oppose*

*22. Shareholder Resolution: Bank-ID*

Shareholder Carl Axel Bruno proposes that the company changes the mainframe software, so that only the Bank has the opportunity to start a second process as long as the Bank does not know who is starting a second process. Swedish BankID is a personal method of secure electronic identification and signing on the Internet. A BankID has the same value and is used the same way, regardless of the bank that issued it. No further information was disclosed by the shareholder and the original proposal is unclear. Opposition is recommended.

*Vote Cast: Oppose*

*23. Shareholder Resolution: integration institute with operations in the Öresund region*

Shareholder Tommy Jonasson proposed that the Board of Directors be instructed to participate in the formation of an integration institute with operations in the Öresund region (Landskrona - Copenhagen) and to set aside SEK 10,000,000 (ten million) of the profit for the year. No further information was disclosed by the shareholder and the original proposal is unclear. Opposition is recommended.

*Vote Cast: Oppose*

## MTG-MODERN TIMES GROUP AB EGM - 22-03-2022

### *6. Authorize Share Repurchase Program*

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*

## LG CHEMICAL LTD AGM - 23-03-2022

### *1. Approve Financial Statements*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

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

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

## STRATEGIC EQUITY CAPITAL PLC EGM - 23-03-2022

### *1. Authorise Share Repurchase in connection with the tender offer*

**Introduction and Background:** On 9 February 2022, the Board announced a series of proposals that it believes will enhance shareholder value creation and allow the continuation of the Company as a successful standalone vehicle, affording investors continued access to the investment team of Gresham House Asset Management Limited (the "Investment Manager") and the Company's differentiated investment proposition. The Tender Offer will replace the contingent tender offer announced by the Company on 28 May 2021 that was due to take place in November 2022 and will provide those Shareholders who wish to participate with an opportunity to realise up to 10% of their shareholding in the Company. Pursuant to the Share Buyback Programme the Company will commit up to a further 9% of current NAV to buy back Shares up to a target discount level of not less than 5% to NAV per Share over the rest of the 2022 calendar year. Following completion of the Tender Offer, the Board proposes to alter its approach to discount control by making available 50% of the capital proceeds from realised profitable transactions in each financial year to fund buybacks of Shares, up to a discount of 5% to NAV per Share (the New Buyback Policy). If the proceeds of realisation cannot be used to purchase Shares at a discount to NAV per Share of greater than 5% over an appropriate time period it is intended that any remaining proceeds will be redeployed by the Investment Manager into investments that are in line with the Company's investment policy to reduce the potential impact of uninvested cash on investment performance.

**Rationale:** At the Company's annual general meeting in November 2021 a significant majority of Shareholders voted in favour of the continuation of the Company and the Board believes therefore that many Shareholders wish to continue their investment in the Company and to retain their access to the Investment Manager and the Company's differentiated investment proposition. The Company has implemented a strategy to maximise engagement opportunities and is now focused on investments that have a market capitalisation in the region of GBP 100 million to GBP 300 million at the point of entry. The Board believes that this strategy provides

the potential for outperformance over the long term. In addition, the Board remains mindful of Shareholders' frustrations that the discount to NAV remains wide and is seeking to address this through the implementation of the proposals.

**Recommendation:** The proposed authority is sought to repurchase up to 10% of the issued share capital. The authority would expire at the next AGM. Before considering approval of buybacks (and this should come from the board, not the manager), we would like to see a public statement:

- addressing how much of the discount can be explained by capitalisation of the costs (the Total Expense Ratio),
- setting out why the board believes that the performance of the incumbent management is not a contributory factor to the discount, and
- setting out how the current fee structure might be contributing to the discount, for example some investment companies cap management fees, or reduce the manager fee the larger the fund gets,
- setting out the effect of prior year buybacks to help determine the effectiveness of prior buybacks. In addition, as the company approved authority to buyback shares from the 2021 Annual General Meeting has not been used the overall authority to buyback shares is 20.99% which cause concerns for potential dilutions of shareholders rights. Overall, opposition is recommended.

Vote Cast: *Oppose*

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

## SVENSKA HANDELSBANKEN AGM - 23-03-2022

### 10. Approve the Remuneration Report

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

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.6, Oppose/Withhold: 2.4,

### 12. Authorise Share Repurchase

It is proposed to authorise the Board to purchase a maximum of 120,000,000 class A and/or B Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 99.8, Abstain: 0.1, Oppose/Withhold: 0.2,

### 19. Re-elect Pär Boman as Chair (Non Executive)

Par Boman proposed. Not considered to be independent as he was formerly the Chief Executive Officer of the company. It is considered best practice that the role of the Chair is independent or there is sufficient independent representation. As neither occurs an oppose vote is recommended.

Vote Cast: *Oppose*

Results: For: 80.2, Abstain: 0.8, Oppose/Withhold: 19.0,

### 20.2. *Appoint the Auditors: PwC*

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

Vote Cast: *Abstain*

Results: For: 94.9, Abstain: 0.6, Oppose/Withhold: 4.6,

### 20.1. *Appoint the Auditors:EY*

EY proposed. No non-audit fees were paid to the auditors in the past three years. EY's tenure is more than nine year which is against EU regulations. On this basis opposition is proposed.

Vote Cast: *Oppose*

Results: For: 97.0, Abstain: 0.1, Oppose/Withhold: 2.8,

### 22. *Approve Remuneration Policy*

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

Vote Cast: *Oppose*

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

### 23. *Approve Proposal Concerning the Appointment of Auditors in Foundations Without Own Management*

EY is proposed as the auditor for the following foundations associated with the bank. EY is not considered independent owing to a tenure as the company's audit firm exceeding 10 years. Based on this opposition is recommended.

Vote Cast: *Oppose*

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

### 24. *Shareholder Resolution: Bank's IT management*

**Proponent's argument:** Shareholder Carl Axel Bruno proposes that the company changes the mainframe software, so that only the Bank has the opportunity to start a second process as long as the Bank does not know who is starting a second process.

**Company's response:** The board recommends a vote against this proposal. "The bank continuously monitors developments in cyber threats and fraud and continuously adapts and improves the bank's security solutions. The Bank is of the view that such a change of software in Handelsbanken's mainframe as proposed by the shareholder is neither correct nor necessary."

**PIRC analysis:** Insufficient information regarding the rationale, the scope or the goal of the proposal was disclosed by the shareholder and the original proposal is unclear. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 3.4, Abstain: 1.0, Oppose/Withhold: 95.5,

### 25. *Shareholder Resolution: integration institute with operations in the Öresund region*

**Proponent's argument:** Shareholder Tommy Jonasson proposed that the Board of Directors be instructed to participate in the formation of an integration institute with operations in the Öresund region (Landskrona - Copenhagen) and to set aside SEK 10,000,000 (ten million) of the profit for the year.



**PIRC analysis:** While no statement in response from the company has been made available at this time, insufficient information regarding the rationale, the scope or the goal of the proposal was disclosed by the shareholder and the original proposal is unclear. Opposition is recommended.

Vote Cast: *Oppose*

Results: For: 3.4, Abstain: 1.1, Oppose/Withhold: 95.5,

## **ORION CORP (SOUTH KOREA) AGM - 24-03-2022**

### *1. Approve Financial Statements*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

### *2.1. Elect Seung-Jun Lee - Chief Executive*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

### *2.2. Elect Wook Lee - Non-Executive Director*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

### *3. Elect Audit Committee member: Wook Lee*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

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

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

## **ORION HOLDINGS AGM - 24-03-2022**

### *1. Approve Transfer Reserve Funds to Retained Earnings*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

## 2. Approve Financial Statements

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

## 5. Approve Total Remuneration of Inside Directors and Outside Directors

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

### SIEMENS GAMESA RENEWABLE ENERGY SA AGM - 24-03-2022

#### 7. Elect Francisco Belil Creixell - Non-Executive Director

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. The director was CEO of Siemens Spain. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

Results: For: 98.7, Abstain: 0.5, Oppose/Withhold: 0.8,

#### 8. Elect André Clark - Non-Executive Director

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

Vote Cast: *Oppose*

Results: For: 97.9, Abstain: 0.0, Oppose/Withhold: 2.1,

#### 9. Renew Appointment of Ernst & Young as Auditor

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

Vote Cast: *Abstain*

Results: For: 99.9, Abstain: 0.0, Oppose/Withhold: 0.0,

#### 13. Approve the Remuneration Report

It is proposed to approve the annual report on remuneration of Executive and Non-Executive Directors with an advisory vote. The Company discloses all elements of remuneration for Executives and Non-Executives. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 98.3, Abstain: 0.1, Oppose/Withhold: 1.6,

## **CONTROLADORA NEMAK SAB de CV AGM - 24-03-2022**

### *III. Elect Board: Slate Election*

Proposal to renew the Board with a bundled election. Although slate elections are not considered to be best practice, they are common in this market. There is insufficient independent representation on the Board after the meeting as resulting from this slate of candidates.

*Vote Cast: Oppose*

## **NORDEA BANK ABP AGM - 24-03-2022**

### *7. Approve Financial Statements*

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

*Vote Cast: Abstain*

### *9. Discharge the Board*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

### *10. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration policy. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

### *13. Elect Board: Slate Election*

Proposal to renew the board with a slate election. At this time, and regardless of the level of independence of the board after the AGM, the company does not discuss gender diversity policy or practice. Although reporting on diversity policy and practice is not mandatory in this market at this time, it is considered that the Chair of the Nomination should coordinate the discussion and reporting on the Company policy and practice to foster diversity on the board, as well as across senior management. As it is impossible to separate the election of each individual director, opposition is recommended on the whole slate.

*Vote Cast: Oppose*

#### *15. Appoint the Auditors*

PwC proposed. Non-audit fees represented 12.50% of audit fees during the year under review and 12.00% 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.

*Vote Cast: Abstain*

#### *20. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 8.99% 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*

#### *21. Reissue of Treasury Shares with Pre-emption Rights Disapplied*

The Board requests authority to issue new shares or transfer treasury shares for a total of 0.77% of all shares in the company. The two proposed reasons are to implement the company's variable pay plans and to use as payment for corporate acquisitions. It is acceptable for the company to issue shares for its long term incentive plans previously approved, as the company has a legal duty to fund approved plans. However, we would expect the company to specify a particular acquisition in order to approve of the share reissue for the latter reason. It is regrettable that these proposals have been bundled, and it is considered that shareholders should have the opportunity to approve them separately. Opposition is recommended.

*Vote Cast: Oppose*

### **NOVO NORDISK A/S AGM - 24-03-2022**

#### *4. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration report with an advisory vote. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

#### *6.3c. Elect Andreas Fibig - Non-Executive Director*

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

*Vote Cast: Abstain*

#### *7. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 30.77% of audit fees during the year under review and 46.15% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. Abstention vote is recommended.

*Vote Cast: Abstain*

#### *8.2. Authorize Share Repurchase Program*

It is proposed to authorise the Board to purchase Company's shares for 10% and until 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*

#### *8.4. Approve Remuneration Policy*

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

*Vote Cast: Oppose*

### **ABB LTD AGM - 24-03-2022**

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

It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. The pay-out is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

#### *6.2. Approve Remuneration of Executive Committee in the Amount of CHF 45.9 Million*

It is proposed to approve the prospective remuneration for members of the Executive Management of the Company, which means that the proposed amount will not be the actual amount to be paid, but only the total remuneration cap. The voting outcome of this resolution will be binding for the Company.

It is proposed to fix the remuneration of members of the Executive Committee until next AGM at CHF 45,900,000 (CHF 40,000,000 was proposed last year). This

proposal includes fixed and variable remuneration components.

There are concerns over the remuneration structure at the Company: the Company has not disclosed quantified targets for its variable remuneration component, which may lead to overpayment against underperformance. In addition, the short term variable pay has no Malus or claw back provisions under which cash or shares already granted must be handed back under certain circumstances. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *7.10. Elect Peter Voser - Chair (Non Executive)*

Non-Executive Chair, not consider independent as Mr. Voser was a former executive of the company and interim CEO the period April 17, 2019 until 1 March 2020. 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. In addition, there are concerns over his time commitments and the director could not prove full attendance of board and committee meetings during the year. Overall opposition is recommended.

*Vote Cast: Oppose*

#### *8.3. Elect Remuneration Committee member Ms. Jennifer Xin-Zhe Li*

This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, abstention is recommended.

*Vote Cast: Abstain*

#### *10. Appoint the Auditors*

KPMG proposed. Non-audit fees represented 39.42% of audit fees during the year under review and 16.25% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. Abstention is recommended.

*Vote Cast: Abstain*

### **ESSITY AB AGM - 24-03-2022**

#### *11.b. Re-Elect Pär Boman - Chair (Non Executive)*

Non-Executive Chair. Not considered to be independent as he is Deputy Chairman of the Board of AB Industrivärden, a significant shareholder. The director has a cross directorship with other directors in the Company in Svenska Cellulosa Aktiebolaget SCA. He is also on the board of Svenska Handelsbanken AB, another significant shareholder. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*11.c. Re-Elect Annemarie Gardshol - Non-Executive Director*

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

*Vote Cast: Oppose*

*11.f. Re-Elect Bert Nordberg - Non-Executive Director*

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

*Vote Cast: Oppose*

*11.g. Re-Elect Louise Svanberg - Non-Executive Director*

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

*Vote Cast: Oppose*

*11.h. Re-Elect Lars Rebien Sörensen - Non-Executive Director*

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

*Vote Cast: Abstain*

*11.i. Re-Elect Barbara Milian Thoralfsson - Non-Executive Director*

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

*Vote Cast: Oppose*

*12. Elect Pär Boman - Chair (Non Executive)*

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

*Vote Cast: Oppose*

#### 14. *Approve Remuneration Policy*

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

Vote Cast: *Oppose*

#### 15. *Approve the Remuneration Report*

It is proposed to approve the remuneration paid or due to executives with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated, although 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.

Vote Cast: *Abstain*

#### 16. *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*

#### 17.a. *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*

#### 17.b. *Reissue of Treasury Shares with Pre-emption Rights Disapplied*

The Board requests authority to approve an authority for the reissue of repurchased shares on account of company acquisitions. This authority is not requested in connection with a particular operation and has not been duly justified by the Company. Opposition is therefore recommended.

Vote Cast: *Oppose*



## **GJENSIDIGE FORSIKRING AGM - 24-03-2022**

### ***7. Approve the Board's Statement on Stipulation of Pay***

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

*Vote Cast: Oppose*

### ***8. Approval of Guidelines for stipulation of remuneration of executive persons***

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

*Vote Cast: Abstain*

### ***9.B. Purchase Own Shares to Implement Group's Share Savings Programme***

It is proposed to authorise the Board to purchase the Company's shares until next AGM for the purpose of funding the incentive program, and encourage employee to be shareholders in the company. Plans to increase employee shareholding are considered to be a positive governance practice, as they can contribute to alignment between employees and shareholders. On the other hand, executives are also among the beneficiaries, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance opposition is recommended.

*Vote Cast: Oppose*

### ***13.A. Elect Board: Slate Election***

Proposal to renew the Board with a bundled election. Although slate elections are not considered to be best practice, they are common in this market. There is insufficient independent representation on the Board after the meeting as resulting from this slate of candidates.

*Vote Cast: Oppose*

## **SYDBANK AS AGM - 24-03-2022**

### ***4. Approve the Remuneration Report***

It is proposed to approve the remuneration paid or due to executives with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. The Company has fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated, although 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.

*Vote Cast: Abstain*

#### *8. 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*

#### *5.a. Elect Arne Gerlyng-Hansen as Member of Committee of Representatives*

It is proposed to elect Arne Gerlyng-Hansen to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

#### *5.b. Elect Peter S. Sorensen as Member of Committee of Representatives*

It is proposed to elect Peter S. Sorensen to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

#### *5.c. Elect Nicolai Dyhr as Member of Committee of Representatives*

It is proposed to elect Nicolai Dyhr to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

#### *5.d. Elect Janne Moltke-Leth as Member of Committee of Representatives*

It is proposed to elect Janne Moltke-Leth to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

#### *5.f. Elect Gitte Poulsen as Member of Committee of Representatives*

It is proposed to elect Gitte Poulsen to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.g. Elect Richard Fynbo as Member of Committee of Representatives*

It is proposed to elect Richard Fynbo to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.h. Elect Lars Thuro Moller as Member of Committee of Representatives*

It is proposed to elect Thuro Moller to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.i. Elect Jan Osterskov as Member of Committee of Representatives*

It is proposed to elect Jan Osterskov to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.j. Elect Bente Rasmussen as Member of Committee of Representatives*

It is proposed to elect Bente Rasmussen to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.k. Elect Henrik Raunkjaer as Member of Committee of Representatives*

It is proposed to elect Henrik Raunkjaer to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.l. Elect Lasse Meldgaard as Member of Committee of Representatives*

It is proposed to elect Lasse Meldgaard to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.m. Elect Hanni Toosbuy Kasprzak as Member of Committee of Representatives*

It is proposed to elect Hanni Toosbuy Kasprzak to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.n. Elect Leo Gronvall as Member of Committee of Representatives*

It is proposed to elect Leo Gronvall to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.o. Elect Lasse Rich Henningsen as Member of Committee of Representatives*

It is proposed to elect Lasse Rich Henningsen to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.p. Elect Ellen Trane Norby as Member of Committee of Representatives*

It is proposed to elect Ellen Trane Norby to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.q. Elect Andreas Kirk as Member of Committee of Representatives*

It is proposed to elect Andreas Kirk to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.r. Elect Peter Vang Christensen as Member of Committee of Representatives*

It is proposed to elect Peter Vang Christensen to the Committee of Representatives. There are concerns over this nomination process and the level of independence on the Board if the Committee of Representatives represents only regional banks. Abstention is thus recommended.

*Vote Cast: Abstain*

**NKT HOLDING A/S AGM - 24-03-2022**

*5. Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration policy. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In

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

*Vote Cast: Oppose*

#### *6. Discharge the Board and Management Board*

Standard resolution. At the company, there is no external whistle-blowing hotline. This suggests that such concerns that should be raised by a whistle-blower are dealt with internally, which may increase the risk of such issues not being followed up or escalating to a level where the higher was the level of the misconduct, the more likely is the issue to be concealed. On this basis, and on the potential unforeseeable consequences for the company, opposition is recommended.

*Vote Cast: Oppose*

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

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

*Vote Cast: Oppose*

#### *9. Appoint the Auditors*

Deloitte proposed. Non-audit were not paid during the year under review and fees represented 10.00% 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.

*Vote Cast: Abstain*

#### *8d. Elect Jens Maaloe - Non-Executive Director*

Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board. There are concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year.

*Vote Cast: Abstain*

### **SHINHAN FINANCIAL GROUP LTD AGM - 24-03-2022**

#### *4. Approve Total Remuneration for Non Executive and Management Directors*

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

Vote Cast: *Oppose*

### **SKF AB AGM - 24-03-2022**

#### *13.5. Elect Hakan Buskhe - Non-Executive Director*

Non-Executive Director, Chair of the Audit Committee. Not considered independent as the director sits on the Board of FAM AB, a significant shareholder. It is considered that audit committees should be comprised exclusively of independent members, including the chair. In addition, the level of non-audit fees break-down is not considered to be sufficient, as the Company has not clearly disclosed the nature of non-audit fees. This is considered to be a frustration of shareholder accountability,

Vote Cast: *Oppose*

#### *16. Approve the Remuneration Report*

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

Vote Cast: *Oppose*

#### *17. Approve Executive Performance Share Programme 2022*

The Board proposes the approval of a new incentive plan. Under the plan, the CEO and other executives will be awarded rights to receive shares, which will start vesting after three years from the date of award. The proposed performance indicators are Total Value Added (TVA) (90%) and reduction of CO2 emissions (10%). The Company does not disclose clear performance criteria but the indicators it will use, which makes it impossible to assess clearly the link between pay and performance and is deemed a serious frustration of shareholder accountability.

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

Vote Cast: *Oppose*

#### *15. Approve Remuneration Policy*

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

Vote Cast: *Oppose*

### **CEMEX SAB DE CV AGM - 24-03-2022**

#### *III. Set Maximum Amount of Share Repurchase Reserve*

It is proposed to fix the maximum amount available to directors, for the purpose of buying shares on the market. Although this is technically not an authority to repurchase shares, shareholders in Mexico do not approve individual authorities to repurchase shares. As such, identifying the total amount which can be used for repurchasing shares is considered an indirect authority to buy back shares on the market. These resolutions 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*

#### *IV. Elect Board: Slate Election Elect Directors, Chair and Secretary of Board, Members and Chair of Audit, Corporate Practices and Finance, and Sustainability Committees*

Proposal to renew the Board with a bundled election. Although slate elections are not considered to be best practice, they are common in this market. There is insufficient independent representation on the Board after the meeting as resulting from this slate of candidates.

Vote Cast: *Oppose*

### **CORPORACION INMOBILIARIA VESTA SAB DE CV AGM - 24-03-2022**

#### *8. Authorize Share Repurchase Reserve*

It is proposed to fix the maximum amount available to directors, for the purpose of buying shares on the market. Although this is technically not an authority to repurchase shares, shareholders in Mexico do not approve individual authorities to repurchase shares. As such, identifying the total amount which can be used for repurchasing shares is considered an indirect authority to buy back shares on the market. These resolutions 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*

### **ADVANCED INFO SERVICE PCL AGM - 24-03-2022**

#### *4. Appoint the Auditors*

Deloitte proposed. Non-audit fees represented 4.15% of audit fees during the year under review and 5.47% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

*5a. Elect Surasak Vajasit - Non-Executive Director*

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

*Vote Cast: Oppose*

*5b. Elect Jeann Low Ngiap Jong - Non-Executive Director*

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

*Vote Cast: Oppose*

*5c. Elect Smith Banomyong - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on the Company's own assessment. It was not possible to retrieve sufficient information on this director in order to assess independence. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*5d. Elect Arthur Lang Tao Yih - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on the Company's own assessment. It was not possible to retrieve sufficient information on this director in order to assess independence. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*8. Transact Any Other Business*

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

*Vote Cast: Oppose*

**BLACKROCK THROGMORTON TRUST PLC AGM - 24-03-2022**

*10. Re-appoint PricewaterhouseCoopers LLP as Auditor to the Company*

PwC 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*

Results: For: 93.9, Abstain: 0.0, Oppose/Withhold: 6.0,

#### 16. *Issue Shares for Cash (Additional Authority)*

Authority is limited to 5% of the company's issued share capital and will expire in the next AGM. However, the additional authority will have in connection with resolution 15 an aggregate limit of 15% of the issued share capital which is considered excessive, and present an excessive amount of dilution for existing shareholders. Therefore opposition is recommended.

Vote Cast: *Oppose*

Results: For: 91.6, Abstain: 0.0, Oppose/Withhold: 8.3,

#### 17. *Authorise Share Repurchase*

Authority is sought to repurchase up to 14.99% of the issued share capital. The authority would expire at the next AGM. Before considering approval of buybacks (and this should come from the board, not the manager), we would like to see a public statement:

- addressing how much of the discount can be explained by capitalisation of the costs (the Total Expense Ratio),
- setting out why the board believes that the performance of the incumbent management is not a contributory factor to the discount, and
- setting out how the current fee structure might be contributing to the discount, for example some investment companies cap management fees, or reduce the manager fee the larger the fund gets,
- setting out the effect of prior year buybacks to help determine the effectiveness of prior buybacks.

Vote Cast: *Oppose*

Results: For: 99.9, Abstain: 0.0, Oppose/Withhold: 0.0,

## SHISEIDO CO LTD AGM - 25-03-2022

### 4.1. *Re-Elect Yoshida Takeshi*

Non-executive Corporate Auditor. Not considered to be independent. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

Vote Cast: *Oppose*

## BEAZLEY PLC AGM - 25-03-2022

### 2. Approve the Remuneration Report

**Disclosure:**All elements of the Single Total Remuneration Table are adequately disclosed. All elements of each director's cash remuneration are disclosed. The salary of the CEO is in line with the workforce, since the salary increase for the CEO was at 2.6% were the increase for the workforce was at 3.5%. It is noted the CEO's salary is in the median of a PIRC comparator group.

**Balance:**The changes in CEO total pay over the last five years are not considered in line with the Company's TSR performance over the same period. The variable pay of the CEO for the year is considered excessive as it amounts to 317.88% of salary (Annual Bonus: 300%, LTIP: 17.88%), which is higher than 200%. The average CEO pay to employee pay is considered acceptable at 2:1.

Rating: AD

Vote Cast: *Oppose*

Results: For: 89.5, Abstain: 0.0, Oppose/Withhold: 10.5,

### 13. Re-appoint Ernst & Young as auditors of the Company

EY proposed. Non-audit fees represented 15.79% of audit fees during the year under review and 17.58% 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*

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

### 16. Approve New Long Term Incentive Plan

The Board proposes the approval of a new long-term incentive plan. Under the plan, the CEO and other executives will be awarded rights to shares, a portion (or all) of which will vest depending on the achievement of some performance criteria. Vesting period is three years and as such is considered to be short-term, while performance targets have not been fully disclosed in a quantified manner at this time.

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

Vote Cast: *Oppose*

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

#### 19. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

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

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

It is proposed that a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice. It is considered that all companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues. However, the proposed change is permissible by the Companies Act. It is noted that on the 2021 Annual General Meeting the company received significant opposition of 11.95% of the votes. The company did not disclosed information as to how address the issue with its shareholders. Therefore abstention is recommended.

Vote Cast: *Abstain*

Results: For: 88.4, Abstain: 0.3, Oppose/Withhold: 11.3,

### **SK TELECOM CO LTD AGM - 25-03-2022**

#### 1. *Approve Financial Statements and Allocation of Income*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

#### 2. *Amend Articles*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

#### 3. *Approve Stock Option Grants*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

#### 5. *Elect Audit Committee: Kim Seok-dong*

Non-Executive Director, member of the audit committee. Not considered to be independent. In terms of best practice, it is considered that the audit committee should only comprise independent members. An oppose vote is recommended.

Vote Cast: *Oppose*

*6. Approve Total Remuneration of Inside Directors and Outside Directors*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

**KB FINANCIAL GROUP AGM - 25-03-2022**

*1. Approve Financial Statements*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

*3. Elect Audit Committee Member Gim Gyeong Ho*

In terms of best practice it is considered that it should comprise only independent directors. No information has been disclosed in regards to the candidates to the Committee. Abstention is thus recommended.

Vote Cast: *Abstain*

*5. Approve Fees Payable to the Board of Directors*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

**TY HOLDINGS CO. LTD AGM - 25-03-2022**

*1. Reduce Share Capital*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

*2. Approve Financial Statements and Allocation of Income*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

#### *4. Approve Total Remuneration of Management and Board of Directors*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

### **HANA FINANCIAL HOLDINGS AGM - 25-03-2022**

#### *1. Approve Financial Statements*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

#### *2. Amend Articles*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

#### *3.1. Re-elect Tae-Seung Baek - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *3.2. Re-elect Kim Hong Jin - Non-Executive Director*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material. He was non-executive director in KEB Hana Bank a subsidiary of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *3.4. Elect I Jeong Won - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *3.5. Elect I Gang Won - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient

biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*4. Elect Audit Committee: Yang Dong Hun*

In terms of best practice it is considered that it should comprise only independent directors. No information has been disclosed in regards to the candidates to the Committee. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.1. Elect Audit Committee: Baek Tae Seung*

Non-Executive Director, member of the audit committee. Not considered to be independent. In terms of best practice, it is considered that the audit committee should only comprise independent members. An oppose vote is recommended.

*Vote Cast: Oppose*

*5.2. Elect Audit Committee: I Jeong Won*

In terms of best practice it is considered that it should comprise only independent directors. No information has been disclosed in regards to the candidates to the Committee. Abstention is thus recommended.

*Vote Cast: Abstain*

*5.3. Elect Audit Committee: Bak Dong Mun*

In terms of best practice it is considered that it should comprise only independent directors. No information has been disclosed in regards to the candidates to the Committee. Abstention is thus recommended.

*Vote Cast: Abstain*

*6.1. Approve Remuneration for Director*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

*6.2. Approve Remuneration for Director*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

## PHAROL SGPS SA AGM - 25-03-2022

### 4. *Discharge the Board*

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

Vote Cast: *Abstain*

### 5. *Authorise Share Repurchase*

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

Vote Cast: *Oppose*

### 6. *Approve Remuneration Policy*

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

Vote Cast: *Abstain*

## BRF - BRASIL FOODS SA AGM - 28-03-2022

### 1. *Approve Financial Statements*

Disclosure is acceptable and the report was made available sufficiently before the meeting. However, The Company has not disclosed the fees paid to the auditors for the year under review, and what non-audit services have been provided, if any. Under Brazilian legislation, companies are not required in their financial statements to disclose the amount paid for the External Audit except where additional services have been engaged and the value of such services exceeds 5% of the total amount paid to the external auditor. Nevertheless, it is considered that companies should go beyond minimum regulatory requirements. Not disclosing the fees paid to the auditors is considered to be a serious breach of shareholder accountability, as it is impossible to assess the existence of potential conflicts of interest that would hinder the independence of the auditor. On this ground, opposition is recommended.

Vote Cast: *Oppose*

### 4. *Elect Board: Slate Election*

It is proposed to elect all directors on the slate proposed. Based on the profiles of the candidates and the overall independence of the board, it is considered that not all of the candidates should be supported equally. Abstention is recommended.

*Vote Cast: Abstain*

#### *9. Approve Maximum Remuneration of Management*

It is proposed to approve the maximum compensation for Directors, Management and Fiscal Council for next year. It is regrettable that the Company bundled these items, however it is common practice in this market. The amount proposed under this resolution is not the actual remuneration but the global remuneration cap, and includes fixed salaries and short term incentives.

Directors and Fiscal Council receive only fixed fees. For Management, it is proposed to cap remuneration at BRL 91,07 million. Variable remuneration for executives would correspond to up to 193.6% of the fixed pay. There is lack of disclosure with respect of targets and measurable criteria for variable remuneration, which prevents shareholders from making an informed assessment. Abstention is recommended.

*Vote Cast: Abstain*

#### *11.1. Elect Bernardo Szpigel as Fiscal Council Member and Valdecyr Maciel Gomes as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Bernardo Szpigel as standing member, Valdecyr Maciel Gomes as secondary member. In terms of good governance, it is considered that all of the candidates to the Fiscal Board should be independent. It is regrettable that the Company has bundled their election instead of seeking support for individual candidates. The candidate Bernardo Szpigel is not considered to be independent as he was indicated by Marfrig Global Foods S.A., a major shareholder. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *10. Approve Remuneration of Board of Statutory Auditors*

The Board is seeking approval for remuneration of the Fiscal Council. The proposed increase is within 10% on annual basis, which is considered acceptable. However, the members of the Fiscal Council receive a variable component on top of their fees. It is considered that Fiscal Council should receive only fixed fees, as variable compensation may align them with short-term interests and not with long-term supervisory duties. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *5. In Case One of the Nominees Leaves the Board of Directors Slate Due to a Separate Minority Election, as Allowed Under Articles 161 and 240 of the Brazilian Corporate Law, May Your Votes Still Be Counted for the Proposed Slate?*

It is proposed to count shareholders' vote on the slate, in case one of the candidates on the slate is no longer part of it. At this time, no changes have been communicated and abstention is recommended.

*Vote Cast: Abstain*

#### *6. In Case Cumulative Voting Is Adopted, Do You Wish to Equally Distribute Your Votes Amongst the Nominees below?*

It is proposed to equally distribute votes among candidates in the slate, in case cumulative voting is adopted. Based on the profiles of the candidates and the overall independence of the board, it is considered that not all of the candidates should be supported equally.

*Vote Cast: Abstain*



#### *7.1. Percentage of Votes to Be Assigned - Elect Marcos Antonio Molina dos Santos*

Even in case cumulative voting were to be adopted, it is considered that the proposed candidate is not considered to be independent and should not be supported.

*Vote Cast: Abstain*

#### *7.2. Percentage of Votes to Be Assigned - Elect Sergio Agapito Rial as Director*

Even in case cumulative voting were to be adopted, it is considered that the proposed candidate is not considered to be independent and should not be supported.

*Vote Cast: Abstain*

#### *7.3. Percentage of Votes to Be Assigned - Elect Marcia Aparecida Pascoal Marcal dos Santos*

Even in case cumulative voting were to be adopted, it is considered that the proposed candidate is not considered to be independent and should not be supported.

*Vote Cast: Abstain*

#### *8. Elect Marcos Antonio Molina dos Santos as Board Chair and Sergio Agapito Rial as Vice-Chair*

It is proposed to elect Marcos Antonio Molina dos Santos as Board Chair and Sergio Agapito Rial as Vice-Chair on the slate proposed. Based on the profiles of the candidates and the overall independence of the board, it is considered that the candidates should not be supported as considered to be connected with a major shareholder: Marfrig Global Foods S.A. Opposition is recommended.

*Vote Cast: Oppose*

#### *11.2. Elect Ana Paula Teixeira de Sousa as Fiscal Council Member and Cristina Ferreira de Brito as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Ana Paula Teixeira de Sousa as standing member, Cristina Ferreira de Brito as secondary member. In terms of good governance, it is considered that all of the candidates to the Fiscal Board should be independent. It is regrettable that the Company has bundled their election instead of seeking support for individual candidates. The candidate Ana Paula Teixeira de Sousa is not considered to be independent, as indicated by PREVI - Caixa de Previdência dos Funcionários do Banco do Brasil. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *11.3. Elect Atilio Guaspari as Fiscal Council Member and Marcus Vinicius Dias Severini as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Atilio Guaspari as standing member, Marcus Vinicius Dias Severini as secondary member. In terms of good governance, it is considered that all of the candidates to the Fiscal Board should be independent. It is regrettable that the Company has bundled their election instead of seeking support for individual candidates. Atilio Guaspari is not considered independent, owing to a tenure on the Fiscal Council of more than nine years. It is believed that there is a risk that over time the familiarity of a Fiscal Council member with the Company may result in excessive trust. On this basis, opposition is recommended.

*Vote Cast: Oppose*

## GO-AHEAD GROUP PLC AGM - 28-03-2022

### 1. *Receive the Annual Report*

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain*

Results: For: 92.3, Abstain: 1.0, Oppose/Withhold: 6.7,

### 2. *Approve Remuneration Policy*

**Policy Rating: ADC** Changes proposed: 1) The principal change proposed under the new remuneration policy is to enable the grant of Restricted Share Plan (RSP) awards to replace the existing LTIP awards. The key features of the RSP are: a) Three-year vesting period and two-year post-vesting holding period, b) Financial and non-financial underpins to ensure that any vesting of the RSP is aligned with the overall performance of the business, and to allow the Nomination Committee discretion to reduce the vesting in the event that this is not considered to be the case. The Nomination Committee will determine the underpins annually, c) Quantum of awards set at a 50% discount to the current LTIP arrangements to account for the increased certainty of vesting and d) The remuneration policy maximum in respect to the RSP will therefore be 75% of base salary. 2) Introduce a post-cessation shareholding requirement equivalent to 100% of the in-post shareholding requirement for two years post-departure, 3) Equalise executive director notice periods such that the notice period is 12 months from either the executive director or the Group and 4) Formalise recent updates as to how the company operated pay into its new remuneration policy: a) Executive director pension provision in line with that provided to the majority of the workforce (currently 3 per cent of qualifying earnings) and b) Enhanced malus and clawback trigger events.

Although some of the changes in the remuneration policy are welcomed, there are still some concerns. More specific, total potential variable pay could reach 225% of the salary for the executives and is considered excessive since it is higher than 200%. On the new Restricted Share Plan (RSP) the non-financial underprint is welcomed, however, performance period is three years which is not considered sufficiently long-term, it is noted that a two year holding period applies which is welcomed. Dividend equivalents may be paid, 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. In addition, performance metrics are not operating interdependently, such that vesting under the incentive plan is only possible where all threshold targets are met.

Vote Cast: *Oppose*

Results: For: 85.1, Abstain: 2.0, Oppose/Withhold: 12.9,

### 4. *Re-appoint Deloitte LLP as auditor of the Company*

Deloitte proposed. Non-audit fees represented 7.41% of audit fees during the year under review and 8.33% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Abstain*

Results: For: 78.8, Abstain: 15.7, Oppose/Withhold: 5.5,

**FORTUM OYJ AGM - 28-03-2022****7. Approve Financial Statements**

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

Vote Cast: *Abstain*

**9. Approve Discharge of Board and President**

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

**10. Approve the Remuneration Report**

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

Vote Cast: *Oppose*

**15. Appoint the Auditors**

Deloitte proposed. Non-audit fees represented 24.14% of audit fees during the year under review and 21.79% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Vote Cast: *Oppose*

**16. Authorise Share Repurchase**

It is proposed to authorise the Board to purchase Company's shares for 2.25% 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*

**17. Reissue of Treasury Shares with Pre-emption Rights Disapplied**

It is proposed to give authority to issue new shares or redistribute the shares repurchased under the authority submitted in the previous resolution. The Board will

maintain full discretion over the use and destination of repurchased shares. The authority is valid up to next AGM. This is of concern as the Board could use this authority as an anti-takeover device or for an inappropriate form of compensation without further shareholder approval. On this basis, opposition is recommended.

*Vote Cast: Oppose*

## **SK SQUARE AGM - 28-03-2022**

### *1. Approve Financial Statements*

At this time, the financial statements have not been made available adequately in English. Although not uncommon in this market, it is considered a serious reporting omission. Opposition is recommended.

*Vote Cast: Oppose*

### *2. Approval of the Ceiling Amount of Remuneration for Directors*

A ceiling amount of KRW 12.0 billion has been proposed for 7 directors. No further details have been provided in English regarding the breakdown of directors' remuneration. As per market practice, the proposed remuneration is likely to be made available only at the meeting.

Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

*Vote Cast: Abstain*

## **BANK OF EAST ASIA LTD EGM - 28-03-2022**

### *1. Approve Buy-back Deed and Related Transactions*

**Introduction, Background & Proposal** On 28th January, 2022, each of the Elliott Parties executed the Deed of Undertaking in favour of the Bank. Pursuant to the Deed of Undertaking and subject to the satisfaction of the shareholder approval condition, each of the Elliott Parties has irrevocably undertaken to execute the Buy-back Deed with the Bank in relation to an off-market share buy-back by the Bank of 246,510,173 Shares held by the Elliott Parties, representing approximately 8.43% of the total number of issued Shares. Upon completion of the Share Buy-back, the Elliott Parties will not hold any relevant securities in the Bank. The Buy-back Price for each Buy-back Share is HKD 11.78. The total consideration for the Share Buy-back will be approximately HKD 2,904 million. The consideration for the Share Buy-back was determined following commercial negotiations between the parties taking into account the prevailing market conditions. The consideration will be settled in cash by the Bank from its internal resources at completion. On 24th February, 2022, the Board declared a second interim dividend for the year ended 31st December, 2021 in cash in an amount of HKD 0.35 per Share. The Buy-back Price shall not be adjusted by an equivalent amount regardless of whether the ex-entitlement date is before or after the completion of the Share Buy-back.

**Rationale** When deciding to propose the Share Buy-back, the Bank took into consideration that the Share Buy-back: (i) is a good opportunity for the Bank to enhance its return on equity and its earnings per share; and (ii) will result in an increase in the consolidated net asset value per share attributable to the Shareholders of approximately 6% based on the audited consolidated balance sheet of the Group as at 31st December, 2021. Furthermore, the Share Buy-back facilitates the exit of the Elliott Parties, a sizeable Shareholder, in an orderly fashion. Given the current stock price of the Bank, the Bank considers the Share Buy-back an efficient use of

capital for the Bank.

**Recommendation** Such transactions are considered on the basis of whether the transaction has been adequately explained and whether there is sufficient independent oversight of the recommended transaction. The notice of meeting contains full details of the transaction. However, it is noticed that there is not a sufficient balance of independence on the board. This raises concerns about the decision that was taken as it is not clear if there was appropriate independence and objectivity. Opposition is recommended.

*Vote Cast: Oppose*

## **PTT EXPLORATION & PRODUCTION AGM - 28-03-2022**

### *4. Appoint the Auditors*

PwC proposed. Non-audit fees represented 38.34% of audit fees during the year under review and 26.42% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor.

*Vote Cast: Abstain*

### *7.1. Elect Lieutenant General Colonel Nimit Suwannarat - Non-Executive Director*

Non-Executive Director. Not considered independent due to his roles in government, which is the controlling shareholder. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *8. Transact Any Other Business*

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

*Vote Cast: Oppose*

### *7.2. Elect Penchun Jarikasem - Non-Executive Director*

Non-Executive Director. Not considered independent due to their previous employment as an executive of a PTT subsidiary. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *7.3. Elect Atikom Terbsiri - Non-Executive Director*

Non-Executive Director. Not considered independent due to their previous roles at affiliated companies: PTT Public Company Limited and PTT LNG Company Limited. There is insufficient independent representation on the Board. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. Overall, opposition is recommended.

Vote Cast: *Oppose*

*7.5. Elect Teerapong Wongsiwawilas - Non-Executive Director*

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

Vote Cast: *Oppose*

**DAEWOONG PHARM CO LTD AGM - 29-03-2022**

*1. Amend Articles*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

*2. Elect Kim Dae Deok - Non-Executive Director*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

*3. Approve Total Remuneration of Inside Directors and Outside Directors*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

*4. Authorize Board to Fix Remuneration of Internal Auditor(s)*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

*5. Approve Stock Option Grants*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

## **KOREA GAS CORP AGM - 29-03-2022**

### *1. Approve Financial Statements*

At this time, the financial statements have not been made available in English. Although not uncommon in this market, it is considered a serious reporting omission. Opposition is recommended.

*Vote Cast: Oppose*

### *2. Approve Remuneration for Director*

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

*Vote Cast: Abstain*

## **HYUNDAI GREEN FOOD CO LTD AGM - 29-03-2022**

### *1. Approve Financial Statements*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

### *2. Amend Articles*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

### *3.4. Re-elect Jeong Byeong Du - Non-Executive Director*

Non-Executive Director. Not considered to be independent based on insufficient information. It is considered that shareholders should be provided with sufficient biographical information on candidates, in order to make an informed assessment on the candidates' independence and profile. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

### *4. Elect Audit Committee: Jeong Byeong-du*

Non-Executive Director, member of the audit committee. Not considered to be independent. In terms of best practice, it is considered that the audit committee should only comprise independent members. An oppose vote is recommended.

*Vote Cast: Oppose*

*5. Approve Total Remuneration of Inside Directors and Outside Directors*

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

**CREDICORP LTD AGM - 29-03-2022**

*1. Ratify PricewaterhouseCoopers as Auditor and Authorize Board to Fix Their Remuneration*

PwC proposed. Non-audit fees represented 3.67% of audit fees during the year under review and 5.16% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

**TIM SA AGM - 29-03-2022**

*A1. Approve Financial Statements*

Disclosure is acceptable and the report was made available sufficiently before the meeting. However, The Company has not disclosed the fees paid to the auditors for the year under review, and what non-audit services have been provided, if any. Under Brazilian legislation, companies are not required in their financial statements to disclose the amount paid for the External Audit except where additional services have been engaged and the value of such services exceeds 5% of the total amount paid to the external auditor. Nevertheless, it is considered that companies should go beyond minimum regulatory requirements. Not disclosing the fees paid to the auditors is considered to be a serious breach of shareholder accountability, as it is impossible to assess the existence of potential conflicts of interest that would hinder the independence of the auditor. On this ground, opposition is recommended.

*Vote Cast: Oppose*

*A3. Ratify Claudio Giovanni Ezio Ongaro and Alberto Mario Griselli as Directors*

Ratify Claudio Giovanni Ezio Ongaro and Alberto Mario Griselli as Directors with a bundled election. Claudio Giovanni Ezio Ongaro is not considered independent as he is connected with a controlling shareholder: Telecom Italia S.p.A. as an Executive Director, and Alberto Mario Griselli is the Chief Executive Officer. Although slate elections are not considered to be best practice, they are common in this market. There is insufficient independent representation on the Board after the meeting as resulting from this slate of candidates.

*Vote Cast: Oppose*

*A5. Elect Fiscal Council Members*

It is proposed to appoint members of the Fiscal Council in a bundled election. In addition, the candidate Walmir Urbano Kesseli is not considered to be independent



as owing to a tenure of over nine years in the Fiscal Council. In terms of good governance, it is considered that all of the candidates to the Fiscal Council should be independent. It is regrettable that the Company has bundled their election instead of proposing individual candidates. Opposition is recommended.

*Vote Cast: Oppose*

*A6. In Case One of the Nominees Leaves the Fiscal Council Slate Due to a Separate Minority Election, May Your Votes Still Be Counted for the Proposed Slate?*

It is proposed to count shareholders' vote on the slate, in case one of the candidates on the slate is no longer part of it. At this time, no changes have been communicated and abstention is recommended.

*Vote Cast: Abstain*

*A7. Approve Remuneration of Company's Management and Fiscal Council*

It is proposed to approve the maximum compensation for Directors, Management and Fiscal Council for next year. It is regrettable that the Company bundled these items, however it is common practice in this market. The amount proposed under this resolution is not the actual remuneration but the global remuneration cap, and includes fixed salaries and short term incentives.

Directors and Fiscal Council receive only fixed fees. For Management, it is proposed to cap remuneration at 88,7 BRL million. Variable remuneration for executives would correspond to up to 215% of the fixed pay, which is deemed excessive. In addition, there is lack of disclosure with respect of targets and measurable criteria for variable remuneration, which prevents shareholders from making an informed assessment. Opposition is recommended.

*Vote Cast: Oppose*

## **UPM-KYMMENE OYJ AGM - 29-03-2022**

*7. Approve Financial Statements*

The financial statements were made available sufficiently before the meeting and have been audited and certified. However, given are serious concerns over the Company's sustainability policies and practice, it is considered that the financial statements may not reflect accurately the material and financial impact of non-traditionally financial risks. In addition, it is noted that the Company has significant labour relations issues, with wide-scale strike action ongoing at the time of writing (further outlined in the Watch List section above). This represents a significant non-traditional financial risk for the Company which is not adequately accounted for in the financial statements. Overall, opposition is recommended.

*Vote Cast: Oppose*

*9. Discharge the Board*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

#### *10. Approve the Remuneration Report*

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

*Vote Cast: Oppose*

#### *13. Elect Board: Slate Election*

Proposal to renew the Board with a bundled election. Although slate elections are not considered to be best practice, they are common in this market. There is sufficient independent representation on the Board after the meeting as resulting from this slate of candidates. However, it is noted that the Company has significant labour relations issues, with wide-scale strike action ongoing at the time of writing (this is further outlined in the "Current Watch List Concerns" section above). The Board's leadership is considered to have operational responsibility for labour relations. As the election of the Board's Chair is included in this bundled election, it is recommended to oppose.

*Vote Cast: Oppose*

#### *15. Appoint the Auditors*

PwC proposed. Non-audit fees represented 17.65% of audit fees during the year under review and 18.45% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

#### *16. Issue New Shares and Transfer Treasury Shares without Pre-emptive Rights*

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

*Vote Cast: Oppose*

#### *17. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 9.4% 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*

**LS CORP AGM - 29-03-2022****1. Approve Financial Statements**

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

**3. Approve Fees Payable to the Board of Directors**

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

Vote Cast: *Abstain*

**ERICSSON AGM - 29-03-2022****8.1. Approve Financial Statements**

Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. However, there are concerns that the company may allegedly have funded terrorism in Iraq, and that the company has not adequately addressed the issue. It is considered that the financial statements do not take into account the potential impact on the company, financially or reputationally, and cannot be supported until the issue is resolved. Opposition is recommended.

Vote Cast: *Oppose*

**8.2. Approve the Remuneration Report**

It is proposed to approve the implementation of the remuneration policy. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

**8.3.1. Approve Discharge of Board Chairman Ronnie Leten**

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. Additionally, there are concerns that the company may allegedly have funded terrorism in Iraq, and that the company has not adequately addressed the issue. It is considered that the Chair should have responsibility for oversight of these matters, and it is considered to be a failure of their responsibilities. Until these issues have been resolved, it is recommended to oppose the discharge.

Vote Cast: *Oppose*

### *8.3.2. Approve Discharge of Board Member Helena Stjernholm*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

### *8.3.3. Approve Discharge of Board Member Helena Stjernholm*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

### *8.3.4. Approve Discharge of Board Member Jon Fredrik Baksaas*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

### *8.3.5. Approve Discharge of Board Member Jan Carlson*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

### *8.3.6. Approve Discharge of Board Member Nora Denzel*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

### *8.3.7. Approve Discharge of Board Member Borje Ekholm*

It is proposed to discharge the director from liability. It is considered that the director has operational responsibility, and the FCPA issues have taken place during their tenure on the board. It is considered that the director should hold some responsibility for these failings. Opposition is recommended.

*Vote Cast: Oppose*

### *8.3.8. Approve Discharge of Board Member Eric A. Elzvik*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*8.3.9. Approve Discharge of Board Member Kurt Jofs*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*8.3.10. Approve Discharge of Board Member Kristin S. Rinne*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*8.3.11. Approve Discharge of Employee Representative Torbjorn Nyman*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*8.3.12. Approve Discharge of Employee Representative Kjell-Ake Soting*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*8.3.13. Approve Discharge of Deputy Employee Representative Anders Ripa*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*8.3.14. Approve Discharge of Employee Representative Roger Svensson*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*8.3.15. Approve Discharge of Deputy Employee Representative Per Holmberg*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As

such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

#### *8.3.16. Approve Discharge of Deputy Employee Representative Loredana Roslund*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

#### *8.3.17. Approve Discharge of Deputy Employee Representative Ulf Rosberg*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

#### *8.3.18. Approve Discharge of President Borje Ekholm*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. Additionally, there are concerns that the company may allegedly have funded terrorism in Iraq, and that the company has not adequately addressed the issue. It is considered that the CEO should have responsibility for oversight of these matters, and it is considered to be a failure of their responsibilities. Until these issues have been resolved, it is recommended to oppose the discharge.

*Vote Cast: Oppose*

#### *11.1. Re-Elect Jon Fredrik Baksaas - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: The director has sat on the board of Svenska Handelsbanken for 15 years. There is sufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *11.5. Elect Börje Ekholm - Chief Executive*

Chief Executive. The CEO of the Board is considered accountable for the Company's Sustainability programme. In addition, there are concerns that the company may allegedly have funded terrorism in Iraq, and that the company has not adequately addressed the issue. It is considered that the CEO should have responsibility for oversight of these matters, and it is considered to be a failure of their responsibilities.

*Vote Cast: Oppose*

#### *11.6. Re-Elect Eric A. Elzvik - Non-Executive Director*

Independent Non-Executive Director. Chair of the Audit Committee. There are concerns that the company may allegedly have funded terrorism in Iraq, and that the

company has not adequately addressed the issue. It is considered that the Audit Chair should have responsibility for identifying these matters, and it is considered to be a failure of their responsibilities. There are also concerns regarding alleged FCPA violations. Until these issues have been resolved, it is recommended to oppose.

*Vote Cast: Oppose*

#### *11.8. Re-Elect Ronnie Leten - Chair (Non Executive)*

Non-Executive Chair. Not considered independent as the director receives remuneration from a significant shareholder of the Company, in addition to non-executive fees. There is insufficient independent representation on the Board.

As there is no Sustainability Committee is up for election, the Chair of the Board is considered accountable for the Company's Sustainability programme. In addition, there are concerns that the company may allegedly have funded terrorism in Iraq, and that the company has not adequately addressed the issue. It is considered that the Chair should have responsibility for oversight of these matters, and it is considered to be a failure of their responsibilities.

*Vote Cast: Oppose*

#### *11.10. Re-Elect Helena Stjernholm - Vice Chair (Non Executive)*

Non-Executive Vice Chair. Not considered independent as the director serves as the President and CEO of AB Industrivärden, one of the significant shareholders. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *11.11. Re-Elect Jacob Wallenberg - Vice Chair (Non Executive)*

Non-Executive Vice Chair. Not considered independent owing to a tenure of over nine years. In addition, this director is not considered to be independent as he is the Chair of Investor AB, which is one of the significant shareholders of the company. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *12. Elect Ronnie Leten as Chair*

Non-Executive Chair. Not considered independent as the director receives remuneration from a significant shareholder of the Company, in addition to non-executive fees. There is insufficient independent representation on the Board.

As there is no Sustainability Committee is up for election, the Chair of the Board is considered accountable for the Company's Sustainability programme. In addition, there are concerns that the company may allegedly have funded terrorism in Iraq, and that the company has not adequately addressed the issue. It is considered that the Chair should have responsibility for oversight of these matters, and it is considered to be a failure of their responsibilities.

*Vote Cast: Oppose*

#### *16.1. Approve Long-Term Variable Compensation Program 2022 (LTV 2022)*

It is proposed to approve a new long term incentive plan for 2021. The Company disclosed the performance criteria for the allocation of incentives. LTV 2022 has four performance criteria which are 2022 Group Operating Income, Absolute Total Shareholder Return and Relative Total Shareholder Return, and an ESG criteria.

However, Operating income targets are not disclosed for reasons of market sensitivity. As these targets are not fully disclosed, there are concerns that it may overpay for under-performance. In addition, LTIPs are not considered an effective means of performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature. Opposition is recommended.

*Vote Cast: Oppose*

#### *16.2. Transfer of treasury stock for the LTV 2021*

The Board requests authority to repurchase and re-issue the shares to participants in the long term incentive plan proposed at the present meeting. Although companies have a legal duty to fund approved plans, this resolution is considered to be a proposal enabling the LTIP proposed. Based on the concerns on the resolution for the approval of the LTIP, opposition is recommended also on this resolution.

*Vote Cast: Oppose*

#### *16.3. Resolution on Equity Swap Agreement with third party in relation to the LTV 2022*

The Board seeks for approval in case required majority for resolution 16.2 is not reached, to outsource the financial exposure of the LTV 2021 Plan to a third party that shall, in its own name, acquire and transfer shares in the Company to employees. Opposition is recommended as there are concerns on the Plan for which the Board is seeking to finance.

*Vote Cast: Oppose*

### **ZTE CORP EGM - 30-03-2022**

#### *1.1. Elect Li Zixue - 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 and a vote to Oppose is recommended.

*Vote Cast: Oppose*

#### *1.3. Elect Li Buqing - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: he acts as a director of Shenzhen Aerospace Guangyu Industrial Company Limited, which is a shareholder of Zhongxingxin, the controlling shareholder of the Company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

#### *1.5. Elect Zhu Weimin - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: The director is also a director of Zhongxingxin, the controlling shareholder of the Company. There is insufficient independent representation on the Board.



Vote Cast: *Oppose*

*1.6. Elect Fang Rong - Non-Executive Director*

Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: she is director and Executive Vice President of Zhongxing Development Company Limited, an investee company of Zhongxingxin, the controlling shareholder of the Company. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

*3.1. Elect Jiang Mihua as Supervisor*

The supervisor candidate is not considered independent. There is insufficient independent representation on the supervisory board (less than 33%). Opposition is recommended.

Vote Cast: *Oppose*

*3.2. Elect Hao Bo as Supervisor*

The supervisor candidate is not considered independent. There is insufficient independent representation on the supervisory board (less than 33%). Opposition is recommended.

Vote Cast: *Oppose*

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

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

Vote Cast: *Oppose*

*5. Approve Fees Payable to the Independent Directors*

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

Vote Cast: *Oppose*

*6. Authorise Share Repurchase*

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

## HOLMEN AB AGM - 30-03-2022

### 12.1. *Elect Fredrik Lundberg - Chair (Non Executive)*

Non-Executive Director. Not considered independent as he is President and CEO of LE Lundbergföretagen AB, which holds the majority of the company's issued share capital and voting rights. In addition, he has served on the Board for more than nine years. There is insufficient independent representation on the Board. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. Overall, opposition is recommended.

Vote Cast: *Oppose*

### 12.2. *Elect Carl Bennet - Non-Executive Director*

Non-Executive Director. Not considered to be independent owing to a tenure of over nine years and as they are a Board Member of Lundbergföretagen, which holds the majority of the company's issued share capital and voting rights. There is insufficient independent representation on the Board. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. Overall, opposition is recommended.

Vote Cast: *Oppose*

### 12.4. *Elect Alice Kempe - Non-Executive Director*

Non-Executive Director. Not considered independent as they are the Chair of Kempe Foundations, a significant shareholder of the Company. There is insufficient independent representation on the Board. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. Overall, opposition is recommended.

Vote Cast: *Oppose*

### 12.5. *Elect Louise Lindh - Non-Executive Director*

Non-Executive Director. Not considered to be independent owing to a tenure of over nine years and as she is CEO of Fastighets AB L E Lundberg. Holmen rents office premises for SEK 6 million from Fastighets AB L E Lundberg, which is a group company within LE Lundbergföretagen AB, the major shareholder of the Company. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. Overall, opposition is recommended.

Vote Cast: *Oppose*

### 12.6. *Elect Ulf Lundahl - Non-Executive Director*

Non-Executive Director. Not considered to be independent as he was Chief Executive Officer of L E Lundbergföretagen AB which holds the majority of the company's issued share capital and the voting rights. At this time, there is no evidence that an enough cool-off period has passed. He has also been on the Board for more than nine years. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *12.7. Elect Fredrik Persson - Non-Executive Director*

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

*Vote Cast: Oppose*

### *15.1. Approve New Long Term Incentive Plan (Financed by Transfers of Repurchased Class B Treasury Shares)*

It is proposed to approve a new long term incentive plan. The previous plan, approved in 2019, expires in 2022. Senior executives, including the CEO, as well as other key employees, will be invited to personally invest in Class B Holmen shares as 'Savings Shares.' For each Savings Share, the participant will be awarded 0.5 'Performance Share I' shares, provided performance commissions are met and that the total shareholder return during 2022-2024 exceeds 10%. In addition, participants can receive a number of additional shares (up to 6) depending on their fulfilment of performance conditions. The performance condition shall be based on Programme-specific financial targets related to the average return on capital employed for the three Paperboard, Paper and Wood products business areas for the 2022, 2023 and 2024 financial years. Each Participant may invest in Saving Shares of a value equal to no more than 10 per cent of their respective individual gross annual fixed salaries for 2022. In addition, the Board is concurrently requesting approval for the transfer of up to 120,000 Class B Holmen shares as a funding arrangement for the proposed plan.

The Company has not disclosed the specific performance criteria for the allocation of incentives, and as such there are concerns that it may overpay for underperformance. In addition, LTIPs are not considered an effective means of incentivising performance. These schemes are not considered to be properly long term and are subject to manipulation due to their discretionary nature. Opposition is recommended.

*Vote Cast: Oppose*

### *15.2. Approve Alternate Long-Term Incentive Plan Financing (Equity Swap Agreement with Third Party)*

Should the majority required under Item 15.B.1. above not be reached, the Board of Directors proposes that the Annual General Meeting resolve that the expected financial exposure resulting from the Programme may be hedged by Holmen entering into an equity swap agreement with a third party. Although companies have a legal duty to fund approved plans, this resolution is considered to be a proposal enabling the long term incentive plan proposed. Based on the concerns on the resolution for the approval of the plan, opposition is recommended also on this resolution.

*Vote Cast: Oppose*

### *16. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

**SK HYNIX AGM - 30-03-2022****1. *Approve Financial Statements***

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

**2. *Amend Articles***

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

**3. *Approve Stock Option Grants***

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

**4. *Approve Stock Option Grants (Previously granted)***

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

**7. *Elect Audit Committee: Ha Young-gu***

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

**8. *Approve Total Remuneration of Inside Directors and Outside Directors***

There is insufficient English disclosure of meeting materials in a timely manner to provide an informed vote. An abstain vote is recommended.

*Vote Cast: Abstain*

**MICRO FOCUS INTERNATIONAL PLC AGM - 30-03-2022****1. *Receive the Annual Report***

The annual report was made available sufficiently before the meeting and has been audited and certified. However, there are concerns surrounding the sustainability policies and practice at the company and the lack of board level accountability for sustainability issues. Therefore, it is considered that the annual report and the financial statements may not accurately reflect the material and financial impact of non-traditional financial risks. These concerns should have been addressed in the annual report submitted to shareholders, however the annual report fails to address these concerns adequately and therefore this resolution cannot be supported.

Vote Cast: *Abstain*

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

#### 6. *Re-elect Greg Lock - Chair (Non Executive)*

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

Vote Cast: *Abstain*

Results: For: 94.2, Abstain: 0.6, Oppose/Withhold: 5.2,

#### 12. *Re-appoint KPMG LLP as auditor of the Company*

KPMG proposed. No Non-audit fees were paid for the year under review and Non-Audit fees represents 0.27% 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.

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*

Results: For: 99.2, Abstain: 0.1, Oppose/Withhold: 0.7,

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

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

Vote Cast: *Oppose*

Results: For: 94.8, Abstain: 0.1, Oppose/Withhold: 5.1,

#### 17. *Authorise Share Repurchase*

The authority is limited to 14.99% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set

forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.

Vote Cast: *Oppose*

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

## **SWEDBANK AB AGM - 30-03-2022**

### *8. Approve Financial Statements*

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

Vote Cast: *Abstain*

### *10.a. Approve Discharge of Josefin Lindstrand*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

### *10.b. Approve Discharge of Bo Bengtson*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

### *10.c. Approve Discharge of Goran Bengtson*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

### *10.d. Approve Discharge of Hans Eckerstrom*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

*10.e. Approve Discharge of Kerstin Hermansson*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.f. Approve Discharge of Bengt Erik Lindgren*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.g. Approve Discharge of Bo Magnusson*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.h. Approve Discharge of Anna Mossberg*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.i. Approve Discharge of Biljana Pehrsson*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.j. Approve Discharge of Goran Persson*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.k. Approve Discharge of Annika Creutzer*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.l. Approve Discharge of Per Olof Nyman*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.m. Approve Discharge of Jens Henriksson*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.n. Approve Discharge of Roger Ljung*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.o. Approve Discharge of Ake Skoglund*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.p. Approve Discharge of Henrik Joelsson*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*10.q. Approve Discharge of Camilla Linder*

Standard proposal. The company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

*Vote Cast: Abstain*

*13.l. Re-Elect Goran Persson - Chair (Non Executive)*

Non-Executive Chair of the Board. As none of the members of the Sustainability Committee is up for election, the Chair of the Board is considered accountable for the



Company's Sustainability programme. As such, given that the Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability, an abstain vote is recommended.

*Vote Cast: Abstain*

*13.i. Re-Elect Anna Mossberg - Non-Executive Director*

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

*Vote Cast: Oppose*

*13.j. Re-Elect Per Olof Nyman - Non-Executive Director*

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

*Vote Cast: Oppose*

*14. Elect Goran Persson - as Chair (Non Executive)*

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*

*16. Approve Remuneration Policy And Other Terms of Employment For Executive Management*

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

*Vote Cast: Oppose*

*17. Authorize Repurchase Authorization for Trading in Own 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*

### *18. Authorize General Share Repurchase Program*

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

*Vote Cast: Oppose*

### *20.A. Approve Common Deferred Share Bonus Plan (Eken 2022)*

It is proposed to approve a stock option plan for employees and corporate officers. The Board would receive the authority to set beneficiaries and other conditions. The Performance Targets are measured during the Performance Year and are, for the majority of the Participants, determined based on (i) the profit after tax, adjusted for capital costs and risks, for the Group, (ii) the fulfilment of performance management processes on an individual level which also comprises assessing a number of behaviours linked to the Group's values – open, simple and caring, and (iii) risk assessment which may be made at Group level and/or business area level and/or individual level.

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

*Vote Cast: Oppose*

### *20.B. Approve Deferred Share Bonus Plan for Key Employees (IP 2022)*

It is proposed to approve a restricted share plan for key employees and corporate officers for up to 100% of the share capital in aggregate. The Board would receive the authority to set beneficiaries and other conditions. After allotment, 60 % of the performance shares will be received in 2023 and 40% in 2027, after a five-year deferral period, which is considered to be sufficiently long term. The Company states that exercise of shares will be based on targets, which have not been disclosed. 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*

### *20.C. Approve Equity Plan Financing*

The Board requests authority to repurchase and re-issue the shares to participants in the EKEN Programme and the Individual Performance Plan. This is considered to be an enabling resolution to resolutions 21.A and 2.B. Due to concerns over both resolutions, opposition is recommended.

*Vote Cast: Oppose*

### *22. Shareholder Resolution: change of the software in the bank's central computer*

**Proponent's argument:** Shareholder Carl Axel Bruno proposes that the company changes the mainframe software, so that only the Bank has the opportunity to start a second process as long as the Bank does not know who is starting a second process.

**Company's response:** The board recommends a vote against this proposal. "The bank continuously monitors developments in cyber threats and fraud and continuously adapts and improves the bank's security solutions. The Bank is of the view that such a change of software in Handelsbanken's mainframe as proposed

by the shareholder is neither correct nor necessary."

**PIRC analysis:**Insufficient information regarding the rationale, the scope or the goal of the proposal was disclosed by the shareholder and the original proposal is unclear. Opposition is recommended.

*Vote Cast: Oppose*

### *23. Shareholder Resolution: integration institute with operations in the Öresund region*

**Proponent's argument:**Shareholder Tommy Jonasson proposed that the Board of Directors be instructed to participate in the formation of an integration institute with operations in the Öresund region (Landskrona - Copenhagen) and to set aside SEK 10,000,000 (ten million) of the profit for the year.

**PIRC analysis:**While no statement in response from the company has been made available at this time, insufficient information regarding the rationale, the scope or the goal of the proposal was disclosed by the shareholder and the original proposal is unclear. Opposition is recommended.

*Vote Cast: Oppose*

## **SIAM CEMENT PCL AGM - 30-03-2022**

### *7. Approve Remuneration of Directors and Sub-Committees*

Non-Executive Directors receive a variable component on top of their fees. It is considered that non-executive directors should receive only fixed fees, as variable compensation may align them with short-term interests and not with long-term supervisory duties. On this basis, opposition is recommended.

*Vote Cast: Oppose*

### *8. Appoint the Auditors (KPMG Phoomchai Audit Limited ) and Allow the Board to Determine their Remuneration*

KPMG proposed. Non-audit fees represented 63.39% of audit fees during the year under review and 66.33% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor.

*Vote Cast: Oppose*

## **HANKOOK TIRE CO LTD AGM - 30-03-2022**

### *1. Approve Financial Statements*

At this time, the financial statements have not been made available in English. Although not uncommon in this market, it is considered a serious reporting omission. Opposition is recommended.

*Vote Cast: Oppose*

### *2. Approval Remuneration for Director*

No proposal is available in English at the present time. As per market practice, the proposed remuneration is likely to be made available only at the meeting.

Although this is a common practice for a standard item in this market, support will not be suggested for resolutions concerning remuneration when sufficient information has not been made available for shareholders in sufficient time prior to the meeting, as such practice prevents shareholders from reaching an informed decision. Abstention from voting this resolution is recommended.

*Vote Cast: Abstain*

## **ENAGAS SA AGM - 30-03-2022**

### *5. Appoint the Auditors*

EY proposed. Non-audit fees represented 25.35% of audit fees during the year under review and 28.20% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

### *6.1. Elect Antonio Llarden Carratala - 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 and a vote to Oppose is recommended.

*Vote Cast: Oppose*

### *8. Approve Remuneration Policy*

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

*Vote Cast: Abstain*

### *9. 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*

### *10. Approve the Remuneration Report*

It is proposed to approve the annual report on remuneration of Executive and Non-Executive Directors with an advisory vote. The Company discloses all elements of remuneration for Executives and Non-Executives. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

## **CANON INC AGM - 30-03-2022**

### *3.1. Re-Elect Mitarai Fujio - President*

Current President. It is considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors), an oppose vote on the most senior directors is recommended. President. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Opposition is recommended.

*Vote Cast: Oppose*

### *4.1. Elect Yanagibashi Katsuhito*

Non-executive Corporate Auditor. Not considered to be independent. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

*Vote Cast: Oppose*

### *4.2. Re-Elect Kashimoto Kouichi*

Not considered independent as the candidate is considered to be connected to a major shareholder, Non-executive Corporate Auditor. Not considered to be independent. The corporate auditor board is less than 50% independent. Opposition is therefore recommended.

*Vote Cast: Oppose*

## **SWISSCOM AGM - 30-03-2022**

### *1.1. Approve Financial Statements*

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

Vote Cast: *Abstain*

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

### 3. *Discharge of the members of the Board of Directors and the Group Executive Board*

Standard proposal. Although no wrongdoing has been identified, the company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. As such, abstention is recommended on the discharge.

Vote Cast: *Abstain*

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

#### 4.1. *Re-elect Roland Abt - Non-Executive Director*

Independent Non-Executive Director and chair of the audit committee. At the company, there is no external whistle-blowing hotline. This suggests that such concerns that should be raised by a whistle-blower are dealt with internally, which may increase the risk of such issues not being followed up or escalating to a level where the higher was the level of the misconduct, the more likely is the issue to be concealed. On this basis, and on the potential unforeseeable consequences for the company, opposition is recommended to the re-election of the chair of the audit committee, who is considered to be accountable for the concerns with the whistle-blowing reporting structure.

Vote Cast: *Oppose*

Results: For: 98.2, Abstain: 0.7, Oppose/Withhold: 1.1,

#### 4.8. *Re-elect Michael Rechsteiner - Chair (Non Executive)*

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

Vote Cast: *Abstain*

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

#### 4.9. *Re-election of Michael Rechsteiner as Chairman*

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

Vote Cast: *Abstain*

Results: For: 99.0, Abstain: 0.7, Oppose/Withhold: 0.2,

#### 5.3. *Elect Compensation Committee: Barbara Frei*

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

Vote Cast: *Oppose*

Results: For: 98.3, Abstain: 0.7, Oppose/Withhold: 1.0,

#### 5.5. *Elect Compensation Committee: Renzo Simoni*

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

Vote Cast: *Oppose*

Results: For: 97.1, Abstain: 0.7, Oppose/Withhold: 2.2,

#### 6.2. *Approve Remuneration Policy for Group Executive Board*

It is proposed to approve the maximum total amount of CHF 8.7 million for the remuneration of the members of the Group Executive Board with a binding vote. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.

Vote Cast: *Abstain*

Results: For: 96.9, Abstain: 0.8, Oppose/Withhold: 2.3,

#### 9. *Transact Any Other Business*

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

Vote Cast: *Oppose*

### **RAIFFEISEN BANK INTERNATIONAL AG AGM - 31-03-2022**

#### 7.1. *Elect Heinrich Schaller - Vice Chair (Non Executive)*

Non-Executive Director. Not considered to be independent as he was CEO of Raiffeisen-Landesbank Oberösterreich AG, part of the Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB) Group, the major shareholder. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 7.2. *Elect Peter Gauper - Non-Executive Director*

Non-Executive Director. Not considered independent as he serves in an executive capacity in various Companies in the group. Additionally, there are concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

#### 7.3. *Elect Rudolf Könighofer - Non-Executive Director*

Non-Executive Director. Not considered independent as he serves in an executive capacity in various Companies in the group. There is insufficient independent representation on the Board.

Vote Cast: *Oppose*

### *9. Authorise Share Repurchase*

It is proposed to authorise the Board to purchase Company's shares for 5%. 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*

### *10. Amend Articles*

The Board proposes to amend Articles related to article 2 and article 19 of Article of Associations. The Company has not disclosed details regarding the amendment. When proposing amendments to the Articles, it is expected that Companies disclose a comparative version of the Articles, before and after the amendments. Therefore, opposition is recommended based on lack of disclosure.

*Vote Cast: Oppose*

## **SK INNOVATION CO LTD AGM - 31-03-2022**

### *1. Approve Financial Statements*

At this time, the financial statements have not been made available in English. Although not uncommon in this market, it is considered a serious reporting omission. Opposition is recommended.

*Vote Cast: Oppose*

### *2.1. Elect Jang Dong Hyeon - Non-Executive Director*

The biographical information disclosed in English on this candidate is considered to be insufficient. Regardless of the level of independence on the Board, this is considered a serious lack of information. Opposition is recommended.

*Vote Cast: Oppose*

### *2.2. Elect Gim Tae Jin - Non-Executive Director*

The biographical information disclosed on this candidate is considered to be insufficient. Regardless of the level of independence on the Board, this is considered a serious lack of information. Opposition is recommended.

*Vote Cast: Oppose*

### *2.3. Elect Bak Jin Hoe - Non-Executive Director*

The biographical information disclosed on this candidate is considered to be insufficient. Regardless of the level of independence on the Board, this is considered a serious lack of information. Opposition is recommended.

*Vote Cast: Oppose*



### *3. Elect Audit Committee Member Gim Tae Jin*

Non-Executive Director, member of the audit committee. Not considered to be independent due to lack of biography disclosure. In terms of best practice, it is considered that the audit committee should only comprise independent members. An oppose vote is recommended.

*Vote Cast: Oppose*

### *4. Approve Remuneration of Inside Directors and Outside Directors*

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

*Vote Cast: Abstain*

## **BANCO SANTANDER SA AGM - 31-03-2022**

### *4. Ratify Appointment of PricewaterhouseCoopers as Auditor*

PwC proposed. Non-audit fees represented 2.99% of audit fees during the year under review and 2.68% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

*Results: For: 96.9, Abstain: 2.8, Oppose/Withhold: 0.3,*

### *8.A. Approve Remuneration Policy*

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

*Vote Cast: Abstain*

*Results: For: 91.2, Abstain: 2.8, Oppose/Withhold: 6.0,*

### *8.D. Approve Deferred Multiyear Objectives Variable Remuneration Plan*

Proposal to approve the third cycle of the Deferred Multiyear Objectives Variable Remuneration Plan. The award for the third plan will be based on the RoTE, TSR and ESG matters of the company. 50% of all Award payments will be made in cash, 25% in options on Santander shares and 25% in Santander shares, although the executive directors will be entitled to opt to receive in options the entire portion payable in Santander shares.

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

Vote Cast: *Oppose*

Results: For: 93.4, Abstain: 3.8, Oppose/Withhold: 2.7,

#### 8.E. *Approve Buy-out Policy*

Proposal to grant executives who as a result of accepting a job offer from the bank losses certain rights to variable remuneration from their previous company. The maximum number of shares available for this proposal is 40 million euros which is 0.04% of the share capital. However, such policies should be submitted case by case in order shareholders to approve them. As the proposal is in general policy it is recommended to oppose.

Vote Cast: *Oppose*

Results: For: 95.8, Abstain: 2.9, Oppose/Withhold: 1.3,

### **OUTOKUMPU OY AGM - 31-03-2022**

#### 16. *Authorise Share Repurchase*

It is proposed to authorise the Board to purchase up to 9.85% of the 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*

### **TRYG AS AGM - 31-03-2022**

#### 2.a. *Approve Financial Statements*

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

Vote Cast: *Oppose*

#### 2.b. *Discharge the Board*

Standard proposal. The Company's sustainability policies and practice are not considered to be adequate in order to minimize material risks linked to sustainability. Opposition is recommended on the discharge.

Vote Cast: *Oppose*

#### 4. *Approve the Remuneration Report*

It is proposed to approve the implementation of the remuneration policy. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. On balance, abstention is recommended.

*Vote Cast: Abstain*

#### *6.b. Authorise Share Repurchase*

The Board is proposing an extension to the existing authorisation to allow the Board to purchase the Company's shares until 31 December 2023. 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*

#### *6.f. Approve Remuneration Policy*

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

*Vote Cast: Abstain*

#### *7.2. Re-Elect Torben Nielsen - Vice Chair (Non Executive)*

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

*Vote Cast: Oppose*

#### *7.3. Re-Elect Mari Thjømøe - Non-Executive Director*

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

*Vote Cast: Oppose*

### **SCA (SVENSKA CELLULOSA) AB AGM - 31-03-2022**

#### *11.1. Elect Par Boman as Director*

Non-Executive Director. Not considered to be independent as he is a vice chair at Industrivarden, a significant shareholder. He was also a former President and CEO of Handelsbanken, which is controlled by Industrivarden. Additionally, not considered independent owing to a tenure of over nine years. It is considered that the Chair of the Board should be considered independent. Opposition is recommended.

*Vote Cast: Oppose*

#### *11.6. Elect Martin Lindqvist - Non-Executive Director*

Non-Executive Director. Not independent as the director is CEO of SSAB, which is in the portfolio of Industrivarden. There is sufficient independent representation

on the Board. However, there are concerns over the director's potential time commitments, and the director could not prove full attendance of board and committee meetings during the year.

*Vote Cast: Oppose*

#### *12. Reelect Par Boman as Board Chair*

Non-Executive Director. Not considered to be independent as he is a vice chair at Industrivarden, a significant shareholder. He was also a former President and CEO of Handelsbanken, which is controlled by Industrivarden. Additionally, not considered independent owing to a tenure of over nine years. It is considered that the Chair of the Board should be considered independent. Opposition is recommended.

*Vote Cast: Oppose*

#### *13. Appoint the Auditors*

EY proposed. Non-audit fees represented 10.00% of audit fees during the year under review and 3.45% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Abstain*

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

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

*Vote Cast: Oppose*

#### *15. Approve Remuneration Policy*

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

*Vote Cast: Oppose*

#### *16. Approve Long Term Incentive Program 2022-2024 for Key Employees*

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*

### **MINAS BUENAVENTURA SA AGM - 31-03-2022**

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

The present policy establishes that the annual remuneration of each Board Member will not exceed USD 330,000 or be less than USD 120,000. Non-Executive Directors receive a variable component on top of their fees. It is considered that non-executive directors should receive only fixed fees, as variable compensation may align them with short-term interests and not with long-term supervisory duties. On this basis, opposition is recommended.

*Vote Cast: Oppose*

#### *4. Appoint the Auditors*

EY proposed. An adequate break-down of the nature of non-audit fees is not provided, which makes the assessment of auditor's independence based on the non-audit fee impossible. The date of appointment of the auditor is not disclosed, meaning that there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

*Vote Cast: Oppose*

### **MARCOPOLO SA AGM - 31-03-2022**

#### *1. Approve Financial Statements*

Disclosure is acceptable and the report was made available sufficiently before the meeting. However, The Company has not disclosed the fees paid to the auditors for the year under review, and what non-audit services have been provided, if any. Under Brazilian legislation, companies are not required in their financial statements to disclose the amount paid for the External Audit except where additional services have been engaged and the value of such services exceeds 5% of the total amount paid to the external auditor. Nevertheless, it is considered that companies should go beyond minimum regulatory requirements. Not disclosing the fees paid to the auditors is considered to be a serious breach of shareholder accountability, as it is impossible to assess the existence of potential conflicts of interest that would hinder the independence of the auditor. On this ground, opposition is recommended.

*Vote Cast: Oppose*

#### *3.1. Re-elect Mauro Gilberto Bellini - Chair (Non Executive)*

Non-Executive Chair. Not considered independent as the director has close family ties with the Company as brother of James Eduardo Bellini, CEO of the company. In addition, they are controlling shareholders of the company. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*3.2. Re-elect Paulo Cezar da Silva Nunes - Vice Chair (Non Executive)*

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

*Vote Cast: Oppose*

*4. In Case Cumulative Voting Is Adopted, Do You Wish to Equally Distribute Your Votes Amongst the Nominees below?*

It is proposed to equally distribute votes among candidates in the slate, in case cumulative voting is adopted. Based on the profiles of the candidates and the overall independence of the board, it is considered that not all of the candidates should be supported equally.

*Vote Cast: Abstain*

*5.1. Percentage of Votes to Be Assigned - Elect Mauro Gilberto Bellini as Director*

Even in case cumulative voting were to be adopted, it is considered that the proposed candidate is not considered to be independent and should not be supported.

*Vote Cast: Abstain*

*5.2. Percentage of Votes to Be Assigned - Elect Paulo Cezar da Silva Nunes*

Even in case cumulative voting were to be adopted, it is considered that the proposed candidate is not considered to be independent and should not be supported.

*Vote Cast: Abstain*

*6. Elect Henrique Bredda as Director Appointed by Minority Shareholder*

Non-Executive Director. Not considered independent as the director has a relationship with the Company, which is considered material as Manager of the Alaska Asset Management, a significant shareholder. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*7. In Case Neither Class of Shares Reaches the Minimum Quorum Required by the Brazilian Corporate Law to Elect a Board Representative in Separate Elections, Would You Like to Use Your Votes to Elect the Candidate with More Votes to Represent Both Classes?*

In case neither class of shares reaches the minimum quorum to elect a board representative in separate elections, it is proposed to elect the candidate from most votes to represent both classes. As there are no guarantees that the elected director would increase the independence representation of the Board, abstention is recommended.

*Vote Cast: Abstain*

*8. Elect Jose Rubens de la Rosa as Director Appointed by Minority Shareholder*

Non-Executive Director. Not considered independent as the director was previously employed by the Company as Chief Executive Officer from 2000 to 2015. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

*9. In Case Neither Class of Shares Reaches the Minimum Quorum Required by the Brazilian Corporate Law to Elect a Board Representative in Separate Elections, Would You Like to Use Your Votes to Elect the Candidate with More Votes to Represent Both Classes?*

In case neither class of shares reaches the minimum quorum to elect a board representative in separate elections, it is proposed to elect the candidate from most votes to represent both classes. As there are no guarantees that the elected director would increase the independence representation of the Board, abstention is recommended.

*Vote Cast: Abstain*

*10. Elect Francisco Sergio Quintana da Rosa as Fiscal Council Member and Servulo Luiz Zardin as Alternate*

It is proposed to appoint members of the Fiscal Council in a bundled election: Francisco Sergio Quintana da Rosa as standing member, Servulo Luiz Zardin as secondary member. In terms of good governance, it is considered that all of the candidates to the Fiscal Board should be independent. It is regrettable that the Company has bundled their election instead of seeking support for individual candidates. Francisco Sergio Quintana da Rosa is not considered independent, owing to a tenure on the Fiscal Council of more than nine years. It is believed that there is a risk that over time the familiarity of a Fiscal Council member with the Company may result in excessive trust. On this basis, opposition is recommended.

*Vote Cast: Oppose*

*11. Elect William Cordeiro as Fiscal Council Member and Thiago Costa Jacinto as Alternate Appointed by Minority Shareholder*

It is proposed to appoint members of the Fiscal Council in a bundled election: William Cordeiro as standing member, Thiago Costa Jacinto as secondary member. In terms of good governance, it is considered that all of the candidates to the Fiscal Board should be independent. It is regrettable that the Company has bundled their election instead of seeking support for individual candidates. The candidate William Cordeiro is not considered to be independent, as is a founding partner and equity analyst equity analyst at Alaska Asset Management, a significant shareholder. On this basis, opposition is recommended.

*Vote Cast: Oppose*

*12. Approve Remuneration of Fiscal Council Members*

The Board is seeking approval for remuneration of the Fiscal Council. Members of the Fiscal Council receive only fixed fees, which is welcomed. The proposed increase is more than 10% on annual basis, which is considered excessive, as the Company has not provided sufficient justification. Opposition is recommended.

*Vote Cast: Oppose*

*13. Approve Remuneration of Company's Management*

It is proposed to approve the maximum compensation for Directors, Management and Fiscal Council for next year. It is regrettable that the Company bundled these items, however it is common practice in this market. The amount proposed under this resolution is not the actual remuneration but the global remuneration cap, and includes fixed salaries and short term incentives.

Directors and Fiscal Council receive only fixed fees. For Management, it is proposed to cap remuneration at BRL 17,4 million. Variable remuneration for executives

would correspond to up to 125% of the fixed pay. There is lack of disclosure with respect of targets and measurable criteria for variable remuneration, which prevents shareholders from making an informed assessment. Abstention is recommended.

*Vote Cast: Abstain*

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

PwC proposed. Non-audit fees represented 14.29% of audit fees during the year under review and 16.48% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The date of appointment of the current audit firm is undisclosed, meaning the length of tenure is not known. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

*Vote Cast: Oppose*

##### *14. Authorise Share Repurchase*

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

*Vote Cast: Oppose*

#### **MARCOPOLO SA CLASS - 31-03-2022**

##### *10. Elect Mateus Affonso Bandeira - Non-Executive Director, Appointed by Preferred Shareholder*

Non-Executive Director. Not considered independent as the director is indicated by preferred shareholders. There is insufficient independent representation on the Board.

*Vote Cast: Oppose*

##### *11. In Case Neither Class of Shares Reaches the Minimum Quorum Required by the Brazilian Corporate Law to Elect a Board Representative in Separate Elections, Would You Like to Use Your Votes to Elect the Candidate with More Votes to Represent Both Classes?*

In case neither class of shares reaches the minimum quorum to elect a board representative in separate elections, it is proposed to elect the candidate from most votes to represent both classes. As there are no guarantees that the elected director would increase the independence representation of the Board, abstention is recommended.

*Vote Cast: Abstain*



## 4 Appendix

The regions are categorised as follows:

ASIA	China; Hong Kong; Indonesia; India; South Korea; Laos; Macao; Malaysia; Philippines; Singapore; Thailand; Taiwan; Papua New Guinea; Vietnam
SANZA	Australia; New Zealand; South Africa
EUROPE/GLOBAL EU	Albania; Austria; Belgium; Bosnia; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; France; Finland; Germany; Greece; Hungary; Ireland; Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Moldova; Monaco; Montenegro; Netherlands; Norway; Poland; Portugal; Spain; Sweden; Switzerland
JAPAN	Japan
USA/CANADA	USA; Canada; Bermuda
UK/BRIT OVERSEAS	UK; Cayman Islands; Gibraltar; Guernsey; Jersey
SOUTH AMERICA	Argentina; Bolivia; Brazil; Chile; Colombia; Costa Rica; Cuba; Ecuador; El Salvador; Guatemala; Honduras; Mexico; Nicaragua; Panama; Paraguay; Peru; Uruguay; Venezuela
REST OF WORLD	Any Country not listed above

The following is a list of commonly used acronyms and definitions.

Acronym	Description
AGM	Annual General Meeting
CEO	Chief Executive Officer
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FY	Financial Year
KPI	Key Performance Indicators - financial or other measures of a company's performance
LTIP	Long Term Incentive Plan - Equity based remuneration scheme which provides stock awards to recipients
NED	Non-Executive Director
NEO	Named Executive Officer - Used in the US to refer to the five highest paid executives
PLC	Publicly Listed Company
PSP	Performance Share Plan
ROCE	Return on Capital Employed
SID	Senior Independent Director
SOP	Stock Option Plan - Scheme which grants stock options to recipients
TSR	Total Shareholder Return - Stock price appreciation plus dividends

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*Version 1*